

CRIME AND
MISCONDUCT
COMMISSION



QUEENSLAND

CMC ANNUAL REPORT

2004-05

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Annual Report 2004–05

This annual report relates to the goals and strategies outlined in the CMC's strategic plan for the period 2004–08, and to business plans for the period 2004–05.

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 2005

The Honourable Linda Lavarch MP
Minister for Justice and Attorney-General
Parliament House
George Street
Brisbane Qld 4000

Dear Minister

We are pleased to present to Parliament the fourth annual report of the Crime and Misconduct Commission, which covers the 2004–05 financial year. The report is in accordance with the provisions of section 46J of the *Financial Administration and Audit Act 1977*.

Yours sincerely



Robert Needham, Chairperson



Hon. Douglas Drummond QC, Commissioner



Suzette Coates, Commissioner



Julie Cork, Commissioner



Dr David Gow, Commissioner

MESSAGE FROM THE CHAIRPERSON

In this, my first annual report as Chairperson of the CMC, I wish to reflect on the year's achievements, and to set forth what I believe to be the major challenges facing the organisation at this time.

I must start, however, by acknowledging the unstinting dedication of my immediate predecessor, Brendan Butler SC, who, after standing at the helm of the former CJC, helped establish the CMC and guided it through its formative years. I thank Brendan for bequeathing to me such a healthy and vibrant organisation.

The recent past has also seen the loss of four distinguished Commissioners — Sally Goold OAM, Ray Rinaudo, Bill Pincus QC and Margaret Steinberg AM. I thank them all for their individual and collective contributions to the Commission, and at the same time welcome four new Commissioners — Suzette Coates and Julie Cork, who arrived just before I did, and Doug Drummond QC and Dr David Gow, whose terms started just outside the reporting period of this annual report.

The year in review

The past year has demonstrated even more clearly than before that the independence and special expertise of the CMC make it ideally suited to reviewing state legislation, government initiatives and police powers, and to providing public sector agencies with the tools they need to guard against fraud and corruption. The year saw the release of no less than five significant reviews, as well as landmark corruption prevention materials, all of which related in one way or another to the safety and wellbeing of the people of Queensland.

In December 2004 there was the release of *Striking a balance*, a report of a CMC public inquiry into police radio communications. The inquiry called on the Commission to consider the issues of freedom of the press and the media's role in a democratic state, within the context of modern policing. In making its recommendations, the Commission balanced individual privacy, operational security and public safety considerations against the need for high levels of transparency and accountability in policing.

Also in December 2004 we released comprehensive evaluations of the Queensland Prostitution Act and the live adult entertainment industry. The former



established that Queensland has a safe and effective legal brothel industry, better regulated than in any other state in Australia. We called for minor amendments to the Act to ensure the legal industry's continued viability and to reduce the incentives for the illegal industry. One of our recommendations was that the CMC extend its review of the Prostitution Act to examine the question of whether escort or outcall prostitution services should be legalised in Queensland, and it has been one of my duties as Chairperson of the CMC to preside over hearings on that issue. A report will be released later in 2005–06.

Our evaluation of the live adult entertainment industry showed that the current regulatory system works well, but should be strengthened and extended. Full regulation will minimise opportunities to exploit minors, reduce negative effects on the community and deter organised crime. A companion report, describing the regulation of adult entertainment in other Australian jurisdictions, will be released soon.

In November 2004 and in March 2005 we released two significant corruption prevention publications: a 'toolkit' on managing conflicts of interest in the workplace and a comprehensive set of guidelines for public sector managers on controlling workplace fraud and corruption. The former was a collaborative undertaking with the New South Wales Independent Commission Against Corruption and a testament to the importance both organisations place on building the capacity of public sector agencies to prevent workplace corruption.

In the second half of the financial year we released major reports on policing domestic violence and the

merits of problem-oriented policing (as opposed to reactive policing), and were preparing for the release of a formal assessment of a relatively new use-of-force option for Queensland police: capsicum spray.

More recently, just outside the 2004–05 reporting period, we released a comprehensive and detailed evaluation of the trial police powers in relation to volatile substance misuse (also known as ‘chroming’), and the Queensland Government’s places of safety model for people addicted to volatile substances.

But for many people in the community the CMC is still best known as a complaints-handling body. Our success in this area is demonstrated by the increasing number of complaints of suspected misconduct that are brought to us. Our success, however, is tempered by logistic challenges, as CMC staff struggle to cope with a more than 60 per cent increase in complaints received since 2001–02 — especially when many of the complaints brought to us do not turn out to involve misconduct at all, and many others are sufficiently minor to be safely handled by the agencies themselves.

No single organisation can possibly hope to be the sole guardian of public sector integrity. It is for this reason that the CMC is committed to doing everything in its power to help public sector agencies take greater responsibility for detecting, dealing with and preventing the wrongdoing of their own officers. Experience has shown that misconduct is reduced, and the risk of systemic corruption minimised, if a culture of integrity exists within an organisation. The establishment of such a culture requires not only the existence of an independent body such as the CMC, but a shared commitment to integrity by all public sector managers. The CMC’s ultimate goal is to achieve an integrated system where all Queensland government agencies regard misconduct prevention and detection as core business. Our Act, the *Crime and Misconduct Act 2001*, provides the mechanism for an ‘integrity culture’ to flourish by:

- giving public sector managers responsibility for preventing and dealing with misconduct in their own agency
- tasking the CMC with helping build the capacity of public sector agencies to carry out this responsibility effectively
- empowering the CMC to monitor how agencies are dealing with misconduct and to uncover system deficiencies.

At the same time, the CMC will never shy away from conducting investigations into potentially serious matters or ones that involve the public interest. Our reputation as a fearlessly independent body was forged by the CJC in the aftermath of the Fitzgerald Inquiry and today the CMC continues to jealously guard its independence. At the time of publication of this report, for example, I had begun presiding over a wide-ranging inquiry into allegations concerning the Gold Coast City Council. The inquiry is investigating cases of suspected official misconduct by councillors, and examining the adequacy of existing legislation in relation to the conduct of local government elections and local government business. A report with recommendations will be tabled in parliament early in 2006. The important point to remember here is that the CMC is looking not simply at localised issues and problems at Gold Coast City Council but also at systemic weaknesses that might be diminishing the performance of councils in general. It is one thing for the CMC to make recommendations for prosecution; it is quite another thing, and arguably far more important, to find and fix the systemic problems that give rise to the prosecutions in the first place.

There are, however, legal limitations to the power of the CMC, which some sections of the community do not always understand. We cannot, for example, investigate an elected official unless the matter could possibly involve a criminal offence. The rationale for the difference between departmental officers and politicians is that the latter are elected by the people and, short of being convicted of a criminal offence, an elected official such as a member of parliament or councillor can only be ‘dismissed’ through the ballot box. This limitation is sometimes misinterpreted as reluctance on the CMC’s part to ‘take on the politicians’. The CMC has no such reluctance, but we must operate within the confines of our Act and within the confines of the justice system.

Nonetheless, a CMC report can challenge our political leaders. In this reporting period, for example, a CMC investigation of certain travel and hospitality expenditure of the Office of the Speaker was followed a short time later by the resignation of the Speaker. Similarly, the Minister for Aboriginal and Torres Strait Islander Policy resigned when the CMC investigated allegations of official misconduct arising from certain travel arrangements authorised by the minister. In early 2004, following the release of our *Protecting children* report, a whole government department was abolished and a new one created.

We also achieved strong results in our crime operations for this reporting period. CMC crime investigations this year resulted in 137 people being charged with 891 offences, and the return of \$1.623 million to state coffers. As with our complaints area, however, our steady success in civil confiscation is placing an increasing strain on CMC resources.

Results in the fight against paedophilia were particularly satisfying, with 16 investigations resulting in 20 people being charged with a total of 435 offences. In September 2005 operations by the CMC and QPS led to the arrest of nine men across the state on charges relating to the use of the Internet to commit sex offences involving children. Successes like these show just what can be achieved when law enforcement agencies share information and resources. Parents should be comforted to know that Internet paedophiles are no longer safe from detection — even though they must, as parents, remain constantly vigilant, warning their children of the inherent dangers in surfing the net.

While the continuing success of our crime investigations is encouraging, I would be derelict in my duty if I did not add my voice to those of previous CMC Chairpersons who have urged the granting of telephone interception powers to the CMC. It is true that we can gain access to such powers through joint operations with the Australian Crime Commission and the Australian Federal Police — but only when there are federal or cross-border aspects to the investigation. As the CMC's priorities sometimes differ from those of Commonwealth and interstate agencies, we will continue to press for these powers.

This year — in November 2004 — the CMC shared its renowned witness protection training with police agencies from around the world in the inaugural tertiary-accredited National Witness Protection Course. Students from the United States, Northern Ireland and New Zealand completed the diploma, as well as 37 police officers from other Australian jurisdictions. The CMC is the only agency in Queensland offering a witness protection service, this year protecting 115 people in 61 operations.

Future challenges

As I look back over my first six months in office and look ahead to 2005–06, I see the major challenges facing the CMC as being:

- the wise use of our limited resources, especially in the areas of complaints handling, monitoring, research and civil confiscation

- the continual need to find more effective ways to help public sector agencies build an 'integrity culture' in the workplace
- the necessity in this increasingly less secure age for telecommunication interception powers to help us fight major crime and serious official misconduct
- the need to keep educating our stakeholders on precisely where our powers begin and end.

I must also refer to the difficulties caused by section 178 of the Crime and Misconduct Act, which requires the CMC Chairperson alone to conduct public hearings while at the same time remaining CEO of the organisation. The complications that this unwieldy restriction could occasion during a protracted hearing are obvious, and for this reason I trust that the State Government will reconsider the wording of the present section to allow, in appropriate circumstances, a suitably qualified person to be appointed to conduct public hearings.

But, above all, I urge all CMC staff — whatever their individual roles might be — to see the CMC as an organisation that does not simply uncover wrongdoing, vital as that may be, but truly strives to help public sector agencies take responsibility for their own wrongdoing, thus creating strong and healthy institutions that can withstand insidious attack from those who care nothing for our quality of life.

As in previous years, the CMC will go on setting higher standards for the police and the public sector, and for those involved in politics, and continue to work in partnership with state and federal law enforcement agencies to fight the scourge of serious crime. I trust that under my leadership the organisation will continue to prosper in all these areas so that both sides of politics, and the community in general, will continue to see the CMC as an essential element of the Queensland system of government.

I thank the staff of the CMC for their hard work and dedication throughout the year, and for the warm welcome they extended me as their new CEO. I look forward to the remainder of my term in office.



Robert Needham
Chairperson

HIGHLIGHTS OF THE YEAR 2004–05

Fighting major crime

- > 137 people charged with 891 offences as a result of CMC crime investigations
- > 24 investigations finalised: 14 into criminal paedophilia, 7 into organised crime, and 3 into serious crime
- > 35 days of investigative hearings held, with 37 witnesses called to give evidence
- > 9 joint organised crime investigations conducted with the QPS and other law enforcement agencies
- > 16 paedophilia investigations conducted, with operations resulting in 20 people charged with a total of 435 offences
- > 6 serious crime investigations referred by the Crime Reference Committee
- > \$8.08m in assets restrained through civil confiscation legislation; 15 matters finalised and \$1.623m forfeited to the state
- > 470 intelligence reports collated to the Intelligence Recording and Analysis System database, of which 398 were passed on to partner agencies
- > crime bulletin published, strategically assessing organised crime markets in Queensland
- > research report published on the prevalence of illicit drug use among emergency department patients in Queensland hospitals

Reducing misconduct and improving integrity

- > almost 4400 complaints received, compared with just under 4000 last year
- > 201 complaints audited after referral back to public sector agencies to deal with
- > 109 misconduct investigations conducted, with 185 charges recommended
- > financial management guidelines for the Office of the Speaker reviewed and the conduct of the Speaker investigated
- > two investigative reports in relation to Palm Island published: one into allegations made against the Premier and the other into allegations made against the then Minister for Aboriginal and Torres Strait Islander Policy
- > allegation involving the Tugun Bypass investigated and a report published in August 2004

- > causes of a serious injury to a young man during a police arrest investigated, highlighting deficiencies in police training
- > the integrity of the January 2005 appointment of the Information Commissioner investigated
- > two documents published, with the Independent Commission Against Corruption, to help public sector officers manage conflicts of interest in the public sector
- > a major work published to provide public sector officers with practical advice on controlling workplace fraud and corruption
- > additions made to our highly successful publication *Facing the facts: a CMC guide for dealing with allegations of suspected official misconduct in public sector agencies*
- > visits made to Roma, Biggenden, Mackay and Wide Bay–Burnett region to provide information sessions for public sector agencies
- > a three-year collaborative national research project begun on the management and protection of internal witnesses, including whistleblowers, in the Australian public sector

Protecting witnesses

- > 115 people protected in 61 operations
- > court security provided to 41 witnesses in 34 operations
- > 78 threat assessments conducted
- > inaugural tertiary-accredited National Witness Protection Course hosted in November 2004
- > reciprocal arrangements signed with the Commonwealth in April 2005, allowing Commonwealth identity documents to be generated in support of new identities created under the state legislation

Conducting research on policing and legislative issues

- > Queensland live adult entertainment industry reviewed, and report tabled in parliament in December 2004
- > Prostitution Act reviewed, and report tabled in parliament in December 2004
- > report *Striking a balance: an inquiry into media access to police radio communications* tabled in parliament in December 2004
- > research report on the challenges of policing domestic violence published in April 2005
- > evaluation of trial use of problem-oriented policing for Gold Coast detectives released in May 2005

FINANCIAL SUMMARY 2004-05

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 2005, this was \$33.209m (98.60% 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 (\$24.201m), with supplies and services (\$7.297m) and depreciation (\$1.445m). Total expenses were \$32.958m for the year ended 30 June 2005.

Assets

Total current and non-current assets as at 30 June 2005 totalled \$9.518m.

Liabilities

Total liabilities as at 30 June 2005 were \$3.633m. This included \$0.862m for the lease incentive liability for the Terrica Place premises, \$1.427m for employee leave entitlements not taken, and \$0.852m for accrued expenses and trade creditors.

Net equity

As at 30 June 2005, the CMC's net equity was \$5.885m.

Operating result

The CMC had an operating surplus of \$0.724m as at 30 June 2005. This was due principally to higher return on investment funds, higher than planned receivables, reduction in salary expense arising from recruitment delays, and delayed payment for goods and services not received as expected by 30 June.

Financial summary for year ended 30 June 2005

	\$'000
For the year	
Queensland Government grant	33 209
Operating revenue	473
Total revenues	33 682
Operating expenses	32 958
Operating surplus	724
At year end	
Total assets	9 518
Total liabilities	3 633
Net assets	5 885

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 through an all-party parliamentary committee. 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.

This section of the report gives a brief overview of the organisation's history, management, outputs, support functions, special powers and accountability.

Some facts about the CMC

- Carries on the work of the former Criminal Justice Commission and Queensland Crime Commission
- Is not a court or an alternative police service, but works with law enforcement agencies to fight crime
- Is the only Queensland law enforcement agency with the power to conduct coercive hearings
- Investigates the most serious complaints of misconduct in the public service, or those that involve the public interest
- Can investigate public servants, but not elected officials, unless their conduct could amount to a criminal offence
- Offers the only witness protection service in Queensland
- Monitors the Queensland Police Service
- Employs almost 300 staff and has a budget of \$33 million.

The Commission

As at February 2005 (standing l to r): Suzette Coates, Hon. Bill Pincus QC, Julie Cork; (seated): Professor Margaret Steinberg and Robert Needham (Chairperson). Bill Pincus left the Commission in April 2005 and Margaret Steinberg in September 2005. The Hon. Douglas Drummond QC was appointed in July 2005, and Dr David Gow in September 2005.



History

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 standards of accountability, integrity and performance in the Queensland public sector.

The CMC continues this work today, although with greater emphasis on public sector agencies taking responsibility for dealing with their own 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, and retains only the most serious matters for investigation by the CMC.

For several years the CJC also had responsibility for investigating organised crime, mainly through 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 between the QCC and QPS lives on in the CMC.

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.

Today, the CMC is committed to the continuous improvement of the Queensland public sector, including the police service, and to helping police fight organised and other forms of major crime.

Management

Policy and strategic direction at the CMC are set by a body known as 'the Commission', which comprises five Commissioners: a full-time Chairperson (who is also CEO) and four part-time Commissioners.

Collectively, the Commissioners exercise the primary decision-making role. They bear the legal responsibility for all CMC functions, determine policy and make decisions on the conduct of public 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. For details about the Commissioners who served during this reporting period, see pages 56–58.

CMC Commissioners are also eligible to be appointed Police Service Review Commissioners (see page 70 for details of the work of the Review Commissioners).

Decisions made by the Commission are put into effect by an 11-member Strategic Management Group (SMG) headed by the Chairperson as CEO. For details about the membership of the SMG, see pages 54–55.

Outputs

The CMC's strategic plan for the period 2004–08 identifies three main outputs — combating major crime, reducing misconduct and improving public sector integrity, and protecting witnesses.

In addition, the CMC conducts research in support of these functions, along with research into policing methods and legislative issues. It also collaborates with Indigenous communities to improve relations between police and Indigenous people.

Combating major crime

The CMC works with the QPS and other law enforcement agencies 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 is not an alternative police service, but it has special powers not possessed by any other law enforcement agency which help it make a valuable contribution to combating and preventing major crime.

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

The CMC's intelligence work helps it decide what crimes pose the most serious threat to the people of Queensland, and its research and prevention function helps it adopt preventive strategies in addition to making arrests. For performance in 2004–05, see pages 12–24.

Reducing misconduct and improving integrity

The CMC is the place where Queenslanders can bring any serious concerns they have about the integrity of public officials.

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 and police misconduct are defined as follows:

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

The CMC's misconduct jurisdiction applies to the Queensland public sector only. It encompasses state government departments and statutory bodies, schools (state and some private), universities and TAFE institutes, local government councils, prisons (state and private), the QPS, judicial officers, and Queensland parliamentarians and elected councillors.

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 allegations 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 output, the Misconduct output relies on the use of multidisciplinary teams. For performance in 2004–05, see pages 25–43.

Protecting witnesses

The CMC offers Queensland's only witness protection service. To be eligible for protection, a person must be 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 required police protection. For performance in 2004–05, see pages 48–53.

Functions that support CMC outputs

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

- **Research and Prevention**, which encompasses research into crime, misconduct, policing, and other policy and legislative issues referred by the minister, and misconduct prevention services. For performance in 2004–05, see 'Combating major crime', 'Reducing misconduct and improving integrity' and 'Conducting research' (pages 25–47).
- **Intelligence**, which encompasses the gathering and analysis of intelligence in support of crime and misconduct investigations. For performance in 2004–05, see 'Combating major crime' and 'Reducing misconduct and improving integrity' (pages 12–43).
- **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 69.
- **Corporate Support**. 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, information management and communication services. For performance in 2004–05, see 'Ensuring organisational capability' (pages 54–69).

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, it 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 misconduct investigations as well as in proactive financial investigations into organised crime and money laundering.

Powers under both the *Crime and Misconduct Act 2001* and the *Police Powers and Responsibilities Act 2000* are used, depending on operational considerations. For the use of these powers in 2004–05, see Tables 6 (page 16), 7 (page 16) and 9 (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.

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.

Under section 178(1) of the *Crime and Misconduct Act*, only the Chairperson, who is also CEO of the organisation, can conduct public inquiries.

During this reporting period, a public inquiry was held in relation to police radio communications (for details see page 46).

Limitations of CMC powers

The CMC is not a court. It cannot find people guilty or not guilty, or discipline anyone, although it can, in the context of its crime investigations, have people arrested, charged and prosecuted and, in the context of its official misconduct functions, 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 public 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
- state parliamentarians and local councillors, unless their conduct could amount to a criminal offence.

Telephone interception powers

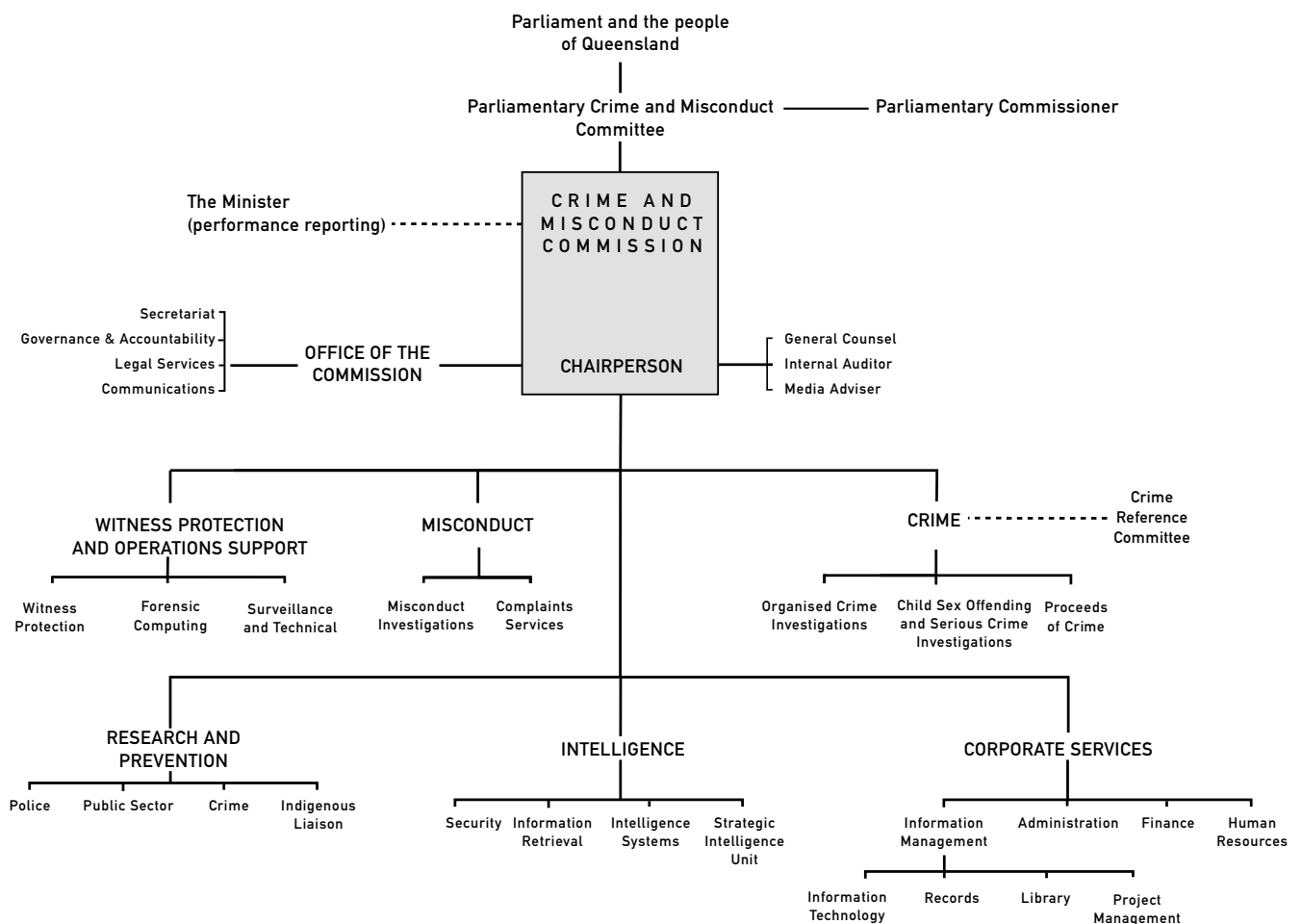
Unlike law enforcement agencies such as the Australian Crime Commission (ACC) and the Australian Federal

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 most CMC investigations of major crime and corruption. The CMC will continue to press for these powers.

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 or PCMC (see also page 61). The PCMC, which is assisted by the Parliamentary Crime and Misconduct Commissioner, oversees the CMC's activities and investigates complaints against it. See page 55 for more details about the CMC's accountability.

Figure 1. Structure of the CMC



COMBATING MAJOR CRIME

The CMC works in law enforcement partnerships, gathers criminal intelligence, confiscates criminal proceeds and conducts research into crime prevention

Table 1.
Overall performance 2004–05

Indicator	Performance
Total investigations finalised	24
Joint agency investigations	23
Organised crime investigations	7
Paedophilia investigations	16
Serious crime investigations	3
Number of people charged	137
Number of charges laid	891
Investigative hearing days	35
Intelligence assessments	470
Intelligence disseminations	398
Criminal proceeds restraining orders obtained	37
Assets restrained	\$8.088m
Assets forfeited to the state	\$1.623m
Cost for output	\$10.263m

The CMC's strategic plan for the period 2004–08 identifies the biggest challenges for the 'combating major crime' output as being:

- enhancing the impact of law enforcement on organised crime
- targeting and preventing criminal paedophilia
- recovering the proceeds of crime.

We met these challenges through:

- 1 carrying out multidisciplinary investigations
- 2 undermining the financial basis of crime
- 3 conducting crime-related research and intelligence activities.

This section of the report details our performance for the year. See Tables 1 and 2 for an overview of performance.

Crime Reference Committee

Major crimes come to the CMC through the Crime Reference Committee. Membership at June 2005: (back l to r) John Banham, Assistant Commissioner, QPS, representing Commissioner of Police Bob Atkinson; Robert Needham, CMC Chairperson; John Callanan, CMC Assistant Commissioner, Crime; Terry Houguet-Pincham, community representative; (front l to r) Elizabeth Fraser, Commissioner for Children and Young People and Child Guardian; Judith Bell, community representative.



Table 2. Performance 2004–05

Last year we said we would:	In 2004–05 we:
Continue to dismantle or disrupt organised crime networks operating in Queensland.	<ul style="list-style-type: none"> Finalised 7 organised crime investigations, arresting 114 offenders on 452 charges.
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.	<ul style="list-style-type: none"> Conducted 16 paedophilia investigations, 14 in relation to Internet offenders and 2 in relation to networked offenders, resulting in the arrests of 20 offenders on 435 charges. Won the QPS State Gold Award for Excellence in Policing Operations for our development and use of pioneering computer software, Chat-Trak. The software pinpoints the precise geographic location of suspected paedophiles using the Internet.
Obtain approximately 20 restraining orders, resulting in the restraint of assets valued at approximately \$8m. It was also expected that litigation by the CMC would result in the finalisation of 12 matters and the transfer to the state of assets valued at about \$4m.	<ul style="list-style-type: none"> Obtained 37 restraining orders and restrained assets worth \$8.088m, bringing the total value of assets restrained since the legislation was enacted in January 2003 to \$25.76m. Finalised 15 matters resulting in the transfer of \$1.623m of assets to the state.
<p>Produce a minimum of three assessments, through the Strategic Assessment Unit:</p> <ul style="list-style-type: none"> – the cocaine market in Queensland – organised crime markets in Queensland – property crime in Queensland. 	<ul style="list-style-type: none"> Published a strategic assessment of organised crime in September 2004 and, as at June 2005, were preparing an assessment of property crime. The cocaine assessment has been postponed to mid-2006.
In cooperation with other government departments, undertake an evidence-based research project to identify effective mechanisms for preventing child sexual abuse.	<ul style="list-style-type: none"> Undertook the groundwork for this project (see page 19 for details).
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.	<ul style="list-style-type: none"> Prepared a report on the new police powers to respond to volatile substance abuse. The report is due for publication in September 2005 (see page 45). Prepared an evaluation of the Department of Communities places of safety model (see page 45).
Deliver two Human Source Operations courses.	<ul style="list-style-type: none"> Delivered three Human Source Operations courses.

1 Conducting investigations

Through partnerships with other law enforcement agencies, the CMC fights major crime.

Major crime encompasses:

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

Matters for investigation are referred to us by the Crime Reference Committee (for membership, see the photograph on page 12). We also have a number of 'umbrella' referrals which allow us 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.

For referrals this reporting period, see Table 3 below.

In relation to serious crime, we help police with investigations that have encountered difficulties. An otherwise effective police investigation might, for example, meet a wall of silence set up by uncooperative potential witnesses. In such cases the CMC can use its special hearings power to overcome the obstacle. Typically, we are asked to assist in unsolved murders and other serious offences such as arson and extortion.

Table 3. Referrals from Crime Reference Committee current or completed in 2004–05

Referral	Date	Status	Type	Description
Alpha Cobra	Sept. 2003	Current	Serious crime	Murder
Alpha Grapple	Feb. 2003	Completed	Serious crime	Suspected arson
Alpha Washington	June 2005	Current	Organised crime	Fraud
Artemis	July 2003	Current	Paedophilia	An umbrella reference relating to networked or 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	Completed	Paedophilia	Extrafamilial networked offenders who offended against multiple victims before 1990
Bravo Freda	Aug. 2003	Completed	Serious crime	Suspected double murder
Bravo Laurel	Feb. 2004	Current	Serious crime	Murder
Bravo Vada	Dec. 2004	Current	Serious crime	Murder
Charlie Caravan	June 2005	Current	Serious crime	Attempted murder
Charlie Caribou	Mar. 2005	Current	Serious crime	Attempted murder
Charlie Hush	Sept. 2004	Completed	Serious crime	Unlawful killing
Charlie Raze	June 2005	Current	Serious crime	Double murder
Counter-terrorism	Sept. 2004	Current	Organised crime	Anti-terrorist activities
Counter-terrorism	Dec. 2002	Current	Organised crime	Anti-terrorist activities
Delta Note	April 2005	Current	Serious crime	Unlawful killing
Freshnet	Aug. 1998	Current	Organised crime	An umbrella reference relating to established criminal networks
Gatekeeper	April 2000	Current	Organised crime	An umbrella reference relating to money laundering
Ink	Oct. 2003	Current	Serious crime	Murder
Napier	Sept. 2002	Current	Serious crime	Suspected murder
Tiber	Nov. 1998	Current	Serious crime	Murder

Overview of performance

- In 2004–05 we finalised 24 investigations: 14 into criminal paedophilia, seven into organised crime, and three into serious crime.
- Focused, intelligence-driven investigations resulted in increased arrests and charges as shown in Table 4 below.
- Charges included trafficking in a dangerous drug, supplying a dangerous drug, producing a dangerous drug, money laundering, using the Internet to procure a child under 16 to engage in a sexual act, other serious child sex abuse, child pornography, offences related to weapons and drugs, and structuring (structuring involves dividing up large sums of money into lots of less than \$10 000 in order to hide the transactions from AUSTRAC — the agency that monitors cash financial transactions throughout Australia).
- A total of 35 days of investigative hearings were conducted, with 37 witnesses called to give evidence. These hearings, conducted in Brisbane, Cairns, Cooktown and Dalby, related to two organised crime investigations, one paedophilia investigation and five serious crime investigations.
- We began 23 joint investigations with the QPS and other law enforcement agencies.

Table 4. Arrests and charges in 2004–05

Type	Offenders	Charges
Organised crime	114	452
Paedophilia	20	435
Serious crime	3	4
Total	137	891

Organised crime investigations

- Our strategy for combating organised crime was based on priorities identified through intelligence assessments. These assessments provided risk ratings of crime markets and of key networks or individuals operating within such markets. The current focus of organised crime operations accords with our assessment that amphetamine-like substances constitute the highest-ranking illegal commodity in Queensland.
- We conducted nine investigations in close partnership with the QPS, the Australian Crime Commission (ACC) and other agencies, of which seven were finalised.
- Four new operations were begun, five were carried over from the previous year, and four of those five were finalised.
- Four major joint operations with other law enforcement agencies — Alpha Submission Barrier, Mexico, Cleo and Charlie Yield — resulted in significant arrests and drug/asset seizures. See case studies, page 21.
- Investigative hearings were held over a total of 11 days in relation to two organised crime investigations (see Table 5). These investigations related to people alleged to have been heavily involved in producing and trafficking amphetamines, supplying precursor chemicals, money laundering, and other criminal activities.

Paedophilia investigations

- We conducted 16 paedophilia investigations focusing on serial or networked sexual offending outside the family, and on Internet-based offending. (See case study, page 23.)

Table 5. Use of CMC powers for organised crime investigations 2003–04 and 2004–05

Description	2003–04	2004–05
Hearing days	34	11
Notices to attend	26 issued 23 served	5 issued 5 served
Witnesses legally represented	13	4
Witnesses who applied to the Attorney-General for financial help	3	1
Witnesses giving evidence	24	5

Note: Significantly fewer hearings were held for organised crime investigations in 2004–05 because our focus was on preparing briefs and consolidating outcomes from earlier investigations. Ongoing operations were largely being conducted covertly.

- Internet-based investigations were particularly successful this year, with operations resulting in 18 people being charged with a total of 418 offences, including using the Internet to procure a child under 16 to commit a sexual act and using the Internet to expose a child under 16 to indecent material.
- Twenty-nine people identified by our investigations have now been charged under new legislation; 11 of these offenders have been sentenced, with 8 being given custodial sentences.
- Other investigations into paedophiles suspected of operating in networks resulted in two people being arrested and charged with a total of 17 charges.
- We kept a close watch on the increasingly sophisticated information technology environment in which paedophiles operate. This included CMC police officers, through approved controlled operations, posing as children on the Internet in order

to obtain evidence against people intending to procure a child to engage in a sexual act or expose a child to indecent matter. This may have resulted in offenders being identified and charged before any actual children were contacted and harmed.

- We used our award-winning pioneering computer software, Chat-Trak, to pinpoint the geographic location of predatory paedophiles using the Internet.
- We shared our technology and expertise in fighting online paedophilia crime with other police jurisdictions in Australia. Computer software and training was given to police agencies, including the Australian High Tech Crime Centre in Canberra and the police services of South Australia and New South Wales.
- We conducted six days of investigative hearings in relation to a non-Internet-based paedophilia investigation, calling seven witnesses to give evidence (see Table 6).

Table 6. Use of CMC powers for paedophilia investigations 2003-04 and 2004-05

Description	2003-04	2004-05
Hearing days	–	6
Notices to attend	–	8 issued 8 served
Witnesses legally represented	–	2
Witnesses who applied to the Attorney-General for financial help	–	–
Witnesses giving evidence	–	7

Note: As the table shows, this year we used hearings as an investigative tool in paedophile investigations. The use of this coercive power was not considered necessary in such investigations in the previous year.

Serious crime investigations

- We began six serious crime investigations, and continued eight.
- Two earlier investigations were finalised, and one investigation referred this year was completed.
- See case studies, pages 22–23, for details on Operations Bravo Vada, Charlie Hush and Charlie Caribou.

- Investigative hearings were held over a total of 18 days in relation to five serious crime investigations involving 25 witnesses (see Table 7).

Table 7. Use of CMC powers for serious crime investigations 2003-04 and 2004-05

Description	2003-04	2004-05
Hearing days	53	18
Notices to attend	66 issued 60 served	38 issued 28 served
Witnesses legally represented	19	3
Witnesses who applied to the Attorney-General for financial help	2	2
Witnesses giving evidence	58	25

Note: The use of hearings in serious crime investigations depends on the number of matters referred to us. Investigations in 2003-04 were more numerous, and more complex, than those in 2004-05. Indications are that extensive hearings will occur again in 2005-06.

The CMC's Egret Team

In November 2004, the CMC's paedophile investigation unit, the Egret Team, won the QPS State Gold Award for Excellence in Policing Operations for developing Chat-Trak. Pictured here receiving the award from Police Minister Judy Spence and Police Commissioner Bob Atkinson are Inspector Sue Dawson and Detective Senior Sergeant Bruno Asnicar.



2 Undermining the financial basis of crime

The CMC has responsibility for administering the civil confiscation scheme under the Criminal Proceeds Confiscation Act. We use our strategic criminal intelligence capacity to assess organised crime markets and identify criminal syndicates. We take away the financial incentive for crime by identifying and targeting assets gained through illegal activity.

Under the Act, property may be restrained if it belongs to, or is under the effective control of, someone who is suspected of being engaged in serious criminal activity in the past six years.

Property suspected of having been derived from serious criminal activity can also be restrained even if the particular person suspected of having engaged in the activity cannot be identified. Restrained property is liable to be forfeited unless a person proves, on the balance of probabilities, that it was lawfully acquired.

Overview of performance

- A total of 39 matters were referred to us by the QPS for civil confiscation action.
- Assets worth \$8.088m were restrained under the civil confiscation provisions, bringing the total value of assets restrained since January 2003 to \$25.76m.
- This year 37 restraining orders were obtained to restrain these assets, exceeding the target for the year. These 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.

- A total of 15 matters were finalised by negotiation, resulting in \$1.623m being forfeited to the state.

Comparative data are set out below in Table 8. Other powers used by the CMC during 2004–05 and 2003–04 are set out in Tables 9–11.

Table 8. Proceeds of crime comparative data

	2002–03 (half year)		2003–04		2004–05		Total \$m
	Number	Amount	Number	Amount	Number	Amount	
		\$m		\$m		\$m	
Restraining orders	10	7.12	33	10.55	37	8.088	25.76
Applications for forfeitures	9	6.75	30	9.56	41	9.44	25.75
Forfeitures/ settlements	1	0.018	2	0.768	15	1.62	2.406

A CMC private hearing

Assistant Commissioner, Crime, John Callanan presiding.



Other powers used for major crime investigations in 2004–05

Table 9. CM Act and PPR Act powers 2003–04 and 2004–05

Description	2003–04	2004–05
CM Act		
Search warrants	–	1
Surveillance warrants	16	30
Covert search warrants	2	8
Arrests	–	1
PPR Act*		
Search warrants (overt)	3	12
Search warrants (covert)	–	–
Surveillance warrants	–	–

* *Police Powers and Responsibilities Act 2000*

Table 10. Notice recipients 2003–04 and 2004–05

Description	2003–04	2004–05
Banks and financial institutions	144	307
Other businesses	7	18
Solicitors	2	29
Accountants	2	3
Casinos	3	16
Notice to a unit of public administration	2	5

Table 11. Notices to produce 2003–04 and 2004–05

Description	2003–04	2004–05
Organised crime	106	272
Paedophilia	1	2
Serious crime	1	–
Civil confiscation	52	104

Fostering law enforcement partnerships to fight major crime

As the CMC's effectiveness depends on our enduring partnerships with other law enforcement agencies, the strengthening of those partnerships through cooperation and information exchange is an imperative.

Under the Crime and Misconduct Act, the 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 staff work with the QPS and other agencies to share information of mutual benefit and interest. The fact that we use similar methods for collecting, analysing and disseminating intelligence information makes it easy for us to work together to target individuals, networks and crime markets.

The CMC and QPS contribute to the National Intelligence Collection Plans (NICPs), which provide a unique insight into criminal networks and criminal behaviour from a national perspective.

The CMC will continue to encourage the establishment of joint operations involving the CMC, QPS and other agencies. The strategic direction of joint operations between the CMC and the QPS is facilitated and overseen by the Joint Executive Team (JET).

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.

As well as working with the QPS, we work 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, we often seek 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 are largely attributable to the availability of that capacity through the involvement of national agencies, especially the ACC.

Inter-agency cooperation is overseen at a strategic level by the Queensland Joint Senior Law Enforcement Liaison group, which comprises the Assistant Commissioner, State Crime Operations Command (QPS), the Regional Director (ACS), the Regional Manager (AFP), the General Manager, National Operations (ACC) and the Assistant Commissioner, Crime (CMC). At an operational level, regular liaison between the agencies occurs through meetings of the Queensland Joint Intelligence and Operations Coordination Group.

The CMC also works closely with the QPS and the DPP on civil confiscation matters. The DPP acts as solicitor on the record for all civil confiscation proceedings, and the CMC proceeds of crime unit liaises and works closely with equivalent units in the DPP and the QPS.

3 Combating major crime through research and intelligence

Through our Research and Prevention function and Intelligence function, we carry out research into crime and crime prevention and make strategic assessments of organised crime.

Research

Our Research and Prevention function operates through three distinct programs: crime, police, and public sector. This year, the crime program included a range of research topics; most notably, we collected unique information about illicit drug use (including amphetamines, ecstasy and volatile substances) through face-to-face interviews and household and emergency department surveys. We will use this information to inform a range of proactive law-enforcement and health-related initiatives, which will both prevent and respond to illicit drug use and associated criminal activity.

Overview of performance

Illicit drug use

- In collaboration with the Queensland Alcohol and Drug Research and Education Centre (QADREC), we measured the prevalence of illicit drug use among individuals entering a hospital emergency department. This research, conducted at a Gold Coast hospital, established baseline levels of illicit drug use, explored the relationships between recent illicit drug use and negative consequences such as car accidents and crime, and provided important comparative information with other illicit drug-use monitoring processes. A public report of the survey, *Exploring drug use: prevalence and patterns among emergency department patients*, was released in October 2004.

- Throughout the year, we maintained our involvement with the national Drug Use Monitoring in Australia (DUMA) project managed by the Australian Institute of Criminology in Canberra. This research involves interviews and urinalysis of detainees in police watch-houses. A major report documenting drug use trends over time is scheduled for release later in 2005.
- We carried out our annual survey, first conducted in 2002, of Queensland households to determine baseline indicators of illicit drug use and attitudes across the state. Each new wave of survey data is building up an increasingly valuable source of information. Used in conjunction with data from other illicit drug use monitoring exercises, such as the emergency department and watch-house surveys, it allows the CMC to offer comprehensive and accurate information about trends in illicit drug use to crime prevention, law enforcement and health agencies.

Exposure to violence

- The relationship between exposure to violence in the formative years and the perpetration of violent crime in later life is complex. In an effort to measure the nature and extent of early experiences and how they relate to later involvement in violent crime, the CMC interviewed 480 offenders serving community corrections orders in Queensland. By examining the different types of abuse these people had experienced (e.g. physical or sexual abuse, neglect) and the context in which the abuse occurred (e.g. family breakdown, alcoholism, drug addiction) the CMC will be able to provide the

Fostering research partnerships to fight major crime

The CMC engages in research collaborations focusing on law enforcement with a wide range of agencies such as universities, Queensland Health, the Alcohol and Drug Foundation, and the Queensland Alcohol and Drug Research and Education Centre. These collaborative arrangements are often supported by way of Commonwealth funding such as the Australian Research Council, National Drug Law Enforcement Research Funds, and the Australian National Council on Drugs. Participating in multi-agency partnerships provides us with a highly effective means of significantly enhancing the CMC's capacity to undertake high-quality research of national significance.

Department of Corrective Services with the sort of information it needs to implement a range of targeted treatment programs. Evidence-based treatment programs such as these aim to interrupt the cycle of violence — to prevent further violence among offenders, to reduce exposure to violence among their children, and to prevent future criminal behaviour by known offenders and their children.

- We began taking part in a coordinated, cross-government sexual victimisation prevention program for Indigenous children.

Fear of crime

- As part of our crime prevention role, we became involved in a state government taskforce examining fear of crime among seniors.

Website portal

- We continued to provide resources on our 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.

Intelligence activities

Our intelligence function is designed to help us decide what crimes pose the most serious threat to the people of Queensland. We maintain an independent centralised Strategic Intelligence Unit (SIU) and include tactical intelligence officers within our multidisciplinary investigative teams. 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 multidisciplinary teams.

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. Our 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 in-confidence intelligence digests.

Overview of performance

- Our most recent crime bulletin (September 2004) contained a strategic assessment of organised crime markets in Queensland. The 2004 assessment found that organised crime markets

in Queensland appear to have experienced substantial growth over the five years since a similar assessment was completed in 1999, with many more criminal networks of varying sizes operating in 2003–04 than were apparent in 1998–99. Moreover, it was found that the distinction between different crime networks is blurring, networks are simultaneously involved in a number of crime markets and an increasingly complicated organised criminal milieu has evolved.

The risks posed by 13 separate organised crime markets were discussed and ranked in the assessment. The report's conclusions are summarised in Table 12.

- An in-confidence intelligence paper was released (to law enforcement agencies only) in May 2005.
- Two matters were referred as suitable targets for further investigation — one organised crime matter and one misconduct matter. Of these, one became a joint CMC–ACC investigation and the other an ongoing CMC operation.
- Four additional matters (three targeting criminal paedophilia and

the other drug trafficking) were comprehensively assessed during the reporting period but did not proceed to tactical investigations because the available intelligence did not justify their referral. In these cases, the intelligence case developed was placed on law enforcement databases to benefit other agencies, in case the relevant individuals come to notice in the future.

- A total of 470 intelligence reports were collated to IRAS. Of these, 398 disseminations were made to partner agencies, 310 via electronic transfer to ACID (the Australian Criminal Intelligence Database) for sharing with other law enforcement agencies who use the database. The remaining disseminations were directed to particular departments and agencies for further attention.
- In collaboration with the ACC, we delivered three highly successful Human Source Operations courses during the year. The courses provided participants with an awareness of the knowledge and skills required to manage human sources effectively. Feedback from participants and instructors has been extremely favourable.

Table 12. Risks posed by organised crime networks

Organised crime market	Assessed level of risk	Market trend
Amphetamine	Very high	Stable
Identity crime	High	Increasing
Ecstasy	High	Increasing
Heroin	High	Moderate increase
Money laundering	High	Stable
Fraud	Medium to high	Increasing
Cocaine	Medium	Increasing
Property crime	Medium	Moderate increase
Cannabis	Medium	Stable
GHB/fantasy	Low	Stable
Prescription drugs	Low	Increasing
Firearms	Low	Stable
Vehicle rebirthing	Low	Stable

CASE STUDIES 2004–05

Organised crime

Operation Alpha Submission Barrier

This operation, which began in November 2003 and concluded its tactical phase in June 2005, was prompted by the availability of dangerous drugs in Fortitude Valley nightclubs. We uncovered a very sophisticated methylamphetamine laboratory near Miles, and this discovery led to police raids on 27 premises in Brisbane and interstate. These raids resulted in the seizure of significant amounts of precursor chemicals, methylamphetamine, cannabis and ecstasy, and an electric pill press machine with the ability to produce about 120 methylamphetamine pills per minute.

As a result, 94 people were charged with 411 offences, including trafficking, supplying, producing and possessing a dangerous drug, and various weapons offences. Civil confiscation proceedings, to retrieve cash and property valued at about \$1 million, have begun.

Operation Mexico

This operation, which began in October 2004 through information gained during Operation Alpha Submission Barrier, concluded its covert tactical phase in January 2005 after gaining evidence against an extensive and well-established organised crime network. The network was involved in the production, supply and trafficking of methylamphetamine, 'ice', heroin, cannabis and cocaine, and sophisticated money laundering.

We found a buried methylamphetamine laboratory near Rockhampton, and a fully operational clandestine laboratory on Bribie Island. The laboratories had the potential to produce more than 2.5 kg of methylamphetamine, with a wholesale street value of about \$1.5 million. Drugs, bagged and ready for sale, and precursor materials with an estimated value of \$0.5 million were also seized. As a result, 15 people were charged with 46 offences including trafficking, supplying, producing and possessing a dangerous drug. Assets worth \$1.334 million, including two houses, motor vehicles, and several bank accounts and share portfolios, were restrained.

In all, more than 80 police were involved, along with specialist forensic investigators, intelligence staff and the Special Emergency Response Team (SERT).

Operation Cleo

In October 2003, we began investigating a target who had been jailed for drug trafficking and production in 2001. The target had carried out extensive coded and cryptic conversations with family and friends to facilitate the use and possession of a large amount of money derived from his criminal activities. He had avoided the AUSTRAC reporting requirements by keeping deposits to amounts less than \$10 000. Bank accounts of associates were used to launder funds and give legitimacy to the transactions that were conducted.

We established that several family members had physical possession of large sums of cash, and were involved in transferring money to associates, purchasing motor vehicles, and paying solicitors with 'tainted property'. In-depth financial investigations also identified substantial amounts of unexplained and 'unsourced' income in several family members' personal bank accounts.

The covert phase of the investigations closed in August 2004 with the simultaneous execution of seven search warrants within the greater Brisbane and Pomona areas, and one extra-territorial search warrant in Alice Springs, Northern Territory.

Restraining orders were also served on several people in relation to the property of the target.

Operation Charlie Yield

This was a joint CMC–QPS operation, starting in June 2004, in which our contribution was the preparation of financial profiles of people suspected of involvement in ecstasy importation and trafficking. We traced the assets and financial activities of the targets, and this information was used to aid the investigation.

Six people were ultimately charged with 11 offences, including trafficking and possessing a dangerous drug, as well as smuggling, and unlawful importation and exportation. Drugs with an estimated value of \$15.6 million were seized, and \$0.62 million worth of

assets including two houses, motor vehicles, and several bank accounts were restrained. We have started action to restrain other assets and funds to a total of \$1.3 million.

See Table 13 below for a summary of statistics on organised crime investigations.

Serious crime

Operation Bravo Vada

This operation, which remains current, relates to the suspected murder of a man near Cooktown between July 1996 and January 1997.

Initially, police had treated the matter as a missing person case rather than a suspected homicide. Then, in August 2001, police received information that the man had been murdered. Police were told that people with whom the man had been involved in growing cannabis in Far North Queensland had murdered him. Consequently, the investigation was re-evaluated and has progressed as a suspected murder inquiry.

The CMC has aided the police investigation by conducting hearings in Cooktown and Cairns over a five-day period, with six witnesses called to provide evidence.

Operation Charlie Hush

This matter, which concluded in October 2004, related to the unlawful killing of a man at Edmonton in August 2004.

The man had been attending a social function at a residence when police were called. A woman at the residence made a statement to the effect that, after a short argument, she had stabbed the man. An initial statement by a second man attending the same function stated that he had been asleep in a bedroom at the time and did not hear or see anything.

A few days after the incident, however, this same man attended the Cairns police station with his solicitor and supplied a brief statement declaring that it had been he, and not the woman, who had stabbed the man. Both he and the woman declined to provide further details apart from their statements, or to participate in additional interviews.

Six witnesses were called to CMC investigative hearings, which were held in Cairns in October 2004. The accused man was examined over a three-day period. Over most of this time he maintained his guilt. Then, after being confronted with contradictory information given by the accused woman, and other forensic information from the crime scene, he recanted

Table 13. Organised crime investigations 2004–05

Operations	Arrests	Charges laid	Drug seizures	Notices to produce	Assets restrained	Hearing days	Witnesses
Alpha Submission Barrier	94	411	300 g amphetamine 2.104 kg methylamphetamine 2.912 kg cannabis 333 g cocaine 7792 ephedrine tablets	98	\$0.46m	1	1
Mexico	15	49	2.9 kg pseudoephedrine 455 g methylamphetamine 30 g cannabis	82	\$1.41m	10	4
Cleo	7	16	–	–	\$68 000 in cash; \$8000 in jewellery and a firearm	–	–
Charlie Yield	6	11	ecstasy valued at \$15.6m	14 (incl. 1 cancelled)	\$0.62m	–	–

his 'confession'. Prosecution proceedings against the accused man were later withdrawn. The woman pleaded guilty to manslaughter and has been committed to the Supreme Court in Cairns.

Operation Charlie Caribou

This referral, received in March 2005 and still current, related to an alleged attempted murder of a police officer at a country police station. The incident involved two shots fired by a high-powered rifle from a moving vehicle at approximately 9 pm. A man was arrested and charged with attempted murder and other weapons-related offences.

The alleged crime was of a very serious nature and had a significant impact on the local community. Public interest was high and the investigation focused on locating the weapon used in order to allay community concern.

To extract information as to the whereabouts of the weapon, we called eight witnesses over a three-day period. As a result, we learned that the weapon had been stripped into multiple parts and distributed along both sides of a 22-kilometre stretch of highway, including creek crossings. On the basis of all the available evidence, it is now accepted that the weapon has been destroyed.

In relation to the attempted murder charge, efforts were made to obtain further evidence to substantiate the charge. The charge was eventually dismissed at committal and replaced with a lesser charge of 'threatening violence in the night time'.

Paedophilia

Operation Atrax

This ongoing investigation was again successful in proactively identifying, locating and prosecuting child sex offenders in Queensland. This year, 18 people were charged with 418 offences (see Table 14).

Atrax began in January 2000. Although focused on Queensland-based offenders, the operation has the capacity to target Internet predators in any geographic area. For example, this year, during Atrax 10, covert Internet investigations were conducted against a defendant who was subsequently revealed to be living in Newcastle, NSW. In March 2005, investigators travelled to Newcastle where, with the assistance of NSW detectives, the defendant was apprehended by a *Police Powers and Responsibilities Act 2000* arrest warrant. He appeared before the NSW courts and was remanded to the Brisbane Magistrates Court in May 2005.

Another operation of particular note this year was Atrax 2, which alone resulted in 340 charges being laid against one person in September 2004.

Table 14. Atrax arrests and charges 2004–05

Operation	Arrests	Charges
Atrax 2	1	340
Atrax 7	2	10
Atrax 8	1	4
Atrax 9	11	49
Atrax 10	2	11
Atrax 11	1	4
Total	18	418

Combating major crime OUTLOOK 2005–06

- 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 35 restraining orders. These orders may result in the restraint of assets valued at approximately \$8m.
- Produce strategic assessments of:
 - > crime and organised motorcycle gangs
 - > property crime in Queensland
 - > networked paedophilia
 - > cocaine use and distribution patterns.
- Deliver Human Source Operations (HSO) courses. The QPS is developing its own human source initiative and the CMC is represented on the implementation committee. As part of the process, QPS officers will attend one or more of the CMC's HSO courses during 2005–06.
- Publish a major report on trends in illicit drug use between 1999 and June 2005 in Queensland and elsewhere. This report will draw upon data from the Drug Use Monitoring in Australia (DUMA) project managed by the Australian Institute of Criminology, which involves interviews and urinalysis of people in watch-houses in Queensland, New South Wales, South Australia and Western Australia.
- Collect information on the prevalence and patterns of illicit drug use among emergency room patients.
- Publish research findings on trends in the general population regarding the use of illicit drugs.
- Review the recommendations of the 2003 report *Seeking justice: an inquiry into how sexual offences matters are handled by the Queensland criminal justice system*.
- Take part in a coordinated, cross-government sexual victimisation prevention program for Indigenous children.
- Contribute to a state government taskforce examining fear of crime among seniors.

REDUCING MISCONDUCT & IMPROVING INTEGRITY

The CMC helps reduce misconduct and promotes high standards of integrity in the Queensland public sector

The CMC's strategic plan for the period 2004–08 identifies the biggest challenges for the 'reducing misconduct and improving integrity' output as being:

- building public confidence that there is vigilant overseeing of the police service and public sector in Queensland
- building agency capacity to prevent and deal with misconduct
- working with Indigenous people and their communities.

We met these challenges through the way we:

- 1 handled complaints
- 2 monitored those complaints that were referred back to public sector agencies for handling
- 3 conducted capacity-building exercises
- 4 maintained our links with the Indigenous community
- 5 conducted investigations.

This section of the report details our performance for the year. See Tables 15 and 16 for an overview of performance.

Table 15.
Overall performance 2004–05

Indicator	Performance
Matters assessed	4363*
Matters handed back to relevant agency	3048
Matters investigated	109
Capacity-building and monitoring projects	14
Disciplinary/criminal charges recommended	185
No. reports tabled in parliament	5
No. regional visits	4
No. liaison officer meetings	2
Cost for output	\$18 639m

* The CMC receives many complaints about things which turn out not to involve misconduct.



Regional visit of Director, Complaints Services, Helen Couper

The CMC's ultimate goal is to achieve an integrated system where a commitment to integrity is shared by all — where all Queensland government agencies regard misconduct detection and prevention as core business.

Table 16. Performance 2004–05

Last year we said we would:	In 2004–05 we:
Assess an estimated 3300 matters.	<ul style="list-style-type: none"> Assessed 4363 matters.
Finalise an estimated 120 investigations.	<ul style="list-style-type: none"> Finalised 109 misconduct investigations.
Undertake 18 research, prevention and intelligence projects.	<ul style="list-style-type: none"> Target met.
Review the implementation of recommendations contained in the CMC report <i>The Volkens case</i> .	<ul style="list-style-type: none"> This is being done as part of the review of <i>Seeking justice</i> (see page 24).
Publish an evaluation of the Queensland Prostitution Act and a review of the live adult entertainment industry in Queensland.	<ul style="list-style-type: none"> Evaluation published in December 2004 (see page 45).
Publish a report on a public inquiry into police radio communications.	<ul style="list-style-type: none"> Report published in December 2004 (see page 46).
<p>Undertake 12 capacity-building and monitoring projects, including:</p> <ul style="list-style-type: none"> 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 <i>Facing the facts</i> 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. 	<ul style="list-style-type: none"> Undertook 14 capacity-building and monitoring projects (see pages 32–35).
Undertake major prevention system reviews as needed to address specific or generic misconduct risks that are identified in public sector agencies.	<ul style="list-style-type: none"> Reviewed guidelines for the Office of the Speaker and the Department of Justice and Attorney-General (see page 33).
Trial ‘On the Right Track’ workshops and produce a guide for workshop facilitators.	<ul style="list-style-type: none"> A guide was produced and workshops have now been held in a number of locations (see page 36).
<p>Continue to raise community awareness of integrity issues through:</p> <ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> See pages 32–35.

1 Complaints handling

As can be seen from Figure 2, there has been a rapid increase (more than 60%) in complaints received since 2001–02. This should not be seen as reflecting an increase in public sector misconduct. A more likely explanation is an increase in public awareness of our misconduct function and successful capacity-building activities, which have given CEOs a better understanding of their obligation to notify the CMC of complaints. The vast majority of these complaints are able to be safely dealt with by the relevant agencies themselves. Many do not turn out to involve misconduct.

If an agency reaches a stage in an investigation where it can make no further progress, it has the option of asking the CMC either to work in conjunction with it or to take over and complete the investigation. We may also, through our monitoring function, decide to take back a referred investigation. During this reporting period, we assumed responsibility for 10 agency investigations.

What is misconduct?

‘Misconduct’ may be ‘official misconduct’ or ‘police misconduct’, as defined below:

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

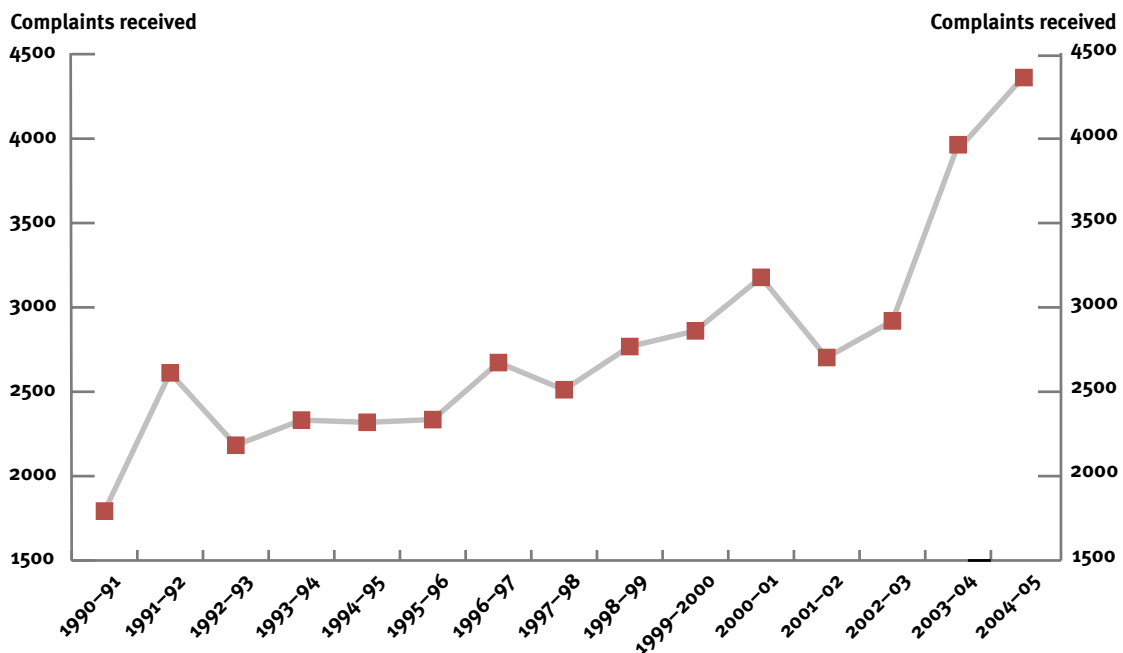
What is the CMC’s misconduct jurisdiction?

The CMC receives complaints about misconduct in the Queensland public sector. The public sector encompasses officials of state government departments, agencies, statutory authorities, tribunals, universities, local governments and the QPS. Politicians also come within the CMC’s jurisdiction, but only if their conduct could amount to a criminal offence.

CEOs within the public sector, including the Police Commissioner, are obliged by the Crime and Misconduct Act to notify the CMC of any complaint that they suspect may involve official misconduct. The Police Commissioner is also obliged to notify the CMC of any complaint that he reasonably suspects may involve police misconduct.

To help CEOs understand their obligation to report to the CMC, and when they should do it, our

Figure 2. Complaints received between 1990–91 and 2004–05



publication *Facing the facts: a CMC guide for dealing with suspected official misconduct in Queensland public sector agencies* provides detailed advice with many real-life examples.

Members of the public may also make a complaint directly to the CMC about a situation that they consider raises a suspicion of misconduct. Sometimes the complainant's perception of misconduct turns out to be incorrect, but the complaint may expose a system deficiency that needs to be resolved.

This means that the CMC receives numerous complaints about matters which, on examination, do not involve any misconduct.

To help members of the public understand the CMC's complaints-handling role, and how to lodge a complaint, we post the information on our website and regularly produce informative materials. Some of this information is also available, on request, in various community languages. Some of our brochures specifically target Indigenous communities.

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

Overview of performance

Complaints received

- We received almost 4400 complaints, compared with just under 4000 in the previous year. (Note: a complaint may consist of more than one allegation.)
- Figure 3 shows that 'assault' was the most common allegation made against police.
- Figure 4 shows that 'corruption and favouritism' (which includes conflict of interest) was the most common allegation made against local government officers.
- Figure 5 shows that most allegations made against other public sector officials fell under the 'official conduct' category — see page 29 for an explanation of this category.
- Figure 6 shows that over 70 per cent of complaints received were referred back to the relevant agency for handling. Not all of these required investigation — some were dealt with in other ways, such as through mediation.
- Figure 6 also shows that 27 per cent of complaints received required no further action by the CMC or anyone else.
- Figure 7 gives a general breakdown of allegations received by the type of agency they related to. Most allegations related to police.
- Despite the increase in complaints, we assessed 90 per cent within four weeks, bettering the target we had set ourselves.

Explaining the complaints process

- In August 2004 we published *Handling complaints against police: past, present and future*, a publication designed for those people — police, complainants, legislators and commentators — who are interested in understanding how the complaints-handling process in

Queensland has developed. At the same time, the publication confirms that our monitoring mandate has been maintained and strengthened under the Crime and Misconduct Act, and that the QPS and the CMC are working together to ensure the integrity and excellence of Queensland police officers.

- To better explain the complaints process to an Indigenous audience, we produced a detailed brochure in June 2005 entitled *Why do police investigate police? It's about police taking responsibility*. The brochure, released at NAIDOC 2005, was produced in response to a perceived need for clarification of the CMC's legislative obligation to hand as many matters as possible back to the relevant agency for handling.

Review of Complaints Services

- During the year we reviewed the way we handle complaints and began implementing strategies to ensure best practice in our business processes and client service delivery. The review focused on addressing the 'backlog' of matters in the assessments area, implementing better procedures for managing records, putting into effect procedural changes in complaints handling, and establishing an improved system for managing work.
- In addition, we focused on timeliness in the handling of complaints, which was again made more difficult by a continuing increase in the number of complaints received. Improved procedures and additional temporary resources deployed during the year were directed at minimising the time taken to assess complaints. Further recommendations of the review will continue to be implemented in 2005–06.

Figure 3. Types of allegations – QPS

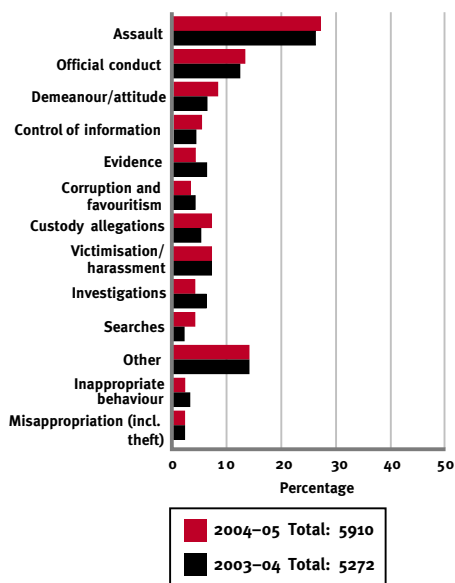


Figure 5. Types of allegations – other public sector agencies

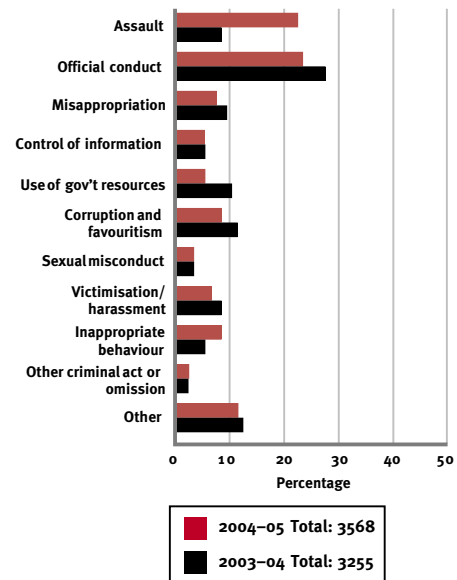


Figure 4. Types of allegations – local government

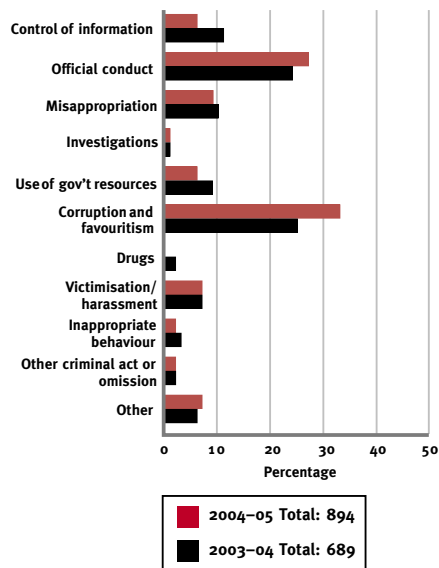


Figure 6. Assessment outcomes

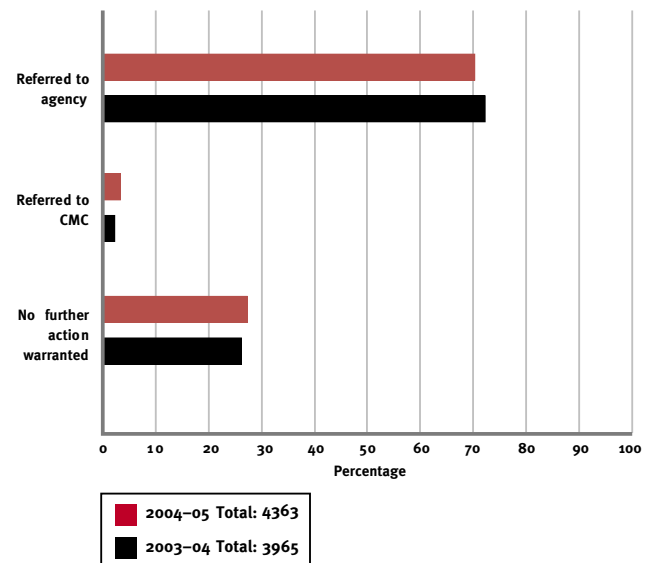
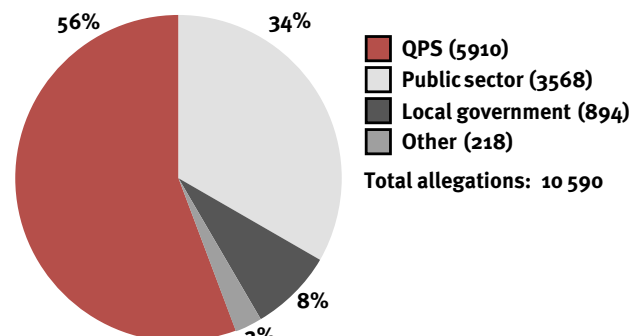


Figure 7. Allegations by agency 2004-05



Explanation of category 'official conduct'

Figure 3 (QPS): complaints categorised in 2004-05 as 'official conduct' related mainly to: failure to comply with operational procedures and directives; failure to identify self; improper bringing of a charge; inaction; failure to aid an injured person; covering up inappropriate conduct; improper use of discretion; failure to comply with other statutory obligation

Figure 4 (local government): complaints categorised in 2004-05 as 'official conduct' related mainly to: falsifying official records; failure to comply with operational procedures and directives; inaction; maladministration/serious mismanagement; failure to report official misconduct

Figure 5 (other public sector agencies): complaints categorised in 2004-05 as 'official conduct' related mainly to: improper use of discretion; inaction; falsifying official records; maladministration/serious mismanagement; breach of code of conduct; failure to comply with operational procedures and directives; failure to comply with other statutory obligation

2 Monitoring how public sector agencies deal with misconduct

When the CMC decides to refer a complaint back to the relevant agency, we may choose to oversee the agency's complaints-handling process as it happens or review it immediately after it is completed. See the text box on the next page for an example of a typical case monitored by the CMC during this reporting period.

We usually, although not necessarily, inform the agency at the outset that such a review is to be carried out.

People sometimes ask whether it is appropriate for government agencies, especially the QPS, to investigate themselves. The answer is that all government agencies, including the QPS, should take responsibility for the conduct of their own officers. However, the manner in which an agency handles any complaint may be the subject of a CMC review at any time, whether or not we have informed the agency at the outset. Agencies, including the QPS, can never assume that a complaint that they are dealing with will not be the subject of scrutiny by the CMC. We may also assume responsibility for an investigation that has been referred to an agency, either because the agency has asked us to or because we feel that it is necessary. During this reporting period, for example, CMC investigators took over 10 agency investigations.

We may also review a number of complaints as part of an audit of a randomly selected or targeted sample, focusing on the integrity of the process.

We may conduct audits of a sample of matters to assess compliance with prescribed standards of complaints management, such as those outlined in our publication *Facing the facts*, which provides advice and guidelines

about dealing with complaints of misconduct.

In addition, on an ad hoc basis, we advise agencies about how to deal with individual matters. We also hold regular liaison meetings with officers of individual key agencies to discuss specific complaints and any emerging trends or issues.

By carrying out these reviews, conducting audits, providing advice, making recommendations and collecting data about the outcome of matters, we work to ensure the integrity of the process, compliance with standards and enhancement of the capacity of agencies to prevent and deal with misconduct.

Overview of performance

Individual complaints reviewed

- This year we reviewed 201 individual complaints dealt with by agencies (other than the QPS) identified at the time of referral as warranting monitoring.
- The vast majority of these matters were dealt with appropriately by the relevant agency. In a small minority of cases we had some concern about the standard of the investigation and made recommendations to the agency to address the shortcomings.

Complaints not reviewed

- In relation to those complaints not the subject of individual review, we collect data about the manner in which the complaint was handled and the outcome. This year such data were collected in relation to 1297 complaints referred to agencies to deal with.
- The data revealed that in 11 per cent of complaints referred to agencies no further action was

taken by the relevant agency, in 36 per cent of cases the original complaint was not substantiated, though some action may have been taken to resolve the complaint, and in the remaining 53 per cent of cases some disciplinary or other action was taken in relation to the original complaint/allegation.

Monitoring the QPS

- In relation to police complaints, we conducted reviews of 91 individual complaints identified at the time of referral to the QPS as warranting monitoring. Each review focused on the integrity of the investigation, giving consideration to the adequacy, impartiality and transparency of any investigative or other resolution processes, as well as the appropriateness of:
 - > the conclusions and recommendations made as a result of any investigation or other action taken
 - > any decision not to lay disciplinary charges
 - > any other action taken where charges were laid
 - > the charges, and the tribunal of fact to hear the charges
 - > any finding and/or sanction
 - > any systemic, procedural or preventive recommendations.
- In 2004 we conducted an integrity audit of the QPS, which examined levels of compliance with the QPS policy and procedures for complaints management and considered the integrity of the manner in which 251 complaints had been dealt with. Those matters dealt with by way of investigation — that is, other than by way of managerial resolution or in which a decision was made to

take no further action — were the main focus of the audit.

- In addition, we conducted a timeliness audit, in which we examined a total of 269 complaints and identified and analysed the various timeframes of the complaints-handling process. The results of these audits will be taken into account in a major project that we are to embark on in 2005–06, which will look at the QPS complaints-management system.
- We collected data in relation to 1403 complaints referred to the QPS to deal with that were not the subject of individual review. In 41 per cent of complaints referred to the QPS no further action was taken; in 32 per cent of cases the original complaint was not substantiated, though some action may have been taken to resolve the complaint; and in the remaining 27 per cent of cases some disciplinary or other action was taken in relation to the original complaint/allegations.
- We met regularly — usually weekly — with the QPS Ethical Standards Command (ESC) to discuss any general issues of concern or individual cases.
- A complaints officer was seconded to the QPS for six months to help the QPS Cultural Advisory Unit implement strategies to improve the relationship between police and Indigenous communities (see also page 36).

CMC monitors the outcome of a police investigation

A QPS senior constable investigated allegations that a man had committed sexual offences against his two children. The senior constable arranged for the man's estranged wife to telephone her husband and attempt to obtain admissions to the offences while being secretly tape-recorded.

At that time, the senior constable was aware that such a telephone call was in violation of a court order, namely a temporary domestic violence protection order prohibiting contact between the husband and wife.

The police officer later faced disciplinary proceedings for

misconduct for wilfully counselling a breach of a court order. The police inspector conducting the disciplinary hearing determined that the senior constable's actions were not improper and commented that many police officers in the relevant police district considered the actions to be proper, given the circumstances of the serious allegations.

The CMC expressed concern to the QPS about the outcome of the disciplinary hearing. In the CMC's view, the outcome suggested that it was permissible for police officers to breach the law if 'the end justifies the means'. The CMC believed the charge should have been substantiated and the circumstances

taken into account to mitigate the penalty. The CMC expressed concern about the apparent widely held view that the police officer's actions were acceptable and also commented that the matter raised issues about the supervision of the officer.

The Assistant Commissioner of the relevant police region and the ESC supported the CMC's views, and provided corrective guidance to the officer who heard the charge and to the senior constable. All officers in the region were given express direction about the lawful gathering of evidence. The QPS also implemented procedures to improve supervision.

3 Building agencies' capacity to prevent and deal with misconduct

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

We fulfil this role by:

- producing resources such as advisory papers, guides, toolkits and training materials that can be used by government agencies to deal with different types and levels of misconduct within their organisation
- collaborating as far as possible with similar organisations to produce suitable resources
- delivering advice and assistance to meet the needs of government agencies through various outreach activities, including regional visits.
- coordinating the capacity-building activities within our own organisation and those of other agencies to facilitate capacity building in the public sector as a whole
- using the results of our audits and reviews to help agencies build their capacity to prevent and deal with misconduct.

Overview of performance

Resources

- We published three new papers in our Building Capacity series:
 - > *Fraud and corruption control: an integrated approach to controlling fraud and corruption within the workplace* (No. 5, July 2004). A CMC survey in 2003 found that only 27 per cent of Queensland public sector agencies had fraud-control plans. This paper introduces fraud and corruption control planning, and outlines the 10 elements developed by

the CMC. The paper acted as a precursor to the more comprehensive guidelines published in March 2005 (see note below).

- > *Speaking up: creating positive reporting climates in the Queensland public sector* (No. 6, December 2004). This 12-page advisory paper provides public sector managers with guidance on key factors that shape attitudes to misconduct reporting, the key steps to take in creating a positive reporting environment, and strategies to encourage public interest disclosures from staff.
- > *Information security: keeping sensitive information confidential* (No. 7, February 2005). This 12-page advisory paper provides misconduct prevention information and resources on the issue of information security, to help agencies formulate strategies to minimise the risks associated with the management of confidential and sensitive material and general information-handling activities

- In March 2005 we published *Fraud and corruption control: guidelines for best practice*. Built around 10 key elements, these comprehensive guidelines provide a model corruption and fraud control program for the Queensland public sector and build on the paper published in July 2004.



- Together with the New South Wales Independent Commission Against Corruption (ICAC) we successfully collaborated to produce a practical guide on managing conflicts of interest in the public sector. The guide has the potential to become a national standard. It includes:

- > *Managing conflicts of interest in the public sector: guidelines* (24-page booklet)
- > *Managing conflicts of interest in the public sector: toolkit* (114-page ring-bound resource which includes the guidelines and a CD of training slides)
- > *Identifying conflicts of interest in the public sector: tip sheet for public employees* (A4 brochure)
- > *Identifying and managing conflicts of interest in the public sector* (4-page A4 brochure).





- We also updated our successful *Facing the facts* guide with the addition of two new modules: ‘Troubleshooting’ and ‘Considering prevention opportunities’. The complete guide is posted on our website. To complement the guide, we conducted a number of *Facing the facts* seminars, as well as strategic seminars and workshops for staff at all levels in the public sector.

Regional visits

- Senior officers made the following regional visits:
 - > Roma 16–17 August 2004
 - > Mackay 15–17 November 2004
 - > Biggenden 7 February 2005
 - > Bundaberg 23–25 May
 - > Kingaroy 25–26 May.

Our officers liaised and consulted with, gave presentations to and held seminars for public sector agencies. They also met with stakeholder groups such as Indigenous bodies, legal aid offices and local law associations.

Liaison officer forums

- Most Queensland public sector agencies have designated CMC liaison officers who are the contact point and conduit for referrals by and to the agency. In 2004–05 two meetings with CMC liaison officers were held in Brisbane — in October 2004 and March 2005. These meetings allowed us to bring public sector agencies up to date on CMC activities,

and provided a forum for the free exchange of ideas and concerns.

- In addition, we held regular liaison meetings with officers of individual agencies to discuss individual complaints and matters of general concern.

Organisational reviews

- We carried out organisational system reviews, significantly a review of draft revised Guidelines for the Financial Management of the Speaker’s Office (see also page 41, ‘Speaker’s expenses’) and a review of the Department of Justice and Attorney-General’s purchasing and tendering policies and procedures. The latter review was undertaken to complement a CMC investigation into allegations of potential favouritism and the unauthorised release of information regarding the purchase of a Storage Area Network. Professional advice was provided regarding the probity requirements for IT procurement, and best-practice purchasing procedures.

Integrity workshops

- We conducted a number of integrity workshops for local and state government employees in the Roma and Wide Bay–Burnett regions, as part of the CMC’s Regional Initiatives programs held in Roma in August 2004, and in Bundaberg in May 2005. Topics covered included:
 - > prevention issues to be considered during investigations
 - > using the CMC *Local Government Information Kit* to meet legislative and ethical obligations
 - > developing and implementing an integrated fraud and corruption control strategy
 - > ethical decision making and managing conflicts of interest.

- In August 2005 we conducted an ethics workshop at the Australian Local Government Women’s Association Conference.

Presentations

- We gave numerous presentations to senior management and councillors of individual local governments on specific issues pertinent to their agency.
- On 24 June 2005 we delivered a presentation on developing effective fraud and corruption controls to the South East Queensland Local Government Internal Auditors group.
- Through the year we gave nine educational presentations on police integrity and the CMC role and complaints processes to police recruits.
- We gave presentations to community groups in Brisbane (28 April 2005) and Bundaberg (25 May 2005), to help promote a greater understanding within the general community of the role and functions of the CMC.
- We provided a presentation on the role and functions of the CMC to second- and third-year students of the course ‘Criminal Law and Procedure’ (3005CCJ) at Griffith University.

Ad hoc advice and information

- Throughout the year we provided considerable ad hoc advice to agencies about how to deal with individual complaints, and on a broad range of policy and operational issues. From a survey of clients receiving such advice, it was evident that the CMC’s officers were held in high regard, as were our training and development resources. Typical comments were:

The CMC is to be congratulated not only on the high standard of corruption prevention product it produces, but also on the quality,

dedication and enthusiasm of its staff.

The [prevention] service provided by the GMC is incredibly important. Advice sought is often on difficult issues and speaking to officers who clearly have expertise is reassuring.

I was very impressed with their [prevention officers'] willingness to assist. The package of materials they provided is excellent! Quality products and quality service and free!! Thanks

The resources are invaluable in providing the exact type of training needed within our Council.

Resource materials are excellent, especially 'Managing Conflicts of Interest' and 'Facing the Facts'.

Extremely valuable — the willingness of staff to share ideas, concepts, training materials etc. has been a huge bonus to a new corruption prevention training area like ours.

Working collaboratively

- In the year, the Director, Complaints Services, and other senior officers met on a number of occasions with the Crown Solicitor, the Public Service Commissioner and other senior officers of their agencies to discuss matters of mutual concern and interest with a view to providing

consistent advice to the public sector about matters relevant to dealing with misconduct.

- During 2004, the CMC and Griffith University's Key Centre for Law, Integrity, Ethics and Governance instigated a major research project into best practice in managing internal witnesses, including whistleblowers. This project expanded to include 14 integrity-related organisations throughout Australia, and attracted Australian Research Council funding for a substantial three-year research project: 'Whistling while they work: enhancing the theory and practice of internal witness management in the Australian public sector'. This project, which represents the first national study of internal witness management, will set out to describe and compare organisational experience under varying public interest disclosure regimes across the Australian public sector. The project will use the experience and perceptions of internal witnesses and managers to identify strategies for preventing reprisals and other whistleblowing-related conflicts.

- We collaborated with Queensland University of Technology to develop the university's senior staff development program. Over a six-month period, we conducted five integrity workshops for senior administrative and academic staff. Issues covered included:

- > ethics and integrity
- > fraud and corruption risks
- > managing conflicts of interest.

- See also the reference on the previous page to our successful collaboration with the ICAC to produce conflict of interest materials.

Playing a part in national and international ethics

- CMC officers attended two Global Forums, involving well over 100 different nations. These attendances provided an opportunity to promote the CMC-ICAC guide *Managing conflicts of interest in the public sector*, and outline the Australian experience in developing this resource.
 - > At the invitation of the OECD, the Manager, Misconduct Prevention, at his own expense, participated in the

Table 17. Strategic misconduct prevention presentations 2004–05

Date	Topic	Event
18 Nov. 2004	Enhancing fraud and misconduct resistance	25th Annual Conference of Local Government Accountants Association, held at Capricorn Resort, Yeppoon
19 Nov. 2004	Cyber crime	Interdepartmental Accounting Group Conference, Jupiters Casino, Gold Coast
7 March 2005	Professional integrity: how do you keep yourself ethically sharp?	SOPAC Conference 2005, Brisbane Convention Centre
8 May 2005	Managing conflicts of interest: a practical approach	6th Global Forum on Reinventing Government, Seoul, South Korea
8 June 2005	Managing conflicts of interest: a practical approach	IV Global Forum on Fighting Corruption, Brasilia, Brazil
8 June 2005	Developing a fraud and corruption control program: a best-practice approach	International Association of Financial Crimes Investigators, Queensland Police Service Headquarters, Brisbane

VI Global Forum on Re-inventing Government conference held in Seoul, Republic of Korea, from 24 to 27 May 2005. (See also Appendix E.)

- > At the invitation of the Brazilian Government and the United Nations, a Misconduct Prevention Officer, also at her own expense, participated in the IV Global Forum on Fighting Corruption conference, held in Brasilia, Brazil, from 7 to 10 June 2005.
- > The two invitations acknowledged the CMC's outstanding work and cutting-edge leadership in providing clear guidance and practical tools for managing conflicts of interest. (See also Appendix E.)
- We mounted a major corruption prevention display at the South Pacific and Asia Conference (SOPAC) conducted by the Institute of Internal Auditors — Australia at the Brisbane Convention Centre from 6 to

9 March 2005. The conference attracted audit professionals from around the world, and enabled us to promote our prevention advisory materials to a key interest group.

- Senior staff gave presentations on developing corruption resistance in the public sector to two overseas delegations who visited the CMC during the year:
 - > the Shanghai Supervisory Committee (28 September 2004)
 - > China's Ministry of Land and Resources (27 May 2005).
- We hosted a visit by Mr Jan Morre, Director, Federal Public Authorities Budget and Management Control, Brussels, Belgium, from 11 to 12 April 2005. Mr Morre's visit was part of a broader study tour of Australian integrity organisations, and he specifically selected the CMC on the basis of the quality of prevention advisory materials we produce.

Ethics networks

- CMC Misconduct Prevention Officers continued to participate in, and give presentations to, the Quarterly Meetings of the Queensland Public Sector Ethics Network (QPSEN).
- The CMC continued to support the Corruption Prevention Network Queensland (CPNQ), through funding to cover the voluntary group's basic running costs and a one-off grant of \$4950 to help with redevelopment of the CPNQ website. Membership of the CPNQ is mainly drawn from public sector employees with an interest or involvement in misconduct and corruption prevention. Prevention officers maintain a presence on the group's organising committee, and strongly participate in CPNQ meetings and activities.
- A workshop on identifying and managing conflicts of interest was conducted for members of the CPNQ on 12 April 2005.

Launch of fraud and corruption materials

Dr Paul Mazerolle, Director, Research and Prevention, launches the CMC's fraud and corruption control guidelines in March 2005.



4 Working with Indigenous communities

A small, but significant, number of complaints to the CMC 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.

The CMC recognises that, as an independent body, it is well placed to act as a link between Indigenous communities and police, and to respond to the needs and concerns of Indigenous people in relation to criminal justice and good governance.

Since 1993 we did this through our Aboriginal and Torres Strait Islander Consultative Committee and through a deliberate strategy of employing Indigenous liaison and complaints officers.

Towards the end of this reporting period, in light of our increasing contact with Indigenous communities throughout the state, we began a strategic review of our method of liaison, in order to provide a more effective forum for the free exchange of information, ideas and concerns between Indigenous communities and the CMC.

Overview of performance

- CMC Indigenous Liaison Officers:
 - > provided training to Indigenous councils under the Department of Local Government and Planning Community Governance Improvement Strategy
 - > facilitated training sessions using the 'On the Right Track' information kit, in Yarrabah, Woorabinda, Injinoo, New Mapoon, Umagico, Cherbourg, Napranum, Mapoon, Doomadgee and Pormpuraaw shire councils
 - > regularly visited Indigenous communities with investigation teams and complaints officers, to work towards resolving conflict between the police and the community
 - > attended regular meetings of the Aboriginal and Torres Strait Islander-QPS Review and Reference Group, and of the QPS Community Advisory Board — Justice Entry Program at the Police Academy
- > helped a CMC research officer to consult with Indigenous people on Thursday Island and at the Aurukun Aboriginal Community as part of the volatile substance misuse project (see also page 45)
- > gave a presentation on reporting obligations and complaints services to CEOs and finance officers of Aboriginal and Torres Strait Islander Community Councils in Cairns and Thursday Island.
- The CMC Indigenous Complaints Officer worked with the QPS Cultural Advisory Unit to develop more culturally appropriate and efficient ways of dealing with the substantive and underlying issues in Indigenous complaints against police. The officer was seconded to the unit for six months to help implement police strategies, including the establishment of Indigenous Community Police Consultative Groups in various centres throughout Queensland. We see these groups as a forum for both preventing and resolving complaints.

NAIDOC 2004

Indigenous Liaison Officer Dan Abednego (seated at right) at the CMC NAIDOC stand in Mount Isa.



5 Conducting investigations

While our Act places responsibility on police and public sector managers to deal with the misconduct of their own staff, this does not mean that we are backing away from our enforcement focus. The CMC has the power to investigate serious cases of misconduct in the public sector and those cases that require investigation by an independent body in order to safeguard the public interest. For details of the number of finalised investigations, types of charges and types of charges by agency, see Figures 8–10, page 39.

Significant investigations conducted during this reporting period that attracted considerable media attention related to alleged:

- police misconduct in connection with a death in custody and a riot on Palm Island
- police mishandling of an arrest
- cover-up over who paid for certain airfares to Palm Island
- attempt by the Premier to bribe a council
- breach of proper practice in the lead-up to a state election
- inappropriate travel and hospitality expenditure by Office of the Speaker
- bias in appointment of Information Commissioner
- mishandling of complaints about the Bundaberg Base Hospital.

See pages 40–42 for details.

The independence of the CMC means that the public is assured that no partisanship, political or otherwise, will influence any investigation or its outcome.

Possible results

If evidence of wrongdoing is found through one of our investigations, the matter may be referred to a

prosecuting authority for criminal proceedings or back to the agency concerned for disciplinary action. Sometimes our investigations reveal system deficiencies that gave rise to the allegation, rather than actual wrongdoing. When this occurs, we make recommendations to redress the deficiencies.

Our investigations do not set out with the preconceived notion that misconduct has occurred. Rather, they are designed to find out what actually happened. In doing so, they can, in fact, re-establish a person's reputation if it has been damaged by a complaint. Even when an investigation does uncover wrongdoing, it can still have a beneficial effect on the agency by helping it recover and refocus its energy on core business, as well as repair systemic problems.

How we investigate

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, we have special coercive powers not available to police, including the power to compel people to attend hearings. The exercise of these special powers over the past two years is shown in Table 18 below.

CMC investigations benefit from our specialised resources in research, prevention, intelligence, financial analysis and forensic computing.

Overview of performance

Statistics

- We finalised 109 misconduct investigations, including a number of large, complex matters.
- Of the investigations we completed, 77 per cent were completed within 12 months.
- We recommended criminal or disciplinary charges in 30 of these investigations; in a further two cases we recommended management action.
- A total of 185 charges were recommended as a result of CMC investigations, compared with 103 in the previous year.

Results of investigations in brief

Fraud

- We conducted an investigation into allegations that a Queensland Transport officer was defrauding the department by altering the stamp duty on registration payments and issuing refund cheques to himself or taking the excess cash at the end of the day. The officer made admissions to most of the \$228 000 believed to have been misappropriated. The

Table 18.
Exercise of CMC powers for misconduct investigations (Crime and Misconduct Act and Police Powers and Responsibilities Act), 2003–04 and 2004–05

Power exercised	Act and section	Number of times exercised	
		2003–04	2004–05
Power to enter	CM Act, s. 73	6	6
Notice to discover information	CM Act, s. 75	224	158
Notice to attend hearing	CM Act, s. 82	42	39
Search warrant applications	CM Act, s. 86 PPR Act, s. 68	34	17
Surveillance warrant applications	CM Act, s. 121	3	–

matter was referred to the QPS and the officer has indicated that he intends to plead guilty.

- In July 2005, as a result of a CMC investigation, a former Gold Coast City Council supervisor pleaded guilty to corruptly authorising the payment by council of invoices from private contractors in return for cash and other benefits. Our investigation, which made extensive use of our coercive powers, revealed that the council officer and a number of private contractors had defrauded the council of thousands of dollars through false invoices for lawn mowing and landscaping contracts that were never performed. The officer was convicted on a number of charges and sentenced to varying terms of imprisonment between one and 3½ years, to be suspended after serving six months. The court ordered him to pay the Gold Coast City Council in excess of \$63 000. A private contractor involved in the corrupt activities had already pleaded guilty and received a two-year suspended jail sentence in November 2004. Further charges have been laid in relation to this investigation.
- Allegations were made that the CEO of a local council falsely altered a report, resulting in a pay increase for his son. Our investigation established one count of fraudulent falsification of a document and the matter was referred to the DPP. It was also alleged that the CEO failed to declare, on the register of interests, his family trust ownership of land within the local shire, and that he was involved in the preparation of policy with respect to that land. We found that he was required to include the land on the register of interests but that preparation

of a policy did not amount to a material personal interest. The matter was returned to the council to deal with and the CEO was reprimanded.

- An off-duty police officer was apprehended by police for shoplifting. Subsequently the officer was found to have fraudulently altered a QPS report, so that the shoplifting charge was listed as 'unsubstantiated' and the police officer's name was removed from the report. The police officer was charged with attempting to pervert the course of justice. The matter is currently listed for a committal mention. The police officer has since left the QPS.

Sexual misconduct

- We investigated an allegation that a high-school teacher indecently dealt with and recorded an indecent visual image of a 14-year-old student. Forensic examination of the teacher's computer uncovered email and video evidence that supported the allegations and the matter was referred to the police. The teacher has been charged and is expected to plead guilty.
- A mother complained that her son was in an inappropriate relationship with his Year 7 female teacher. Our examination of the student's mobile telephone revealed text messages from the teacher to the student which had sexual overtones. A disciplinary brief was sent to Education Queensland. The teacher was terminated from her employment and her teacher registration was suspended.
- We investigated two unrelated complaints concerning inappropriate sexual conduct by a police officer. We instituted two disciplinary charges of official misconduct, which were heard by

the Misconduct Tribunal. In its decision handed down on 1 July 2005, the tribunal accepted the evidence of one of the complainants and was satisfied that the officer had indeed acted inappropriately. However, the tribunal decided, on a technical point, that it did not have jurisdiction in the matter. We have appealed to the Supreme Court against the tribunal's decision. The appeal is yet to be heard.

Child pornography

- An investigation by the United States Postal Inspection Service identified 390 000 individual online purchases of child pornography linked to 150 000 email addresses. A QPS senior constable was identified as owning one of those email addresses and forensic examination of the police officer's computer revealed child pornography images. The officer was charged.

Supply of illicit drugs

- An employee at a Youth Detention Centre was alleged to have supplied illicit drugs to juveniles in custody. The employee has been charged with four offences under the *Drugs Misuse Act 1986* on the recommendation of the DPP.

Alleged leaking of confidential information

- We investigated a complaint that the Deputy Mayor of the Brisbane City Council had released confidential information to the media in relation to the tender for the development of the old Brisbane airport site, which was owned by the council. The CMC investigation found that there was a release of information by the Deputy Mayor; however, the evidence was insufficient to prove that the information released could be regarded as 'confidential'.

Figure 8. Number of finalised investigations

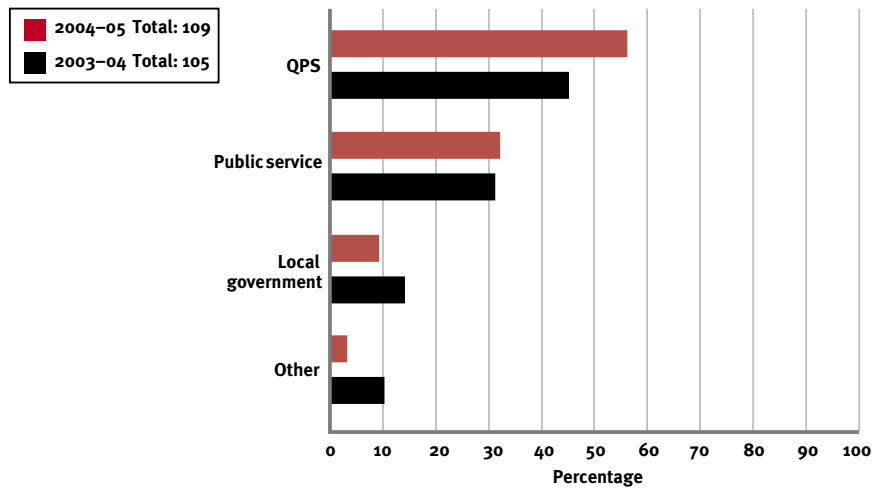


Figure 9. Types of charges

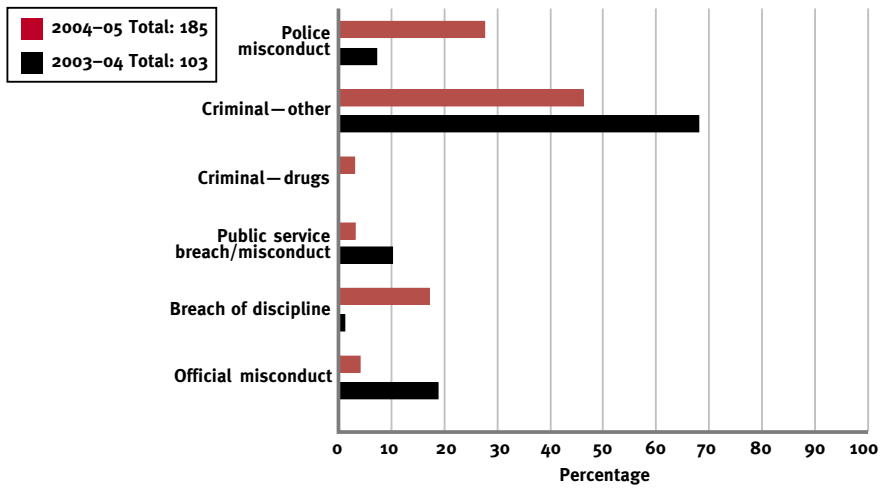
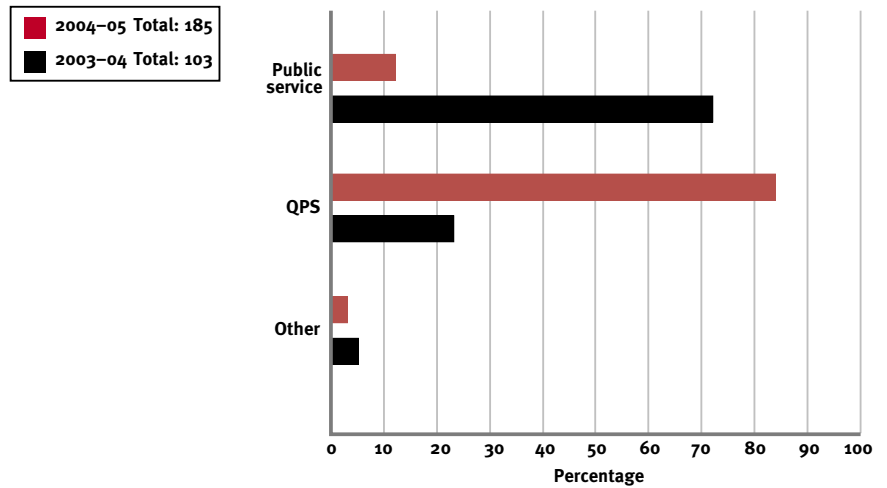


Figure 10. Types of charges by agency



Alleged police misconduct

Death in custody and riot on Palm Island

In November 2004 the CMC investigated the circumstances surrounding the death in police custody of Palm Island resident Mulrunji Doomadgee, and sent the information we obtained to the State Coroner.

We also investigated complaints arising from the riot that occurred on Palm Island in the immediate aftermath of Mr Doomadgee's death. These complaints alleged misconduct by police, who entered and searched some Palm Island homes in order to locate and arrest those people who may have incited or participated in the riot.

Most of the complaints were resolved by early 2005 through mediation. However, four required further investigation and were finalised in July 2005. These involved the exercise of police powers to enter and search, allegations of excessive force during the arrests, and the handcuffing of people who were not suspects.

The investigation did not find sufficient evidence to establish official misconduct on the part of any police officer; however, it did result in recommendations for police training in relation to the provisions of the *Public Safety Preservation Act 1986* and a number of other recommendations to improve police procedures relating to such incidents.

Serious injury to young man during arrest

The CMC investigated an incident where a young man suffered serious and permanent injuries during a police arrest in 2004. The report of the investigation was published on the CMC's website just outside this reporting period, in August 2005.

While the investigation found that the man was lawfully detained and that the two arresting police officers did not use what the criminal law would regard as excessive force, the investigation nonetheless highlighted the need for the QPS to review the training of police officers so that they are better equipped to deal with mentally disturbed people, and have more understanding of the need to monitor people who have been forcibly restrained.

Alleged cover-up

Palm Island airfare investigation

This investigation arose out of the death in custody mentioned in the first case study above, and the subsequent riots, which resulted in the destruction of the police station and considerable damage to other public and private property on Palm Island.

Shortly after the outbreak of riots, the media criticised the Minister for Aboriginal and Torres Strait Islander Policy for not immediately visiting the island. When she did so on 17 December 2004, she was accompanied by an Indigenous leader who it was said had earlier encouraged Palm Island residents to perform further acts of violence against police. (A second Indigenous leader was scheduled to accompany her but changed his plans at the last minute.) In a radio interview on the day of the minister's visit, the Premier declared that there was nothing wrong with the Indigenous leaders accompanying the minister to the island in the interests of helping restore the peace, provided they did so at their own expense or reimbursed the minister's office.

In the period following the Premier's comment and the minister's visit to the island, allegations appeared in the media and on the ABC website 'Message Stick' in which the minister's office was accused of 'spearheading a government cover-up' over who paid for the Indigenous leaders' airfares to Palm Island.

The CMC's investigation into allegations of false statements, coercion and a government cover-up was published (on its website only) in March 2005. Although the report made no findings of official misconduct, it did recommend disciplinary action against two of the minister's advisers for their involvement in the preparation of a false media statement, which was approved by the minister. The minister subsequently resigned.

Alleged bribery

Offer to waive a council debt investigated

The events on Palm Island in November 2004 indirectly led to a CMC investigation into the conduct of the Premier of Queensland, the Honourable Peter Beattie.

The allegations related to statements made by Mr Beattie on 17 February 2005, at a meeting on Palm Island with councillors of the Palm Island Aboriginal Council. It was alleged that the Premier offered to waive a council debt of \$800 000 if the councillors accompanied him that day to the opening of the Palm Island Community Youth Centre. They had already expressed their intention to be absent from the opening because they were still in mourning for the death in custody of Palm Island resident Mulrunji Doomadgee the previous November. Some members of the council felt that the Premier was pressuring them to go against their cultural traditions in relation to respect for the dead, in order for there to be a public display of support for his government.

After interviewing all those involved, reviewing the legal advice received, and carefully considering all the circumstances, the Commission came to the conclusion that the Premier's conduct could not amount to official misconduct. For his conduct to be corrupt, it would have had to go beyond the legal limits imposed by the criminal law on the extent to which politicians may, in our democratic system, seek to secure influence, strike compromise and gain advantage for themselves and others. In the Commission's view, this was not the case.

Alleged breach of proper practice in lead-up to an election

Tugun Bypass investigation

The CMC investigated complaints that officers of the Department of Main Roads had breached the 'caretaker conventions' governing how public sector officials should operate during election periods.

The matter related to the hand delivery of a letter from the Department of Main Roads to residents affected directly by a proposal made by the Premier concerning a route commonly referred to as 'the Tugun Bypass'. The proposal was made in the lead-up to the February 2004 state election.

The letter drew attention to the Premier's proposal and to the fact that it would have an impact on the resident's property, as it would entail the acquisition/resumption of 14 houses on the eastern edge of the Gold Coast Airport.

The CMC received a complaint from the Leader of the Opposition alleging that the circumstances surrounding the announcement of the proposal involved a breach of 'both the spirit and the letter' of the caretaker conventions set out in the Queensland Cabinet handbook. Additionally, Mr Springborg complained that senior officers of the Department of Main Roads, in writing to the residents affected by the proposal, had acted in a politically partisan way.

The report of the investigation was tabled in parliament in August 2004. Although no official misconduct was found to have occurred, the Commission found that the letter did breach the proper practice of departments, as set out in the Queensland Cabinet handbook. The report of the investigation therefore included four recommendations designed to achieve full compliance with the accepted conventions. The recommendations were adopted.

Alleged roting

Investigation into Speaker's expenses

In February 2005 the Clerk of the Queensland Parliament referred an internal audit report to the CMC for investigation. This report raised the possibility that the then Speaker, Mr Ray Hollis, may have behaved inappropriately in relation to certain travel and hospitality expenditure.

After investigating the matter, the CMC referred it to the DPP to determine whether criminal charges should be laid. The Speaker stood down from his position.

The decision of the DPP was that there was no reasonable prospect of a conviction, and Mr Hollis was reinstated as Speaker. However, a short time later (in July 2005) he resigned.

The allegations, and the subsequent investigation, raised questions about the adequacy of the existing guidelines for the financial management of the Office of the Speaker, and the degree of compliance with them. As the existing guidelines had last been reviewed and updated in 1997, another review was considered timely.

Hence, the CMC reviewed the draft revised guidelines from a misconduct prevention perspective, and, in

a report to parliament published on 1 June 2005, made 28 recommendations for improvement. These recommendations have largely been accepted by the State Government.

Alleged favouritism

Investigation into appointment of Information Commissioner

The CMC examined allegations by the Leader of the Opposition concerning the circumstances in which the Queensland Information Commissioner was appointed in February 2005. A report was tabled in July 2005.

The report stated that the Commission was satisfied that, while some questions remained as to certain aspects of the process by which the Information Commissioner was selected as the successful applicant, no reasonable suspicion of official misconduct existed in relation to any of the individuals associated with her appointment. However, the report commented on the desirability of a bipartisan approach to the appointment of independent office holders such as the Information Commissioner, to help avoid or lessen any controversy attached to high-profile appointments.

Alleged official misconduct in QHealth

Bundaberg Hospital complaints

In April 2005 the CMC announced that it would hold public hearings into allegations that Queensland Health officials ignored complaints received from nurses at Bundaberg Base Hospital about the activities of a medical practitioner at the hospital, Dr Jayant Patel.

The CMC said it would look into whether there were any systemic failings in Queensland Health processes dealing with complaints that might involve official misconduct. The inquiry would also investigate whether Queensland Health officials threatened any reprisals against hospital staff who complained about Dr Patel.

In the meantime, the government set up a more broadly based inquiry headed by Mr Anthony Morris QC.

Because of overlap between the two inquiries, CMC Chairperson Robert Needham liaised with Mr Morris to minimise duplication of effort, to ensure that the most efficient process was adopted, and to arrange for the interchange of information between the two inquiries.

In 9 May 2005 the CMC announced terms of reference for its inquiry. But then, on 27 May 2005, the Commission decided that the public interest would be better served by postponing its public hearing into the handling of complaints at Bundaberg Hospital and allowing Mr Morris's inquiry to run its course.

The CMC provided Mr Morris with a considerable amount of evidence gathered during its investigation, having interviewed more than 80 patients and staff at Bundaberg Hospital. It also continued to liaise with Mr Morris and his Senior Counsel Assisting, providing such assistance as was necessary.

After the closing of the Morris Inquiry on the grounds of bias in September 2005, former Court of Appeal judge Geoffrey Davies was appointed to take over the inquiry. The CMC continues to give the same support to the Davies Inquiry as it gave to the Morris Inquiry.

Reducing misconduct & improving integrity OUTLOOK 2005–06

- Assess an estimated 4000 matters.
- Finalise an estimated 110 misconduct investigations.
- Undertake 10 research, prevention and intelligence projects.
- Continue to implement recommendations of a review of the CMC's complaints-handling procedures.
- Undertake 16 capacity-building and monitoring projects.
- Examine the QPS misconduct complaints management system.
- Undertake major prevention system reviews as needed to address specific or generic misconduct risks that are identified in public sector agencies.
- Review the CMC's Indigenous liaison program.
- Take part in a national research project into the management and protection of internal witnesses, including whistleblowers in the Australian public sector.
- Continue to provide misconduct prevention advice and assistance to public sector agencies on issues of concern identified by them.
- Develop more capacity-building advisory papers on such topics as gifts and benefits, and sponsorships.
- Continue to raise community awareness of public sector 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.

CONDUCTING RESEARCH

The CMC reviews police powers, evaluates legislation and conducts crime-related research

Table 19.
Topics covered by evaluation
reports 2004–05

- Queensland Prostitution Act
- Regulations surrounding the live adult entertainment industry in Queensland
- Media access to police radio communications
- Police response to domestic violence
- Use of problem-oriented policing by police detectives
- Department of Communities response to volatile substance misuse
- Trial police powers to deal with volatile substance misuse
- Police use of capsicum spray

The CMC has a long history of conducting high-quality research designed to fight crime and misconduct, evaluate the effectiveness of Queensland legislation and improve policing methods in the Queensland Police Service.

Other sections of this report detail our work in the area of crime and misconduct research.

This section outlines our work during this reporting period in police research and in evaluating legislation. See Table 19 for a summary of the topics covered.

Research team

A large part of 2004–05 was devoted to producing two major reports, one an evaluation of the trial police powers for handling volatile substance misuse and the other an evaluation of the state government's places of safety model for users of volatile substances. The team (l to r standing): Derran Moss, Jennifer Epps, Mark Lynch (Deputy Director, Research and Prevention), Julianne Webster (project coordinator); (l to r seated): Eva Dacre and Angela Carr.



Prostitution Act

The *Prostitution Act 1999* required us to review the Act's effectiveness as soon as practicable after three years from its commencement, and report on those findings.

Accordingly, in December 2004 we published *Regulating prostitution: an evaluation of the Prostitution Act 1999 (Qld)*. The evaluation delivered an accurate assessment of the operation of the Act and the achievement of its core function — to regulate prostitution in Queensland.

Our report found that 'Queensland now has a safe and effective legal brothel industry, albeit one that is much smaller than originally envisaged; it is better, we believe, than that of any other state in Australia'.

At the same time we called for minor amendments to the Act to ensure the legal industry's continued viability and to reduce the incentives for the illegal industry to continue.

One of the key recommendations of the report was that the CMC extend its review to examine the question of whether escort or outcall prostitution services should be legalised in Queensland and, if so, how this could best be done.



In March 2005 the CMC published a discussion paper and invited key stakeholders and members of the public to give the CMC their views. A public hearing on this matter is scheduled for September 2005.

Live adult entertainment industry

In 1999 the Queensland Government established a new regulatory framework for live adult entertainment, and in late 2003 the CMC was asked to evaluate this framework.

Our researchers visited a range of sites, interviewed key people in the industry, and consulted with relevant government and non-government stakeholders. Our evaluation, published in December 2004, shows that the current regulatory system works well, but should be strengthened and extended. Full regulation will minimise opportunities to exploit minors, reduce negative impacts on the community and deter organised crime.



Government's response to volatile substance misuse

The misuse of volatile substances (e.g. 'chroming', 'glue sniffing') is not a crime in itself, but is often a sign of serious social disorder in individuals and communities.

Under section 371E of the *Police Powers and Responsibilities Act 2000*, we were required to undertake a review of the trial police powers contained in section 371B–D of the Act. These powers were enacted as a response to the misuse of volatile substances, and were intended to enable police to provide an effective response to people affected by a volatile substance by taking them to a safe place where they may recover. These 'places of safety' were a Department of Communities initiative.

At the end of this reporting period, our review of the police powers was close to completion and scheduled for tabling in parliament in September 2005.

Because of our obligation to review the new police powers related to volatile substance misuse, the Department of Communities requested us to evaluate also the success of the places of safety model.

The Commission considered the request in light of its statutory responsibilities and the requirement to review the supporting police powers. Given these responsibilities — and the CMC's crime prevention function — the Commission determined that undertaking such an evaluation was appropriate as well as of significant public benefit.

This evaluation, which occurred between 1 July 2004 and 30 March 2005, combined survey research, focus groups, administrative data, stakeholder interviews and community level socio-demographic

data drawn from five trial sites across Queensland in order to identify the strengths and limitations of the places of safety model.

At the end of this reporting period, a confidential report was being prepared for the Department of Communities, along with a summary of the report for general publication.

Police radio communications

In the wake of the QPS's decision in early 2004 to begin a roll-out of digital radio technology, we were asked by the Premier to determine what level of access, if any, the media should have to police radio communications.

The ensuing public inquiry (held over four days in July 2004) required the Commission to consider the issues of freedom of the press and the media's role in a democratic state, within the context of modern policing.

The public hearings enabled the Commission to explore options with people who were closely associated with the issues or were representatives of organisations identified by the CMC as having a particular interest or expertise.

In December 2004 we tabled in parliament our report of the inquiry, entitled *Striking a balance: an inquiry into media access to police radio communications*.

In the report the Commission made 14 recommendations to ensure efficient, transparent and technically feasible information-sharing practices between the police service and the media in Queensland, while simultaneously protecting the privacy of individuals and ensuring confidentiality.

The Commission balanced individual privacy, operational security and public safety considerations against the need for high levels of transparency and accountability in policing.

Policing and domestic violence

The seriousness of domestic violence prompted the CMC to undertake a comprehensive study of the police response to domestic violence in Queensland.

The project examined the challenges that confront police and identified potential strategies to improve their effectiveness and efficiency.

The resultant CMC report, entitled *Policing domestic violence in Queensland: meeting the challenges*, was published in March 2005.

Problem-oriented policing

One of the most significant developments in policing in recent years has been problem-oriented policing (POP).

The POP approach involves police analysing the underlying features of crime and community problems systematically and then developing, implementing and evaluating responses to solve those underlying problems, rather than simply reacting to crimes after they have occurred.

As well as helping reduce crime, the potential benefits of a POP approach include savings in police time because repeat calls are reduced, more efficient and effective services to the public, whose concerns are attended to at the source, greater job satisfaction for officers, and overall cost savings for the criminal justice system.

The QPS is committed to POP, and in recent years has provided significant encouragement and resources to implement it as a statewide strategy to address crime



and community problems. Numerous demonstration projects have been conducted. However, these have usually been implemented by general duties officers — the use of POP by detectives is rare.

Between September 2001 and August 2002, a joint project by the QPS and the CMC was implemented and evaluated to assess the effectiveness of using POP in an investigative environment at the Gold Coast.

The report of this project, *Problem-oriented policing in a detective environment: a Queensland case study*, was published in May 2005.

Police use of OC spray

In recent years, the use of OC (oleoresin capsicum) spray by Queensland police officers has become common. Despite widespread acceptance, surprisingly few formal evaluations have been undertaken to assess the risk of using OC spray or to determine its effectiveness as a use-of-force option for police.

At 30 June 2005 we were close to completing a report on an extensive CMC research project examining the use of OC spray by Queensland police.



Conducting research OUTLOOK 2005–06

- In September 2005 release our review of the Queensland Government's new 'places of safety' response to the complex social problem of volatile substance misuse.
- In October 2005 publish a report on the use of oleoresin capsicum (OC) spray by Queensland police. The report will cover usage and complaints, identify important issues regarding its use and effectiveness, and assess whether amendments should be made to QPS policies and procedures governing the use of OC spray.
- Release the findings of a review of police dog bite incidents. A marked increase in the number of complaints relating to individuals being bitten by police dogs prompted an internal review of QPS dog squad policies and procedures.
- Determine whether Queensland should legalise outcall or escort prostitution services. To assist with its determination, we will in September 2005 conduct consultations with key informants, call for public submissions, update our review of the pertinent legislation and research literature and conduct a brief public hearing.
- Review the implementation of the recommendations made in our January 2004 report *Protecting children: an inquiry into abuse of children in foster care*.
- Publish a comparison of the regulations governing adult entertainment in the states and territories of Australia, and produce a companion report to *Regulating adult entertainment: a review of the live adult entertainment industry in Queensland* (released December 2004).

PROTECTING WITNESSES

The CMC is committed to providing an effective witness protection service

Table 20.
Overall performance 2004–05

Indicator	Performance
Applications received and assessed	156
No. of admissions to program	70
% eligible people offered interim protection within two days	90%
No. of witnesses provided with court security	41
% protected witnesses who met court commitments	100%
Cost for 'protecting witnesses' output	\$4.056m

Since the Fitzgerald Inquiry, the Witness Protection Unit has protected 1255 people (303 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 2004–05 in:

- 1 providing support to protected witnesses**
- 2 developing effective witness protection methods**
- 3 maintaining relationships with law enforcement agencies.**

This section of the report details our performance for the year. See Tables 20 and 21 for an overview of performance.

Witness protection course

Course content covers practical and theoretical training in various areas relevant to the effective protection of witnesses, including advanced driving.



Table 21. Performance 2004–05

Last year we said we would:	In 2004–05 we:
Assess applications for witness protection as to suitability for inclusion in the program.	<ul style="list-style-type: none"> Assessed 156 applications.
Assess necessity for new identities in respect of all new people included in the program.	<ul style="list-style-type: none"> See page 51.
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.	<ul style="list-style-type: none"> See page 52.
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.	<ul style="list-style-type: none"> See page 51.
Deliver the first national witness protection course to national and international participants from law enforcement agencies.	<ul style="list-style-type: none"> Delivered in November 2004.
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.	<ul style="list-style-type: none"> At the end of the reporting period, almost all our witness protection officers had received certificates, with the remainder due to be completed early in the new financial year.

How are people accepted into 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 the person 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.

1 Providing support to protected witnesses

The CMC conducts the witness protection program for Queensland, providing protection to people eligible under the Witness Protection Act.

For the most part, the unit comprises sworn police officers who are seconded 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.

Overview of performance

In 2004–05 the CMC protected 115 people in 61 operations, including 46 who were already receiving protection at the start of the year; none came to any harm. Forty-one witnesses in 34 operations were provided with court security. At the end of the reporting period, 39 people in 16 operations were receiving protection. Seventy-eight threat assessments were conducted (compared with 71 last year), reflecting an increase

in applications for protection by client law enforcement agencies in comparison with the previous reporting period. See Tables 22 and 23.

Witness protection operations this year have included the following high-profile cases:

- > **Violence.** A CMC protected witness received court security while giving evidence in the District Court in a rape case. The accused were facing charges of rape, torture and assault occasioning bodily harm. The witness's evidence helped secure a conviction.
- > **Murder.** CMC protected witnesses gave vital evidence at a murder trial in New South Wales. The trial is ongoing.
- > **Trafficking in illegal drugs.** Another CMC protected witness provided crucial evidence in the prosecution and committal of two members of an organised drug syndicate, on charges of drug trafficking. The committal is part heard.

Table 22. Statistics on witness protection 2003–04 and 2004–05

	2003–04	2004–05
People protected	121	115
Operations	55	61
Protection at court	44	41
Referrals	143	156
Threat assessments	71	78
Acceptances	52	70
Arrangements concluded	78	76
As at 30 June	46	39

Table 23. Current applicants, current operations and new referrals 1987–88 to 2004–05

	Current applicants*	Current operations	New refs
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
2004–05	115	61	156

*A person may apply for protection more than once.



Witness protection meeting

Head of the Witness Protection Unit, Detective Superintendent Paul Doyle (facing left), and Finance Manager Stephen Firth (right) meet with witness protection officers.

2 Developing effective witness protection methods

Witnesses on the program are the chief beneficiaries of the high standard of training of CMC witness protection officers. As well as providing physical protection, we provide a welfare support service, which involves ensuring that protected people receive relevant professional assistance. As a result, severely drug-affected and dysfunctional people on the witness protection program have been rehabilitated.

Overview of performance

Witness protection course

- The CMC's witness protection course has been registered nationally as an Advanced Diploma in Public Safety (Police Witness Protection) through the state Department of Employment and Training. This is the first nationally accredited police course awarded such a standing.
- We shared our renowned witness protection training with police agencies from around the world last November by hosting the inaugural tertiary-accredited National Witness Protection Course. Students from the United States, Northern Ireland and New Zealand completed the diploma.
- CMC training is also in demand from other Australian police agencies, with 37 police officers from throughout the nation completing the course.

- Course content covers practical and theoretical training in various areas relevant to the effective protection of witnesses, including:
 - > advanced driving
 - > legislation
 - > policies and procedures
 - > operations and court security management
 - > firearms operation and tactics
 - > physical fitness.
- The course takes into consideration advances in technology that have enabled criminals to become more adept and efficient.
- Current members of the CMC's Witness Protection Unit are also able to attain the diploma qualification through formal processes such as 'recognition of prior learning' or 'recognition of current competencies'. This means that, if a member of the unit can show evidence that they possess the competencies covered by the diploma course, they may receive the diploma.
- Eleven members of the Witness Protection Unit and one member of Operations Support have already been awarded the Advanced Diploma in Public Safety (Police Witness Protection).

All staff of the Witness Protection Unit are progressing towards the diploma, possession of which will confirm that members of the unit are trained to the nationally recognised best-practice standards.

New identities

- The *Witness Protection Act 2000* (Qld) provides a legislative basis for the creation of new identities. After formalising relationships with other government agencies, the unit is well placed to change the identity of protected witnesses in appropriate circumstances. All protected witnesses are assessed for the provision of a new identity, and this process determines the protected witness's suitability for a new identity as well as the necessity for such measures.
- We pursued the recognition of the Queensland Witness Protection Act as complementary legislation to that of the Commonwealth and other states. In the absence of complementary legislation, we continued to cooperate with appropriate interstate authorities and developed reciprocal arrangements with them. As a result, reciprocal arrangements under section 24 of the *Witness Protection Act 1994* (Cwlth) and section 42 of the *Witness Protection Act 2000* (Qld) were signed in April 2005, allowing Commonwealth identity documents to be generated in support of new identities created under the state legislation.

3 Maintaining relationships with law enforcement agencies

The CMC's Witness Protection Unit relies on good working relationships with law enforcement agencies, especially client agencies such as the QPS.

Overview of performance

CMC officers conducted proactive marketing and information sessions with investigators, managers and training staff in different police 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 responded to common questions about the program. This process has created greater understanding of the benefits of the program and the role of the CMC in providing witness protection.

We also continued to develop relationships in the national context, through liaison with other witness protection agencies in state and federal jurisdictions. The Detective Inspector 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 Perth in April 2005.

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.

In July 2004, we provided assistance to the Victoria Police Corporate Management Review Division in an

examination of witness protection best practice. Two Victoria Police Inspectors spent two days with members of the CMC Witness Protection Unit learning the processes of the unit.

Also in July 2004, the unit assisted the Victorian Ombudsman's office with its review of Victoria's Witsec (witness security) unit. The CMC subsequently received a letter of appreciation.

The following significant presentations were made during this reporting period:

- The Detective Inspector of Witness Protection was invited by the Chairperson of the Europol Heads of Witness Protection Seminar to give an address about the National Witness Protection Advanced Diploma, Public Safety (Police Witness Protection) in Siracuse, Sicily, in October 2004. Europol is the European Union law enforcement organisation that handles criminal intelligence. It aims to improve cooperation between the competent authorities of the member states and improve their effectiveness in preventing and combating serious international organised crime. The seminar incorporated a round-table discussion with selected experts from participating countries about their domestic legislation on witness protection. The detective inspector talked about Queensland and Commonwealth legislation relating to witness protection, as well as about the National Witness Protection Course and the Advanced Diploma, Public Safety (Police Witness Protection). The presentation was well received. At the conclusion, course-related material supplied by the Queensland Police Academy was distributed.
- As a direct result of our participation in the seminar, the Chairperson of the Europol Heads of Witness Protection was invited to attend our first tertiary accredited National Witness Protection Course, which was conducted in November 2004. The chairperson was able to gain first-hand knowledge of our course, which he then presented to the Europol Heads of Witness Protection Conference at The Hague in December 2004.
- Presentations about the unit, detailing how a witness can be included in the program, were regularly delivered to participants of the Detective Training Program at Chelmer Police College. Similar presentations were given to experienced investigators and training officers in policing regions throughout the state.
- A presentation was also given at the QPS Police Prosecutors course on the Witness Protection Unit and its role, aimed at facilitating secure appearances by protected witnesses in court.
- Senior management of the unit attended the Australasian Heads of Witness Protection Conference in Perth to assist in the strategic management of witness protection across Australasia. By request, a further presentation was provided to the Crime and Corruption Commission (CCC) in Western Australia on how the unit operates within an anti-corruption agency.

Protecting witnesses OUTLOOK 2005–06

- Continue to develop new and better ways of protecting witnesses, both generally and in specific cases.
- Continue to deliver education and awareness/marketing sessions to client agencies throughout Queensland to promote the existence of the Witness Protection Unit and the services it provides.
- Offer interim witness protection to 95 per cent of eligible persons within two days, assess 175 applications for witness protection and admit an estimated 90 people to the witness protection program.
- Continue to pursue the recognition of the Witness Protection Act with other states and to develop memoranda of understanding and working relationships with state and federal departments to assist in the application of the Act.
- Liaise with other Australasian agencies undertaking witness protection activities to share information on methodologies, trends, technological and legislative developments, and other issues likely to affect the strategic management of witness protection in Queensland.

ENSURING ORGANISATIONAL CAPABILITY

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

Table 24. Corporate governance overview 2004–05

Indicator	Performance
Total Commission meetings	32
Commission meetings with PCMC	5
Commission committees	4
SMG committees	9
FOI applications received	64
FOI reviews	11
Organisational restructures	2
Staff establishment positions	299
Staff training courses (internal)	10
Staff achievement awards (internal)	6
Staff 10-year awards	9
Reports tabled in parliament	5
Expenditure on consultancies	\$98 945

This section of the report, which outlines how the CMC strives to be an effective and productive organisation, is divided into two main sections:

- 1 corporate governance (pages 55–68)**
- 2 operations support (page 69).**

It concludes by giving an overview of the work of the Commissioners for Police Service Reviews (page 70).

See page 11 for an organisational chart of the CMC.

Strategic Management Group

As at June 2005 (standing l to r): Greg Rigby, Director, Information Management; Felix Grayson, Director, Crime Operations; Susan Johnson, Director, Research and Prevention; Russell Pearce, Director, Misconduct Investigations; Ron Vincent, Director, Witness Protection and Operations Support. (seated l to r): Graham Brighton, Executive Director; John Callanan, Assistant Commissioner, Crime; Robert Needham, Chairperson; Stephen Lambrides, Assistant Commissioner, Misconduct. *Absent:* Helen Couper, Director, Complaints Services, and Chris Keen, Director, Intelligence.



1 Corporate governance

The CMC's corporate governance infrastructure is based on principles of openness, integrity and accountability. It includes:

- > **internal accountability structures**
- > **external accountability and reporting structures**
- > **legislative compliance structures**
- > **financial and performance management structures**
- > **resource-management practices and 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.

Internal accountability

The most important internal accountability mechanism is the Commission, as outlined below. CMC corporate policy and strategic directions, set by the Commission, are then implemented by a range of internal committees. The CMC also 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.

The Commission

The Commission, which comprises 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 that are not ordinarily available to the police service, and makes decisions on the conduct of hearings and the issuing 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 meetings, although they have no voting rights. A comprehensive agenda regularly includes consideration of the work of the various functional areas 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 2004–05 the Commission met 25 times, of which seven were special meetings, and met with the Parliamentary Crime and Misconduct Committee (PCMC) five times (see Table 25, page 58).

In addition, the part-time Commissioners chair significant internal committees, participate in others 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 Commissioners 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 PCMC.

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

Pages 56 to 58 outline the backgrounds of those Commissioners who served the CMC during this reporting period.

Internal committees

The CMC has a comprehensive committee structure to comply with corporate governance principles of effective management. The most significant of these is the SMG (Strategic Management Group), comprising Assistant Commissioners and Directors and chaired by the CEO. This group meets each fortnight, and regularly with the Commission. See the photograph on page 54 for membership of the SMG as at June 2005.

Other committees fall into one of two categories: a Commission committee, which means it is chaired by a member of the Commission, or an SMG committee, which means it may be chaired by a CMC staff member.

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.

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Membership of the Commission from July 2004 to June 2005



Robert Needham
(current Chairperson)

The current Chairperson of the Commission, and CEO of the CMC, is Mr Robert Needham. Mr Needham was appointed to the position in January 2005.

Before his appointment, Mr Needham, who has a Bachelor of Laws from the University of Queensland, practised as a barrister for 35 years. His legal career spanned periods as a Crown Prosecutor and as a barrister in private practice. From late 1987 he was a Counsel Assisting the Fitzgerald Commission of Inquiry.

Mr Needham became involved in the political corruption investigations arising out of the inquiry, and formed the team in the Special Prosecutor's Office to finalise briefs and prosecute the political corruption trials.

Afterwards, Mr Needham was involved in various corporation law prosecutions for the Australian Securities and Investment Commission and the Commonwealth Director of Public Prosecutions, including the Christopher Skase prosecution. He was also involved in complex and lengthy cases in the Land Court and the Planning and Environment Court. From 2002 to 2004 he was the Parliamentary Crime and Misconduct Commissioner.



**Brendan Butler SC (Chairperson
December 1998 to December 2004)**

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 Mr Butler, like Mr Needham, was a 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, and is a co-author of the 10th and 11th editions of *Carter's criminal law of Queensland*. He was accorded the status of Senior Counsel in 1994.

Mr Butler's term of appointment as Chairperson of the CMC expired in December 2004 and he has returned to private practice.



Bill Pincus QC
(December 2001 to April 2005)

The Honourable Bill Pincus QC 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.

Mr Pincus 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.

While a CMC Commissioner Mr Pincus acted as Chairperson during absences of Mr Butler.

Mr Pincus resigned as Commissioner in April 2005.



**Sally Goold OAM
(July 1999 to July 2004)**

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 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 was a member of advisory boards and committees of three universities and an adjunct professor at James Cook and Griffith universities.

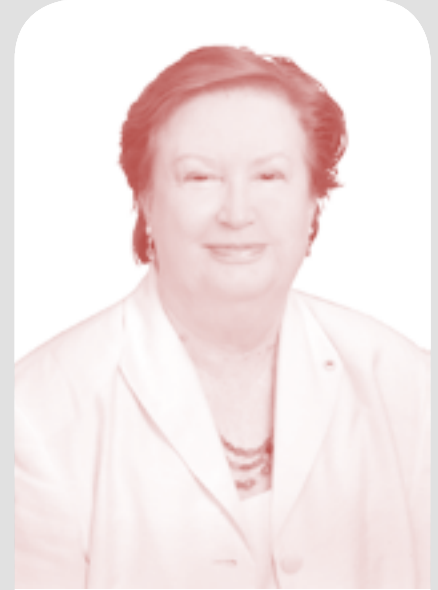
Since leaving the CMC in July 2004 Mrs Goold has become increasingly involved in CATSIN.



**Ray Rinaudo
(September 1999 to September 2004)**

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 also held the position of Chairperson of the Professional Standards Tribunal for the Real Estate Institute of Queensland.

Mr Rinaudo also served as a CMC Review Commissioner until he was appointed a magistrate in February 2005.



**Margaret Steinberg AM
(from 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, the 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.

Professor Steinberg's term as Commissioner expired in September 2005.



Suzette Coates
(from November 2004)

Ms Suzette Coates is a practising solicitor and civil libertarian, and holds a Bachelor of Arts and a Bachelor of Laws from the University of Queensland. She was admitted to practise as a solicitor in Queensland in 1977 and in New South Wales in 1979.

Ms Coates has worked for the Aboriginal Legal Service in Sydney, Brisbane and Cairns, as well as the Legal Aid Office (Qld), where she was involved in all aspects of poverty law. She also worked extensively for Indigenous families in North Queensland during the Royal Commission into Aboriginal Deaths in Custody.

Ms Coates was appointed in 1995 to the Queensland Women's Consultative Committee for the reference of Women and the Law and was the Official Visitor (Legal) to Lotus Glen Correctional Centre from 1998 to 2004. She is currently a part-time member of the Anti-Discrimination Tribunal of Queensland, having initially been appointed in 1994.

Ms Coates's appointment fulfils the requirement that one of the CMC Commissioners be a lawyer with an interest in civil liberties.



Julie Cork
(from November 2004)

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

Ms Cork has undertaken organisational change work in association with the establishment of employment equity programs, in both the Australian and the Queensland public sectors. In August 1991 she was appointed Manager, Employment Equity, at the Public Sector Management Commission, with responsibility for the Queensland public sector.

Since 1996, Ms Cork has worked as a consultant in the private, public and community sectors.

Table 25.
Attendance of Commissioners and Assistant Commissioners at Commission meetings 2004-05

	Ordinary meetings (n = 25)	Special meetings (n = 7)	With PCMC (n = 5)
B Butler SC ¹	12	5	3
R Needham ²	12	2	2
B Pincus QC ³	16	7	2
S Goold ⁴	1	–	–
R Rinaudo ⁵	6	2	1
M Steinberg ⁶	24	7	5
J Cork [§]	14	5	2
S Coates [§]	14	4	1
J Callanan [*]	20	6	5
S Lambrides [*]	12	2	2

Notes:

1. Mr Brendan Butler's appointment as Chairperson expired on 31 December 2004.
 2. Mr Robert Needham's appointment as Chairperson began on 1 January 2005, but he attended the meeting of 17 December 2004 as an observer.
 3. The Hon. Bill Pincus QC resigned in April 2005.
 4. Commissioner Sally Goold's appointment expired on 15 July 2004.
 5. Commissioner Ray Rinaudo's appointment expired on 19 September 2004.
 6. Commissioner Margaret Steinberg's appointment will expire in September 2005.
- § Commissioners Julie Cork and Suzette Coates were appointed in November 2004.
- * Assistant Commissioners John Callanan and Stephen Lambrides attend Commission meetings but have no voting rights.

Commissioners appointed since June 2005

- The Honourable Douglas Drummond QC, appointed July 2005
- Dr David Gow, appointed September 2005

Internal committees, cont.

Commission committees

Audit Committee

Chair: Commissioner Steinberg

Provides 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.

Output for 2004–05:

- Considered and endorsed 2005–06 Internal Audit Plan.
- Completed a review of the CMC's financial statements for 2003–04.
- Reviewed the 2004–05 Client Service Plan provided by the Queensland Audit Office.
- Oversaw the work of the Internal Auditor (including a review of all internal audit reports produced by the Internal Auditor).
- Revised the committee charter with a recommendation that membership of the committee be increased to include two external members (previously one external member).

Finance Committee

Chair: Chairperson Robert Needham

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.

Output for 2004–05:

- Monitored expenditure during the year and, where necessary, made recommendations to vary budget strategies to ensure that expenditure remained within budget.
- Prepared budget estimates and other financial information for the Ministerial Portfolio Statements,

the Parliamentary Estimates Committee and the minister.

- Conducted a mid-year review of the revenue and expense budget for the CMC.
- Considered and determined that the Commission should aim to maintain a balanced budget.
- Following an identification of savings in specific grant expenses (within the Research and Prevention area), successfully applied to Queensland Treasury, with the assistance of the Department of the Premier and Cabinet, to make a deferral in specific project grant funding.
- Determined resourcing options for the CMC, having regard to the outcomes to be delivered.
- Considered Commission proposals that had a significant financial effect.

Information Steering Committee

Chair: Chairperson Robert Needham

Ensures that the CMC has 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.

Output for 2004–05:

- Produced the Information and Communication Technology Resources Strategic Plan 2005–09 and the related 2005–06 Information Management Operational Plan.
- Ensured compliance with government standards and policies.

Legislation Committee

Chair: Chairperson Robert Needham

Monitors state and federal changes to legislation and activities that are likely to affect the work of the CMC.

Output for 2004–05:

- Reviewed and suggested comments on legislative amendments proposed by the Commission or by the State Government in order to ensure that the legislation governing the CMC's activities was conducive to meeting its stated objectives.
- Oversaw the work of the Legal Services Unit in ensuring that the CMC has a program for the continuing legal education of CMC lawyers.

SMG committees

Commission Consultative Committee

Elected chair: Security Manager Rik Modderman

Provides a forum for employees and senior management to exchange ideas, concerns and points of view.

Output for 2004–05:

- Considered representations from staff on such matters as professional development opportunities (particularly in relation to lateral transfer) and the implications arising from the CMC's Organisational Climate Survey (see page 66 of this report).
- Facilitated the implementation of the eGuide, an electronic corporate telephone directory that displays user details including staff photos and organisational charts.

Equal Employment Opportunity Consultative Committee

Elected Chair: Misconduct Prevention Officer Narelle George

Ensures staff are not discriminated against on the basis of race, religion, sex or disability, and promotes a just workplace for all.

Output for 2004–05:

- Produced the 2005–08 Equal Employment Opportunity Management Plan.

- Continued to promote staff awareness of significant EEO events during the year, such as Disability Awareness Week, NAIDOC Week and International Women's Day.
- Continued hosting training sessions on Indigenous Cultural Awareness.

See also Appendix B for EEO statistics relating to all CMC staff, except seconded police officers from the QPS.

Risk Management Committee

Chair: Director, Witness Protection and Operations Support, Assistant Commissioner Ron Vincent

Ensures that the CMC maintains robust and effective risk management strategies and practices.

Output for 2004–05:

- 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.
- Updated the corporate risk register.

Workplace Health and Safety Committee

Chair: Executive Director Graham Brighton

Oversees the CMC's compliance with workplace health and safety legislation and promotes a healthy, satisfying workplace for all staff. In November 2004 the National Safety Council of Australia conducted a Compliance Audit, and overall the results were positive. The areas of improvement highlighted from this process were included in the Workplace Health and Safety Action Plan for 2005–06.

Output for 2004–05:

- Made significant progress in relation to the development and implementation of the CMC's workplace health and safety management system.
- Workplace health and safety representatives performed the first physical inspection survey throughout all areas of the CMC to identify any potential risks. This process included a review of all chairs, and the results were used to complete a major chair replacement program.
- Produced the Commission's Workplace Health and Safety Action Plan 2005–06.
- Provided ergonomics training sessions to provide staff with an overview of the best way to set up an ergonomic workstation.
- Produced an emergency evacuation manual.
- Provided ergonomic assessments to staff.
- Delivered manual-handling training sessions to staff working within high-risk areas.
- Developed a comprehensive filing system in line with the corporate thesaurus.
- Compiled a workplace harassment and grievance policy and procedures.
- Reviewed first-day and corporate induction presentations.
- Introduced a visitor brochure.

Operational 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
- Crime Intelligence Review Committee, established during this reporting period after a review of the CMC's intelligence function.

Internal audit

Internal audit operates under a formal charter approved by the Commission, 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 Queensland Audit Office (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.

Output for 2004–05:

- Completion of the 28 March to 30 June 2005 Audit Program
- Audits completed on the following procedures and processes:
 - > International Financial Reporting Standard compliance and preparation
 - > security compliance (document classification and security procedures, and staff vetting procedures)
 - > budget processes
 - > covert operations expenditure
 - > potential for fraud
 - > review of annual financial statements under section 78 of the Financial Management Standard.
- Attended the QAO client information briefing session and the briefing on the annual financial statements update.
- Met with QAO auditors for discussions on contemporary and audit issues.

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 period, is prepared for the PCMC in advance of these meetings.

For membership of the PCMC, see the photograph below.

Other mechanisms

The PCMC may direct the **Parliamentary Crime and Misconduct Commissioner** (Parliamentary Commissioner), who has similar powers to those of a Commission of Inquiry, to investigate a complaint against the CMC. 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 Parliamentary Crime and Misconduct Committee

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



The PCMC may also direct the Parliamentary Commissioner to audit and review the CMC's activities. During this reporting period, in October 2004, the Parliamentary Commissioner submitted an audit of the CMC to the PCMC. The report was generally favourable, but identified some matters of a largely administrative or recording nature that appeared to require explanation or improvement.

On 19 October 2004, in response to a request from the PCMC, the Chairperson gave advice on how each concern and recommendation in the audit report was to be addressed. In November 2004 the PCMC formally examined the Commissioners on the responses provided.

In addition to the PCMC and Parliamentary Commissioner, the CMC is accountable to the **Supreme Court** and the **Public Interest Monitor** for the exercise of some of its powers, and reports to a State Government minister in relation to budgetary matters and some staffing issues.

The Honourable Peter Beattie MP, Premier and Minister for Trade, was the minister responsible for the CMC during this reporting period. (In August 2005 the Minister for Justice and Attorney-General, the Honourable Linda Lavarch MP, became the CMC's minister.)

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 reports on the efficiency,

effectiveness, economy and timeliness of its operational processes every six months 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 CMC's operational and financial performance. Accordingly, in September 2004 the Premier produced the 'Review of the Crime and Misconduct Commission'. The report contained 16 recommendations addressing various aspects of the CMC's operations.

In February 2005 the Commission advised the Premier of the action taken on each recommendation, and their current status. Only one recommendation could not be progressed.

An update on progress was provided in May 2005 in response to the Premier's follow-up on the implementation of the report's recommendations. It explained the CMC's continuing work to action the recommendations.

Legislative compliance structures

The Commission and operational areas of the CMC receive independent legal advice on varied topics, including administrative and criminal law, contracts, personal injuries litigation and statutory interpretation.

Until 1 January 2005 this advice was provided by the Office of General Counsel, which consisted of General Counsel, the Official Solicitor, the Freedom of Information Coordinator and a legal officer.

In accordance with a recommendation made by the PCMC in its three-yearly review of the CMC (published March 2004)

the Commission decided to review the functions of the Office of General Counsel with a view to increasing its capacity 'to provide independent, balanced and objective advice'.

The review was undertaken by then Commissioner Ray Rinaudo. On 19 November 2004 the Commission resolved that:

- General Counsel continue to report directly to the Chairperson and Commission
- a Legal Services Unit be established within the Office of the Commission
- the Official Solicitor, Legal Officer and Freedom of Information Coordinator (and Privacy Officer) be transferred from the Office of General Counsel to the Legal Services Unit
- the Official Solicitor be the manager of the Legal Services Unit
- General Counsel, the Official Solicitor and the Executive Director expedite the implementation of quality assurance systems and the development of appropriate policies and procedures.

The resolutions took effect on 1 January 2005.

General Counsel

The role of General Counsel now involves:

- providing independent legal advice to the Chairperson, Commissioners and senior officers in the administrative and operational areas of the Commission
- representing the Commission before courts and tribunals and presiding at in-house investigative hearings
- representing the Commission on various inter-governmental and

interdepartmental committees and working groups, including groups examining new cross-border investigations legislation, whistleblower protection legislation, and the legislation governing telecommunications interception

- liaising with state government departments about amendments required to the Crime and Misconduct Act and other legislation to ensure the continued effective operation of the CMC.

Legal Services Unit

The Legal Services Unit:

- represents the Commission in litigation before any court or tribunal
- engages and instructs external counsel or solicitors to represent the Commission before any court or tribunal, when appropriate
- provides independent and objective legal advice to the Commission and its officers
- determines applications for access to Commission documents made under the *Freedom of Information Act 1992* (FOI Act)
- handles matters concerning the privacy regime
- creates and maintains a legal advice database, and oversees continuing education for Commission lawyers.

As at 30 June 2005, the CMC was involved in six legal cases, two of which may result in costs and damages against the Commission, with the total estimated payable to be a maximum of \$81 000.

Freedom of information

The CMC is subject to the FOI Act, which means members of the public are entitled to apply for access to our documents under that Act (see Table 26).

However, the *Freedom of Information and Other Legislation Amendment Act 2005*, which received assent on 31 May 2005, introduced a new exemption provision that limits access. Section 42(3A) exempts information obtained, used or prepared for an investigation by the CMC or another agency where the investigation is in performance of the CMC's crime and misconduct functions. It applies also to such information obtained, used or prepared by its predecessors, the CJC and the QCC, in the performance of the equivalent functions.

The exemption does not apply if a person seeks information about themselves and the investigation has been finalised.

The new exemption provision is considered necessary to ensure that the CMC can protect from disclosure information it receives from public sector employees who voluntarily assist it in the course of an investigation. It ensures that the CMC remains effective and confidence in it is maintained so that such employees continue to cooperate with its investigations,

Table 26. FOI applications and reviews 2004–05

Applications	
Personal applications received	33
Non-personal applications received	31
Total	64
Access	
Full access granted (personal)	13
Full access granted (non-personal)	3
Partial access granted (personal)	12
Partial access granted (non-personal)	11
Full denial (matter exempt)	6
No. documents located	8
Outstanding as at 30 June 2005	2
Withdrawn/lapsed (fee not paid)	9
Reviews	
Internal	8
External	3

rather than obliging the CMC to invoke its coercive powers in every investigation.

The amendment is expected to have only a minor impact on the number of access applications received as most applications are requests by misconduct complainants for access to documents concerning their own 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 and performance management systems and structures

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

The organisation 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.

We report 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 our 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 practices and structures

Resource management includes management of staff, equipment, information and communications.

Human resources

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, 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 2005 the number of established positions at the CMC was 299. See Tables 27 and 28 below.

Organisational restructures

During this reporting period, two significant organisational restructures took place, one of the Office of General Counsel (see page 62 for details) and the other affecting the former Intelligence and Information section.

In late 2004, the Mercer Group was engaged to review the organisational structure of Intelligence and Information. The recommended revised structure, which moved the Information Technology and Records Management functions into Corporate Services, and made Intelligence a stand-alone function, was adopted by the Commission, effective as of January 2005.

Staff training

The CMC Certified Agreement 2003 continued to be supported during 2004–05 to allow AO2 to AO4 staff the opportunity to study towards nationally recognised qualifications. At June 2005 six staff were enrolled in the Certificate IV in Government; four in the Diploma of Government; four in the Certificate III in Business (Record Keeping) and one in the Certificate IV in Business (Record Keeping). This represents 19 per cent of eligible staff.

One employee successfully completed a Certificate III in Business (Record Keeping).

A training and development calendar was made available to all CMC staff, and ten internal courses were provided by the CMC during the year.

The CMC continued its commitment to delivering cultural awareness training to staff. As part of the CMC's training program, Indigenous Cultural Awareness, Cross Cultural Skills and Overcoming Language Barriers training sessions were conducted.

Table 27. Staff establishment as at 30 June 2005

	Approved est.	Actual staff on hand
Executive	18	19.1
Crime	43	38.8
Misconduct	85	83.6
Witness Protection and Operations Support	55	45
Research and Prevention	27	27.2
Intelligence	22	20.7
Corporate Services	49	50.8
Total	299	285.2

Table 28. Number of established positions within each discipline as at 30 June 2005

Discipline	No.
Police officers	84
Administrative officers	53
Operational support officers	23
Legal officers	20
Intelligence analysts	19
Financial investigators	18
Registry officers	16
Computer system officers	13
Investigators (civilian)	9
Research officers	15
Strategic management	10
Prevention officers	6
Complaints officers (incl. one Indigenous Complaints Officer)	7
Librarians	2
Technical officers	2
Indigenous liaison officers	2
Total	299

The CMC concluded the Middle Management Development program, delivered in conjunction with the Australian Institute of Management in 2004. On completion of the three-year program, 19 staff at AO5 to AO8 level had graduated with a Diploma of Business.

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 undertaking a Certificate III traineeship in Information Technology (General). Of the CMC's four trainees, three were women, three were young people aged between 14 and 24, and one was a woman re-entering the workforce.

Table 29. HR courses held in-house 2004-05

Course name	No. of participants
Corporate Induction	65
Workplace Harassment, Sexual Harassment and Grievance Resolution	288
Recruitment and Selection	8
Indigenous Cultural Awareness	31
First Level Supervision	15
Job Application Skills	5
Manual Handling	35
Ergonomics	24
Cross Cultural Skills and Overcoming Language Barriers	18
Balanced Approach to Work and Life	14

Typical CMC workstations

Small workstations for some staff can have an adverse impact on efficiency. Improving this situation is a current challenge for the CMC.

Departures and appointments

This reporting period saw a considerable increase in recruitment activity at the CMC, and several significant departures and appointments occurred.

Departures

- July 2004: Sally Goold — Commissioner
- July 2004: Chief Superintendent Jan Lidicky — Director, Crime Operations
- September 2004: Ray Rinaudo — Commissioner
- October 2004: Paul Roger — Director, Intelligence and Information
- November 2004: Warren Strange — Deputy Director, Misconduct
- December 2004: Brendan Butler SC — Chairperson
- April 2005: Dr Paul Mazerolle — Director, Research and Prevention
- April 2005: Bill Pincus QC — Commissioner

Appointments

- November 2004: Suzette Coates — Commissioner
- November 2004: Julie Cork — Commissioner
- January 2005: Robert Needham — Chairperson
- January 2005: Chris Keen — Director, Intelligence
- January 2005: Chief Superintendent Felix Grayson — Director, Crime Operations
- January 2005: Greg Rigby — Director, Information Management
- May 2005: Susan Johnson — Director, Research and Prevention



Staff awards

In April 2005 the CMC awarded those employees who had performed outstanding work during the year. They were:

For leadership:

Detective Senior Sergeant Mitch Castles was recognised for his skill in leading and managing Operation Alpha Submission Barrier (an organised crime investigation team under the Silhouette reference — see also page 21).

Detective Senior Sergeant Carey Stent was recognised for leading and managing Operations Mexico and Cleo (organised crime investigation teams under the Gatekeeper reference — see also page 21).

For work achievement:

Indigenous Complaints Officer Lisa Florence received an award for her commitment, skill and hard work in obtaining the cooperation necessary to conduct investigations into a death

in police custody, and into a series of complaints arising from the police response to a riot.

Research Officer Samantha Jeffries was recognised for her commitment to the review of adult entertainment in Queensland and the *Regulating adult entertainment* report, which led to the development of a new regulatory model calling for significant legislative change.

For client satisfaction:

Intelligence Manager Shane Neilson and Research Officer Julianne Webster received awards for their work in producing the crime bulletin *Organised crime markets in Queensland: a strategic assessment*. This publication is a valuable benchmark document for law enforcement agencies and has received an excellent response.

In addition, the CMC gave a special award to those staff who had served the organisation (including the former CJC or former QCC) for 10 years. (See the photograph on the facing page.)

Organisational climate survey

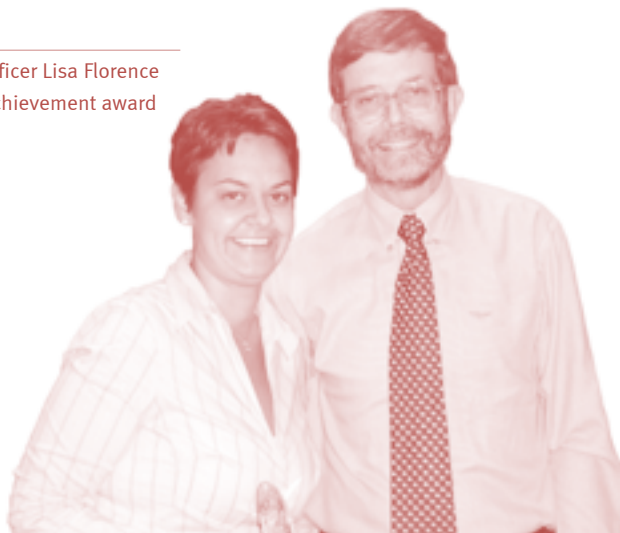
In 2004 the CMC conducted an organisational climate survey to give staff an opportunity to air their opinions and thoughts about the organisation.

As a result, a number of recommendations have been, or are being, implemented:

- A lateral transfer process was trialled and several vacant positions were advertised, seeking expressions of interest from staff for transfer at level. Acting on staff feedback it was subsequently decided to revert to the previous system whereby all vacancies are advertised externally.
- The questionnaire for a training needs analysis is nearing completion and will provide all staff with an opportunity to identify their training needs. This information will enable HR to provide a more structured approach to satisfying staff developmental needs.
- The availability of leadership and management development programs was researched, leading to tender specifications being drafted. It is hoped that a program can be developed to satisfy the needs of all staff required to manage others.
- All position descriptions are being reviewed, and will be available for staff and their managers to peruse (and amend).
- Information of interest is being circulated to all staff by direct email from senior managers.
- Other avenues to improve the flow of information throughout the organisation are being considered, including the better use of the intranet.

Staff awards April 2005

Indigenous Complaints Officer Lisa Florence after receiving her work achievement award from the Chairperson.



Communications

The CMC encourages open communication with its stakeholders within the constraints of the *Crime and Misconduct Act 2001*. Our stakeholders are many and varied, but the three main groups are parliament, public sector agencies including the QPS, and CMC staff.

Through the CMC's Strategic Communications Plan, the organisation strives to provide relevant, timely and accurate information to all its stakeholders.

During this reporting period we produced 27 print publications, with several more close to completion at the end of June 2005 (see Appendix F for a full list). In addition, four electronic newsletters were issued to Queensland public sector agencies.

This reporting period saw a shift towards using the CMC website as the principal means of disseminating reports, with two significant investigative reports released in this way.

A high level of media interest during the period resulted from a number of politically sensitive matters, such as the CMC reviews of the Prostitution Act and the live adult entertainment industry, a public inquiry in relation to police digital radio communications, and investigations into troubles on Palm Island.

The Chairperson and other senior CMC officers gave more than 30 interviews to the media during the year, and senior staff visited four Queensland regions — Roma, Biggenden, Mackay and the Wide Bay–Burnett region (Bundaberg and Kingaroy).

To enhance CMC communications further, the Communications Unit began work on a new-look website and intranet, which will be launched in the next financial year.

Table 30. Communications 2004–05

Type of activity	No.
Reports tabled in parliament	5
Investigative reports published on the CMC website only	2
Research reports	4
Significant misconduct prevention materials	8
Discussion paper	1
Strategic assessments	1
Media releases	77
Media queries	782
Media interviews	31
Media conferences	8
External presentations	111
Brochures	4
E-newsletters	4
Regional visits	4

Staff 10-year awards

In April 2005, staff who had served the Commission (including former CJC and QCC) for 10 years were given a special award: (l to r) Detective Superintendent Paul Doyle, Detective Superintendent Felix Grayson, Janet Legg (Records Manager) and Dennis Budz (Team Leader, Research and Prevention). Absent on the day were: Sergeant Nicolas Glaser, Lee-Anne Geissler (Senior Support Officer, Complaints), Natalie Fox (Systems Administrator, COMPASS), Barry Petit (Property Officer) and Melissa Walters (Support Officer, Operations Support).



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 2005–09. This is complemented by a Strategic Recordkeeping Implementation Plan, which has been 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. In 2004–05:

- All monochrome laser printers were replaced. This was a significant and successful project welcomed by staff.
- Other cyclical replacements undertaken through the year included data projectors, servers and communications hardware.
- The archival/disposal schedule covering all CMC holdings was developed in consultation with key stakeholders and is awaiting final approval from Queensland State Archives.
- A number of new database applications were developed, including the covert instruments and SLA (service level agreement)

survey databases. Significant upgrades to the CMC's complaints database (known as COMPASS) and CCR (call charge records) database were also successfully implemented.

- A new network backup solution progressed well and will be implemented shortly.
- The project to migrate analogue audio and video information to digital format commenced with hardware implications being identified and an options paper prepared.
- Over 60 per cent of the electronic library catalogue underwent data cleansing.

Business practices

The CMC contracted the services of six external consultants at a total cost of \$98 945 (see Table 31).

Table 31. Consultancies 2004–05

Consultant	Description	\$ (incl. GST)
Management		
Sagacity Consulting	Implement recommendations of Complaints Services Review	8 000
Pivot Business Strategies Pty Ltd	Review of Complaints Services Implementation Plan	18 990
Arena Organisational Consultants Pty Ltd	Facilitate 2005 Strategic Planning Workshop	8 250
Mercer HR Consulting	Organisational review of Intelligence and Information	21 525
Mercer HR Consulting	Organisational review of Media and Publications	5 185
Human Resources		
Queensland University of Technology	Organisational Climate Survey	19 060
Information Technology		
Icemedial	Review, research and develop knowledge-based design options	17 935
Total		\$98 945

2 Operations Support

Operations Support coordinates the activities of police working in the CMC, and provides expert staff in surveillance and technical services, and forensic computing

The area contributes to all three of the CMC's outputs: 'Combating major crime', 'Reducing misconduct and improving public sector integrity' and 'Protecting witnesses'.

It comprises three distinct areas:

- **Physical Surveillance Unit (PSU)**

Physical surveillance supports the investigative areas of the Commission by obtaining evidence and gathering intelligence on persons who are suspected of involvement in Commission-related investigations and are the subject of an approved surveillance operation.

The PSU achieves the objectives of each surveillance operation through the use of recognised physical surveillance methodologies.

- **Technical Surveillance Unit (TSU)**

The TSU supports CMC outputs with the use of various electronic surveillance methodologies. These methodologies have successfully been deployed in a number of operations, resulting in enhanced intelligence and evidence product.

- **Forensic Computing Unit (FCU)**

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 investigative areas 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.

Overview of performance

- Throughout the reporting period all three Operations Support units played an essential role in contributing to the CMC's outputs. The units were instrumental in acquiring valuable intelligence and evidence for organised crime and misconduct investigations. The FCU also significantly contributed computing expertise to criminal paedophilia investigations.
 - In acknowledging the increased reliance in investigations, especially of criminal paedophilia, the CMC increased the staffing level of the FCU with the addition of an extra forensic computing analyst.
 - TSU operatives undertook a variety of training regimes during the reporting period. As a result of new and emerging technologies and methodologies now available, the operatives continued to diversify their skill base by undertaking training and practice in installation techniques, electrical testing procedures and the use and operation of various items of machinery.
 - Two technical surveillance operatives attended the annual
- In April 2005, a member 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.
 - Members of the PSU continued to ensure their skills were maintained through recognised training processes. The members actively research the availability and suitability of equipment to keep pace with emerging technology to provide the best possible outcome for the investigative areas within the Commission.



Assistant Commissioner Ron Vincent

Operations Support is led by the most senior police officer attached to the CMC.

Australasian Technical Support Unit conference, which was held in Sydney in November 2004. This conference provides a showcase for new technologies and gives practitioners from around Australasia the opportunity to share information on technical matters affecting all jurisdictions.

Work of the Commissioners for Police Service Reviews

The CMC has traditionally played an important role in the work of the Commissioners for Police Service Reviews.

The Commissioners are appointed under the *Police Service Administration Act 1990* to arbitrate on any grievances police officers may have about promotions, transfers or disciplinary action. They are independent of the CMC and the QPS but are nominated by the CMC Chairperson and provided with secretarial support by the CMC.

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

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

In this reporting period, the Review Commissioners were:

- former CJC Commissioners Kathryn Biggs, Dina Browne and Barrie Ffrench (Mr Ffrench's appointment as a Review Commissioner ended in August 2004 after 11 years in the role)
- former CMC Commissioner Ray Rinaudo, whose appointment as a Review Commissioner ended in February 2005, when he was appointed a magistrate
- practising solicitor Mr Pat Mullins.

All proceedings of the Police Service Reviews are informal and non-adversarial.

Overview of performance

- Consulted with the QPS over amendments to its merit-based selection procedures, as outlined in the QPS Human Resource Management Manual. These changes, which were largely administrative, arose in part from earlier recommendations made by the Review Commissioners.
- Continued liaison with the QPS over other identified issues, resulting in ongoing improvements to the QPS promotion, transfer and discipline systems.
- Continued to meet with staff from the QPS Central Convenors Unit to discuss selection processes, and continued liaison with the Queensland Police Union of Employees. Union representatives are invited to attend all promotion, transfer and disciplinary review hearings as observers.
- Attended the annual national Public Sector Appeals Conference to keep informed about what was happening in other jurisdictions.

See also Tables 32–34.

Table 32. Types of applications lodged 2003–04 and 2004–05

Type	2003–04	2004–05
Promotion	161	122
Transfer	14	2
Lateral transfer	–	1
Stand-down	–	–
Suspension	–	–
Disciplinary	4	1
Dismissal	–	–
Total	179	126

Table 33. Status of applications lodged 2003–04 and 2004–05

Status	2003–04	2004–05
Matters lodged	179	126
Matters withdrawn before hearing	85	87
Matters out of jurisdiction	7	–
Matters awaiting hearing at 30 June	38	15
Matters heard	66	65
Matters heard but no result as at 30 June	–	4

Table 34. Results of matters heard by Review Commissioners 2004–05

Type	Affirmed	Varied	Set aside	Total
Promotion	29	1	12	42
Transfer	2	–	–	2
Lateral transfer	1	–	–	1
Disciplinary	1	–	–	1
Total	33	1	12	46

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 2004-05

The figures given here include all staff of the CMC, except seconded police officers from the QPS.

Figure B1. Membership of EEO target groups 2001-02 to 2004-05

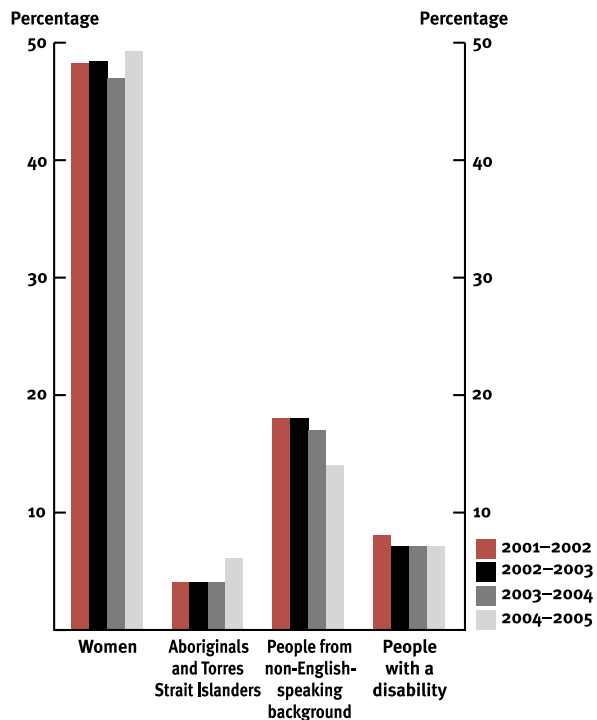


Figure B3. Employees by gender and age as at 30 June 2005

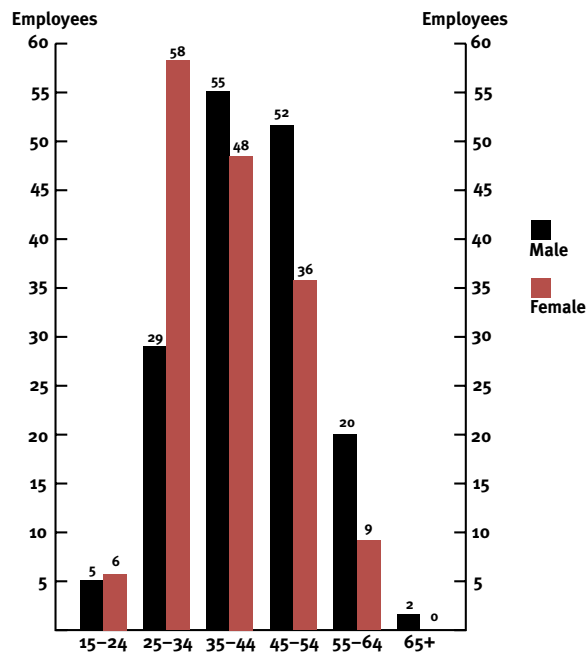


Figure B2. Employees by gender and employment status as at 30 June 2005

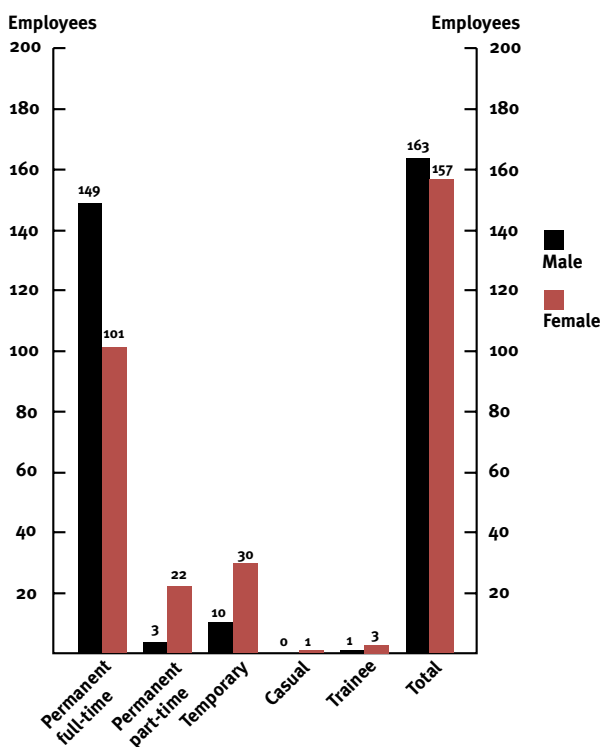
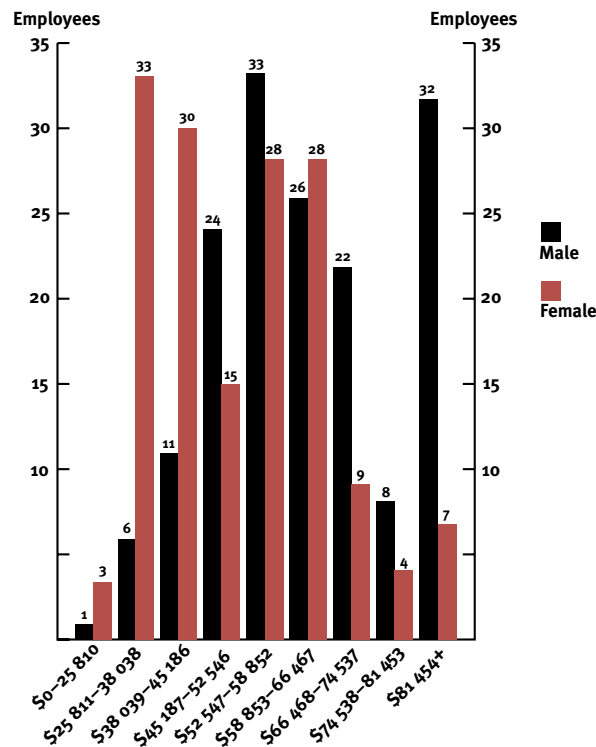


Figure B4. Employees by gender and annual salary as at 30 June 2005



APPENDIX C

Significant external presentations 2004–05

When	Topic	Where	Presenter
31.5.04	Supervisory Responsibilities of Managers	Chief Superintendents Conference, Brisbane	Mr Steve Lambrides, Assistant Commissioner, Misconduct
31.5.04–4.6.04	Asset Confiscation Investigation	Western Australian Police Detectives Conference, Western Australia	Mr Ben Duell, Senior Financial Investigator
3.6.04	Integrity at the Top: Ethics in Local Government	2004 Civic Leaders Summit, Brisbane	Mr Brendan Butler SC, Chairperson
20.6.04	Local Government Issues	Local Government Industry Forum, Institute of Internal Auditors International Conference, Sydney	Mr 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	Mr John Boyd, Manager, Misconduct Prevention
28.7.04	Future Software Applications for Intelligence, Investigation and Information Management	Wild Turkey Consultative Group Meeting, The Distillery, Canberra	Mr Paul Roger, Director, Intelligence and Information
30.7.04	Developing Data Systems for Effective Criminal Justice: Lessons from International Research and Practice	Criminal Justice 2004 Conference, Yangzhou, China	Dr Paul Mazerolle, Director, Research and Prevention
4–6.8.04	Jurisdiction Report Most Challenging Cases	Public Sector Appeals Conference	Ms Dina Browne, Review Commissioner Mr Pat Mullins, Review Commissioner
6.8.04	Ethics in Local Government	Australian Local Government Women's Association Annual Conference, Stanthorpe	Ms Michelle Clarke, Misconduct Prevention Officer
17.8.04	Overview of CMC Evaluation of the Operational Performance Reviews	District Officers Conference, QPS, Brisbane	Mr Matt Vance, Research Officer
22.9.04	The Nature, Extent and Consequences of Violent Victimization Amongst Offenders Serving Community Corrections Orders in Queensland: Implications for Prevention and Treatment	ISPCAN 15th International Conference Against Child Abuse and Neglect, Brisbane	Dr Paul Mazerolle, Director, Research and Prevention
22.9.04	Protecting Children: A New Model	ISPCAN 15th International Conference Against Child Abuse and Neglect, Brisbane	Dr Mark Lynch, Deputy Director, Research and Prevention
22.9.04	Recognising and Fostering the Rights of Children in Care	ISPCAN 15th International Conference Against Child Abuse and Neglect, Brisbane	Dr Margot Legosz, Senior Research Officer
28.9.04	Developing Corruption Resistance in the Public Sector	Delegation from Shanghai Supervisory Committee, Parliament House	Mr John Boyd, Manager, Misconduct Prevention

When	Topic	Where	Presenter
16– 19.11.04	The Nature, Extent and Consequences of Violent Victimization Amongst Offenders Serving Community Corrections Orders in Queensland	American Society of Criminology Conference, Nashville, Tennessee	Dr Paul Mazerolle, Director, Research and Prevention
16– 19.11.04	Oleoresin Capsicum Spray Use in the QPS: Preliminary Findings	American Society of Criminology Conference, Nashville, Tennessee	Dr Paul Mazerolle, Director, Research and Prevention
18.11.04	Enhancing Fraud and Misconduct Resistance	25th Annual Conference of the Local Government Accountants Association, Yeppoon	Mr Ray Bange, Senior Misconduct Prevention Officer
19.11.04	Cyber Crime	Interdepartmental Accounting Group Conference, held at Jupiters Casino, Gold Coast	Ms Narelle George, Misconduct Prevention Officer
29– 30.11.04	Organised Crime Markets in Queensland	Strategic Assessment Conference, Melbourne	Mr Chris Keen, Acting Director, Intelligence and Information
30.11.04	Violence and Victimization Across the Life-Course: Examining the Life	Australian Institute of Criminology Conference, Melbourne	Dr Paul Mazerolle, Director, Research and Prevention
6.12.04	Corruption Proofing the Public Sector	CPA Australia Public Sector Governance and Accountability Symposium	Ms Helen Couper, Director, Complaints Services
7.3.05	Professional Integrity: How Do You Keep Yourself Ethically Sharp?	SOPAC Conference	Mr John Boyd, Manager, Misconduct Prevention
21.3.05	Policing Domestic Violence: Meeting the Challenges	Partnerships Against Domestic Violence Conference	Dr Paul Mazerolle, Director, Research and Prevention
5.4.05	Activities of Witness Protection in Queensland	Heads of Witness Protection Forum	Detective Inspector Peter Lee, Witness Protection
8.4.05	Role and Function of Witness Protection in Queensland	Crime and Corruption Commission, Western Australia	Detective Inspector Peter Lee, Witness Protection
14.4.05	Past, Present and Possible Future of Beat Policing in Queensland	Queensland Police Service	Mr Dennis Budz, Senior Research Officer
12.5.05	Policing Domestic Violence in Queensland: Examining the Challenges	Queensland Police Service Senior Executive Conference	Ms Kim Adams, Research Officer
27.5.05	Corruption Prevention in the Public Sector	Delegation from China Ministry of Land and Resources	Mr Ray Bange, Senior Misconduct Prevention Officer
24–27.5.05	Managing Conflicts of Interest: A Practical Approach	VI Global Forum on Reinventing Government, Seoul, Korea	Mr John Boyd, Manager, Misconduct Prevention
8.6.05	Managing Conflicts of Interest in the Public Sector: A Practical Approach	IV Global Forum on Fighting Corruption, Brasilia, Brazil	Ms Narelle George, Misconduct Prevention Officer

APPENDIX D

Public interest disclosures received in 2004–05

Section of <i>Whistleblowers Protection Act 1994</i>	Verified by CMC	Not verified by CMC	Under consideration by CMC	Referred to other agency			Totals
				Still under review	Not verified	Verified	
s. 15: Public officer complaining of official misconduct	–	44	31	134*	57	15	281
s. 16: Public officer complaining of maladministration	–	–	5	5*	–	–	10
s. 17: Public officer complaining of improper management	–	1	–	2*	–	–	3
s. 18: Public officer complaining re health/environment matter	–	–	–	–	–	–	–
s. 19: Any person complaining re public health or safety matter	–	–	–	–	2	–	2
s. 20: Any person complaining re reprisal	–	8	37	19*	5	3	72
Totals	–	53	73	160*	64	18	368

Note: There were 93 complaints received, comprising 368 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 2004-05

Date of travel	Name of officer	Where	Reason for travel	Cost*	Remarks
28 to 30 July 2004	Dr Paul Mazerolle, Director, Research and Prevention	Yangzhou, China	Keynote speech to the New Development in Criminal Justice 2004 Conference.	Nil	Recall to duty. Conference organised by the Justice Analysis Centre of the University of Maryland, in cooperation with the Chinese Ministry of Justice. All expenses met by the Ministry of Justice and the University of Maryland.
12 to 19 October 2004	Detective Inspector Peter Lee	Sicily, Italy	Speech at the Europol Heads of Witness Protection Seminar.	\$1722	Air travel funded by the QPS.
7 to 20 November 2004	Dr Paul Mazerolle, Director, Research and Prevention	Nashville, USA	Attend American Society of Criminology Conference.	\$3293	
1 to 4 December 2004	Mr John Boyd, Manager, Misconduct Prevention	Orlando, USA	Attend International Ethics Committee of the Institute of Internal Auditors.	\$879	Recall to duty.
8 to 11 February 2005	Dr Paul Mazerolle, Director, Research and Prevention	Wellington, New Zealand	Present papers at the Australian and New Zealand Society of Criminology Conference (ANZSOC).	\$814	
	Dr Mark Lynch, Deputy Director, Research and Prevention			\$929	
	Dr Margot Legosz, Senior Research Officer			\$1040	
	Ms Kim Adams, Research Officer			\$1145	
23 April to 13 May 2005	Dr Gabi Hoffman, Research Officer	Canada- Brisbane- Canada	To undertake a further review of police procedures in relation to the use of police dogs.	\$3897	Recall to duty.
24 to 27 May 2005	Mr John Boyd, Manager, Misconduct Prevention	Korea	Attend Capacity Development Workshop on Public Sector Ethics and Trust in Government.	\$1276	Recall to duty.
7 to 10 June 2005	Ms Narelle George, Misconduct Prevention Officer	Brasilia, Brazil	IV Global Forum on Fighting Corruption	\$588	Recall to duty.
10 to 12 June 2005	Ms Susan Oag, CMC Librarian	Harrogate, United Kingdom	Attend Law Librarians Annual Conference	\$326	Recall to duty.

*Cost does not include salary.

APPENDIX F

Publications 2004–05

Building Capacity series

Fraud and corruption control: an integrated approach to controlling fraud and corruption in the workplace, no. 5, July 2004.

Speaking up: creating positive reporting climates in the Queensland public sector, no. 6, January 2005.

Information security: keeping sensitive information confidential, no. 7, February 2005.

Corporate

Annual report 2003–04, November 2004.

Law careers at the CMC, Fact Sheet, June 2005.

Strategic Plan 2005–09, June 2005.

Why do police investigate police? It's about police taking responsibility, June 2005.

Crime Bulletin

Organised crime markets in Queensland: a strategic assessment, September 2004.

Discussion paper

Should escort or outcall prostitution services in Queensland be legalised? March 2005.

Investigative reports

The Tugun Bypass investigation, August 2004.

Palm Island airfare controversy: a CMC report on an investigation into allegations of official misconduct arising from certain travel arrangements authorised by the Minister for Aboriginal and Torres Strait Islander Policy, March 2005.

Palm Island bribery allegation: report of a CMC investigation into an offer made by the Premier of Queensland to the Palm Island Aboriginal Council, March 2005.

Report of an investigation into the appointment of the Queensland Information Commissioner, July 2005.

Evaluation reports

Regulating adult entertainment: a review of the live adult entertainment industry in Queensland, December 2004.

Regulating prostitution: an evaluation of the Prostitution Act 1999 (Qld), December 2004.

Striking a balance: an inquiry into media access to police radio communications, December 2004.

Policing domestic violence: meeting the challenges, March 2005.

Problem-oriented policing in a detective environment: a Queensland case study, May 2005.

Review of the financial management guidelines for the Office of the Speaker, June 2005.

Other research reports

Exploring drug use: prevalence and patterns among emergency department patients, October 2004.

Handling complaints against police: past, present and future, Monitoring Integrity in the QPS, August 2005.

Misconduct prevention material

Managing conflicts of interest in the public sector – guidelines, November 2004.

Managing conflicts of interest in the public sector – toolkit, November 2004.

Facing the facts: a CMC guide for dealing with allegations of official misconduct in public sector agencies, Prevention and Local Government modules, March 2005.

On the right track: facilitators' guide, January 2005.

Fraud and corruption control: guidelines for best practice, March 2005.

E-newsletters

Sent to public sector agencies in July and October 2004, and March and April 2005.

- accountability
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FINANCIAL STATEMENTS

There are four key parts to these financial statements for the period ending 30 June 2005:

- > 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 99 per cent of the CMC's revenue is derived from government grants. For the year ended 30 June 2005, the CMC recorded a surplus of \$724 000.

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 \$239 000 (of the total receivables \$502 000 at 30 June) for GST input tax credits — that is, the refund of GST that has been paid to suppliers and government departments.
- > *Prepayments* occur when payments are made in advance of receiving the services or goods. Examples would be annual memberships, vehicle registrations, or maintenance agreements that still have effect after 30 June. The proportion of these payments in advance that relates to periods after 30 June becomes the prepayment. (This year it was \$310 000.) 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 \$4 342 000 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, \$2 420 000 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 \$1 076 000 have been set aside to cover the first four weeks of employees’ accumulated annual leave entitlements as at 30 June. The CMC does not need to provide for its employees’ long-service leave entitlements because 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 \$492 000 shown as a current liability represents that part of the liability or borrowing that will be reduced by lease instalments during 2005–06.

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 \$1 213 000 relate partly to the lease incentive and non-current employee leave provisions. It represents that part of the liability or borrowing that will still be outstanding at 30 June 2006 (that is, will not be extinguished in the next 12 months).

Net assets. The figure for the CMC’s net assets of \$5 885 000 (\$5 165 000 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 2.14 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 \$4 236 000 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 \$1 649 000 is derived from the \$724 000 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 2005.

For the period to 30 June 2005, expenditure for leasehold improvements to Terrica Place has returned to normal levels at \$60 000 (\$159 000 last year), after minor 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 2005

	Notes	2005 \$'000	2004 \$'000
Revenue from ordinary activities			
Contributions and grants	1(b) 2(a)	33 209	31 433
Interest	1(g)	450	368
Gains from sale of assets	1(b)	11	51
Other revenue	1(b)	12	108
Total revenue from ordinary activities		33 682	31 960
Expenses from ordinary activities			
Depreciation	1(d) 2(b)	1 445	1 611
Employee expenses	2(d)	24 201	22 973
Operating expenses	2(c)	7 297	6 859
Loss from sale of assets	1(b)	15	18
Expense arising from change in accounting policy		–	274
Total expenses from ordinary activities		32 958	31 735
Net result for the reporting period	12	724	225

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

Crime and Misconduct Commission

Statement of financial position

as at 30 June 2005

	Notes	2005 \$'000	2004 \$'000
ASSETS			
Current assets			
Cash assets	1(e) 3	4 364	3 716
Receivables	1(f) 4	502	292
Other assets	5	310	247
Total current assets		5 176	4 255
Non-current assets			
Property, plant and equipment	1(c) 6	2 167	1 790
Leasehold improvements	1(c) 7	2 175	2 867
Total non-current assets		4 342	4 657
TOTAL ASSETS		9 518	8 912
LIABILITIES			
Current liabilities			
Payables	1(h) 8	852	612
Provisions	1(i) 9	1 076	1 250
Other	10	492	531
Total current liabilities		2 420	2 393
Non-current liabilities			
Provisions	1(i) 9	351	–
Other	10	862	1 354
Total non-current liabilities		1 213	1 354
TOTAL LIABILITIES		3 633	3 747
NET ASSETS		5 885	5 165
EQUITY			
Contributed capital	11	4 236	4 240
Accumulated surplus	12	1 649	925
TOTAL EQUITY		5 885	5 165

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 2005

	Notes	2005 \$'000	2004 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Inflows			
LSL reimbursement received		(35)	(3)
Government contributions and grants		33 129	31 472
Interest		470	352
GST received from customers		45	38
GST input tax credits received		1 629	1 582
Other		(124)	103
		35 114	33 544
Payments			
Employee expenses		(23 934)	(23 172)
Supplies and services		(5 137)	(4 636)
Other		(2 554)	(2 527)
GST paid to suppliers		(1 647)	(1 574)
GST remitted to ATO		(39)	(33)
		(33 311)	(31 942)
Net cash provided by (used in) operating activities	13(b)	1 803	1 602
CASH FLOWS FROM INVESTING ACTIVITIES			
Inflows			
Proceeds from sale of plant and equipment		174	223
		174	223
Outflows			
Payments for purchases of plant and equipment		(1 269)	(814)
Payments for leasehold improvements		(60)	(159)
		(1 329)	(973)
Net cash provided by (used in) investing activities		(1 155)	(750)
Net movement in cash		648	852
Cash at beginning of financial year		3 716	2 864
Cash at end of financial year	13(a)	4 364	3 716

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 2005

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 and grants*.

Sale of assets

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

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

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.

Crime and Misconduct Commission

Notes to and forming part of the financial statements for year ended 30 June 2005

Note 1: Significant accounting policies, cont.

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 of \$2000 or greater 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 AAS4, Depreciation, are being depreciated over the term of the lease.

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.

Crime and Misconduct Commission

Notes to and forming part of the financial statements for year ended 30 June 2005

Note 1: Significant accounting policies, cont.

Class	Periods
General and technical equipment	
General	7 years
Technical	5 years
Computer equipment	
On five year replacement cycle	5 years
On four year replacement cycle	4 years
Other	3 years
Motor vehicles	5 years
Leasehold improvements Terrica Place (initial period)	5.93 years
Leasehold improvements other	4.44 years

(e) Cash assets

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

(f) Receivables

Trade debtors are recognised at the nominal amounts due at the time of sale or service delivery, with settlement 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.

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

(g) Other financial assets

Investments are measured at cost. Interest 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, not subject to interest charges and are normally settled within 30 days of invoice receipt.

(i) Provision for employee benefits

Annual leave

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

The value of the first twenty days of annual leave benefits accrued by employees has been treated as a current liability. The value of any annual leave benefits in excess of twenty days has been treated as a non-current liability.

The provision for annual leave has been made at nominal value as required by AASB 1028 Employee Benefits.

Crime and Misconduct Commission

Notes to and forming part of the financial statements for year ended 30 June 2005

Note 1: Significant accounting policies, cont.

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 expensed at the time the contributions are paid or become payable.

For employees in QSuper, the Treasurer of Queensland, based on advice received from the State Actuary, determines employer contributions for superannuation expenses.

No liability is recognised for accruing superannuation benefits in these financial statements, the liability being held on a whole-of-government basis and reported in the whole-of-government financial report 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 which 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) 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 Crime and Misconduct Commission has established an IFRS Steering Committee and Work Group to assist in the implementation of the new reporting requirements. All Australian equivalents to IFRSs are being reviewed

Crime and Misconduct Commission

Notes to and forming part of the financial statements for year ended 30 June 2005

Note 1: Significant accounting policies, cont.

for implications for policies, procedures, systems and financial impacts arising from such changes.

To date, the Commission has identified the following likely impacts arising from the adoption of Australian equivalents to IFRSs:

- > The introduction of pending AASB 136, Impairment of Assets, requires an annual impairment test to be performed on all non-current physical and intangible assets. The material assets of the CMC are currently valued at written-down cost and the effect of this standard is expected to be immaterial. However, as an impairment test has not previously applied to the public sector, an assessment of the effect is still ongoing and cannot be quantified at this time.
- > AASB 119 Employee Benefits requires employers to recognise the net surplus or deficit in their employer-sponsored defined benefit superannuation funds as an asset or liability, respectively. As the Crime and Misconduct Commission contributes to a whole-of-government superannuation scheme, and the government assumes the responsibility for the funding of the scheme, the CMC will recognise as a liability only that portion of superannuation contributions owing to QSuper at the end of the reporting period. There will therefore be no effect on the CMC's accounts.
- > AASB 119 also requires that, where there are instances of annual leave not expected to be paid within 12 months, the liability is to be measured at the present value of the future cash flows. Currently, all annual leave is measured at the nominal amount. The impact of this is expected to be immaterial.

(n) Revised asset recognition threshold

- > A number of mandated policies will be introduced, the commencement date of which will coincide with the implementation of the new Standards. The most significant change that will affect the Commission is the change of asset recognition threshold from \$2000 to \$5000. The impact of this change is expected to result in \$172 664 being posted as a reduction to the balance of Accumulated Surpluses on 1 July 2005, with a corresponding reduction to the relevant asset class and accumulated depreciation.
- > In addition, an adjustment of \$184 803 is expected to be made in the Income Statement for the write-off of assets purchased during 2004–05 which no longer meet the requirements for capitalisation and any accumulated depreciation for those assets for the 2004–05 year. There will also be an adjustment of \$148 015 to write back depreciation charged in 2004–05 for assets written off as a result of the new thresholds at 1 July 2004.

Crime and Misconduct Commission

Notes to and forming part of the financial statements for year ended 30 June 2005

Note 2: Statement of financial performance — disclosures

	2005 \$'000	2004 \$'000
(a) Contributions and grants		
Government	32 960	31 361
Other	249	72
	33 209	31 433
(b) Depreciation		
Motor vehicles	201	158
Computer equipment	242	315
General and technical equipment	250	344
Leasehold improvements	752	794
	1 445	1 611
(c) Operating expenses		
Rental expense — operating lease	2 553	2 527
Auditors remuneration — Queensland Audit Office	40	35
Communications	295	293
Computer software/services	159	207
Consultants	99	62
Contractors	83	78
Contract support	155	59
Electricity	123	114
Employment agency staff	271	87
Equipment — non-assets	266	147
Information retrieval and access	164	168
Legal and litigation costs	275	208
Maintenance	214	376
Motor vehicles	299	288
Operational expenses	484	538
Other supplies and services	841	815
Project costs	193	95
Security	230	245
Travel	518	451
Other	35	66
	7 297	6 859
(d) Employee expenses		
Salaries and wages	18 278	17 524
Employer superannuation contributions	2 428	2 325
Annual leave	1 310	1 138
Long-service leave	288	275
Other employee-related expenses	1 897	1 711
	24 201	22 973

The CMC had 285.2 full-time equivalent employees at 30 June 2005 (269 full-time equivalent at 30 June 2004).

Crime and Misconduct Commission

Notes to and forming part of the financial statements for year ended 30 June 2005

Note 3: Cash assets

	2005 \$'000	2004 \$'000
Cash on hand	41	41
Cash at bank	3935	763
Deposits on call	388	2912
	4364	3716

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

Long-service leave reimbursement	55	20
GST input tax credits receivable	239	221
Interest receivable	6	26
Grants receivable	54	–
Reimbursements receivable	119	25
Other receivables	29	–
	502	292

Note 5: Other assets

Current

Prepayments	310	247
	310	247

Note 6: Property, plant and equipment

	2005 \$'000	2004 \$'000
Motor vehicles (at cost)	1 191	873
Less: accumulated depreciation	(318)	(253)
	873	620
Computer equipment (at cost)	939	971
Less: accumulated depreciation	(426)	(560)
	513	411
General and technical equipment (at cost)	1 536	1 947
Less: accumulated depreciation	(755)	(1 188)
	781	759
Total property, plant and equipment	2 167	1 790

Crime and Misconduct Commission

Notes to and forming part of the financial statements for year ended 30 June 2005

Note 6: Property, plant and equipment, cont.

The Commission had 517 assets with a written-down value of zero which were still in use at 30 June 2005. The original purchase cost of these assets totalled \$2742217.

Movements during the reporting period

	Motor vehicles	Computer equipment	General and technical equipment	Total
	2005 \$'000	2005 \$'000	2005 \$'000	2005 \$'000
<i>Asset gross value:</i>				
Opening balance	873	971	1947	3791
Purchases	631	344	295	1270
Disposals	(313)	(376)	(706)	(1395)
Closing balances	1191	939	1536	3666
<i>Accumulated depreciation:</i>				
Opening balance	(253)	(560)	(1188)	(2001)
Depreciation expense	(201)	(242)	(250)	(693)
Depreciation on assets disposed of	136	376	683	1195
Closing balances	(318)	(426)	(755)	(1499)
Total property plant and equipment	873	513	781	2167

Crime and Misconduct Commission

Notes to and forming part of the financial statements for year ended 30 June 2005

Note 7: Leasehold improvements

	2005 \$'000	2004 \$'000
Leasehold improvements gross value		
Opening balance	5 037	4 857
Purchases	60	180
Disposals	–	–
Closing balance	5 097	5 037
Accumulated depreciation		
Opening balance	(2 170)	(1 376)
Depreciation expense	(752)	(794)
Depreciation on improvements disposed of	–	–
Closing balance	(2 922)	(2 170)
Total leasehold improvements	2 175	2 867

Note 8: Payables

Trade creditors	334	253
GST payable	11	5
Accrued salaries and wages	281	213
Accrued long-service leave levy	51	45
Other employee-related expenses	175	96
	852	612

Note 9: Provisions

<i>Current</i>		
Employee benefits — annual leave	1 076	1 250
<i>Movements in provisions</i>		
Balance 1 July	1 250	1 215
Additional provisions recognised	1 338	1 142
Increase in provisions as a result of equity transfer	4	–
Reductions in provisions as a result of payments	(1 165)	(1 098)
Reductions in provisions as a result of transfer to non-current	(351)	(9)
Balance as at 30 June	1 076	1 250
<i>Non-current</i>		
Employee benefits — annual leave	351	–
<i>Movements in provisions</i>		
Balance 1 July	–	–
Increase in provisions as a result of transfer from current	–	–
Balance as at 30 June	351	–

Crime and Misconduct Commission

Notes to and forming part of the financial statements
for year ended 30 June 2005

Note 10: Other liabilities

	2005 \$'000	2004 \$'000
<i>Current</i>		
Unearned revenue	–	39
Lease incentive	492	492
	492	531
<i>Non-current</i>		
Lease incentive	862	1 354
	862	1 354

Note 11: Contributed capital

Balance at the beginning of the reporting period	4 240	4 231
Non-appropriated equity adjustment	(4)	9
Balance at the end of the reporting period	4 236	4 240

Note 12: Accumulated surplus

Balance at the beginning of the reporting period	925	700
Net surplus	724	225
Balance at the end of the reporting period	1 649	925

Crime and Misconduct Commission

Notes to and forming part of the financial statements for year ended 30 June 2005

Note 13: Statement of cash flows – disclosures

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

	2005 \$'000	2004 \$'000
Cash on hand	41	41
Cash at bank	3 935	763
Deposits on call	388	2 912
	4 364	3 716

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

Net result for the year	724	225
<i>Non-cash items:</i>		
Depreciation expense	1 445	1 611
Other non-cash transactions adjustment	25	285
Change in operating assets and liabilities:		
(Decrease) Increase in LSL payable	6	(4)
(Increase) Decrease in lease capitalisation	(492)	(492)
(Increase) Decrease in interest receivable	20	(16)
(Increase) Decrease in LSL reimbursement receivable	(35)	(3)
(Increase) Decrease in other receivable	(177)	(5)
Increase (Decrease) in GST payable	6	5
(Increase) Decrease in GST input tax credits receivable	(18)	8
(Increase) Decrease in prepayments	(63)	114
(Decrease) Increase in accounts payable	81	30
(Decrease) Increase in salaries payable	68	(242)
(Decrease) Increase in other employee-related expenses	79	2
(Decrease) Increase in provision for annual leave	173	45
(Decrease) Increase in grant in advance	(39)	39
Net cash provided by operating activities	1 803	1 602

Crime and Misconduct Commission

Notes to and forming part of the financial statements for year ended 30 June 2005

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 2005		Non-interest-bearing		Total carrying amount as per statement of financial position	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Average interest rate (%)	5.57	4.15	–	5.20				
Financial assets								
Cash	4 323	2 675	–	1 000	41	41	4 364	3 716
Receivables	–	–	–	–	502	292	502	292
Other assets	–	–	–	–	310	247	310	247
Total financial assets	4 323	2 675	–	1 000	853	580	5 176	4 255
Financial liabilities								
Payables	–	–	–	–	852	612	852	612
Total financial liabilities	–	–	–	–	852	612	852	612

(b) Net fair value

Financial instrument	Total carrying amount as per statement of financial position		Aggregate net fair value	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
<i>Financial assets</i>				
Cash	4 364	3 716	4 364	3 716
Receivables	502	292	502	292
Prepayments	310	247	310	247
Total financial assets	5 176	4 255	5 176	4 255
<i>Financial liabilities</i>				
Payables	852	612	852	612
Total financial liabilities	852	612	852	612

(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.

Crime and Misconduct Commission

Notes to and forming part of the financial statements for year ended 30 June 2005

Note 15: Segment reporting

The Crime and Misconduct Commission contributes to public sector accountability and to the administration of criminal justice in Queensland.

Note 16: Commitments

	2005 \$'000	2004 \$'000
Capital commitments		
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.	1	-
Payments due within one year		
Outstanding capital commitments are likely to be exercised as follows.		
Payments due within one year:	144	
	145	-
Operating commitments		
Lease commitments		
At 30 June the Commission had the following operating commitments inclusive of GST		
<i>Details of items</i>		
Premises		
Outstanding premises lease commitments are likely to be exercised as follows.		
Payments due:		
within one year	2 466	2 358
one to five years	4 780	7 246
	7 246	9 604
Vehicles		
Outstanding vehicle lease commitments are likely to be exercised as follows.		
Payments due:		
within one year	211	250
one to five years	59	129
	270	379
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	139	76
	139	76

Crime and Misconduct Commission

Notes to and forming part of the financial statements for year ended 30 June 2005

Note 17: Contingent liabilities

Litigation in progress

As at 30 June 2005, there were six cases unfinalised. The Crime and Misconduct Commission's legal advisers believe that only two of these actions may result in costs and damages against the Commission, with the total estimated payable to be a maximum of \$81 000.

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 2004–05 was \$2 428 815 (compared with \$2 325 084 in 2003–04).

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 Commissioners and specified executives of the Crime and Misconduct Commission in connection with the management of the Commission. Remuneration includes salary, fees and contributions to members' superannuation. The Chairperson, Commissioners and specified executives are eligible to become members of a superannuation plan established under the *Superannuation (State Public Sector) Act 1990*.

(a) Chief Executive's remuneration

Title: Chairperson

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

The position of Chairperson was held by Brendan Butler SC from 1 July 2004 to 31 December 2004 and by Robert Needham from 1 January 2005 to 30 June 2005.

	Superannuable salary	Employer allowances and benefits*	Total remuneration
	\$	\$	\$
2005	267 328	50 954	318 282
2004	256 648	48 301	304 949

* Allowances and benefits are made up of employer superannuation contribution at 12.75%, annual leave loading of 17.5% on four weeks' leave and expense of office allowance of \$12 000.

Crime and Misconduct Commission

Notes to and forming part of the financial statements for year ended 30 June 2005

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

(b) Commissioners' remuneration

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

	2005	2004
	\$	\$
Sally Goold OAM (ceased 15.7.04)	2046	37 988
Ray Rinaudo* (ceased 19.9.04)	8 890	43 639
Margaret Steinberg AM	40 623	37 998
Hon. William Pincus QC (ceased 22.4.05)	32 861	51 537
Suzette Coates (commenced 25.11.04)	25 526	–
Julie Cork (commenced 11.11.04)	27 205	–

* Mr Rinaudo was also a Commissioner for Police Service Reviews under the *Police Service Administration Act 1990* and received an additional \$2 700 (compared with \$5 641 in 2003–04), including superannuation, for duties performed in that role.

(c) Executives' remuneration

	2005			2004		
	Superannuable salary	Employer superannuation and leave loading	Total remuneration	Superannuable salary	Employer superannuation and leave loading	Total remuneration
	\$	\$	\$	\$	\$	\$
Assistant Commissioner, Crime	153 486	21 636	175 122	148 139	20 818	168 957
Assistant Commissioner, Misconduct	153 486	21 636	175 122	148 139	20 818	168 957
Executive Director	125 389	17 676	143 065	120 984	17 002	137 986
Director, Intelligence and Information	78 449	11 160	89 609	114 498	16 090	130 588
Director, Research and Prevention	101 599	14 329	115 928	104 350	14 669	119 019
Director, Intelligence	34 476	4 341	38 817	–	–	–

Notes:

- The position of Director, Intelligence and Information, was abolished on 11 February 2005. The position of Director, Intelligence, was established on the same day to take responsibility for some of the functions of the former Director, Intelligence and Information.
- The position of Director, Research and Prevention, was held by Dr Paul Mazerolle from 1 July 2004 to 1 April 2005 and by Ms Susan Johnson from 16 May 2005 to 30 June 2005. The position was vacant between 1 April 2005 and 16 May 2005.

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

Crime and Misconduct Commission

Notes to and forming part of the financial statements for year ended 30 June 2005

Note 20: Money held in trust

The Crime and Misconduct Commission held at 30 June 2005 \$3 921 (2004 — \$3 871) 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 CMC is not aware of any significant post-balance-date events.

Note 22: Special payments

There were no special payments made by the Crime and Misconduct Commission during the 2004–05 year.


Certificate of the Crime and Misconduct Commission

This general-purpose financial report has been prepared pursuant to section 46F of the *Financial Administration and Audit Act 1977*, 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 2005 and of the financial position of the Commission at the end of that year.



Stephen Firth
Finance Manager
Date: 15 September 2005



Robert Needham
Chairperson
Date: 15 September 2005

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 CMC for the financial year ended 30 June 2005 included on the CMC's website. The CMC is responsible for the integrity of the CMC's website. The audit report refers only to the financial report 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 report. If users of the financial report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial statements, available from the CMC, to confirm the information included in the audited financial report presented on this website.

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

Scope

The financial report

The financial report of the Crime and Misconduct Commission consists of the statement of financial performance, statement of financial position, statement of cash flows, notes to and forming part of the financial report 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 2005.

The Commission's responsibility

The Commission is responsible for the preparation and true and fair presentation of the financial report, 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 report.

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 report is 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 report;
- > 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 report.

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.

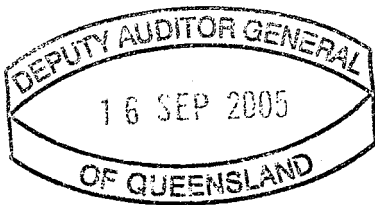
Audit opinion

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 financial report has been drawn up so as to present a true and fair view, in accordance with the prescribed accounting standards of the transactions of the Crime and Misconduct Commission for the financial year 1 July 2004 to 30 June 2005 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