

# Crime and Misconduct Commission Annual Report 2005–06

The CMC fights crime  
and promotes integrity  
in Queensland.

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|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| <b>Message from the Chairperson</b>                                                                                                                               | <b>1</b>   |
| <b>Highlights of the year 2005–06</b>                                                                                                                             | <b>5</b>   |
| <b>Financial summary 2005–06</b>                                                                                                                                  | <b>6</b>   |
| <b>About the CMC</b>                                                                                                                                              | <b>7</b>   |
| The CMC protects Queenslanders from major crime and promotes a trustworthy public sector.                                                                         |            |
| <b>Corporate governance</b>                                                                                                                                       | <b>15</b>  |
| Our corporate governance structure is based on principles of openness, integrity and accountability.                                                              |            |
| <b>Combating major crime</b>                                                                                                                                      | <b>27</b>  |
| The CMC works in partnership with the QPS and other law enforcement agencies to combat and prevent major crime.                                                   |            |
| <b>Reducing misconduct and improving public sector integrity</b>                                                                                                  | <b>43</b>  |
| The CMC works in partnership with the QPS, state departments, public sector agencies and local government to reduce misconduct and raise integrity in Queensland. |            |
| <b>Engaging in public policy</b>                                                                                                                                  | <b>63</b>  |
| In recent years the CMC has been engaged in an increasing number of projects with a significant criminal justice and public policy focus.                         |            |
| <b>Protecting witnesses</b>                                                                                                                                       | <b>69</b>  |
| The CMC is committed to providing an effective witness protection service.                                                                                        |            |
| <b>Our people and resources</b>                                                                                                                                   | <b>75</b>  |
| The CMC strives to be an effective and productive organisation serving all Queenslanders.                                                                         |            |
| Resource management practices and structures                                                                                                                      | <b>76</b>  |
| Operations Support                                                                                                                                                | <b>82</b>  |
| Police Service Reviews                                                                                                                                            | <b>84</b>  |
| <b>Appendixes</b>                                                                                                                                                 |            |
| Appendix A: Functions of the CMC                                                                                                                                  | <b>86</b>  |
| Appendix B: EEO statistics 2005–06                                                                                                                                | <b>88</b>  |
| Appendix C: Significant external presentations 2005–06                                                                                                            | <b>89</b>  |
| Appendix D: Public interest disclosures received in 2005–06                                                                                                       | <b>94</b>  |
| Appendix E: Overseas travel 2005–06                                                                                                                               | <b>95</b>  |
| Appendix F: Publications 2005–06                                                                                                                                  | <b>96</b>  |
| <b>Index</b>                                                                                                                                                      | <b>97</b>  |
| <b>Financial statements</b>                                                                                                                                       | <b>101</b> |

October 2006

Attorney-General and Minister for Justice  
and Women  
Parliament House  
George Street  
Brisbane Qld 4000

Dear Minister

We are pleased to present to parliament the fifth annual report of the Crime and Misconduct Commission, which covers the 2005–06 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



Julie Cork, Commissioner



Dr David Gow, Commissioner



Ann Gummow, Commissioner



Chairperson Robert Needham with his  
Executive Assistant, Viki Graham

## Message from the Chairperson

Now that I am well into my second year as Chairperson of the CMC I would like to take this opportunity to reflect on what it means to be the CEO of an organisation that, while operating with government funds, must operate without government fear or favour.

I am the sixth chairperson of this organisation and all six of us have at one time or another been accused of lacking independence. While this has never been found to be the case, it is not hard to understand why the perception crops up periodically. It stems in part from people seeing us make findings of misconduct against public servants while politicians seem to escape unscathed for apparently similar or worse offences. It also arises from the fact that many people tend to view our findings through the lens of their own political persuasion. Often the politicians in question are government ministers – when they are cleared it can look as though the CMC is indeed a 'clearing house' for the government of the day.



It is up to us in the CMC to constantly remind people of two things. Firstly, the CMC can only make findings against a politician if the behaviour under investigation could amount to a criminal offence – anything less than a criminal offence must be accounted for at the ballot box. (For public servants official misconduct can be either a criminal offence or any serious offence that might result in dismissal.) This is not something the CMC itself has determined – it is enshrined in our legislation.

Secondly, the CMC, as did the CJC before it, takes the view that it should carefully consider – and, if necessary, investigate and report on – matters referred to it by and about politicians, even if the referral of the allegations may be politically motivated. The public interest and public confidence in our democratic system

demand that we do so, as does the need to re-establish the reputation of those who have been wrongly accused.

Nonetheless, while there are legal limitations to the power of the CMC to investigate the conduct of politicians, our reports can and do challenge our political leaders. This year, for example, we conducted public hearings into electoral corruption on the Gold Coast. Our comprehensive report *Independence, influence and integrity in local government*, published in May 2006, disclosed that the electoral process had indeed been corrupted. We made recommendations for prosecution proceedings against six people, and 19 recommendations for reform of the local government electoral process. Regrettably, many of the reform recommendations have not been accepted by State Government.

The CMC understands, and shares in, the frustrations felt at times by the general public towards exposing and dealing with wrongdoing. We will continue to play our part by undertaking rigorous investigations that can withstand public scrutiny, conducting public hearings when necessary, and reporting fearlessly on contentious matters.

Apart from the Gold Coast hearings, which took up a considerable part of my time this year, I was also closely involved in our examination of whether Queensland should legalise escort prostitution services. At the start of this examination, I had a tentative view leaning towards legalisation. But the hearings and a review of the research literature and legislation turned me to the view expressed in our report (released October 2006) that we should not recommend changes to legislation that could lead to serious adverse effects – not when we are unable to be confident that those adverse effects can be avoided.

But, as this report demonstrates, there is more to the CMC than conducting public hearings and investigations. There is no similar organisation in Australia with our broad sweep of responsibilities and functions, encompassing everything from preventing crime and misconduct to offering protection to witnesses in criminal proceedings and to recovering the proceeds of crime.

Criminal paedophilia continues to be an area of specific focus. We contribute to the fight by targeting networked and recidivist child-sex offenders and those who use the internet as a tool for finding and grooming victims. In this reporting period, the strategy resulted in the arrest of 16 people and the laying of 85 charges. These sorts of investigations do not have geographic boundaries – one of our operations this year, for example, resulted in the conviction of a young man in the United States.

A landmark development in the complaints area during the year was the completion of a project that allows

government departments and other key agencies to deal more quickly with less serious complaints of misconduct. As a result, CEOs can now get started straightaway on dealing with certain matters, rather than having to wait for a directive from the CMC – provided, of course, that we are notified of these matters by way of regular schedule. This development reflects the CMC's commitment to encouraging CEOs to take greater responsibility for dealing with misconduct in their own areas.

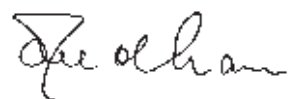
Of course, there will always be the need for an independent body such as ourselves to monitor how agencies have dealt with matters and to investigate serious cases. This year we reviewed 158 individual complaints dealt with by agencies and found that only a few fell short of the standard expected.

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. Our role is to ensure that they do so to the required standard. Our *Facing the facts* series is one way we seek to help public servants deal with misconduct. This year we launched a new module designed to cater for the specific needs of local government.

In last year's annual report I noted the pressures placed on the CMC by limited resources – particularly limited accommodation. Work has begun in cooperation with the Department of Public Works to identify suitable long-term options for the CMC, to meet both current and future accommodation needs. Our present inability to place teams together does have an impact on efficiency. I am, however, confident that this problem can be resolved.

The year saw the loss of two CMC stalwarts who dated back to the early days of the CJC – Forbes Smith and Graham Brighton. I thank them both for their contribution to the Commission and extend a welcome to our new Commissioner, Anne Gummow, who was appointed in August 2006. Ms Gummow comes to us with a background in family law.

Finally, and most importantly, I thank the staff of the CMC, especially the support staff, for another year of dedicated hard work. Space does not permit me to give each of you the accolades you deserve.



Robert Needham  
October 2006

# Highlights of the year 2005–06

## Fighting major crime

- > 49 people charged with 316 offences as a result of CMC crime investigations
- > 20 investigations finalised: 15 into criminal paedophilia, 3 into organised crime, and 2 into serious crime
- > 104 days of investigative hearings held, with 92 witnesses giving evidence
- > 8 joint investigations begun with the QPS and other law enforcement agencies, and 4 finalised
- > 15 paedophilia investigations conducted, with operations resulting in 16 people charged with a total of 85 offences
- > 4 major crime investigations referred by the Crime Reference Committee

## Reducing misconduct and improving integrity

- > 3924 complaints received, compared with 4363 last year
- > 2879 matters referred to public sector agencies to deal with
- > 158 reviews conducted of matters dealt with by agencies; the vast majority found to have been dealt with appropriately
- > 136 complaints referred for CMC investigation
- > misconduct prevention resources published, including a new module on local government for our *Facing the facts* guidelines
- > allegations in relation to the Gold Coast City Council 2004 elections investigated and the report published
- > regional visits made to Cairns, Karumba, Inglewood and the Sunshine Coast

## Engaging in public policy

- > implementation of the recommendations in our report *Seeking justice* (arising from the Inquiry into the Handling of Sexual Offence Matters by the Criminal Justice System) reviewed
- > a review of progress in the implementation of reforms to child protection system conducted
- > adult entertainment regulation in all the states and territories of Australia surveyed and compared
- > consultation and public hearings conducted into whether the legalisation of outcall prostitution services should be extended
- > trial police powers relating to volatile substance misuse reviewed, and the government's 'places of safety' model evaluated
- > reviews of public nuisance provisions and motorbike noise provisions in legislation begun

## Protecting witnesses

- > 136 people protected in 70 operations
- > 38 people protected at court
- > 61 threat assessments conducted
- > the second Queensland Witness Protection Course conducted in Brisbane in April and May 2006
- > witness protection presentations given at QPS North Coast Region District Officers Conference
- > training sessions presented at QPS Prosecutors Course and Detective Training Program





# Financial summary 2005–06

## Financial summary for year ended 30 June 2006

|                             | \$'000 |
|-----------------------------|--------|
| <b>For the year</b>         |        |
| Queensland Government grant | 34 777 |
| Operating revenue           | 689    |
| Total revenues              | 35 466 |
| Operating expenses          | 36 052 |
| Operating surplus (deficit) | (586)  |
| <b>At year end</b>          |        |
| Total assets                | 8 489  |
| Total liabilities           | 3 531  |
| Net assets                  | 4 958  |

## 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 2006, this was \$34.77m (98.05% 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 (\$25.322m), with \$9.337m for supplies and services and depreciation of \$1.358m. Total expenses were \$36.052m for the year ended 30 June 2006.

## Assets

Total current and non-current assets as at 30 June 2006 totalled \$8.489m.

## Liabilities

Total liabilities as at 30 June 2006 were \$3.531m. This included \$0.862m for the lease incentive liability for the Terrica Place premises, \$2.138m for employee leave entitlements, and \$0.531m for accrued expenses and trade creditors.

## Net equity

As at 30 June 2006, the CMC's net equity was \$4.958m.

## Operating result

The CMC had an operating deficit of \$0.586m for 2005–06. This was due principally to an accounting policy change that increased the CMC's asset recognition threshold from \$2000 to \$5000, causing the majority of our network upgrade costs to be expensed rather than treated as an asset.

# About the CMC

## Some facts about the CMC

- > Came into existence on 1 January 2002.
- > Was created under the *Crime and Misconduct Act 2001*.
- > 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 how public sector agencies, including the police, deal with misconduct.
- > Employs almost 300 staff and has a budget of \$35 million.

AUDAX • AT • FIDELIS



#### The Commission — the board of the CMC

As at 30 June 2006 the Commissioners were (left to right): the Honourable Douglas Drummond QC, Ms Julie Cork, Dr David Gow and CMC Chairperson Robert Needham. (A fifth Commissioner, Ms Ann Gummow, was appointed in August 2006.)

## About the CMC

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

The Crime and Misconduct Commission (CMC) is a government-funded body but is independent of the government of the day. It is run by a five-member board (called 'the Commission') and answers ultimately to the people of Queensland through the all-party Parliamentary Crime and Misconduct Committee (PCMC).

The PCMC is a standing committee of the Legislative Assembly with particular responsibility for monitoring and reviewing the CMC's performance. See page 23 for a photograph of the current PCMC.

## Origins of the CMC

Established under the *Crime and Misconduct Act 2001* (CM Act), the CMC began operating on 1 January 2002 with the merger of the Criminal Justice Commission (CJC) and the Queensland Crime Commission (QCC).

The CJC was set up as a result of the Fitzgerald Commission of Inquiry into police corruption, and played a major part in creating a stronger, more accountable police service and public service for Queensland. The QCC, established by the *Crime Commission Act 1997*, forged harmonious and successful partnerships with the Queensland Police Service (QPS) and other law enforcement agencies to combat major crime.

The combination of these two organisations resulted in a powerful new organisation for fighting crime and misconduct and raising public sector integrity in Queensland. The CMC is committed to helping police fight organised and other forms of major crime, and to the continuous improvement of the Queensland public sector, including the police service.

The third function of the CMC — witness protection — dates back to the time of the Fitzgerald Inquiry, when certain witnesses to the inquiry needed to be protected. Witness Protection was established as a unit within the



CJC in 1989, and this responsibility was later taken on by the CMC under the *Witness Protection Act 2000*.

## Management

The CMC is headed by a five-member Commission, which comprises the Chairperson and four part-time Commissioners who represent the community. (See pages 18–19 for details about the Commissioners who served during 2005–06.)

The Commissioners are also eligible to be appointed as Police Service Review Commissioners (see page 84 for details).

Decisions made by the Commission are put into effect by the Strategic Management Group (SMG). The SMG also selects and oversees the major operational and administrative projects of the organisation, in line with corporate priorities, objectives and statutory responsibilities.

The SMG is led by the Chairperson and comprises 11 members, representing all areas of the CMC. It has a charter which outlines its role and responsibilities. Minutes of the meetings are produced to record decisions and actions, and to ensure the charter is adhered to. (See page 20 for more information about the SMG.)

## Outputs

The CMC operates on three main fronts, defined in our strategic plan for the period 2005–09 as 'outputs'. These are:

- > combating major crime
- > reducing misconduct and improving public sector integrity
- > protecting witnesses.

All three outputs contribute to the Queensland Government's priority of Protecting our Children and Enhancing Community Safety. In addition, the CMC's 'reducing misconduct and improving public sector integrity' output contributes to the government priority of Delivering Responsive Government.

### Combating major crime

The CMC works in partnership with the QPS and other law enforcement agencies to combat and prevent major crime. Under the Crime and Misconduct Act, 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

- > **criminal paedophilia** — criminal activity involving sexual offences against children or child pornography
- > **serious crime** — unsolved criminal activity involving offences punishable by not less than 14 years' imprisonment (e.g. murder, arson)
- > **terrorism** (added by an amendment to the Act in 2004)
- > actions taken in preparation for committing criminal paedophilia, organised crime or terrorism, or to avoid detection of, or prosecution for, these crimes.

We are not an alternative police service, but we have special powers not possessed by any other law enforcement agency which help us 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 our special powers, and gives us access to police resources and the skills and talents of experienced investigators to fight major crime.

Our intelligence work helps us decide what crimes pose the most serious threat to the people of Queensland, and our research and prevention function helps us adopt preventive strategies in addition to making arrests. For performance in 2005–06, see pages 27–42.

### Reducing misconduct and improving public sector integrity

We work in partnership with the QPS, state departments, public sector agencies and local government to reduce misconduct and raise integrity in Queensland. Our ultimate goal is to achieve a commitment to integrity that is shared by all.

To this end, we receive and assess complaints of misconduct, refer some matters to the relevant agency to deal with (subject to our monitoring), and investigate some of the more serious matters ourselves.

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 or exercise of powers that is dishonest or lacks impartiality, or involves a breach of the trust placed in a person by virtue of their position, or is a misuse of officially obtained information.



Assistant Commissioner, Misconduct,  
Stephen Lambrides

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.

Our misconduct jurisdiction applies to the Queensland public sector only – which means state government departments, public sector agencies, statutory authorities, tribunals, universities, local governments, 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. This is known as the devolution principle. 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 us 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 our attention through referrals by chief executive officers and police (who have a statutory obligation to report suspected official misconduct to the CMC), through our own initiative and intelligence work, and through complaints made by the public.

We may decide to investigate a matter alone or in partnership with the relevant agency, or we may ask the agency to deal with it subject to some form of monitoring. The 'misconduct' output, like the 'combating major crime' output, relies on the use of multidisciplinary teams. For performance in 2005–06, see pages 43–62.

## 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. For performance in 2005–06, see pages 69–74.

## Engaging in public policy

There is also a fourth front on which the CMC operates. In recent years we have increasingly been engaged in projects with a significant criminal justice and public policy focus. These may originate from investigations, through referral by our minister under the CM Act, or as a requirement in other legislation. For more information about our engagement in public policy, see pages 63–68.

## Chief work areas

The following work areas contribute to the outputs described above.

### Crime

The Crime area conducts specialist, multidisciplinary proactive investigations and performs other law enforcement tasks. For administrative purposes our Proceeds of

Crime Unit, which performs the CMC's civil confiscation function, is located within the Crime area. Civil confiscation involves the restraint and ultimate forfeiture of the proceeds of serious criminal activity to the state.

## Misconduct

The Misconduct area receives and assesses complaints about misconduct, monitors how agencies deal with complaints, and helps build the capacity of agencies to prevent and deal with misconduct. It also investigates the most serious complaints, or those that involve the public interest.

## Witness Protection

The Witness Protection area assesses all witness protection applications from client agencies, assists protected persons to meet their court commitments, provides education and information sessions to client agencies and delivers witness protection training.

## Operations Support

Operations Support, led by the most senior police officer attached to the CMC, coordinates the activities of police working in the CMC, and provides expertise in surveillance, technical services and forensic computing.

## Research and Prevention

The Research and Prevention area performs research into crime, misconduct, policing, and other policy and legislative issues referred by our minister (the Minister for Justice and Attorney-General) or required by legislation. It also provides significant services relating to preventing crime and misconduct and building the capacity of agencies to prevent and deal with misconduct.

## Intelligence

The Intelligence area collects, collates and analyses information and intelligence relevant to our Crime, Misconduct and Witness Protection responsibilities. It identifies and develops targets for CMC investigative action, provides strategic assessments and trends analysis on relevant matters, maintains an intelligence database, disseminates intelligence to law enforcement and government agencies, acts as a bridge between the Crime and Misconduct areas to facilitate exchange of information, and provides tactical information and intelligence support for investigative teams.

## Corporate Support

The Corporate Support area helps all areas of the CMC to operate effectively in the interests of achieving the organisation's goals. Its responsibilities include managing our internal and external accountability systems; providing a secretariat service to the Commission; corporate governance, legal, financial, administrative, human resource and information management; and providing communication services.



Assistant Commissioner, Crime,  
John Callanan



Assistant Commissioner Ron Vincent  
Ron Vincent is Director of Witness Protection and Operations Support, and the most senior police officer attached to the CMC.

## The CMC's special powers

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

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

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

Powers under both the Crime and Misconduct Act and the *Police Powers and Responsibilities Act 2000* are used, depending on operational considerations. (For use of these powers in 2005–06, see Tables 4–6, page 30, and Table 13, page 58.)

## 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 our ability to break through the 'wall of silence' that frequently characterises major crime and corruption. At the same time, we are 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.

## Public inquiries

Complaints or issues brought to our 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.

During this reporting period, a public inquiry was held in relation to the 2004 Gold Coast City Council elections (for details see page 60). Two days of public hearings



Chairperson and CEO Robert Needham

Robert Needham presiding over a public hearing in the CMC's Hearing Room



were also held in September 2005 in relation to regulating outcall prostitution in Queensland (see page 66).

Under the current provisions of the Crime and Misconduct Act, the Chairperson of the CMC is the only person authorised to conduct public inquiries, although the Act is about to be amended to allow greater flexibility in this regard.

## Limitations of CMC powers

The CMC is not a court. It cannot find people guilty or not guilty, or discipline anyone. It 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.

## Can the CMC lay charges?

In the context of our crime investigations, we can have people arrested, charged and prosecuted. In the context of our official misconduct functions, we can arrest offenders or refer the matter to the relevant prosecuting authority with a view to criminal prosecution, or to the appropriate chief executive officer to consider disciplinary action. We can also charge public officers with official misconduct in a Misconduct Tribunal.

## Telephone interception powers

Unlike law enforcement agencies, such as the police services of most states, 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. We 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 23). The PCMC, which is assisted by the Parliamentary Crime and Misconduct Commissioner, oversees the CMC's activities and investigates complaints against it. See pages 15–26 for more details about the CMC's accountability. Figure 1 (next page) gives a diagrammatic representation of the CMC's structure and accountability.



Terrica Place

The CMC occupies five floors of Terrica Place, 140 Creek Street, Brisbane.

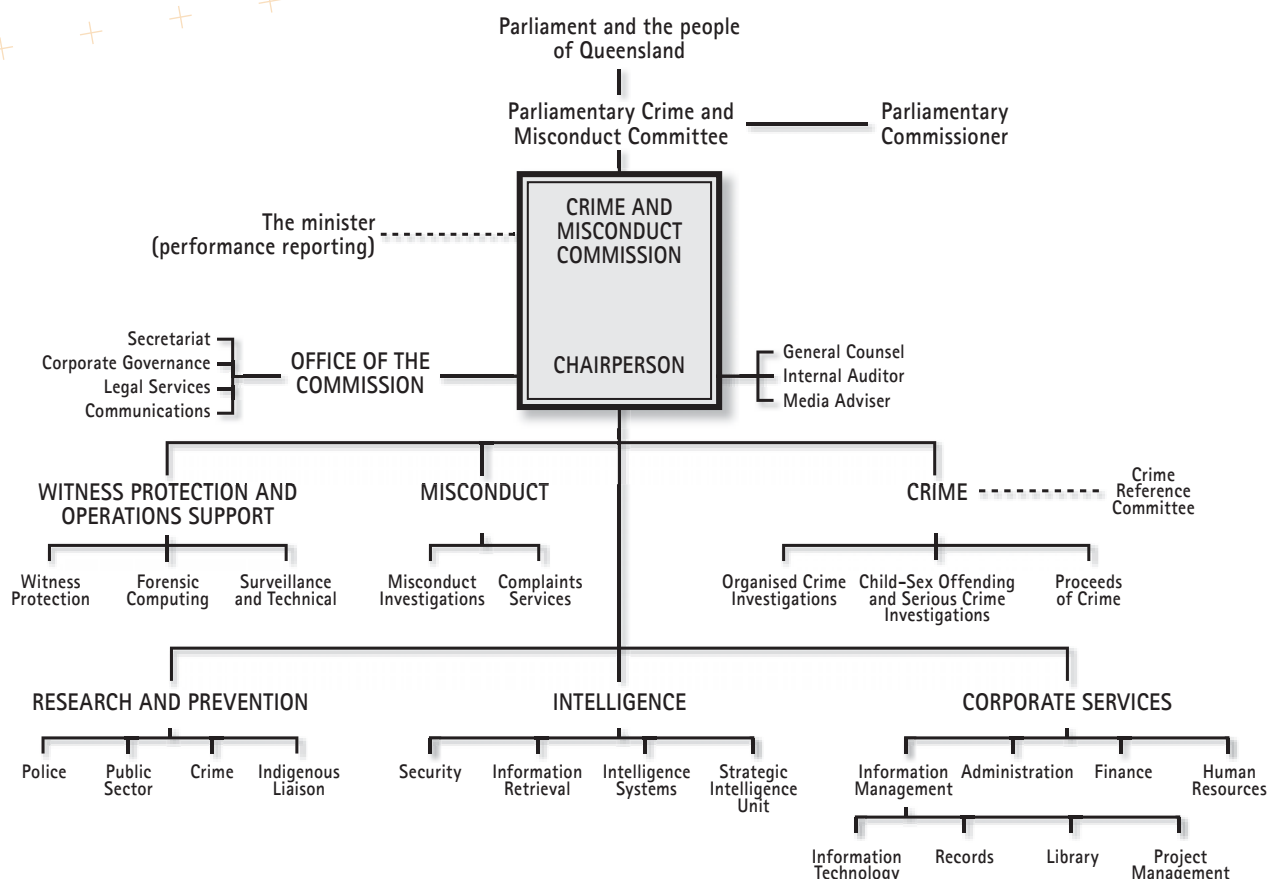
## Our people

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. 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. (For more information about our people and resources, see pages 75–84.)



Records Manager Janet Legg and Project Officer Suzanne Sweeper

**Figure 1. Structure and accountability of the CMC**



# Corporate governance



## **Openness, integrity and accountability in governance**

Our corporate governance structure is based on principles of openness, integrity and accountability. The infrastructure helps us to plan, organise, manage and monitor our operations, performance and internal controls, and achieve best practice.

### **Internal accountability**

Our most important internal accountability mechanism is the five-member Commission, which sets our corporate policy and strategic directions.

### **External accountability**

External accountability structures include:

- > the PCMC
- > the Parliamentary Crime and Misconduct Commissioner
- > the minister (now the Attorney-General)
- > the Crime Reference Committee
- > the Public Interest Monitor
- > the Supreme Court
- > the Controlled Operations Committee
- > various legislative compliance structures
- > financial and performance management systems.



Responsibility for corporate governance is held within the Office of the Commission.

(left to right) Acting Executive Officer Gary Adams, Acting Project Officer Therese Flynn and Executive Director Mark Hummerston

## Corporate governance

Our corporate governance structure is based on principles of openness, integrity and accountability.

Our corporate governance infrastructure helps us to plan, organise, manage and monitor our operations, performance and internal controls, and achieve best practice.

This section of the report looks at our internal and external reporting and accountability structures, as well as our legislative compliance, and financial and performance management.

Information about our resource-management practices and structures can be found on pages 75–81.



Executive support

Annette Brisbin, Executive Assistant to Mark Hummerston

## Internal accountability structures

The most important internal accountability mechanism is the Commission. CMC corporate policy and strategic directions, set by the Commission, are then implemented by a range of internal committees and generally overseen by the Strategic Management Group (SMG). 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 consists of five Commissioners – a full-time Commissioner who is the Chairperson and four part-time Commissioners who are community representatives. Two full-time Assistant Commissioners (the Assistant Commissioner, Crime, and the Assistant Commissioner, Misconduct) and the Executive Director also participate in Commission meetings, though they have no voting rights.

The Commission has primary responsibility for achieving the purposes of the Crime and Misconduct Act.

The Commissioners during this reporting period were:

- > Mr Robert Needham (Chairperson)
- > Professor Margaret Steinberg AM (whose term expired on 1 October 2005)
- > the Honourable Douglas Drummond QC (appointed 7 July 2005)
- > Ms Julie Cork (appointed November 2004)
- > Ms Suzette Coates (appointed November 2004 and resigned 16 December 2005 to take up an appointment as a Stipendiary Magistrate in Cairns)
- > Dr David Gow (appointed 2 October 2005).

(Ms Ann Gummow's appointment was announced in August 2006.)

See pages 18–19 for background details on the Chairperson and part-time Commissioners who served during this reporting period.

Each fortnight the Commission meets formally with the Assistant Commissioners and the Executive Director to consider issues relating primarily to the strategic direction of the organisation. A typical agenda includes:

- > examination of the work of the various functional areas from a strategic point of view
- > a decision about whether a draft report should be issued or revised
- > consideration of whether a matter should be referred for prosecution or disciplinary action
- > discussion of any corporate governance or managerial issues.

When urgent matters arise, special meetings are convened at short notice either in person or by telephone. The Commission also meets regularly with the CMC's overseeing body, the PCMC.

In guiding and maintaining the focus of the organisation, the Commission discusses matters affecting all areas of the CMC, including financial, staffing and managerial issues,

specific crime and misconduct operations, research and intelligence projects, and capacity development and misconduct prevention activities.

During 2005–06 the Commission met 28 times, of which two were special meetings, and met with the PCMC four times (see Table 1).

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

**Table 1. Attendance of Commissioners, Assistant Commissioners and Executive Director at Commission meetings 2005–06**

|              | Ordinary meetings<br>(n = 26) | Special meetings<br>(n = 2) | With PCMC<br>(n = 4) |
|--------------|-------------------------------|-----------------------------|----------------------|
| R Needham    | 25                            | 2                           | 4                    |
| S Coates     | 12                            | 2                           | 1                    |
| J Cork       | 26                            | 1                           | 4                    |
| D Drummond   | 24                            | 2                           | 3                    |
| D Gow        | 18                            | 2                           | 3                    |
| M Steinberg  | 7                             | –                           | 1                    |
| J Callanan   | 19                            | –                           | 4                    |
| S Lambrides  | 22                            | 2                           | 3                    |
| G Brighton   | 6                             | –                           | 1                    |
| M Hummerston | 18                            | 2                           | 3                    |



Former Executive Director Graham Brighton

Graham Brighton was Executive Director until October 2005, and was succeeded in the position by Mark Hummerston.

## Commissioners who served during this reporting period



**Robert Needham**  
(Chairperson since January 2005)

Mr Robert Needham was appointed Chairperson of the CMC in January 2005. Before that he practised as a barrister for 35 years, his career spanning periods as a Crown Prosecutor and as a barrister in private practice.

In late 1987 Mr Needham was appointed Counsel Assisting the Fitzgerald Commission of Inquiry. He subsequently became involved in the political corruption investigations arising out of the inquiry, forming a 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.

Mr Needham, who has a Bachelor of Laws from The University of Queensland, was the Parliamentary Crime and Misconduct Commissioner from 2002 to 2003.



**The Honourable Douglas Drummond QC**  
(from July 2005)

The Honourable Douglas Drummond QC was a judge of the Federal Court of Australia for more than 11 years before retiring in April 2003.

Mr Drummond's legal experience spans 38 years, and includes a three-year appointment in 1988 as Special Prosecutor with responsibility for the investigation and prosecution of offences arising out of the Fitzgerald Commission of Inquiry. He has also practised as a barrister at the private Bar, specialising in general commercial litigation and arbitration.



**Julie Cork**  
(from November 2004)

Ms Julie Cork has a Diploma in Teaching and a Bachelor of Education Studies, and 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 Indigenous Australians and people with disabilities.

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.



**Dr David Gow**  
(from October 2005)

Dr David Gow is currently a senior lecturer at The University of Queensland Business School. He is an honours graduate from the University of Sydney and received his PhD from the University of Hawaii in 1981. Dr Gow's main expertise is in

public administration and political science, in which he has held various academic appointments over the past 23 years. He also has considerable experience in research methodology, having worked extensively as a consultant to the Queensland Government, and to the CJC between 1991 and 2000.

## Suzette Coates

(from November 2004 to December 2005)

Ms Suzette Coates holds a Bachelor of Arts and a Bachelor of Laws from The University of Queensland, and her appointment to the CMC fulfilled the

requirement that one of the CMC Commissioners be a lawyer with an interest in civil liberties. She has worked extensively for Indigenous families and in poverty law. Ms Coates resigned her position as a Commissioner in December 2005 to take up an appointment as Stipendiary Magistrate in Cairns.



## Professor Margaret Steinberg AM

(from October 2000 to October 2005)

At the time of her appointment to the CJC, Professor Margaret Steinberg, who has a PhD in Child Health and Education from The University of Queensland, 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.



## Appointment of Commissioners

The Commissioners (including the Chairperson) are appointed by the Governor-in-Council under the terms of the Crime and Misconduct Act for a period of not more than five years. Their nomination for appointment must have the bipartisan support of the PCMC. They are paid the remuneration and allowances decided by the Governor-in-Council.

## Qualifications of the Chairperson

Under the terms of the Crime and Misconduct Act, the Chairperson, who is also the CEO, must 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.

## Qualifications of the part-time Commissioners

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

Our Act requires one of the part-time Commissioners to be a practising lawyer with a demonstrated interest in civil liberties. It also requires that one or more have qualifications or expertise in public sector management and review, criminology, sociology or research related to crime or crime prevention, and that at least one is a woman.

## Resignation and termination of a Commissioner

The Governor-in-Council may terminate the appointment of a Commissioner (including the Chairperson) at any time if the Commissioner becomes incapable of performing the duties of office or is absent from three consecutive meetings of the Commission without prior approval and reasonable excuse.

In addition, the Governor-in-Council may terminate the appointment of the Chairperson if the Chairperson engages in paid employment outside the duties of office without the minister's approval and the recommendation of the PCMC or the Legislative Assembly.

A CMC Commissioner (including the Chairperson) may resign at any time by written notice to the minister.

## Ethical standards

The CMC must keep a register of each Commissioner's pecuniary interests and personal or political associations.

## Assistant Commissioners and senior officers

The Crime and Misconduct Act decrees that Assistant Commissioners and senior officers must not hold office in the CMC for more than eight years in total (although the precise period is currently under review and may be

extended). A 'senior officer' is an officer whose principal duties relate directly to the performance of the CMC's prevention, crime, misconduct, research or intelligence functions or the giving of legal advice to the Commission, but does not include a senior officer whose duties support the CMC's functions, such as the Executive Director or a human resource, information technology or finance manager.

### The Strategic Management Group (SMG)

The CMC has a comprehensive committee structure to comply with corporate governance principles of effective management. The most significant of these is the Strategic Management Group (SMG), comprising Assistant Commissioners and Directors and chaired by the Chairperson as CEO. The role of the SMG is to manage the organisation within the delegation structure and strategic directions established by the Commission. In addition, the SMG selects and oversees the major operational and administrative projects undertaken by the organisation, in line with corporate priorities, objectives and statutory responsibilities.

The SMG, led by the Chairperson, comprises 11 members, representing the main areas of the organisation.

The charter of the SMG outlines its role and responsibilities. Minutes of the meetings are produced to record decisions and actions and to ensure the charter is adhered to.

As at June 2006 the members of the SMG were:

- > Robert Needham, Chairperson and Chief Executive Officer
- > Mark Hummerston, Executive Director (encompassing Office of the Commission and Corporate Services)
- > Stephen Lambrides, Assistant Commissioner, Misconduct
- > John Callanan, Assistant Commissioner, Crime
- > Assistant Commissioner Ron Vincent, Director, Witness Protection and Operations Support
- > Detective Chief Superintendent Felix Grayson, Director, Crime Operations
- > Chris Keen, Director, Intelligence
- > Russell Pearce, Director, Misconduct Investigations
- > Helen Couper, Director, Complaints Services
- > Susan Johnson, Director, Research and Prevention
- > Greg Rigby, Director, Information Management.



Members of the Strategic Management Group

(Clockwise from top left) SMG members Mark Hummerston, Russell Pearce, Ron Vincent, Felix Grayson, Helen Couper, Chris Keen, Greg Rigby and Susan Johnson. Absent from the photo are John Callanan, Stephen Lambrides and Robert Needham.



## Other internal management committees

The CMC's management committees ensure that it plans, organises, manages and monitors its operations, performance and internal controls, and strives to achieve best practice.

These committees fall into one of two categories: a Commission committee, which means it is chaired by a member of the Commission or an independent external person, 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.

## Commission committees

### Audit Committee

Chair: Philip Procopis (external member)

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.

In 2005–06 the Audit Committee:

- > endorsed 2006–10 Internal Audit Strategic Plan
- > endorsed 2006–07 Internal Audit Annual Plan
- > reviewed the CMC's financial statements for 2004–05
- > reviewed the 2005–06 Client Service Plan provided by the Queensland Audit Office
- > reviewed all internal audit reports and report of actions taken by management on recommendations reported and accepted by the Chairperson.

### 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.

In 2005–06 the Finance Committee:

- > monitored expenses during the year and, where necessary, made recommendations to vary financial strategies to ensure that expenses 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 budgets for the CMC and ensured that approved budgets were aligned with the CMC's priorities
- > determined current and future 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

Provides advice concerning the development of the CMC's strategic plan for its information systems and information infrastructure.

In 2005–06 the Information Steering Committee:

- > approved required alterations to the 2005–06 Information Management Operational Plan
- > monitored progress with major information management projects.

## 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

In 2005–06 the Legislation Committee:

- > ensured that the legislation governing the CMC's activities was conducive to the meeting of the organisation's stated objectives
- > ensured that the CMC complied with all legislation relevant to its operations.

## SMG committees

### Commission Consultative Committee

Elected chair: Research Officer Kate Foote

Vice chair: Inspector John Lewis

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

In 2005–06 the Commission Consultative Committee:

- > considered representations from staff on such matters as career planning and progression through higher duties/relieving opportunities and sound succession planning,

air conditioning, energy conservation measures, lift problems, corporate uniforms and car pool arrangements

- > reviewed several policies relating to the CMC's Work, Family and Life Balance program.

### Equal Employment Opportunity Consultative Committee

Chair: Commissioner Julie Cork

Provides advice to management in relation to discrimination and EEO matters, and provides a forum where staff can raise matters of interest and concern.

In 2005–06 the EEO Consultative Committee:

- > assisted in the production of the 2006–08 Equal Employment Opportunity Management Plan
- > supported the conduct of training sessions on Indigenous Cultural Awareness
- > supported the conduct of focus group sessions with members of the EEO target groups
- > continued to promote staff awareness of significant EEO events during the year, such as International Women's Day, International Day of Families and International Day of Indigenous People
- > supported the integration of EEO principles into Certificate IV of Government and Diploma of Management (Government) accredited training.

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

Provides advice about effective strategies to ensure that the Commission minimises the potential for fraud and identifies potential risks.

In 2005–06 the Risk Management Committee:

- > participated in the Government Agency Preparedness (GAP) Project, which aims to improve the preparedness of government agencies in relation to the threat of terrorism
- > reviewed and updated the corporate risk register.

### Workplace Health and Safety Committee

Chair: Executive Director Mark Hummerston

Monitors the CMC's performance in providing a safe and healthy environment for its employees.

In 2005–06 the Workplace Health and Safety Committee:

- > implemented quarterly physical inspection processes
- > formally adopted the AS:4801 (the Australian Standard for OH&S Management Programs) as the audit protocol for the Commission
- > facilitated the first management systems audit
- > established the corporate Flu Vaccination Program
- > developed and introduced procedures for the reporting and investigation of incidents and hazards.

### Operational committees

The following committees deal specifically with operational matters, so the details of their work cannot be published:

- > Misconduct Operations Review Committee
- > Misconduct Assessment Committee
- > Crime Operational Review Committee
- > Crime Intelligence Review Committee (now Crime Intelligence Research and Review Committee)
- > Witness Protection Advisory Committee
- > Capacity Development Review Committee.

### 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, but works cooperatively with, the Audit Committee and 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 to ensure 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.

In 2005–06 the Internal Auditor:

- > completed the 2005–06 Audit Program
- > conducted audits of the following procedures and processes:
  - corporate governance structure with emphasis on internal management committees
  - communication review
  - assets management
  - covert operations expenditure
  - proceeds of crime
  - spot cash checks
  - 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 audit issues.

## External accountability 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 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 PCMC'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 report detailing the CMC's activities during the period is prepared for the PCMC in advance of these meetings.

For membership of the PCMC throughout this reporting period, see the photograph on this page.

### PCMC's three-yearly review of the CMC

In addition to its normal monitoring duties, the PCMC is required to comprehensively review the performance of the CMC every three years. In May 2006, the CMC made a submission to the PCMC's next review, which drew the PCMC's attention to a range of matters, mostly relating to our powers under the *Criminal Proceeds Confiscation Act 2002*.

### Other mechanisms

#### Parliamentary Crime and Misconduct Commissioner

The Parliamentary Crime and Misconduct Commissioner (Parliamentary Commissioner) assists the PCMC in its role of monitoring and reviewing the CMC. The current Parliamentary Commissioner is Mr Alan MacSporran SC.

The Parliamentary Commissioner, at the PCMC's direction, investigates complaints against the CMC or its officers, and conducts audits and reviews of the CMC's activities. The Parliamentary Commissioner's powers include the ability to require CMC officers to give evidence at a hearing, and to require the production of records, files and other documents.

The PCMC may also direct the Parliamentary Commissioner to audit and review the CMC's activities. Each year the Parliamentary Commissioner carries out an audit of the CMC and reports on the audit to the CMC and the PCMC.



The Parliamentary Crime and Misconduct Committee as at 30 June 2006

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 from photo: Cate Molloy MP (Noosa))

## The minister

The Honourable Peter Beattie MP, Premier and Minister for Trade, was the minister responsible for the CMC until August 2005, when the Attorney-General and Minister for Justice, 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. Our legislation also 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 CM Act.

## Crime Reference Committee

The Crime Reference Committee, established under section 274 of the CM Act, has responsibility for referring major crime to the CMC for investigation. It also has a coordinating role for investigations into major crime conducted by the CMC in cooperation with any law enforcement agency.

The committee is chaired by the Assistant Commissioner, Crime, and consists of the Chairperson of the CMC, the Commissioner of Police, the Commissioner for Children and Young and People and Child Guardian, and two community representatives.

## Public Interest Monitor

The Public Interest Monitor monitors applications for, and the use of, surveillance warrants and covert search warrants under the CM Act and the *Police Powers and Responsibilities Act 2000* (PPRA).

The Public Interest Monitor has the following functions for surveillance warrants and covert search warrants:

- > to monitor compliance by the CMC in relation to matters concerning applications for surveillance warrants and covert search warrants
- > to appear at any hearing of an application to a Supreme Court judge or magistrate for a surveillance warrant or covert search warrant, or to test the validity of the application
- > to gather statistical information about the use and effectiveness of surveillance warrants and covert search warrants

- > whenever it is considered appropriate, to give to the Commission and the PCMC a report on noncompliance, if any, by the CMC.

## Supreme Court

Many of the CMC's coercive powers may be exercised only with the approval of a Supreme Court judge. These include:

- > a search warrant (where structural damage may occur)
- > a covert search warrant
- > a surveillance warrant
- > a notice requiring immediate attendance at a hearing
- > monitoring and suspension orders on financial institutions
- > an arrest warrant for non-attendance
- > an additional powers warrant.

The CMC is also subject to review in the Supreme Court in the following cases:

- > A person who believes that they are being investigated unfairly by the CMC may apply to the Supreme Court for relief.
- > The Supreme Court may decide issues of privilege raised by a person under investigation either at first instance or by reviewing a decision made by a presiding officer at a CMC hearing.

There have been no successful applications against the CMC during the reporting period.

## Controlled Operations Committee

The Controlled Operations Committee was established under the PPRA to consider and make recommendations about applications for 'controlled operations' to be undertaken by the QPS or the CMC. Controlled operations are investigations of serious indictable offences, misconduct or organised crime that involve police officers and others engaging in activities that may be unlawful.

The committee, chaired by a retired District Court judge (the independent member), comprises the Commissioner of Police (or nominee) and the Chairperson of the CMC.

In the case of any controlled operation by the CMC that involves the investigation of a police officer, the Chairperson may approve the application without referring it to the Committee, but must first contact the independent member and obtain the member's agreement to the proposed operation.



## 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.

### General Counsel

The role of General Counsel involves:

- > providing independent legal advice to the Chairperson, Commissioners and senior officers in the administrative and operational areas in 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 Queensland Government departments in respect of amendments required to the Crime and Misconduct Act and other legislation to ensure the continued effective operation of the CMC.

In 2005–06, General Counsel spent several months acting as counsel assisting at the CMC's public inquiry into the Gold Coast City Council (Operation Grand) and assisted in the report-writing phase of that inquiry. General Counsel was also heavily involved in consultation with state and federal agencies on the development of recent legislation that allows cross-border investigations by law enforcement bodies such as the CMC.

### Legal Services Unit

The Legal Services Unit is headed by the Official Solicitor and includes the Deputy Official Solicitor and the CMC's FOI Coordinator (and Privacy Officer). The core tasks of this unit are to:

- > represent the CMC in litigation before any court or tribunal and, in appropriate cases, instruct counsel (or external solicitors) to appear
- > provide independent and objective legal advice to the CMC and its officers
- > determine applications for access to documents under the *Freedom of Information Act 1992* (FOI Act)
- > handle matters concerning the 'privacy' regime.



Theresa Hamilton, General Counsel

In addition to the core tasks, and with a view to improving the efficiency of the unit and the monitoring of work performance:

- > a legal advice and precedents database – a searchable database of all internal and external legal opinions provided to the CMC and its officers – has been established
- > a task manager database is approaching completion
- > we are progressing towards compliance with LAW9000, which is a legal practice specific certification to AS/NZS ISO 9001.

### 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 2, next page).

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.

**Table 2. FOI applications and reviews  
2005–06**

|                                             |    |
|---------------------------------------------|----|
| <b>Applications</b>                         |    |
| Personal applications received              | 25 |
| Non-personal applications received          | 19 |
| Total applications                          | 44 |
| <b>Access</b>                               |    |
| Full access granted (personal)              | 11 |
| Full access granted (non-personal)          | 1  |
| Partial access granted (personal)           | 5  |
| Partial access granted (non-personal)       | 5  |
| Full denial (matter exempt)                 | 5  |
| Application received but no documents found | 5  |
| Outstanding as at 30 June 2006              | 3  |
| Withdrawn/lapsed (fee not paid)             | 8  |
| FOI Act not applicable                      | 1  |
| <b>Reviews</b>                              |    |
| Internal                                    | 7  |
| External                                    | 4  |
| Total reviews                               | 11 |

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

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

Most applications are requests by misconduct complainants for access to documents concerning their complaint.

## Privacy

Since 2001, when Cabinet approved Information Standard 42, agencies have been required to review the way they handle personal information to ensure that they comply with the requirements of 11 Information Privacy Principles (IPPs). The CMC is exempt from IPPs 2, 3, 9, 10 and 11 for all functions except administrative ones. As a result, most of the CMC's core activities are excluded from the privacy scheme. In accordance with the requirements of Information Standard 42, the CMC has nominated a privacy contact officer, developed a privacy plan to give effect to the IPPs and published the plan on its website. There were no complaints of breaches of privacy in the reporting period.

## Charter of Service

The CMC's Charter of Service sets out the standards that we undertake to meet when dealing with complaints about misconduct in the Queensland public sector. The charter also explains the service the complainant can expect from us, and their recourse if this service is not received. In April 2006 the charter was updated to accommodate the evolving role of the CMC and agencies in the management of complaints. It is published in print form and on our website.

## 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 CM 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 the 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.

# Combating major crime

## Overall performance 2005–06

| Indicator                                     | Performance                  |
|-----------------------------------------------|------------------------------|
| Total investigations finalised                | 20                           |
| Joint agency investigations                   | 8 commenced<br>4 finalised   |
| Organised crime investigations                | 5 commenced<br>3 finalised   |
| Paedophilia investigations                    | 15 commenced<br>15 finalised |
| Serious crime investigations                  | 3 commenced<br>2 finalised   |
| Number of people charged                      | 49                           |
| Number of charges laid                        | 316                          |
| Investigative hearing days                    | 104                          |
| Intelligence assessments                      | 4                            |
| Intelligence disseminations                   | 316                          |
| Criminal proceeds restraining orders obtained | 28                           |
| Assets restrained                             | \$10.88m                     |
| Assets forfeited to the state                 | \$2.00m                      |
| Cost for output                               | \$11.45m                     |



#### The Crime Reference Committee

Major crimes come to the CMC through the Crime Reference Committee. Membership at June 2006 was: (left to right in photo) CMC Chairperson Robert Needham; Commissioner for Children and Young People and Child Guardian Elizabeth Fraser; CMC Assistant Commissioner, Crime, John Callanan; community representative Judith Bell; Commissioner of Police Bob Atkinson; (absent from photo) community representative Terry Houguet-Pincham.

## Combating major crime

The CMC works in partnership with the Queensland Police Service and other law enforcement agencies to combat and prevent major crime.

In our Strategic Plan 2005–09, we undertook to adopt the following strategies to combat and prevent major crime:

- > Conduct effective multidisciplinary investigations into major crime, including organised crime and paedophilia.
- > Undertake high-quality research, intelligence and prevention activities to assist in combating and preventing major crime.

- > Maintain a high state of readiness to engage in anti-terrorism investigations.
- > Maintain close partnerships with the QPS, and cooperative and collaborative arrangements with other agencies.
- > Undermine the financial basis of, and incentive for, crime by identifying and targeting the proceeds of crime for confiscation.
- > Develop and use state-of-the-art technology to enhance investigative methodologies.

In fulfilling these responsibilities in 2005–06, we focused particularly on:

- > multidisciplinary crime investigations into:
  - organised crime
  - criminal paedophilia
  - serious crime
- > strategic intelligence
- > research and prevention activities
- > law enforcement partnerships
- > confiscation of the proceeds of crime.



**Table 3. Performance 2005–06 against outlook in last year's annual report**

| Last year we said we would:                                                                                                                                                                                                                    | In 2005–06 we:                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Continue to dismantle and disrupt organised crime networks operating in Queensland.                                                                                                                                                            | > Finalised 18 organised crime and criminal paedophilia investigations; 17 operations resulted in arrests, charges or restraints.                                                                                                                                                                                                                                                                                                                |
| 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. | > Began 15 paedophilia investigations, 13 in relation to internet offenders and 2 in relation to networked offenders, resulting in the arrests of 16 offenders on 85 charges.<br>> Attended intensive online child-sex offenders investigation courses in USA using peer2peer software and adapting innovative methodology.                                                                                                                      |
| Obtain approximately 35 restraining orders, resulting in the restraint of assets valued at approximately \$8m.                                                                                                                                 | > Obtained 28 restraining orders and restrained assets worth almost \$11m, bringing the total value of assets restrained since the legislation was enacted in January 2003 to \$36.6m; in 2005–06 finalised 26 matters resulting in the transfer of \$2.0m of assets to the state.                                                                                                                                                               |
| Produce strategic assessments in relation to:<br>> crime and outlaw motorcycle gangs<br>> property crime in Queensland<br>> networked paedophilia<br>> cocaine use and distribution patterns.                                                  | > Produced a detailed assessment and a more concise Intelligence Digest on a prominent outlaw motorcycle gang in February/March 2006.<br>> Produced an assessment of the organised stolen property market in Queensland in December 2005.<br>> Progressed a strategic assessment of networked paedophilia.<br>> Proceeded with a strategic assessment of the cocaine market in Queensland; it will be disseminated in the next reporting period. |
| Deliver Human Source Operations (HSO) courses.                                                                                                                                                                                                 | > Delivered five HSO courses; four were joint CMC–ACC courses for officers of both agencies; the fifth was for QPS officers.                                                                                                                                                                                                                                                                                                                     |
| Publish a major report on trends in illicit drug use between 1999 and June 2005 in Queensland and elsewhere.                                                                                                                                   | > Drafted a report on the Drug Use Monitoring in Australia (DUMA) project, which investigates drug use among watch-house detainees in Queensland, New South Wales, South Australia and Western Australia; it will be published during the next reporting period.                                                                                                                                                                                 |
| Collect information on the prevalence and patterns of illicit drug use among emergency room patients.                                                                                                                                          | > Surveyed 1200 patients in 2005 and entered data into a database; will be analysed and a public report published during the next reporting period.                                                                                                                                                                                                                                                                                              |
| Publish research findings on trends in the general population regarding the use of illicit drugs.                                                                                                                                              | > Collected household survey data about drug use over several years. Analysis has been carried out and a public report will be released during the next reporting period.                                                                                                                                                                                                                                                                        |
| Review the recommendations of the 2003 report <i>Seeking justice: an inquiry into how sexual offences matters are handled by the Queensland criminal justice system</i> .                                                                      | > Began preparing the review. There were delays in the official response by the QPS and ODPP to the implementation of the recommendations in the <i>Seeking justice</i> report. The report of the review will therefore be published during the next reporting period.                                                                                                                                                                           |
| Take part in a coordinated, cross-government sexual victimisation prevention program for Indigenous children.                                                                                                                                  | > Participated in the program. The Child Safety Directors Network auspiced this program, and its progress has been promising. In 2006 we will begin to evaluate its effectiveness.                                                                                                                                                                                                                                                               |
| Contribute to a State Government taskforce examining fear of crime among seniors.                                                                                                                                                              | > Compiled a <i>Fear of crime</i> literature review, which was provided to the Queensland Government Seniors Taskforce in November 2005.                                                                                                                                                                                                                                                                                                         |

## Overview of the CMC's crime functions

The CM Act gives the CMC investigative powers that are not available to the police. However, we are not an alternative police service, nor does our Act intend us to be. Our effectiveness depends on our partnerships with the QPS and other law enforcement agencies, our specialist multidisciplinary approach to investigations, and the focused use of our special powers.

See Tables 4–6 below for details of the use of our powers in various types of investigations.

Our resources are directed specifically towards major crime, which 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
- > **criminal paedophilia:** criminal activity involving sexual offences against children or child sexual abuse images
- > **serious crime:** crimes such as murder, arson and extortion in which our special powers can assist police
- > **terrorism.**

## Multidisciplinary crime investigations

On a multidisciplinary taskforce, police officers work with CMC staff who have skills in a variety of areas: investigation, intelligence, forensic computing, law, information technology, accounting, and surveillance and technical disciplines.

The Crime Reference Committee (see page 28) refers major crime to the CMC either on its own initiative or at the request of the Commissioner of Police or the Assistant Commissioner, Crime. Several broad 'umbrella' crime referrals from the Crime Reference Committee allow individual cases of suspected criminal activity to be investigated without the necessity of a specific committee referral. These are:

- > **Freshnet:** criminal activity by members of established criminal networks
- > **Gatekeeper:** criminal activity involving money laundering
- > **Atrax:** criminal activity involving the use of the internet to commit sex offences against children, or offences relating to obscene material depicting children

**Table 4. Use of CMC powers for organised crime investigations, 2004–05 and 2005–06**

| Description                                                      | 2004–05              | 2005–06                |
|------------------------------------------------------------------|----------------------|------------------------|
| Hearing days                                                     | 11                   | 26                     |
| Notices to attend                                                | 5 issued<br>5 served | 28 issued<br>25 served |
| Witnesses legally represented                                    | 4                    | 3                      |
| Witnesses who applied to the Attorney-General for financial help | 1                    | –                      |
| Witnesses giving evidence                                        | 5                    | 23                     |

**Table 5. Use of CMC powers for paedophilia investigations, 2004–05 and 2005–06**

| Description                                                      | 2004–05              | 2005–06              |
|------------------------------------------------------------------|----------------------|----------------------|
| Hearing days                                                     | 6                    | 3                    |
| Notices to attend                                                | 8 issued<br>8 served | 3 issued<br>3 served |
| Witnesses legally represented                                    | 2                    | 1                    |
| Witnesses who applied to the Attorney-General for financial help | –                    | –                    |
| Witnesses giving evidence                                        | 7                    | 3                    |

**Table 6. Use of CMC powers for serious crime investigations, 2004–05 and 2005–06**

| Description                                                      | 2004–05                | 2005–06                |
|------------------------------------------------------------------|------------------------|------------------------|
| Hearing days                                                     | 18                     | 75                     |
| Notices to attend                                                | 38 issued<br>28 served | 88 issued<br>84 served |
| Witnesses legally represented                                    | 3                      | 12                     |
| Witnesses who applied to the Attorney-General for financial help | 2                      | 1                      |
| Witnesses giving evidence                                        | 25                     | 66                     |

*Note:* In Tables 4–6, differences between numbers of notices issued, notices served and witnesses attending relate to instances in which the attendance of witnesses was rendered unnecessary, either before service or subsequently; and in one instance a series of arrests rendered a hearings program unnecessary.

- > **Artemis:** extrafamilial paedophile activity by networked offenders or by people who offend against multiple victims
- > **Counter-terrorism:** criminal activity involving a terrorist act.

Table 7 summarises the crime referrals to the CMC that were current during 2005–06.

## Organised crime

We adopt a holistic approach to our role in the investigation and prevention of organised crime in Queensland, and we draw on a wide range of organisational expertise and resources. In particular, we seek to implement proactive and innovative investigative strategies that have a high probability of tactical success. These strategies are based on sound crime research and accurate, well-timed intelligence, and are undertaken in partnership with other law enforcement agencies.



**Table 7. Referrals from Crime Reference Committee current or completed in 2005–06**

| Referral          | Date       | Status      | Type                 | Description                                                                                                                             |
|-------------------|------------|-------------|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------|
| Abina             | Feb. 2003  | Resurrected | Serious crime        | Murder                                                                                                                                  |
| Alpha Cobra       | Sept. 2003 | Current     | Serious crime        | Murder                                                                                                                                  |
| Alpha Washington  | June 2005  | Current     | Organised crime      | Fraud                                                                                                                                   |
| Artemis           | July 2003  | Current     | Criminal paedophilia | An umbrella reference relating to networked, extrafamilial or non-networked extrafamilial offenders who offend against multiple victims |
| Atrax             | Jan. 2002  | Current     | Criminal paedophilia | An umbrella reference relating to internet-based child-sex offending                                                                    |
| Bravo Beanie      | Feb. 2004  | Completed   | Serious crime        | Grievous bodily harm                                                                                                                    |
| Bravo Laurel      | Feb. 2004  | Current     | Serious crime        | Murder                                                                                                                                  |
| Bravo Settler     | Apr. 2006  | Current     | Serious crime        | Multiple murders                                                                                                                        |
| Bravo Vada        | Dec. 2004  | Current     | Serious crime        | Murder                                                                                                                                  |
| Caviar            | Nov. 2002  | Resurrected | Serious crime        | Murder                                                                                                                                  |
| Charlie Caravan   | June 2005  | Current     | Serious crime        | Attempted murder                                                                                                                        |
| Charlie Caribou   | Mar. 2005  | Current     | Serious crime        | Attempted murder                                                                                                                        |
| Charlie Dove      | Dec. 2005  | Current     | Organised crime      | Fraud                                                                                                                                   |
| Charlie Raze      | June 2005  | Current     | Serious crime        | Double murder                                                                                                                           |
| Counter-terrorism | Dec. 2002  | Current     | Organised crime      | An umbrella reference relating to terrorist activities                                                                                  |
| Counter-terrorism | Sept. 2004 | Current     | Terrorism            | An umbrella reference relating to terrorist activities                                                                                  |
| Delta Fluid       | Aug. 2005  | Current     | Serious crime        | Suspected unlawful homicide                                                                                                             |
| Delta Note        | April 2005 | Current     | Serious crime        | Unlawful killing                                                                                                                        |
| Deshon            | Jan. 2006  | Completed   | 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                                                                                      |
| Have              | Aug. 2000  | Resurrected | Serious crime        | Murder                                                                                                                                  |
| Ink               | Oct. 2003  | Current     | Serious crime        | Murder                                                                                                                                  |
| Napier            | Sept. 2002 | Current     | Serious crime        | Suspected murder                                                                                                                        |
| Samian            | Feb. 2001  | Resurrected | Serious crime        | Murder and rape                                                                                                                         |
| Tiber             | Nov. 1998  | Current     | Serious crime        | Murder                                                                                                                                  |

In determining our investigative priorities, we use a risk-assessment method based on the threat criminal markets pose to the people of Queensland. This entails an ongoing evaluation of criminal markets and the rating of networks and individuals operating within those markets. Our objective is to dismantle and disrupt organised crime networks and prevent crime. This entails not merely incarcerating key members of the networks, but also financially incapacitating the networks themselves by depriving them of their crime-related assets.

Our organised crime investigations resulted in 29 arrests and 226 charges laid during 2005–06 (see Table 8 below).

**Table 8. Organised crime investigations 2005–06**

| Operations               | Arrests | Charges laid | Drug seizures     | Notices to produce | Assets restrained | Hearing days | Witnesses |
|--------------------------|---------|--------------|-------------------|--------------------|-------------------|--------------|-----------|
| Alpha Submission Barrier | 7       | 11           | 348 g amphetamine | 98                 | \$0.47m           | 5            | 2         |
| Candid                   | 5       | 14           | –                 | –                  | –                 | 1            | 1         |
| Alpha Washington         | –       | –            | –                 | –                  | –                 | 9            | 13        |

## Criminal paedophilia

Investigation of criminal paedophilia continues to be an area of specific and significant focus for the CMC, where we contribute in the following niche areas:

- > networked or recidivist extrafamilial child-sex offenders
- > the use of the internet as a tool for locating and grooming potential child victims.

The multidisciplinary Egret Team is responsible for the CMC's paedophile investigations. Comprising four police officers, an intelligence analyst, an assistant intelligence analyst and a lawyer, its work is also supported by technical surveillance and other investigative resources from within the CMC.

Our investigations continue to be greatly assisted by the Chat-Trak software, developed by the CMC, which makes it possible to target paedophiles operating through internet chat rooms.

During 2005–06 our paedophile investigations resulted in the arrest of 16 people and the laying of 85 charges (see Table 9, facing page).

For example, a CMC operation culminated in the arrest and subsequent conviction of a 28-year-old US citizen for using the internet with intent to procure a child and exposing a person under the age of 16 to indecent matter (see case study, page 41).



Members of the Egret Team

The CMC's Egret Team remains at the forefront of Australian law enforcement in the investigation of internet child abuse. Pictured here are team members Inspector Sue Dawson and Detective Senior Sergeant Carey Stent.



## Serious crime

'Serious crime' is not a term defined in the CM Act, but is commonly used to refer to criminal activity, other than organised crime or criminal paedophilia, that involves an indictable offence punishable on conviction by a term of imprisonment not less than 14 years.

The CMC helps police with serious crime investigations that have not resulted in sufficient evidence to identify offenders or to start prosecutions. An otherwise effective police investigation might, for example, meet a wall of silence set up by uncooperative potential witnesses. In such cases we can use our special hearings power to overcome the obstacle (see Table 10 below). Typically, the Crime Reference Committee, at the request of the Police Commissioner, refers to us unsolved murders and other serious offences such as arson and extortion.

A noteworthy feature of our work in serious crime during 2005–06, in addition to our receiving three new referrals for investigation, was our involvement in investigations arising from old referrals. Operations Have, Samian, Alpha Cobra, Caviar and Abina were all referred to us several years ago and some of these matters were finalised. However, because of new developments in these investigations, we revived the referrals and held further extensive hearings during the year.

**Table 10. Serious crime hearings 2005–06**

| Operation          | Hearing days | Witnesses | Offences                    |
|--------------------|--------------|-----------|-----------------------------|
| Have/Samian        | 13           | 20        | Double murder and rape      |
| Napier             | 3            | 1         | Suspected murder            |
| Alpha Cobra/Caviar | 8            | 5         | Double murder               |
| Abina              | 9            | 17        | Murder                      |
| Bravo Vada         | 1            | 1         | Murder                      |
| Delta Fluid        | 2            | 1         | Suspected unlawful homicide |
| Charlie Caravan    | 21           | 9         | Attempted murder            |
| Charlie Raze       | 18           | 12        | Double murder               |
| Totals             | 75           | 66        |                             |

## Terrorism

As for any other type of major crime, we are able to use our coercive powers (particularly the hearings power) to assist in the investigation of terrorist threats and terrorist-related activity in Queensland. Initially, the Crime Reference Committee permitted this under an 'umbrella' referral in the general category of organised crime. However, the CM Act was amended in 2004 to specifically include terrorism within our major crime jurisdiction, so we sought and obtained a fresh umbrella referral from the Crime Reference Committee under that jurisdiction.

Any CMC investigation of terrorism, acts preparatory to the commission of terrorism, or acts undertaken to avoid detection of or prosecution for terrorism, will occur in response to a request from the QPS. We maintain a high state of readiness to respond to any such request.

**Table 9. Arrests and charges in 2005–06**

| Type            | Offenders | Charges |
|-----------------|-----------|---------|
| Organised crime | 29        | 226     |
| Paedophilia     | 16        | 85      |
| Serious crime   | 4         | 5       |
| Terrorism       | –         | –       |
| Total           | 49        | 316     |

## Strategic intelligence

Our Strategic Intelligence Unit (SIU) monitors various crime markets in Queensland to identify emerging trends or changes in threat levels. Where matters are found to be of concern, we generate well-timed, accurate and useful intelligence, both for our own use and for sharing with other stakeholders.

As well as using intelligence in support of our own work, we try to share relevant intelligence with other agencies and, where appropriate, with the public. One way we do this is through producing and disseminating:

- > **Crime Bulletins** – unclassified documents for public consumption, designed to heighten community awareness of organised-crime issues, trends and forecasts
- > **Intelligence Digests** – classified 'in-confidence', produced for law enforcement use only, and presenting information about emerging trends in Queensland and the risk they pose.

We also produce more substantial strategic intelligence assessments on specific issues that could affect law enforcement in Queensland. We research and analyse past and current developments and assess the current and future threat, or risk level, posed by the issue. The findings help determine priorities for deployment of CMC resources.

The SIU adopts a multidisciplinary approach to the preparation of its products and calls on other experts in strategic intelligence, research and financial investigation. Some of the SIU's products are disseminated in two or more forms, with each version targeted to a specific audience (e.g. a detailed assessment may be summarised in an

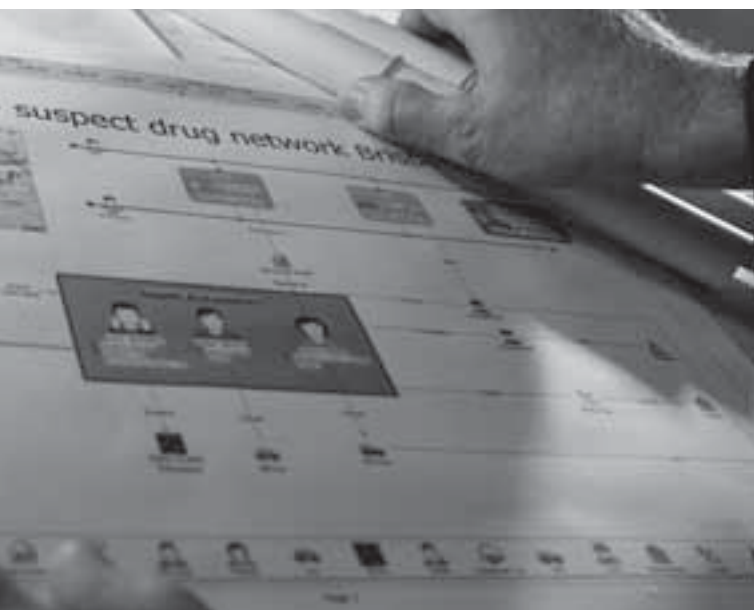


The SIU monitors crime markets in Queensland.

Chris Keen (Director, Intelligence) with Susan Sinclair (Supervisor, Information Retrieval)

Intelligence Digest for policy makers and a 'sanitised' version of the assessment may be publicly released).

- > During 2005–06 the SIU completed an assessment of the organised stolen property crime market in Queensland. This revealed that, although most property offenders are opportunistic, a few are becoming more skilled in planning, preparing and executing property offences. The assessment found a very strong link, consistent with similar studies elsewhere, between the property crime market and illicit drug markets. There was little evidence to suggest that traditionally recognised organised crime groups are controlling the stolen property market. It appears instead that most organised or networked property crime offenders operate independently as a cohesive unit.
- > The SIU completed a detailed assessment of a prominent outlaw motorcycle gang (OMCG) in Queensland, some members of which have been implicated in acts of violence, extortion, drug trafficking, money laundering and property offences. The assessment was disseminated to law enforcement agencies and government departments, to inform stakeholders of the risk posed by the particular OMCG members.
- > Apart from strategic reporting, the SIU also responds regularly to requests from the Australian Crime Commission (ACC) for contributions to their strategic assessments of organised crime matters of national importance. For example, CMC officers prepared a submission to, and gave evidence before, the Parliamentary Joint Committee Inquiry into the ACC's Amphetamines and Other Synthetic Drugs Determination.



- > In addition, more than 70 per cent of tactical intelligence reports produced by the CMC are generated from within the SIU, mostly from human source reporting.

## Target development

The SIU forms a vital bridge between the Crime and Misconduct areas of the CMC and is in a position to identify any overlap in investigations that can occur when crime investigations uncover corruption or when misconduct investigations uncover organised crime.

Target development involves identifying indicators of potential significant criminal activity by one or more individuals, and collecting and analysing data. This frequently involves close liaison with a number of partner law enforcement agencies such as the QPS, the ACC, the AFP and other interstate agencies.

- > During 2005–06 the SIU referred an organised crime matter to the CMC's Organised Crime teams for investigation, after concerted target development over a period of months. Another organised crime matter was referred by the SIU to federal law enforcement agencies for appropriate action and led to the arrest of an individual for importing drugs into Queensland.
- > The SIU worked closely with members of tactical teams in the CMC's Misconduct area throughout 2005–06 on several matters involving allegations against serving QPS officers. A number of complaints generated by the SIU are now the subject of inquiries by the Misconduct area.

## Human source program

An important investigatory and intelligence tool, in both the Crime and Misconduct areas, is the use of individuals who are in a position to provide confidential information. These 'human sources' have the potential to provide timely and accurate information that is not available from other sources. However, finding, recruiting and handling such sources is difficult, and poses risks to both the individuals and the officers involved.

In recognition of the importance of using such sources and the risks involved, we have developed a comprehensive policy and related procedures for handling human sources. We also provide specialised training for our officers. Our successful 'Human Source Operations Course', or 'HSO course', developed and run in partnership with the ACC, has been presented 10 times since it began in 2002; the most recent course was conducted in March 2006. The course is highly regarded, and has attracted the interest of a number of police services from other jurisdictions.

In August 2005, at the request of the Queensland Commissioner of Police, we provided focused human source training to eight QPS officers who were part of or associated with the newly established QPS Dedicated Source Unit (DSU). We are committed to remaining active in this area and encouraging the attainment of best-practice standards not only among our own officers but also in other law enforcement agencies.

## Research and prevention activities

Our Research and Prevention unit operates through three distinct programs: crime, police, and public sector. Within the crime program, research focuses particularly on:

- > illicit drug use
- > crime-prevention programs
- > programs to combat sexual abuse of children.

### Illicit drug use

#### Amphetamine research

The CMC continues to work collaboratively with Queensland Health in drug-related research aimed at crime prevention. In 2002 we undertook a statewide research project aimed at expanding our knowledge of the nature and extent of amphetamine markets in Queensland. This project employed an innovative research design to access a usually invisible population of more than 600 (primarily injecting) amphetamine users. The project provides detailed



Illegal amphetamine

A pill press used in illicit amphetamine production

information about illicit drug use, price structures, market distribution patterns, the drugs-crime nexus and drug-related victimisation. We hope to replicate this study in the next reporting period. The replication will provide a way to monitor any change in the characteristics, usage patterns, behaviours and socioeconomic environment of amphetamine users in the period between the two projects.

Data from the project are being used to provide a strategic assessment of the Queensland amphetamine market. The report will be published in late 2006.

### Cocaine research

A research project relating to cocaine use in Queensland was completed in 2006. Using qualitative research techniques, this project sought to:

- > determine how cocaine users avoid contact with law enforcement and health authorities
- > develop an understanding of cocaine distribution and supply networks
- > gain an understanding of the perceived risks and benefits associated with cocaine use, and
- > understand the different sociocultural contexts of cocaine use.

Information for the study was collected from cocaine users in Brisbane and the Gold Coast. The project was conducted in conjunction with an intelligence assessment by the SIU, and the report remains confidential. However, we anticipate publishing a brief report about the study in late 2006.

### Monitoring drug use

The CMC has ongoing involvement in a national drug research project conducted by the Australian Institute of Criminology – referred to as 'DUMA' (Drug Use Monitoring in Australia). Data are collected quarterly from detainees in police watch-houses, through interviews and urinalyses. The information collated provides a unique source of trend data about market characteristics, as well as drug-user profiles and information on the nexus between drugs and crime. Our analysis of the data was initially undertaken in 2002 and has been replicated in 2005–06. The report will be released in the second half of 2006.

We also work collaboratively with the Queensland Alcohol and Drug Research Education Centre on a project that measures the prevalence of alcohol and illicit drug use among individuals seeking medical assistance at the Southport Hospital Emergency Department. The study was

undertaken in 2002 and the results were published in 2004 in the report *Exploring drug use: prevalence and patterns among emergency department patients*. The project established the value of using hospital emergency departments as effective sources of population drug-use information and valid research sites, and was repeated in 2005 to monitor any changes over time. A public report will be released in late 2006.

### Household survey

In 2005 we carried out the next in an annual series of surveys of Queensland households (the first having been conducted in 2002) to determine 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 us to offer comprehensive and accurate information about trends in illicit drug use in Queensland to crime prevention, law enforcement and health agencies. The report is due for release later in 2006.



Telephone surveys are an important source of data.

Methods of collecting data include questionnaires, face-to-face interviews and telephone surveys.



## Crime-prevention programs

We are working on a project that examines violence across the life-course and the nature, extent and consequences of sexual victimisation during childhood for offenders serving non-custodial sentences in Queensland. Face-to-face interviews have been conducted with 480 female and male offenders. The interviews were designed to elicit information about a range of related domains, including demographic status, childhood experiences of violence, adult perpetration of violence, adult victimisation, parental drug use and criminal history, and detainees' own past and present drug use. This project will help the Department of Corrective Services to design appropriate programs for offenders that may ultimately reduce the frequency of reoffending and expose some of the underlying causes of offending, drug use and mental health issues among offenders. Some of the results have been presented at relevant conferences (e.g. the Australian Winter School), and the project report will be published during the next reporting period.

## Programs to combat sexual abuse of children

Sexual abuse of children is an issue in many communities, but is especially a concern in Indigenous communities. The nature of the problem is complex. In summary, it relates to poverty, community deterioration and disorder, familial breakdown, and alcohol and substance abuse, as well as deficiencies in the delivery of vital services in law enforcement, health and welfare, and education.

Accordingly, we are engaged in a comprehensive project that will attempt to confront all these problems simultaneously. The project is designed to equip Indigenous communities to better help themselves, and to improve their future resilience. The sheer complexity of the problem has necessitated a long period of planning and negotiation between the various agencies involved. The Child Safety Directors' Network — established as a result of a recommendation in the CMC's *Protecting children* report — will manage the project.

The CMC continues to provide resources on its website for victims and survivors of sexual abuse, including links to various websites and publications that provide information about child sexual abuse and its prevention.

The site has five sections:

- > paedophilia
- > relevant Queensland legislation
- > resources for victims of child abuse
- > service agencies for children and families
- > reporting sexual abuse.

The CMC's Egret Team regularly conducts Internet Safety lectures for high school students and their parents. These lectures promote safe internet use by children and increase parents' awareness of the potential dangers present for children and how to safeguard their child.



### Promoting safe internet use

We distribute free information material, such as this 'magic cube' and our popular pen holder, to encourage young people to use the internet safely. We receive constant requests for pen holders from all around Australia, New Zealand and North America.

## Law enforcement partnerships

We recognise that, to achieve our outputs and maintain relevance and credibility within the community and the law enforcement environment, the CMC must forge enduring strategic partnerships with a wide range of government and non-government agencies.

This is particularly so with regard to our fight against major crime, which crosses state and national boundaries. To combat organised and serious crime and criminal paedophilia effectively, we have fostered strong partnerships with the QPS and numerous other state, federal and international law enforcement agencies. Through regular liaison with these agencies and membership of a variety of state and national law enforcement forums (listed below), we have been able to share intelligence and operational resources to achieve significant results.

We participate in the following state and national forums:

- > **National Criminal Intelligence and Operations Forum** – works towards developing a 'picture of criminality' in Australia
- > **Queensland Joint Intelligence and Operations Group** – facilitates the sharing of intelligence and investigative resources between law enforcement agencies within Queensland
- > **Law Enforcement Advisory Committee** – ensures that law enforcement and national security issues are not compromised in the regulation of the telecommunication industry by the Australian Communications and Media Authority (ACMA)
- > **Operational Management Board of the QPS** – determines priorities for operational resources with State Crime Operations Command (SCOC), and considers approval of joint operational undertakings by the QPS and CMC into major and organised crime and criminal paedophilia
- > **QPS-CMC Joint Executive Team** – facilitates and oversees effective partnership between SCOC and the Office of the Assistant Commissioner, Crime, on major crime issues
- > **Queensland Joint Senior Law Enforcement Liaison Group** – brings together at a strategic level senior officers of the CMC, QPS, ACC, AFP and ACS (Australian Customs Service)
- > **Paedophile Investigation Coordination Committee** – facilitates effective partnership between the QPS and CMC on criminal paedophilia investigations
- > **Human Source Working Group** – brings together key people in Australasian law enforcement with a

background in human source management, with the aim of creating an extended human source intelligence network that will ultimately be capable of operating across the region.

The CMC's closest partner is the QPS, with which it conducts operations under joint multidisciplinary taskforce arrangements.

The CMC also conducts ad hoc meetings with other key agencies such as the Department of Corrective Services, AUSTRAC, the New South Wales Crime Commission and interstate law enforcement agencies. In particular, the CMC often seeks to involve national law enforcement agencies that have the capacity, under federal legislation not available to Queensland law enforcement agencies, to intercept telecommunications between suspected crime syndicate members.

## Proceeds of crime

The CMC has responsibility for administering the civil confiscation scheme under the *Criminal Proceeds Confiscation Act 2002*. We undertake proceeds of crime restraint and forfeiture action in relation to criminal activity investigated by us and by other law enforcement agencies. By this means, 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 having engaged in serious criminal activity in the past six years.



Confiscating the proceeds of crime

Since the Criminal Proceeds Confiscation Act came into operation in January 2003, we have restrained a total of \$36.6 million in assets.

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.

- > During the reporting period, 28 proceeds of crime restraining orders were obtained, restraining assets valued at approximately \$10.9 million, which exceeded the target for the year.
- > Since 1 January 2003, when the Act came into operation, \$36.6 million in assets have been restrained as a result of civil confiscation procedures. These restraining orders 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.
- > As is the case with most relatively new law enforcement powers, all aspects of the legislation are being challenged through the courts. During 2005–06, the first fully contested matter was dealt with by the courts. The decision is now subject to appeal and cross-appeal by both the state and the respondent.
- > The CMC finalised 25 matters during 2005–06 (exceeding the target by 2), resulting in approximately \$2.0 million being forfeited to the state. Eight other matters are in the final stages of settlement, with a further estimated \$0.7 million expected to be forfeited to the state in the near future.
- > Other proceeds of crime matters are being litigated and are taking longer than anticipated to be finalised. It is expected that the processes will become quicker as legal precedents are established and matters are decided by the courts.
- > The CMC has been allocated special funding by the government to cover the costs of engaging legal counsel in related civil proceedings.

Table 11 below shows proceeds of crime data since the Act commenced on 1 January 2003.

## Emerging technology

One area of particular importance is the impact of new technology on the preparation of briefs in complex criminal cases after the close of protracted investigations. The issue arises primarily in relation to organised crime investigations, the court briefs for which can consist of thousands of pages of evidence and hundreds of exhibits. We have started producing briefs in electronic form, thereby reducing the volume dramatically; however, the capacity of the Office of the Director of Public Prosecutions (ODPP), the courts and legal representatives to work with such 'e-briefs' has been problematic. Nonetheless we intend to continue promoting the advantages of e-briefs. Accordingly, we are represented on the reference group established to assist the ODPP Case Management System Project in relation to technical and operational matters.

The adoption of time-saving technology is crucial to the CMC's commitment to the preparation of high-quality court briefs in joint agency investigations. Experience has established that better all-round outcomes are achieved when the CMC remains involved throughout the brief-preparation process, resource-intensive though this may be.

While emerging technologies offer opportunities for increasing the impetus of the fight against organised crime and paedophilia, their use by criminals and crime syndicates represents an ongoing challenge. The emergence of e-crime and identity crime requires that law enforcement agencies like the CMC, both alone and in strategic partnerships, maintain a level of technical sophistication which at least matches that of offenders. Particularly in the area of internet offending by paedophiles, the willingness of offenders to adopt new technology and use newly developed encryption devices presents a constant challenge. The CMC's response lies in its commitment to continual training of its staff and enhancement of its technical capabilities, together with its pursuit of telecommunications interception powers.

**Table 11. Proceeds of crime comparative data**

|                              | 2002–03 (half year) |              | 2003–04 |              | 2004–05 |              | 2005–06 |              | Total |
|------------------------------|---------------------|--------------|---------|--------------|---------|--------------|---------|--------------|-------|
|                              | Number              | Amount (\$m) | Number  | Amount (\$m) | Number  | Amount (\$m) | Number  | Amount (\$m) |       |
| Restraining orders           | 10                  | 7.12         | 33      | 10.55        | 37      | 8.09         | 28      | 10.88        | 36.64 |
| Applications for forfeitures | 9                   | 6.75         | 30      | 9.56         | 41      | 9.44         | 28      | 10.88        | 36.63 |
| Forfeitures/settlements      | 1                   | 0.02         | 2       | 0.77         | 15      | 1.62         | 25      | 2.00         | 4.41  |



## Case studies 2005–06

### Organised crime

#### Operation Navan

This operation, which began in September 2005, targeted suspected organised criminal activity involving large-scale trafficking and supply of illicit drugs – in particular, amphetamines. The operation took place in partnership with the QPS, with some involvement from national and interstate law enforcement agencies. Covert methodologies were used and confidential information was accessed. Financial profiling of the key syndicate members was undertaken.

The investigation led to the identification of the people at the upper levels of the syndicate and the gathering of evidence against them in relation to ongoing involvement in trafficking amphetamine, cocaine and ecstasy. The operation closed with the arrests of 13 people, who were charged with a range of offences.

#### Operation Candid

This operation began in July 2005 and proceeded jointly with the QPS as a consequence of the receipt and analysis of confidential information relating to the activities of a group of drug offenders on whom the CMC had intelligence holdings.

Through the use of a range of covert investigative strategies, evidence was gathered implicating the principal targets in drug trafficking and property offences.

Search warrants were ultimately executed and five people were arrested on trafficking and other drug-related offences. Further evidence was gathered by the use of the CMC's coercive hearings power.

### Serious crime

#### Operation Abina

In early 2003 a man was found murdered on the premises of a known drug dealer in a regional Queensland centre. Due to the refusal of various witnesses to cooperate with police the matter was referred to the CMC and extensive hearings were held in 2003, resulting in significant additional evidence being obtained.

A man had been charged with the murder but the prosecution was later discontinued for legal reasons.

At the request of the police, the CMC held a series of further hearings in early 2006. These hearings resulted in important new evidence coming to light, implicating the original defendant in the matter.

The new evidence has since been referred to police for consideration of further action.



## Paedophilia

### US offender charged with offences in Queensland

During the course of a controlled operation, two covert CMC police officers who had assumed the identities of young teenagers in internet chat rooms were targeted by a sexual predator. The offender had several graphic and sexually orientated conversations with the operatives and displayed sexually explicit images to them.

CMC police officers arrested the offender in Townsville. He was charged with four charges of using the internet with intent to procure a child under 16 to engage in a sexual act, three charges of using the internet with intent to expose a child under 16 to indecent matter, one charge of possessing tainted property and one child pornography charge. CMC inquiries identified that the offender was a citizen of the United States of America and was residing in Queensland on a Student Visa. Further investigations identified that the offender was a convicted sex offender, listed on the Illinois State Police Sex Offender Register in relation to the offence of 'indecent solicitation of a child'. This conviction related to internet engagements with a US law enforcement officer operating online as a 14-year-old girl.

As a result of the information obtained, inquiries were made with the Department of Immigration and Indigenous Affairs Onshore Character Assessment Unit and the offender's Student Visa was immediately cancelled. An application was made for a State Criminal Justice Stay Visa. The offender's bail was revoked, and he remained in custody until he pleaded guilty to the outstanding charges. He was sentenced to seven-and-a-half months' imprisonment, which was the time already served in custody, then taken into custody by immigration officers and deported.

### Offenders using multiple identities

A 50-year-old male from the Sunshine Coast engaged three covert police officers from the CMC's Egret Team online. The operatives assumed the identity of fictitious young teenagers within internet chat rooms.

The offender used multiple internet identities to groom the child profiles, and relied on elaborate methods to desensitise the 'children' to sexually explicit content and attempt to procure them to engage in sexual acts. The activity of this offender, who was arrested in September 2005, provides an example of the use of the internet as a vehicle to commit multiple serious criminal offences and maintain anonymity.

In another instance, a 33-year-old Brisbane man engaged four separate covert operatives who were assuming

different young female identities online. The offender used four internet identities to communicate with the four police officers over a period of nearly 10 months, until his arrest in July 2005. He was charged with five counts of using the internet to expose a child under 16 to indecent matter, one count of use of the internet to procure a child under 16 and one count of possessing tainted property.

### Egret Team: international training

To ensure that the CMC remains at the forefront of Australian law enforcement regarding the investigation of internet child abuse, during May and June 2006 police officers from the Egret Team travelled to the United States for three weeks' intensive training in innovative methods for investigating online child exploitation.

The officers:

- > undertook training with the Federal Bureau of Investigation – Innocent Images National Initiative, in Washington DC, and observed the work of the Innocent Images International Taskforce, which ensures the sharing of information and identification of offenders overseas
- > received briefings from Supervisory Special Agents in relation to sex tourism, covert methodology, online payment methods and child pornography internet servers
- > attended the quarterly meeting between US federal agencies (FBI, NCMEC, US Immigration and Customs) investigating online child abuse. This included briefings at the Customs and NCMEC Centres and FBI Cyber Crime Unit on cross-border investigations, Cyber Tips Hotline, Child Abuse Image library, and missing person ageing/regression software.

The training concluded with a week at the San Jose Police, Child Endangerment Unit, Internet Crimes Against Children (ICAC) Task Force. The week covered online peer to peer investigations, target development and standing ICAC operational procedures. In addition to establishing a strong international law enforcement network, the Egret Team has returned with an extensive skill base to continue successfully targeting recidivist online child-sex offenders. The team has since generated multiple Australian targets for law enforcement action.

One member of the team remained in the United States for further extensive training and work experience with the Immigration and Customs Enforcement Cyber Crimes Centre, Child Exploitation Section, Washington DC.

### Combating major crime

- > Continue to dismantle and 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 42 restraining orders under the Criminal Proceeds Confiscation Act, resulting in the restraint of assets valued at approximately \$8m.
- > Finalise 20 matters to a value of \$2m to be forfeited to the state.
- > Produce strategic assessments of:
  - cocaine use and distribution patterns
  - an issue in relation to police misconduct.
- > Continue to deliver HSO courses. The QPS is developing its own human source initiative and the CMC will contribute presentations during 2006–07. The CMC will also co-host four HSO courses with the ACC, as in previous years.
- > Report on the prevalence and patterns of illicit drug use among emergency room patients.
- > Publish a major report on trends in illicit drug use between 1999 and June 2005 in Queensland and elsewhere, using data from the Drug Use Monitoring in Australia (DUMA) project.
- > 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.
- > Continue to promote the advantages of electronic court briefs for complex criminal cases.

# Reducing misconduct and improving public sector integrity

## Overall performance 2005–06

| Indicator                                 | Performance |
|-------------------------------------------|-------------|
| Matters assessed                          | 3924        |
| Matters referred to relevant agency       | 2879        |
| Matters investigated                      | 110         |
| Capacity-building and monitoring projects | 19          |
| Disciplinary/criminal charges recommended | 57          |
| Number of reports tabled in parliament    | 2           |
| Number of regional visits                 | 4           |
| Number of liaison officer meetings        | 2           |
| Cost for output                           | \$20.204m   |



## Reducing misconduct and improving public sector integrity

The CMC works in partnership with the QPS, state departments, public sector agencies and local government to reduce misconduct and raise integrity in Queensland.

In our Strategic Plan 2005–09, we undertook to adopt the following strategies:

- > Initiate and conduct timely and effective multidisciplinary misconduct investigations and inquiries.
- > Identify investigative opportunities through proactive intelligence and research activities.
- > Ensure an effective and efficient complaints-handling process (including assessment).
- > Undertake effective monitoring functions to oversee the management of misconduct in public sector agencies.

### Working to improve public sector integrity

Assistant Commissioner, Misconduct, Stephen Lambrides, heads the Misconduct area of the CMC. He is pictured here with Senior Support Officer Lee-Anne Geissler.

- > Pursue collaborative opportunities to work with other agencies, to maximise capacity-building outcomes.
- > Undertake high-quality research, intelligence and prevention activities to help promote integrity and prevent misconduct.

In fulfilling these responsibilities in 2005–06, we focused particularly on:

- > continuous improvement of the Queensland public sector, through:
  - handling complaints
  - monitoring how public sector agencies handle misconduct
  - helping public sector agencies build their capacity to prevent and deal with misconduct
  - working with Indigenous communities
  - carrying out research on misconduct issues
  - carrying out research on police methods and practices
  - working with the QPS in other ways
- > investigating serious misconduct.



**Table 12. Performance 2005–06 against outlook in last year's annual report**

| <b>Last year we said we would:</b>                                                                                                                                                                                                                                                                                                                                           | <b>In 2005–06 we:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Assess an estimated 4000 matters.                                                                                                                                                                                                                                                                                                                                            | Assessed 3924 matters.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Finalise an estimated 110 misconduct investigations.                                                                                                                                                                                                                                                                                                                         | Finalised 110 misconduct investigations.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Undertake 10 research, prevention and intelligence projects.                                                                                                                                                                                                                                                                                                                 | Undertook 12 projects.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Continue to implement recommendations of a review of the CMC's complaints-handling procedures.                                                                                                                                                                                                                                                                               | Implemented re-engineered business processes, enhanced performance measurement, improved records management, changes to management roles and a new organisational structure to better deliver core functions.                                                                                                                                                                                                                                                                                                                   |
| Undertake 16 capacity-building and monitoring projects.                                                                                                                                                                                                                                                                                                                      | Undertook 19 capacity-building and monitoring projects (see pp. 50–53)                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Examine the QPS misconduct complaints management system.                                                                                                                                                                                                                                                                                                                     | <p>Began the first two of a series of projects:</p> <ul style="list-style-type: none"> <li>&gt; a project to enhance managerial responsibility for dealing with some types of complaints, supported by a framework incorporating the monitoring roles of the QPS and the CMC</li> <li>&gt; a project on the disciplinary hearing process and the appropriateness of the sanctions available within the process.</li> </ul> <p>These projects, and others yet to start, are due for completion in the next reporting period.</p> |
| Undertake major prevention system reviews as needed to address specific or generic misconduct risks that are identified in public sector agencies.                                                                                                                                                                                                                           | <p>Completed two major prevention system reviews:</p> <ul style="list-style-type: none"> <li>&gt; the contract and tendering processes in a state government department</li> <li>&gt; the adequacy of existing legislation in relation to the conduct of local government elections and local government business, as part of the inquiry into the 2004 Gold Coast City Council election.</li> </ul>                                                                                                                            |
| Review the CMC's Indigenous liaison program.                                                                                                                                                                                                                                                                                                                                 | Continued a review of the strategies to engage with Indigenous communities, to ensure that they facilitate frank and honest exchanges between the CMC and Indigenous communities throughout Queensland.                                                                                                                                                                                                                                                                                                                         |
| Take part in a national research project into the management and protection of internal witnesses, including whistleblowers in the Australian public sector.                                                                                                                                                                                                                 | Entered into a contract with 5 universities and 15 other industry partners, nationally developed the research methodology and carried out the first phase of this 3-year project.                                                                                                                                                                                                                                                                                                                                               |
| Continue to provide misconduct prevention advice and assistance to public sector agencies on issues of concern identified by them.                                                                                                                                                                                                                                           | <p>Provided misconduct prevention advice or resources to state and local government agencies as a result of direct external inquiry on 105 occasions.</p> <p>Delivered 40 presentations (conference lectures, seminar presentations, workshops, training sessions) on misconduct prevention topics.</p>                                                                                                                                                                                                                         |
| Develop more capacity-building advisory papers on such topics as gifts and benefits, and sponsorships.                                                                                                                                                                                                                                                                       | Released advisory papers on issues such as minimising the risks associated with offers and receipt of gifts and benefits by public officials, and the misuse of communication and information devices.                                                                                                                                                                                                                                                                                                                          |
| <p>Continue to raise community awareness of public sector integrity issues through:</p> <ul style="list-style-type: none"> <li>&gt; providing useful information to stakeholders on the CMC website</li> <li>&gt; increasing public availability of investigative and prevention reports</li> <li>&gt; participating in community activities such as NAIDOC week.</li> </ul> | <p>Developed a misconduct prevention advice portal on the CMC website, to provide misconduct prevention information and resource materials on a range of misconduct issues.</p> <p>Made reports available on website and in hard-copy form.</p> <p>Participated in NAIDOC week activities in Brisbane and at a regional centre.</p>                                                                                                                                                                                             |

## Overview of the CMC's misconduct functions

Our ultimate goal is to achieve a commitment to integrity that is shared by all public sector agencies.

To this end, we receive and assess complaints of official misconduct, refer most matters to the relevant agency to deal with (subject to our monitoring), and investigate some of the more serious matters ourselves.

'Misconduct', as defined in the CM Act, encompasses official misconduct and police misconduct (see pages 9–10 for definitions of official misconduct and police misconduct).

Our misconduct functions under the Act are to:

- > raise standards of integrity and conduct in the Queensland public sector
- > ensure that any complaint which involves or may involve misconduct is dealt with appropriately.

In fulfilling the second of these functions, we must adhere to the principles set out in section 34 of the CM Act, which are:

- > **Cooperation.** To the greatest extent practicable, the CMC and units of public administration should work cooperatively to prevent and deal with misconduct.
- > **Capacity-building.** The CMC plays a lead role in building the capacity of units of public administration to prevent and deal with cases of misconduct effectively and appropriately.
- > **Devolution.** Subject to the other principles, action to prevent and deal with misconduct in a unit of public administration should generally happen within the unit.
- > **Public interest.** The CMC has an overriding responsibility to promote public confidence in the integrity of units of public administration and, if misconduct does happen within a public sector agency, in the way it is dealt with.

The 'units of public administration' referred to in the Act include state government departments, public sector agencies, statutory authorities, tribunals, universities, local governments and the QPS. Politicians also come within our

jurisdiction, but for the conduct of an elected official to constitute official misconduct it must be capable of amounting to a criminal offence.

Responsibility for continuously improving the integrity of the Queensland public sector, and reducing the incidence of misconduct within it, must not rest solely with monitoring bodies such as the CMC. It must be part of the core business of the public sector agencies themselves. The biggest challenge for the CMC is to embed that notion in the public sector.

A strong culture of integrity requires that public sector managers accept responsibility for integrity within their domain, and are supported in that responsibility. Managers who are secure in the knowledge that they have the support of senior management and the bodies that oversee them are better placed to play this vital role in a way that will survive the normal turnover of management.

The principle of devolution under section 34 of our Act (see above) provides the mechanism for public sector managers to take responsibility for preventing and dealing with misconduct; our capacity-building role (and prevention function) allows us to support agencies in undertaking this role; and our monitoring role establishes an important accountability mechanism, which also yields information about any deficiencies in agencies' capacity.

Unfortunately, despite best efforts, some misconduct will continue to occur within organisations. Accordingly, we continue to investigate serious misconduct and matters where the public interest requires an independent investigation, or the agency involved lacks the capacity to investigate.

Experience here and in other jurisdictions indicates that there will always be an overriding need for the independent overseeing body not only to investigate serious cases of official misconduct but also to be able to monitor and review any matter dealt with by an agency in order to reduce the risk of any re-emergence of systemic corruption. We strive to ensure there is an appropriate balance to promote public confidence.

## Continuous improvement of the Queensland public sector

### Handling complaints

CEOs within the public sector must notify the CMC of any complaint that they suspect may involve official misconduct. The Police Commissioner has a statutory obligation to notify us of any complaint that he suspects may involve official misconduct or police misconduct.

Our publication *Facing the facts: a CMC guide for dealing with suspected official misconduct in Queensland public sector agencies* provides detailed advice for CEOs about their obligation to report to the CMC, 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.

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 Queensland Ombudsman's Office, the Commission for Children and Young People and Child Guardian, the Anti-Discrimination Commission Queensland,

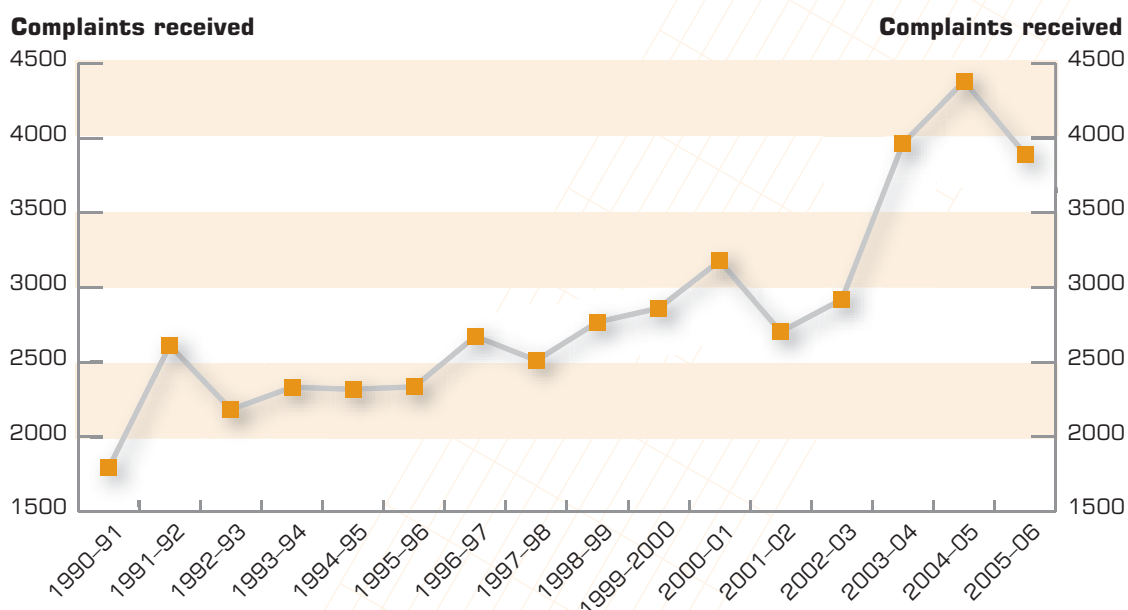
and the Health Rights Commission. The group was initiated in 2003 by Multicultural Affairs Queensland to help make the complaints system of each of these agencies more accessible to people from culturally and linguistically diverse backgrounds.

Between 2001–02 and 2004–05 there was a sharp increase in the number of the complaints we received, but this appears to have levelled off for the time being (see Figure 2). Historically, there has been a pattern of increasing numbers that level off and then increase again. Given the increasing size of the Queensland population, and more awareness among the public and within the broader public sector, it is likely that there will be a further increase in complaints received over the coming years.

Most complaints can be dealt with appropriately by the agencies themselves. Many of the complaints received turn out not 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 us either to work in cooperation with the agency or to take over the investigation. Through our monitoring function, we may also decide to take back a referred investigation.

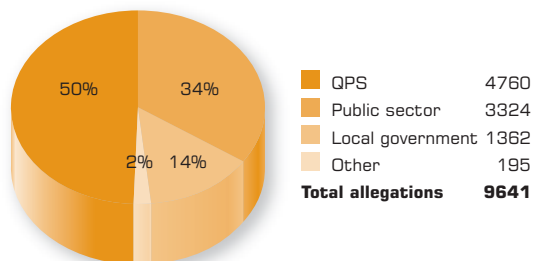
Section 40 of the CM Act allows us to 'issue directions about how and when a public official must notify the commission of complaints'. During the year we used this power to complete a project that allows government departments and other key agencies to deal more quickly and efficiently with the less serious complaints of misconduct. They are able to start dealing with the complaints immediately and notify us by regular schedule.

**Figure 2. Complaints received between 1990–91 and 2005–06**





**Figure 3. Allegations by agency, 2005–06**



#### Complaints Services

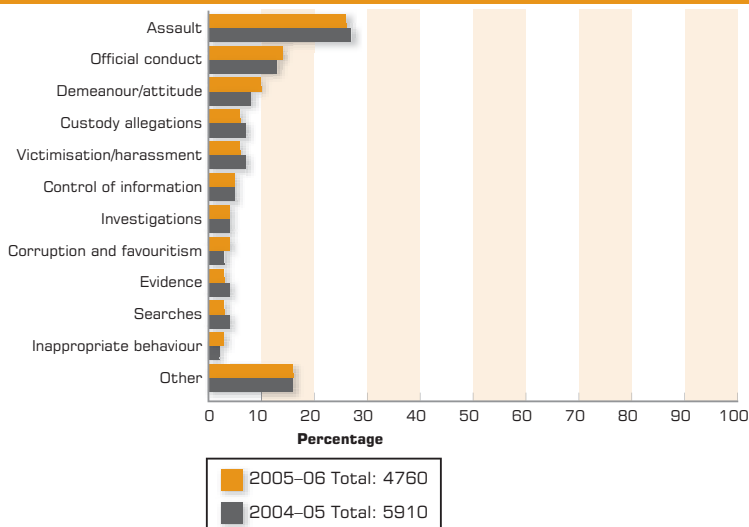
Assessment and Monitoring Officer Barry Campbell (left) and Complaints Services Officer Conor McGarrity.

### Overview of performance

#### Complaints received

- > We received almost 3900 complaints, compared with just under 4400 in the previous year. Note that a complaint may consist of more than one allegation.
- > Figure 3 gives a general breakdown of allegations received (9641), by the type of agency they related to. The largest proportion (50%) related to police.
- > Despite the large number of complaints, we assessed 93 per cent within four weeks, exceeding the target we had set ourselves.
- > As in 2004–05, 'assault' was the most common allegation made against police (Figure 4).

**Figure 4. Types of allegations — QPS**



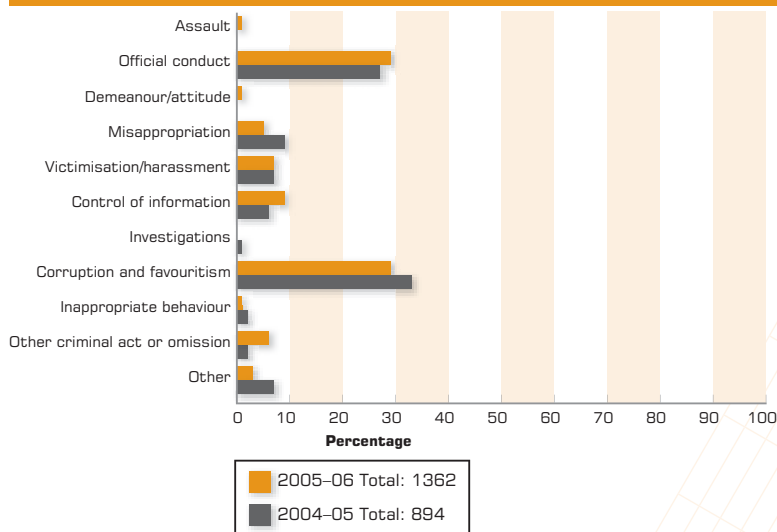


- > 'Official conduct' (including failing to carry out statutory duties and not complying with policies and procedures) and 'corruption and favouritism' (including conflict of interest) were the most common allegations made against local government officers (Figure 5).
- > Most allegations made against other public sector officials were in the 'official conduct' category (Figure 6).
- > Almost three-quarters (73.5%) of complaints received were referred to the relevant agency for handling (Figure 7). Some of these matters were dealt with by processes such as mediation, because not all required investigation by the agency; 3.5 per cent of complaints were investigated by the CMC and 23 per cent were assessed by us as not requiring any further action by the CMC or anyone else.

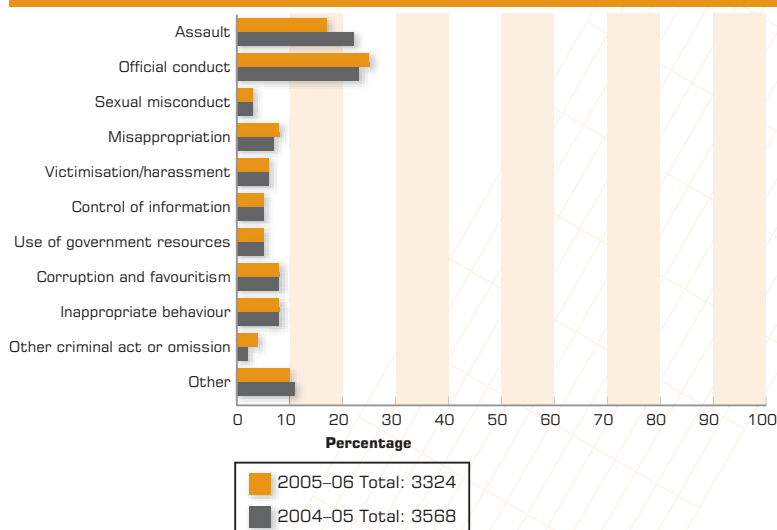
#### Review of Complaints Services

- > Our project to refine our complaints-handling processes ('review of complaints services' or 'ROCS') began in 2004–05 and continued during 2005–06. Many of the business processes have been streamlined, and this has been reflected in improved timeliness.
- > There has been a dramatic fall in the number of complaints to the PCMC about the lack of timeliness on the part of the CMC in the assessment of complaints of misconduct.
- > A restructure of the areas of the CMC that deliver the complaints-handling function was put into effect in July 2006.

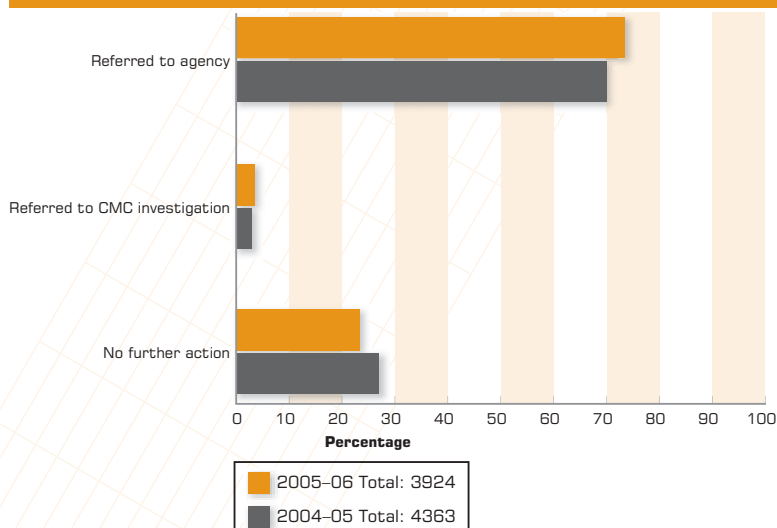
**Figure 5. Types of allegations — local government**



**Figure 6. Types of allegations — public sector**



**Figure 7. Assessment outcomes**



## Monitoring how public sector agencies deal with misconduct

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 our scrutiny. As stated previously, we may also take over 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 2005–06, for example, CMC investigators took over 10 agency investigations.

We have the following ways of monitoring how public sector agencies deal with misconduct:

- > overseeing the agency's investigation while it is taking place
- > reviewing the finalised investigation report before any disciplinary or other managerial action is taken
- > reviewing how the agency dealt with the matter after it is finalised
- > auditing the way agencies, including the QPS, have dealt with complaints referred to them by us.

We can also advise agencies about how to deal with individual matters.

## Overview of performance

### Individual complaints reviewed

- > This year we reviewed 158 individual complaints dealt with by agencies (including the QPS). We found the vast majority of these matters to have been 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 2592 complaints referred to agencies to deal with.
- > The data revealed that in 13 per cent of complaints referred to agencies no further action was taken by the

relevant agency; in 57 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 30 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 reviewed 78 individual police complaints that we identified as warranting monitoring when we referred them to the QPS. Each review focused on the integrity of the investigation, giving consideration to the adequacy, impartiality and transparency of any investigative or other resolution processes, 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.

## Review of QPS complaints management

We are undertaking a series of projects to review QPS management of complaints. These include:

- > a project to develop a framework to provide greater support for the management of some types of misconduct complaints within the QPS, subject to monitoring by both the QPS and the CMC
- > a project to improve the speed and efficiency of the disciplinary process
- > surveys of the degree of satisfaction of (a) complainants and (b) police officers with the current complaints system and processes
- > a review of the QPS Complaints Management Policy and Procedures
- > a post-implementation evaluation of any changes to the complaint management and disciplinary systems.

The first two of these projects have already begun, and involve consulting with a wide range of stakeholders and examining models in other jurisdictions.

## Capacity building

An important way in which we fulfil our responsibility to raise integrity in the public sector is through helping

agencies build their capacity to prevent and deal with misconduct.

We do this in a range of ways, including resource development, outreach and coordination.

### Whistleblower policy and practices

The CMC is involved in an important research project on best practice in public sector whistleblower policy, practices and management, in conjunction with Griffith University's Key Centre for Law, Integrity, Ethics and Governance. Its working title is 'Whistling While They Work: Enhancing the Theory and Practice of Internal Witness Management in Public Sector Organisations'.

The project includes 14 integrity-related organisations throughout Australia and has been granted Australian Research Council supplementary funding for three years. The current status of the project is:

- > survey of agency practices and procedures completed early 2006; analysis of data under way
- > employee survey distributed to the 34 participating agencies in Queensland, as part of national distribution; data entry proceeding
- > draft survey of whistleblowers, case managers and case handlers being developed and refined
- > case study agencies selected and initial discussions held
- > draft survey of integrity agencies being developed
- > preliminary analysis and findings to be presented at National Steering Committee meeting in Brisbane in September 2006 and at National Investigations Symposium in Sydney in November 2006.

### Developing resources

We work with public sector agencies to determine the areas of greatest need, and then produce resources such as research papers, guides, toolkits, training materials, manuals, guidelines, articles and advisory pamphlets on preventing and dealing with misconduct.

These materials are developed either independently or in collaboration with other Queensland or interstate organisations. We also adapt material that has been produced elsewhere by bodies with similar aims to our own.

Resources published in 2005–06 include the following:

- > Prevention Pointer no. 13, *Preventing misuse of communication technology: a guide for everyone working in the public sector*, January 2006
- > another paper in our Building Capacity series, *Receiving gifts and benefits: managing the risks*, no. 8, June 2006.



A new module for *Facing the facts*

Director, Complaints Services, Helen Couper (*right*) discusses the new module with Communications Manager Monica Chaplain (*centre*) and senior manager Dianne McFarlane (*left*).

- > a new module – 'Local government and the CMC' (module 12), issued June 2006 – to add to our successful set of guidelines *Facing the facts: a CMC guide for dealing with suspected official misconduct in Queensland public sector agencies*
- > updated information brochures and fact sheets about the work of the CMC, its powers and responsibilities.

We provide information on our website about misconduct prevention and capacity building, with links to a wide range of publications and to external sources of information. We also issue an electronic newsletter, the 'e-newsletter', which is sent to all CMC Liaison Officers and many other stakeholders both within and outside the public sector; the e-newsletter is also available on our website.

### Workshops and presentations

We delivered numerous presentations on specific issues pertinent to the group or agency concerned. For example:

- > presentations to public sector agencies and local governments on identifying and managing conflicts of interest
- > a workshop for over 80 participants on how to apply the best-practice fraud and corruption control guidelines developed by the CMC (see 2004–05 annual report)
- > presentations to professional groups such as the Interdepartmental Accountants Group and the Queensland Internal Audit Network Group on topics including fraud control, corporate governance and ethical conduct.

## System reviews

We carried out organisational system reviews, in particular:

- > **Contract and tendering processes in a state government department.** The review arose out of a CMC investigation into allegations of dishonest conduct by departmental employees and contractors who had colluded to bill the department for work not performed and then share the proceeds. We found deficiencies in certain systems used by the department that had the potential to facilitate fraudulent conduct. We made nine recommendations for improvements to the department's processes.
- > **Adequacy of existing legislation in relation to conduct of local government elections and local government business.** This was part of our inquiry into the 2004 Gold Coast City Council election (see page 60), and formed part of our public report. We made 19 recommendations for changes to the *Local Government Act 1993*.

## Ad hoc advice and information

Throughout the year we provided frequent 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, it was evident that the CMC's officers were held in high regard, as were our training and development resources. Typical comments were:

'We were very happy with the professional service we received from the CMC. It was over and above expectations and very much appreciated.'

'My agency utilised the training and capacity-building materials to assist in spreading the "good oil" to staff and stakeholders. The publications have been of a high standard and always well received.'

'I have found the tools and resources that the CMC produce to be extremely beneficial. I have included a number of these items in a "Toolbox" to accompany the Department's Code of Conduct training. Specifically I am using *The public scrapbook*, *Turf it out* and the *Managing conflicts of interest* Toolkit. I can honestly say that on all occasions the staff in the unit have been enthusiastic, proactive and extremely helpful.'

## Misconduct prevention website portal

We have developed a portal to best-practice advice on misconduct prevention on the CMC website, providing information and resource materials on a range of misconduct issues. This advisory centre incorporates our own information and downloadable material as well as material from a range of other reputable sources, plus internet links to the externally sourced information.



Working to improve public sector integrity

Misconduct Prevention Officer Narelle George with Principal Project Officer, Prevention, John Boyd

## Outreach activities

Agencies in regional and rural areas, including local councils, face particular difficulties in dealing with and preventing misconduct. Their difficulties are due to factors such as the size of the community in which they operate, and their distance from other communities and major metropolitan areas.

To address these problems, we conduct regional visits to rural and regional centres throughout Queensland. Places we visited in 2005–06 included Cairns, Karumba, Inglewood and Caloundra. Some regional visits are for a day or so, while others may be for up to a week.

The major visits this year were to Cairns and the Sunshine Coast. Both visits were for four days, and included:

- > a full-day seminar for local government, focusing on the obligations under the CM Act, complaints management and prevention, and specific issues of concern
- > a full-day seminar for the public sector, generally about complaints management, based on *Facing the facts* and focusing on significant prevention issues such as managing conflicts of interest
- > meetings with regional agency officers, the local police and other stakeholders such as Indigenous bodies, local legal aid agencies and law associations
- > strategic seminars, workshops and presentations for agency staff at all levels.

Papers were also presented at larger conferences on public sector misconduct.



## Coordination and collaboration with other agencies

- > Key agency partnerships are essential to the CMC's capacity-building function. Regular liaison meetings are held with a number of those key agencies. We consult, liaise and work cooperatively with many agencies and key stakeholders such as the Integrity Commissioner, the Office of Public Sector Merit and Equity (OPSME), Crown Law, the Queensland Audit Office and the Queensland Ombudsman.
- > We facilitated the development of the Corruption Prevention Network Queensland (CPNQ), a network of officers drawn mainly from the public sector with an interest or involvement in misconduct and corruption prevention. The CMC contributes to the CPNQ's basic running costs, to ensure it remains viable without needing to seek corporate memberships, and is available at no cost to anyone interested and eligible to join. We also provided a one-off grant of \$4950 to enable the redevelopment of the CPNQ website, which was launched in March 2006. Misconduct prevention officers ensure a continued CMC presence on the CPNQ organising committee, and at any events the CPNQ conducts.
- > During 2005–06, in conjunction with the New South Wales Independent Commission Against Corruption (ICAC) and the Western Australia Corruption and Crime Commission (CCC), we began planning for a national conference on public sector anti-corruption, scheduled to take place in Sydney in October 2007.
- > During 2005 we were approached by the WA CCC to help give conflict of interest issues a high profile within the WA public sector and to provide advice on developing resources to complement the existing guide, developed jointly by the CMC and NSW ICAC in 2004. A prevention officer conducted workshops and gave presentations to integrity bodies in WA at the invitation of the CCC.
- > We provided assistance to the Department of Local Government, Planning, Sport and Recreation (DLGPSR) in the development and implementation of a code of conduct for councillors which, under the revised Local Government Act, became a mandatory requirement for all local governments in Queensland on 1 March 2006.
- > After a CMC presentation at the Heads of Procurement Forum in May 2005, Queensland Purchasing asked for our assistance with their Purchasing Certification Program, and requested approval to use our training video *Turf it out*. We agreed to collaborate with Queensland Purchasing in reviewing curriculum and course content for a range of training modules.

## Working with Indigenous communities

### Aboriginal and Torres Strait Islander Liaison and Education Program

The purpose of the CMC's Aboriginal and Torres Strait Islander Liaison Program is to address crime and misconduct issues specifically relating to Aboriginal and Torres Strait Islander peoples. The CMC's Indigenous Liaison Program is particularly active in:

- > offering advice to Indigenous people and creating awareness about the role and functions of the CMC
- > providing advice and information about misconduct prevention strategies to community councils and other organisations
- > providing advice to the CMC on matters within its jurisdiction that affect Indigenous Queenslanders.

This is achieved through providing cultural advice and assistance to the Commission in the areas of Complaint Services, Research and Prevention, and Misconduct. Indigenous Liaison Officers regularly visit Indigenous communities and give presentations to raise the awareness of the role of the CMC. The Liaison Officers also develop education plans to help Indigenous councils build their capacity to prevent and deal with misconduct.

The CMC's Strategic Plan 2006–10 recognises the importance of developing and maintaining ongoing genuine relationships and partnerships with the Indigenous community. The priority areas identified are:

- > liaising with Indigenous groups and communities and undertaking involvement in public policy issues
- > ensuring an integrated approach to Indigenous issues across the organisation (This is a complex area of activity, but one to which we have always committed personnel and resources. We are currently exploring better ways to handle particularly difficult Indigenous-related issues.)
- > continuing to consult with external agencies and community groups to provide advice and training on good corporate governance, and develop effective advice and guidance to address unique problems in Indigenous communities.

### Indigenous Engagement Strategy

Effective engagement with the Indigenous community is a priority for the CMC, and so in 2005 we decided to review our engagement strategy. In December 2005, the CMC Indigenous Community Consultative Committee was

disbanded so that its work could be replaced by the following more comprehensive range of strategies:

- > regional visits (four times a year)
- > community liaison by Indigenous Liaison Officers
- > CMC representation at NAIDOC (see next page)
- > CMC Liaison Officer meetings
- > Across Government Indigenous Governance Committee
- > attendance at the Indigenous Police Review and Reference Group
- > attendance at the Community Consultative Committee for Justice Entry Program
- > attendance at the Brisbane Indigenous Employment Coordinators Network meeting
- > informal contacts with the Cultural Advisory Unit of the QPS
- > maintenance of informal contacts with key members of the Indigenous community by Indigenous Liaison Officers and Indigenous Complaints Officers.

The CMC's strategy for Indigenous matters also includes the following internal activities:

- > Indigenous Complaints Assessment Meetings (ICAM)
- > regular monitoring of Indigenous complaints

- > Research and Prevention/Complaints Services meeting
- > Indigenous Liaison Officers' attendance at Research and Prevention team meetings
- > Indigenous issues highlighted in research proposals and research plans
- > procedures for ensuring that information from regional visits and community visits is passed on to relevant areas within the CMC
- > Indigenous Liaison Officer involvement in induction training for CMC staff
- > informal liaison between Indigenous Liaison Officers and Indigenous Complaints Officers.

## Misconduct prevention

### Capacity building within Indigenous councils

The CMC recognises that Indigenous councils in rural and remote areas face particular difficulties in dealing with and preventing misconduct. Some of the contributory factors include cultural appropriateness, the size of the community in which these councils operate, limited resources, and isolation. To help overcome any disadvantages brought on by these factors, and meet the needs of such communities, the CMC provides advice and information about governance and misconduct prevention strategies to Indigenous organisations.

In line with our strategic priority of providing an inter-agency approach to assisting Indigenous councils in the areas of misconduct, as part of the Community Governance Improvement Strategy administered by the Department of Local Government and Planning, Sport and Recreation (DLGPSR), our Indigenous Liaison Officers facilitated numerous workshops around the state on the CMC's On the Right Track Councillor Information Kit — *How to develop a code of conduct and Reporting and disciplinary procedures*.

To date, the Liaison Officers have completed workshops with all 15 Aboriginal Shire Councils and 15 of the 18 Torres Strait Island Councils (with the exception of Stephen, Mabuiag and Dauan Island Councils). The remaining workshops will be conducted by the end of 2006.

The workshops have been well received by the councils, with positive feedback about the relevance, timeliness and usefulness of the material that was shared with them.

The CMC is committed to maintaining partnerships with external agencies and will continue to attend regular liaison meetings regarding Indigenous community governance with other key agencies. Attendance at these meetings includes



#### Code of conduct training and liaison

During the year Indigenous Liaison Officers Bonnie Eggmolesse and Daniel Abednego facilitated numerous code of conduct workshops for Indigenous councils throughout the state.

## NAIDOC week

Once again, the CMC continued the tradition of past years by participating in NAIDOC in the regional centres, with CMC Liaison Officer Daniel Abednego travelling to Stapleton Park in Rockhampton in July 2005. The CMC also had a presence in Brisbane – both in King George Square and at the Family Fun Day at Musgrave Park.

At each venue there was an Indigenous Information Expo publicising the work of government agencies, community groups and organisations who provide services to the Indigenous community. This was a great opportunity for us to improve our profile and promote the CMC's complaints process to Indigenous people.

Two brochures were produced in time for NAIDOC 2005:

- > *Why do police investigate police? It's about police taking responsibility*
- > *reissue of Making a complaint against a police officer (for Indigenous people).*

Towards the end of June 2006, the CMC's Indigenous staff hosted an inaugural NAIDOC morning tea. It celebrated the theme for the upcoming NAIDOC 2006, 'Respect the Past – Believe in the Future', and aimed to improve the level of knowledge and understanding of Aboriginal and Torres Strait Islander culture among CMC Brisbane staff. Special guest elders were invited to speak about the importance of NAIDOC week and what it means for Indigenous people around Australia. Delicious bush foods and drinks were provided, a local Indigenous dance troupe gave a lively performance, and there was a display of Indigenous artefacts and artworks. The function proved very successful, with an enthusiastic response from staff.



NAIDOC morning tea, June 2006

Indigenous elder Flo Watson, accompanied by Indigenous Liaison Officer Bonnie Eggmolesse, addresses staff. Afterwards, staff and guests examine the artefacts and enjoy the bush tucker.

representatives from the DLGPSR, the Queensland Audit Office, the Office of the Ombudsman, the Department of the Premier and Cabinet, and the Department of Aboriginal and Torres Strait Islander Policy.

The aim of these meetings is to share information about current projects, identify opportunities for collaboration, and ensure that communities are provided with a coordinated range of appropriate training and capacity-building initiatives.

## Complaints Services

The Liaison Officers regularly attend Indigenous Complaints Assessments Meetings to provide cultural advice on the matters that are assessed. They work jointly with Complaints Services to help develop policies and procedures related to assessment, monitoring and investigation of complaints from members of the Indigenous community. The Liaison Officers help to facilitate regular liaison between Indigenous groups and the CMC on matters relating to complaints.

## Police methods and practices

The CMC is involved in a range of additional activities relating to the continuous improvement of the QPS. These include:

- > representation on various police-related committees and working parties
- > surveys about policing
- > other policing research initiatives and public inquiries.

We are well recognised throughout Australia for our work to develop, implement and evaluate various policing methods and strategies

## Public perceptions of the police

As part of our ongoing commitment to monitoring attitudes over time, we have conducted surveys designed to measure the public's attitude to the QPS since 1991. In June 2006, we released the findings of our most recent survey, *Public perceptions of the Queensland Police Service: findings from the 2005 Public Attitudes Survey*.

Overall, the study showed that public perceptions of police behaviour remain positive. For example, more than 80 per cent of respondents held the belief that police are honest and behave well. In addition, dissatisfaction with police has generally shown a steady decline over the years. Despite the generally positive view of the QPS, the research highlights some opportunities for improvement, such as improving relations between police and young people and enhancing the complaints process.

## Best-practice review of police integrity programs

In June 2006, the CMC concluded a review of proactive integrity-based activities (e.g. recruit selection, ethics training, policy compliance auditing) which are designed to enhance police integrity.

This review is the start of a process of documenting various procedures and policies that may assist the CMC and the QPS in their police integrity roles. Over the next two years, it is envisaged that we will work with staff from the Ethical Standards Command to determine whether there are any gaps that could be filled by using some of the strategies identified during the course of our review.

## Review of police dog bites

In 2000, in response to a marked increase in complaints over a two-year period about bites by police dogs, the CJC (predating the CMC) conducted a review of all complaints during 1999 and 2000. The purpose of the analysis was to provide information for the Commission's commentary on a draft of the QPS Dog Squad handbook, which was being developed at the time.

In 2005, the CMC conducted a follow-up review to assess the extent to which the recommendations from the earlier review were implemented, and to assess the effect of any changes in policy on the rate of bite incidents and complaints.

We will release our report, *QPS dog squad: review of bite incidents and management*, in the next reporting period. The report was delayed to allow incorporation of some additional data.





## Beat policing

Beat policing is a community policing strategy designed to make individual police officers responsible for the community's policing needs in a defined geographical area. Officers are encouraged to take 'ownership' of their area and employ proactive strategies to address the underlying causes of crime and community problems within their beat. Beat policing constitutes an important shift in the nature of operational policing.

Since the introduction of the first Neighbourhood Police Beats in Toowoomba in 1993, the CMC has been instrumental in the ongoing development of this highly successful program.

In 2005, the CMC began a six-month evaluation designed to assess the effectiveness of establishing a police beat in a major hospital – the Princess Alexandra (PA) Hospital in Brisbane. Our evaluation of the PA Hospital Police Beat is nearing completion, and will be published during the next reporting period.

## Police and young people

Research tends to show that police are more likely to interact directly with young people than with any other group in society. Typically, these interactions are non-conflictual. However, each year a small number spiral out of control to the point where police take action.

Since 2005, the CMC has been working in partnership with The University of Queensland and the Queensland University of Technology (QUT) to carry out research on the relationship between young people (15–24 years old) and police in Queensland. Specifically, the research will investigate the nature of, and the factors shaping, interactions between police and young people. The study will also look for some possible strategies for enhancing police–youth relations.

This project is partly funded by the Australian Research Council (ARC) and is scheduled for completion in 2007.

## OC spray

Oleoresin capsicum (OC) spray is a relatively new use-of-force option used by the QPS to help them deal with volatile situations and aggressive people. As noted in our 2004–05 annual report, we undertook a major examination of the use of OC spray by police, and our report, *OC spray: oleoresin capsicum (OC) spray use by Queensland police*, was released in October 2005. Although its conclusion was that OC spray was an effective and relatively safe use-of-force option for police, it made five recommendations to enhance current QPS policies and procedures in the areas of recording and monitoring, oversight, training and aftercare.

### UPDATE

The QPS has recently advised us that it is working to implement or consider the recommendations in our report *OC spray: oleoresin capsicum (OC) spray use by Queensland police*.

Photo courtesy PA Hospital



Princess Alexandra (PA) Hospital

Our assessment of the police beat at PA Hospital will be published in 2006–07.



## UPDATE on implementation of CMC recommendations

### Police pursuits

In 2003, we released the findings of a major study into police pursuits in Queensland. The research focused on determining the nature, frequency and consequences of pursuits, as well as any implications for the QPS in terms of policy and training.

The report concluded that the QPS had taken some constructive steps to address the risks associated with police pursuits. However, we drew attention to an opportunity for the QPS to further enhance its policy and practices, primarily by tightening and clarifying its official pursuit policy. In particular, we recommended that the policy be more restrictive.

In response to our report and recommendations made by the Queensland Coroner, and as part of an ongoing review of police pursuits by the QPS itself, a revised Safe Driving Policy, incorporating a more restrictive pursuits policy, has been developed. A 12-month trial of the policy is scheduled to begin in October 2006.

### Policing domestic violence

We also undertook a major study into the problem of domestic violence. In particular, we looked at the 'policing response' to domestic violence and set out to find ways in which the current response to domestic violence could be improved.

Our report *Policing domestic violence in Queensland: meeting the challenges*, was released in April 2005. The report highlighted the need for police to conduct thorough investigations of domestic violence incidents, consider the merits of police-issued protection orders, use a case-management approach in response to chronic repeat calls for service, review the role, function and rank of the State Domestic Violence Coordinator, and review the role and function of Regional Domestic Violence Coordinators.

Feedback that we have received since the publication of the report, especially from victims of domestic violence and victim support groups, has been very encouraging. In addition, in June 2006, the Commissioner of Police wrote to the CMC Chairperson advising that the QPS was intending to review, implement, or report on the most effective means of implementing the CMC's recommendations.

## Investigating serious misconduct

We are uniquely positioned to investigate serious and complex matters, when required. We concentrate our efforts on matters such as major fraud within government agencies, drug-related police corruption and sensitive political matters. A successful conclusion to a CMC investigation may be the bringing of criminal charges, or, just as importantly, the clearing of a person's name or the restoring of public confidence in a public sector agency. The independence of the CMC means that no partisanship, political or otherwise, will influence any investigation or its outcome.

### Investigation strategies

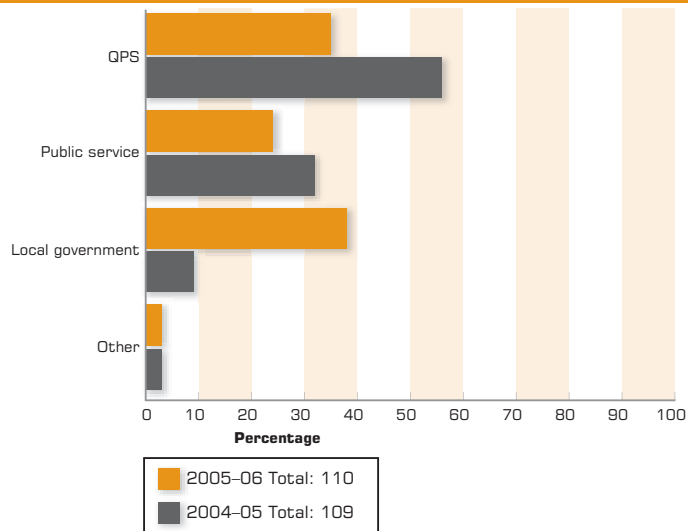
We use proactive and covert investigative techniques in our ongoing pursuit of corruption and other serious misconduct. Covert techniques include the use of physical and electronic surveillance and search warrants. In addition, under the CM Act and the *Police Powers and Responsibilities Act 2000*, we 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 13.

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

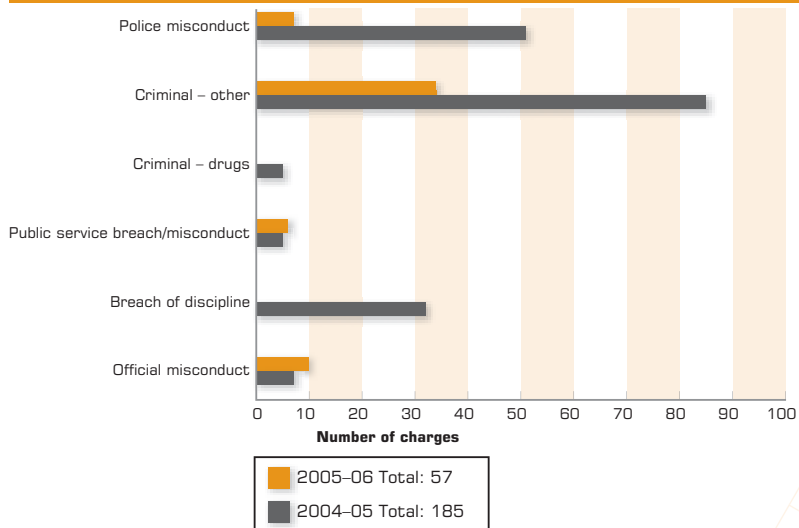
**Table 13. Exercise of the CMC's special powers for misconduct investigations, 2004-05 and 2005-06**

| Power exercised                   | Act and section                 | No. of times exercised |         |
|-----------------------------------|---------------------------------|------------------------|---------|
|                                   |                                 | 2004-05                | 2005-06 |
| Power to enter                    | CM Act, s. 73                   | 6                      | 15      |
| Notice to discover information    | CM Act, s. 75                   | 158                    | 223     |
| Notice to attend hearing          | CM Act, s. 82                   | 39                     | 71      |
| Search warrant applications       | CM Act, s. 86<br>PPR Act, s. 68 | 17                     | 22      |
| Surveillance warrant applications | CM Act, s. 121                  | –                      | –       |

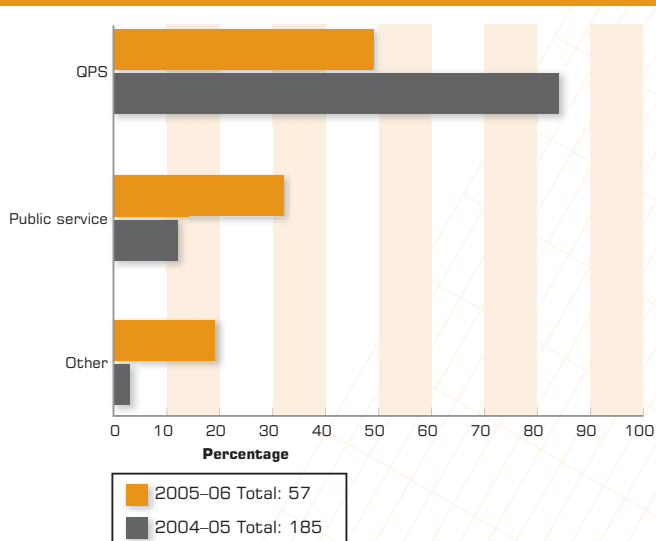
**Figure 8. Number of finalised investigations**



**Figure 9. Types of charges**



**Figure 10. Recommended charges by agency**



We are uniquely positioned to investigate serious misconduct.

We concentrate our efforts on matters such as major fraud in government agencies, drug-related police misconduct and sensitive political matters.

### Overview of performance

- > We finalised 110 misconduct investigations, including a number of large, complex matters (see Figure 8).
- > Of these investigations, 68 per cent were completed within 12 months.
- > We recommended criminal or disciplinary charges in 22 of these investigations; in a further three cases we recommended management action.
- > A total of 57 charges were recommended as a result of CMC investigations (see Figures 9 and 10).



Members of the Gold Coast City Council 2004 election investigation team

Team members (left to right) Ken Bemis, Theresa Hamilton, Daniel Boyle, Kristie Algate, Karel Weimar, Anne Lazenby, Lincoln Hansen, Anna McDonald and John Melit

## Case studies 2005–06

### Allegations in relation to local councils

#### Gold Coast City Council

Between October and December 2005, the CMC held public hearings into allegations about the relationship between certain candidates in the Gold Coast City Council election of 2004 and a number of Gold Coast developers. Over 50 witnesses were called and more than 300 exhibits were tendered. The witnesses called included developers, councillors, council officers, unsuccessful candidates, members of various campaign committees and others involved in the administration of election campaign funds. A further public sitting was held in February 2006.

Our report *Independence, influence and integrity in local government*, published in May 2006, found that the electoral process had indeed been corrupted, and made recommendations for prosecution proceedings against six people. (Lawyer Tony Hickey was subsequently fined \$6000 plus court costs of \$3500 for providing documents to the CMC containing information he knew to be false or misleading.)

The report also made 19 recommendations for reform of the local government electoral process.

The recommendations included amendments to the Local Government Act to:

- > establish new disclosure provisions
- > require local governments to minute any declaration made by a councillor that they have a conflict of interest
- > require local governments to provide reasons for all decisions made contrary to a council officer's recommendation.

We also recommended that there be a review of the adequacy of the penalties for offences relating to the failure to disclose gifts received. Regrettably, many of the recommendations were not accepted by government.



## Bundaberg Hospital complaints

In last year's annual report we mentioned our involvement in the Morris Inquiry into complaints against a medical practitioner at the Bundaberg Hospital, Dr Jayant Patel.

After the closing of the Morris Inquiry on the grounds of bias in September 2005, a former judge, the Honourable Geoff Davies AO, was appointed by the government to take over the inquiry. The CMC supported the Davies Inquiry by interviewing more than 80 patients and staff at Bundaberg Hospital and by providing it with material and collecting evidence as requested.

A CMC multidisciplinary team comprising police, investigators and lawyers worked on the project for more than five months. As well as collecting evidence, the team provided advice about conduct that could constitute official misconduct and outlined avenues of inquiry that needed to be canvassed during the hearings.

Commissioner Davies's report, tabled on 30 November 2005, covered all the issues raised in complaints held by the CMC and recommended that the CMC consider charging Queensland Health's Bundaberg District Manager and Bundaberg Hospital's Director of Medical Services with official misconduct. The CMC decided to institute proceedings for official misconduct against the two officers, but in the meantime both officers resigned, removing the need to conduct further investigations.

## Cloncurry Shire Council

We investigated a number of allegations of official misconduct against the mayor, the CEO and a councillor of Cloncurry Shire Council.

We found that the available evidence did not warrant criminal prosecution or disciplinary action against any councillor or council officer. However, the investigation did raise concerns about some procedural irregularities at the council. The evidence suggested a failure to comply with the council's purchasing policy and accounting manual, and so we recommended that the Cloncurry Shire Council take immediate managerial action to ensure proper compliance in the future.

We also recommended that the council develop and put into practice policies and procedures for managing and resolving conflicts of interest. We are monitoring the council's response to these recommendations.

## Council officer and associates convicted of fraud

After a lengthy CMC investigation, in November 2005 a former Gold Coast City Council research officer, Torsten Jens Von Der Geest, was sentenced to two-and-a-half years' imprisonment (suspended after 18 months) for deceiving the council into transferring more than \$37 000 to several bank accounts linked to him. At the time of the corrupt activities, the research officer was responsible for processing grant applications from community organisations such as amateur sporting clubs. His co-accused, who operated the bank accounts, was given a two-year suspended sentence in August 2005. Other associates involved in the fraud were also charged, and pleaded guilty in May 2005. They were each fined \$1250.

## Lying lands contractor in jail

In our 2004–05 annual report, we reported on an investigation that resulted in a former Gold Coast City Council supervisor being convicted in July 2005 of corruptly authorising payments to private contractors in return for cash and other benefits. In late 2004, a private contractor received a two-year suspended jail sentence. In March 2006, another contractor was convicted of lying during a CMC misconduct hearing in 2004. When giving evidence at the hearing, Dimitru Balan denied employing council workers in his landscaping and equipment hire business, but changed his testimony a week later, after a CMC raid on his home yielded evidence of payments to two council officers. Balan was convicted of committing perjury and jailed for six months.

## Allegation of lying to parliament

We investigated a complaint by the Leader of the Opposition concerning the possibility that the Honourable Gordon Nuttall MP, Minister for Health, gave false answers to questions asked of him in July 2005 by a member of an estimates committee of the Legislative Assembly. The matters for consideration were whether the minister knowingly gave a false answer, and whether such an answer was in response to a question that was both 'lawful and relevant'.

After considering the evidence, the Commission decided that prosecution proceedings should be considered. After taking legal advice, we delivered our report on the investigation to our minister (the Attorney-General), who tabled the report in parliament on 7 December 2005.

Parliament held a special sitting to determine its response, and decided that Mr Nuttall's actions should be dealt with by the parliament.

## Police officer jailed for extortion

In early 2006, the CMC received a complaint from a solicitor that his client, a Mareeba man, had advised him that Detective Senior Constable Michael Cifuentes was attempting to extort \$8000 from him. We immediately sent investigators to the area and arrangements were made for the victim of the attempted extortion to meet with the police officer to hand over the money demanded. The meeting was covertly monitored and recorded, and the police officer was later detained and charged. The police officer pleaded guilty and was sentenced to three and a half years' imprisonment.

## Alleged sexual assault by police officer

The CMC investigated allegations by high school students of rape and sexual assault by a police officer. The officer was stood down pending criminal charges, but advice was received that there was no reasonable prospect of conviction, given the circumstances. However, the officer was dismissed from the police service in November 2005 as a result of the evidence presented by the CMC. He was unsuccessful in an appeal against his dismissal.

## Theft of moneys

Following a CMC investigation, a Department of Housing officer, Yvette Busch, pleaded guilty to misappropriating departmental funds. She had received 14 false refunds totalling \$4960. The officer appeared in the Brisbane Magistrates Court in March 2006 and was fined \$2000.

## Teacher dismissed

A high school teacher was investigated by the CMC after allegations in October 2005 that he was having an inappropriate relationship with a 16-year-old female student. He was dismissed by Education Queensland in December 2005.

## False driver licences

We investigated allegations that a Queensland Transport officer issued several fraudulent driver licences. Two departmental officers were found to be involved in the fraud, and criminal charges are being considered in relation to the officers and various people who received the fraudulent driver licences. Glen David Cannard, one of the people found to have obtained a false licence, pleaded guilty at the Mossman Magistrates Court in March 2006 and received a \$2000 fine with six months to pay.

## Outlook 2006-07

### Reducing misconduct and improving public sector integrity

- > Assess an estimated 4100 matters.
- > Finalise an estimated 110 misconduct investigations.
- > Undertake 10 research, prevention and intelligence projects.
- > Conduct audits of complaints dealt with by six agencies, and/or conduct quality assurance reviews.
- > Review individual complaints dealt with by the QPS and by other public sector agencies.
- > Continue to implement recommendations of a review of the CMC's complaints-handling procedures.
- > Implement section 40 directions for local government councils.
- > 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 sponsorship and secondary employment.
- > 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.

# Engaging in public policy

## Public policy and the CMC

Ways in which we have engaged in public policy in 2005–06 include:

- > evaluating the Queensland Government's response to volatile substance misuse
- > carrying out a national comparison of adult entertainment regulation
- > conducting an inquiry into extending legal outcall prostitution services
- > conducting follow-up reviews to our *Seeking justice* (2003) and *Protecting children* (2004) reports
- > reviewing the public nuisance provision of the *Summary Offences Act 2005*.



Public policy projects are a major focus of the CMC's Research and Prevention unit.

Director, Research and Prevention, Susan Johnson (left) and Acting Deputy Director Margot Legosz (right) with CMC Chairperson Robert Needham

## Engaging in public policy

In recent years the CMC has been engaged in an increasing number of projects with a significant criminal justice and public policy focus. These projects originate in one of three ways. They may:

- > arise from investigations
- > be referred by our minister under section 52(1)(c) of the CM Act
- > be undertaken as a requirement in legislation other than the CM Act.

### Projects arising from investigations

Over the years the CMC and its predecessor, the CJC, have produced a number of major reports on social and criminal justice policy issues confronting government, which have arisen out of our misconduct investigations. The most recent of these were two major public policy projects culminating in the following reports:

- > *Seeking justice: an inquiry into how sexual offences are handled by the Queensland criminal justice system* (2003)
- > *Protecting children: an inquiry into abuse of children in foster care* (2004).

We are currently reviewing the responses to those reports.

### Seeking justice

This inquiry was prompted by the public furore over the decision by the DPP (Director of Public Prosecutions) to drop charges of indecent dealing against Mr Scott Volkens, a well-known Australian swimming coach.



Comment by political leaders and in the media over the handling of the Volkers case raised concerns about how the QPS and the DPP were handling sexual offence matters. Questions were also raised regarding the sufficiency of laws relating to the naming of people accused of such offences during the criminal justice process.

In September 2002 the CMC sought permission from the Premier to conduct the inquiry and in October and November of that year called for submissions and held public hearings.

The report of the Volkers investigation, entitled *The Volkers case: examining the conduct of the police and prosecution*, was published in March 2003 and the report of the public inquiry, *Seeking justice: an inquiry into how sexual offences are handled by the Queensland criminal justice system*, was published in June that same year. The latter report contained 24 recommendations for reform of the criminal justice system. Recommendation 24 states:

That the Crime and Misconduct Commission review the implementation of the Commission's recommendations arising from the Inquiry into the Handling of Sexual Offence Matters by the Criminal Justice System, and report to Parliament in two years' time.

Accordingly, submissions were sought reviewing the implementation to date of the 24 recommendations made. In their submission to the CMC in April 2006 the QPS and the ODPP reported that implementation of most of the recommendations was either completed or well under way.

Our report to parliament will be handed down during the next reporting period.

## Protecting children

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

The inquiry resulted in publication of the report *Protecting children: an inquiry into abuse of children in foster care*. This report contained 110 recommendations for reform, including a recommendation for the creation of a new department – the Department of Child Safety.

The Queensland Government resolved to adopt all 110 recommendations. The child protection system in Queensland has undergone what is arguably the most substantial reform in its history as a result of the CMC's recommendations, and work is continuing to build a better system to protect our children.

In the report, the CMC recommended that the Queensland Government report on progress of the implementation of reforms within two years of the original report. The government and the Commission for Children and Young People and Child Guardian provided implementation reports to the CMC in January 2006 and we are currently reviewing those reports. We expect to issue a public report of our review in the second half of 2006.



## Referrals from the minister under the CM Act

Under section 52(1)(c) of the CM Act the CMC has a function 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'. In recent years, the CMC has received referrals under this provision to conduct research into the live adult entertainment industry and into police radio communications. Both reports resulting from this research were published during 2004–05.

During 2005–06 we published a further report arising from the live adult entertainment industry referral.

### Regulating adult entertainment

The regulation of adult entertainment is complex, and varies throughout Australia, depending on liquor licensing regulatory systems and the criminal law. In recognition of this complexity, we carried out a survey of adult entertainment regulation in each of the six states and two territories in Australia, and issued a companion report to our December 2004 publication (*Regulating adult entertainment: a review of the live adult entertainment industry in Queensland* – see above).

The companion report, entitled *Regulating adult entertainment: national comparison of adult entertainment regulation*, was released in November 2005. It places Queensland in the national context of adult entertainment regulation so that those considering the recommendations made in the CMC's earlier report may be better informed.

## Projects required under other legislation

As well as the research functions set out in the CM Act, the CMC is increasingly required to conduct research under provisions inserted into other legislation, such as the *Prostitution Act 1999*, the *Police Powers and Responsibilities Act 2000* (PPRA) and the *Summary Offences Act 2005*. Our evaluation of the Prostitution Act, *Regulating prostitution*, was described in last year's annual report.

### Regulating outcall prostitution

The *Prostitution Act 1999* required the CMC to review the effectiveness of the Act. In December 2004 we released our review in the report *Regulating prostitution* (see *CMC annual report 2004–05*). A recommendation in that report was that the review be extended to examine whether Queensland should legalise outcall or escort prostitution services. To assist with this, we conducted consultations with key informants, called for public submissions, updated our review of the pertinent research literature and legislation, and conducted two days of public hearings. An interim position paper was released in December 2005. (The report of the inquiry was released in October 2006.)



## Government's response to volatile substance misuse

The misuse of volatile substances (often referred to as 'chroming' or '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 PPRA, we were required to review the trial police powers contained in sections 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 respond effectively to people affected by a volatile substance by taking them to a safe place where they could recover. These 'places of safety' were a Department of Communities initiative.

Between 1 July 2004 and 31 March 2005, we evaluated the 'trial' powers, which were exercised only for a defined period in five specified areas (Brisbane central, Logan, Townsville, Mount Isa and Cairns).

The report, *Police powers and VSM: a review*, was tabled in parliament in September 2005. On the whole, the CMC evaluation found that the trialled police powers were a useful component of the broader response by government to the difficult issue of VSM, and that, with some enhancements (e.g. giving the police the power to hold a person affected by VSM for a limited period, and the power to require a person affected by VSM to supply their name and address), they should be retained and extended statewide.

Because of our obligation to review the new police powers related to volatile substance misuse, the Department of Communities requested that we also evaluate the success of the places of safety model. The Commission considered this request and determined that undertaking such an evaluation was appropriate, as well as of significant public benefit.

Our evaluation, which took place between 1 July 2004 and 31 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.

A confidential report was provided to the Department of Communities in September 2005 and a summary of the report — *Responding to volatile substance misuse: evaluation of the places of safety model* — was published at the same time.



## Review of public nuisance provision

We are currently conducting a review of the public nuisance provision of the *Summary Offences Act 2005* (SO Act), which was passed by parliament in February 2005. This new Act replaced the *Vagrants, Gaming and Other Offences Act 1931* (VG00 Act) and reformulated a number of street offences. In particular, the SO Act is intended to repeal those provisions of the VG00 Act that are no longer relevant

to Queensland society, and to ensure that more recent phenomena, such as chroming, are specifically covered. The SO Act deals with such matters as the quality of community use of public places, and offences relating to piercing and tattooing of children.

Section 7AA(6) of the VG00, which required the CMC to undertake a review of the operation of the public nuisance provision of that Act after 18 months, was carried over into section 6 of the SO Act. The provision came into force on 1 April 2005 and the CMC's review started in October 2005.

Work is under way to collect and analyse relevant police data concerning public nuisance. An issues paper was published in May 2006, calling for public submissions on how the new public nuisance offence is being enforced and its impact on the Queensland public. The submissions, as well as the results of a targeted consultation process, and analysis of relevant offence data, will form the basis of a report to be published in the next reporting period.

## Forthcoming reviews

In 2006, the Queensland Parliament made a number of amendments to the *Police Powers and Responsibilities Act 2000* (PPRA). Three of the amendments require the CMC to conduct a review of the changes to the legislation. These include the following:

### Motorbike noise

Section 458 of the *Police Powers and Responsibilities Act (Motorbike Noise) Amendment Act 2005* states that, as soon as practicable after the end of one year after the commencement of the Act (i.e. after 1 July 2007), the CMC must review the effectiveness of the motorbike noise provisions in mitigating the emission of excessive noise from motorbikes being driven on places other than roads and prepare a report on the review.

### Move-on powers

The *Police Powers and Responsibilities and Other Acts Amendment Act 2006* received assent on 1 June 2006. Among other amendments, the Act amended the PPRA to expand the QPS's move-on powers. In particular, the amendment expanded the operation of the move-on power to include any public place, and inserted a requirement that the CMC review the use of the power by police. The review is to begin as soon as practicable after 31 December 2007 and will be tabled in the Legislative Assembly.

## New offence of 'evade police'

The *Police Powers and Responsibilities and Other Acts Amendment Act* also amended the PPRA to insert a new Chapter 11A, which contains provisions about evading police officers.

The purposes of the new Chapter 11A are threefold, in that it

- > provides for an offence called an evasion offence
- > makes particular provision to help police officers in the investigation of evasion offences
- > enables a court to order the impoundment or forfeiture of a motor vehicle after the court finds the driver of a motor vehicle guilty of an evasion offence.

Section 443ZZM directs that the CMC review the use by police officers of powers under this chapter and prepare a report on the review. The review must be started as soon as practicable after 30 June 2009. (Note: At the end of the reporting period, these specific changes had not been proclaimed.)

## Australian Police Oversight Agencies Research Forum

On 31 May 2006, a contingent of staff from Research and Prevention travelled to Sydney to attend the Australian Police Oversight Agencies Research Forum. Representatives from all Australian police oversight agencies attended:

- > New South Wales Ombudsman
- > Police Integrity Commission (NSW)
- > Commonwealth Ombudsman
- > Western Australia Corruption and Crime Commission
- > Office of Police Integrity Victoria
- > CMC.

The main purpose of the forum was to share knowledge and experience in order to reduce unnecessary duplication, as well as fostering the development of collaborative arrangements between agencies.



# Protecting witnesses

## Overall performance 2005-06

| Indicator                                                                | Performance |
|--------------------------------------------------------------------------|-------------|
| Applications received and assessed                                       | 91          |
| Number of admissions to program                                          | 47          |
| Percentage of eligible people offered interim protection within two days | 99          |
| Number of witnesses provided with court security                         | 38          |
| Percentage of protected witnesses who met court commitments              | 100         |
| Cost for 'protecting witnesses' output                                   | \$4.316m    |



## Protecting witnesses

The CMC is committed to providing an effective witness protection service.

In our Strategic Plan 2005–09, we undertook to adopt the following strategies to protect witnesses:

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



Advanced driving exercise

The Witness Protection course developed by the CMC includes topics such as legislation, policy and procedure, firearms operation, court security management, physical fitness and advanced driving.

In fulfilling these responsibilities during 2005–06, we focused particularly on:

- > developing effective witness protection methods
- > providing high-quality training
- > liaising with other Australasian agencies that provide witness protection
- > carrying out research in collaboration with the CMC's Research and Prevention unit.

**Table 14. Performance 2005–06 against outlook in last year's annual report**

| Last year we said we would:                                                                                                                                                                                                                                                  | In 2005–06 we:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Continue to develop new and better ways of protecting witnesses, both generally and in specific cases.                                                                                                                                                                       | <ul style="list-style-type: none"> <li>&gt; Saw changes enacted to the <i>Witness Protection Act 2000</i> to provide for short-term protection and relevant powers for production of financial records.</li> <li>&gt; In conjunction with the CMC's Research and Prevention unit, started research into national and international best practice in creating new identities for protected witnesses.</li> </ul>                                                                                                   |
| 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.                                                                                | <p>Conducted training, information and marketing sessions for:</p> <ul style="list-style-type: none"> <li>&gt; QPS prosecutors</li> <li>&gt; QPS detectives in training courses</li> <li>&gt; criminal investigators</li> <li>&gt; regional police commands.</li> </ul>                                                                                                                                                                                                                                           |
| Offer interim witness protection to 95 per cent of eligible people within 2 days, assess 175 applications for witness protection, and admit an estimated 90 people to the witness protection program.                                                                        | <ul style="list-style-type: none"> <li>&gt; Protection offered to 99% of eligible people within 2 days.</li> <li>&gt; Assessed 91 applications.</li> <li>&gt; Admitted 47 people to the program.</li> </ul>                                                                                                                                                                                                                                                                                                       |
| Continue to pursue the recognition of the <i>Witness Protection Act 2000</i> 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.                               | <ul style="list-style-type: none"> <li>&gt; Began developing memoranda of understanding with other Australian witness protection agencies.</li> <li>&gt; Negotiated with state government departments and agencies to develop memoranda of understanding for mutual arrangements and benefits.</li> <li>&gt; Witness Protection Act declared complementary legislation to that of Australian witness protection jurisdictions.</li> </ul>                                                                         |
| 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. | <ul style="list-style-type: none"> <li>&gt; Attended a National Witness Protection Training Group meeting in Sydney, to further review and develop national competencies of witness protection officers.</li> <li>&gt; Liaised with interstate and federal counterparts on matters relating to identification processes, technology and equipment, and court security issues.</li> <li>&gt; Travelled interstate to selected jurisdictions to liaise and conduct research into specific methodologies.</li> </ul> |

## Overview of witness protection

Witness protection is an essential component of our criminal justice system, because it provides an environment that encourages people in danger to come forward and assist law enforcement agencies.

The CMC has primary responsibility for the protection of witnesses in Queensland. Since its inception, our Witness Protection Unit has maintained a 100 per cent success rate in protecting witnesses.

The Witness Protection Unit is largely made up of sworn police officers attached to the CMC to work as witness protection officers. These officers not only manage the day-to-day welfare of protected witnesses, but also provide a range of other services including close personal protection and security during court appearances. The unit also has responsibility for changes of identity to, and relocation of, protected witnesses.

## Providing support to protected witnesses

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 as a result. People eligible for witness protection 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.

As well as providing physical protection, witness protection officers provide a welfare support service, which involves ensuring that protected people receive relevant professional assistance. Through this service, severely drug-affected and dysfunctional people have been rehabilitated as a direct result of being on the witness protection program.

In 2005–06 the CMC protected 136 people in 70 operations, including 42 who were already receiving protection at the start of the year; none came to any harm. At the end of the reporting period, 27 people in 11 operations were receiving protection (see Tables 15 and 16, facing page).

During the year, 61 threat assessments were conducted and 38 witnesses were protected while giving evidence in court.

## Examples of court cases leading to witness protection operations

### Attempted murder

- > In proceedings against a number of people for attempted murder, three CMC-protected witnesses gave evidence of an incident that left one witness permanently disabled. The defendants were committed to stand trial over the attack.

### Drug cultivation

- > Close personal protection was afforded to two witnesses who appeared for the prosecution in relation to the cultivation of extensive marijuana plantations by an organised drug syndicate. The CMC-protected witnesses were also able to identify further crop locations, as well as assets of the alleged leaders of the syndicate.

### Drug trafficking

- > Two CMC-protected witnesses gave evidence that resulted in a person being sentenced to 12 years' jail for drug trafficking, and the seizure of criminal proceeds to the value of over \$4m.
- > In another drug trafficking matter, a CMC-protected witness gave evidence in a trial against three members of a drug syndicate. Two of the accused were sentenced to 12.5 years' jail for drug trafficking, and the third was sentenced to 8 years' jail on similar charges and deemed to be a Serious Violent Offender.

## Training

The Witness Protection course developed by the CMC was registered as an Advanced Diploma in Public Safety (Police – Witness Protection) through the Queensland Department of Education and Training. It was the first nationally accredited police course awarded such a standing.

The second accredited Queensland Witness Protection course was conducted at the CMC in Brisbane in April and May 2006. Participants attended from the CMC and QPS, from the witness protection agencies of the Victorian and West Australian police services, and from the Australian Federal Police and the New Zealand Police Service.

All participants successfully completed the course, which includes practical and theoretical training in various areas relevant to the effective protection of witnesses.



Training topics include:

- > advanced driving
- > legislation
- > policy and procedure
- > operations and court security management
- > firearms operation and tactics
- > physical fitness.

The course also examines some of the advances in technology that have enabled criminals to become more adept and efficient in undertaking their unlawful activities. To date, 41 police officers from local, interstate and international law enforcement agencies have completed the course and received the qualification. The CMC's Witness Protection Unit is the designated lead agency in witness protection training in Australasia, and delivery of the course further enhances the standing of the unit in the professional development of witness protection officers.

Current members of the CMC's Witness Protection Unit and other witness protection agencies throughout Australia are also able to attain the Advanced Diploma of Public Safety (Police – Witness Protection) through formal processes involving 'recognition of prior learning' or 'recognition of current competencies'. These processes involve collating and providing evidence to satisfy the attainment of competencies that make up the qualification. To date, a further 15 people, made up of members of the Witness Protection Unit and the CMC, and including three members from other agencies, have been awarded the Advanced Diploma in Public Safety (Police – Witness Protection) in this manner.

## Liaison with other agencies

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

## Significant external presentations

In 2005–06 the Witness Protection Unit delivered a number of training and marketing presentations to client agencies. These presentations were aimed at marketing the service offered by the CMC to investigators, and providing information to maximise the benefits of witness protection to the prosecution process. Witness protection presentations were given at the QPS North Coast Region District Officers Conference, and training sessions presented at the QPS Prosecutors Course and Detective Training Program.

## Research

In July 2005 a joint project was initiated between the Witness Protection Unit and the Research and Prevention unit, to review how other law enforcement jurisdictions manage the issuing of new identities for protected witnesses.

The project will clarify potential best practice, and may result in adjustments to Witness Protection's policies, procedures and practices. An internal report with recommendations will be produced at the completion of the project.

**Table 15. Witness protection statistics, 2004–05 and 2005–06**

|                                   | 2004–05 | 2005–06 |
|-----------------------------------|---------|---------|
| People protected                  | 115     | 136     |
| Operations                        | 61      | 70      |
| Protection at court               | 41      | 38      |
| Referrals                         | 156     | 91      |
| Threat assessments                | 78      | 61      |
| Acceptances                       | 70      | 47      |
| Arrangements concluded            | 76      | 69      |
| No. on program as at 30 June 2005 | 39      | 27      |

**Table 16. Current applicants, current operations and new referrals, 1987–88 to 2005–06**

|           | Current applicants* | Current operations | New referrals |
|-----------|---------------------|--------------------|---------------|
| 1987–88   | 96                  | 32                 | 111           |
| 1988–89   | 116                 | 42                 | 29            |
| 1989–90   | 150                 | 56                 | 53            |
| 1990–91   | 176                 | 66                 | 62            |
| 1991–92   | 228                 | 87                 | 97            |
| 1992–93   | 201                 | 76                 | 86            |
| 1993–94   | 192                 | 74                 | 123           |
| 1994–95   | 206                 | 83                 | 155           |
| 1995–96   | 198                 | 80                 | 138           |
| 1996–97   | 174                 | 70                 | 128           |
| 1997–98   | 112                 | 53                 | 102           |
| 1998–99   | 114                 | 58                 | 136           |
| 1999–2000 | 153                 | 72                 | 165           |
| 2000–01   | 153                 | 73                 | 195           |
| 2001–02   | 129                 | 63                 | 199           |
| 2002–03   | 141                 | 68                 | 190           |
| 2003–04   | 121                 | 55                 | 143           |
| 2004–05   | 115                 | 61                 | 156           |
| 2005–06   | 136                 | 70                 | 91            |

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

## Outlook 2006–07

### Protecting witnesses

- > The Witness Protection Unit will continue to develop new and better ways of protecting witnesses, both generally and in specific cases.
- > The CMC will 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.
- > In 2006–07, the Witness Protection Unit expects to offer interim witness protection to 95 per cent of eligible people within two days, assess 150 applications for witness protection and admit 75 people to the witness protection program.
- > The CMC will continue to pursue the recognition of the Witness Protection Act with other states and continue to develop memoranda of understanding and working relationships with state and Commonwealth departments to assist in the application of the Act.
- > The CMC will liaise with other Australasian agencies undertaking witness protection activities to share information on methodologies, trends, technological and legislative developments and other issues likely to impact on the strategic management of witness protection in Queensland.

# Our people and resources

## **An effective and productive organisation**

### **Resource management practices and structures**

We aim to practise what we preach, by ensuring that our own resource management practices and structures are of the highest standard and our staff have the best possible working environment.

### **Operations Support**

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

### **Police Service Reviews**

The CMC has traditionally played an important role in the work of the Commissioners for Police Service Reviews. They are independent of the CMC and the QPS, but are nominated by the CMC Chairperson and provided with secretarial support by the CMC.



## Our people and resources

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

## 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. A happier workforce is also a more stable and productive one.

### Central Registry

Brian O'Rourke, Support Officer in Records Management, checks the files.

We offer state public service working conditions, including enterprise bargaining, and we adhere to government policies on equal employment opportunity and workplace health and safety. In addition, we provide 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 2006 the number of established positions at the CMC was 299 (see Tables 17 and 18, facing page).

### Organisational restructures

From time to time it is necessary to review how an organisation is performing and assess whether its organisational structure is best suited to meeting the needs of its clients. During 2005–06 a review of the operations of the



Complaints Services Section was completed. The new structure will be effective from 1 July 2006.

In June 2006, a review of Research and Prevention began. It is expected that this review will be completed during the first half of 2006–07.

## Work, Family and Life Balance Program

The CMC began implementing a Work, Family and Life Balance Program, which will incorporate flexible working hours, flexible leave provisions, flexible employment arrangements, and the maintenance of a workplace culture that supports employees in balancing their work and family and other responsibilities.

Substantial information is now available on the impact of work, family and life balance programs in the public and private sectors. The benefits of such programs include improved retention rates, higher productivity, strengthened loyalty and morale, improved job satisfaction, and a competitive edge in recruiting skilled staff.

The chief challenge associated with implementing such a program is expected to be accommodating it with operational demands. Hence, implementation plans include a series of workshops for supervisors and managers to outline the 'business case' for more flexible working arrangements and ways to manage a flexible workforce. Managers will be encouraged to employ strategies such as effective use of salary budgets, relieving arrangements and changed workflows to balance the changes brought about by increased flexibility.

## Workforce management planning

The Workforce Management Plan 2005–09 sets out the framework for a range of strategies focusing on attracting and retaining highly skilled staff, succession planning, and enhancing management competency throughout the organisation. The plan arose in part from the 2004 organisational climate survey of the CMC. Components include:

### Succession planning

Incumbents of the 12 positions identified as the most critical for succession planning completed a Succession Management Capabilities questionnaire. One of the outcomes of this process has been the development of a draft capabilities framework, which will assist in effective recruitment for these positions when required, as well as providing learning and development activities for existing staff.



Review of Complaints Services

Greg Rigby (Director, Information Management), seconded to manage the review of the Complaints Services Section, pictured here with team members Natalie Fox (centre) and Tracey Stenzel (left)

**Table 17. Staff establishment as at 30 June 2006**

|                                           | Approved establishment | Actual staff (incl. temporary) |
|-------------------------------------------|------------------------|--------------------------------|
| Executive                                 | 18                     | 19.2                           |
| Crime                                     | 43                     | 49.8                           |
| Misconduct                                | 85                     | 87                             |
| Witness Protection and Operations Support | 55                     | 47.8                           |
| Research and Prevention                   | 27                     | 24.4                           |
| Intelligence                              | 22                     | 20.4                           |
| Corporate Services                        | 49                     | 56.5                           |
| <b>Total</b>                              | <b>299</b>             | <b>305.1</b>                   |

**Table 18. Number of established positions within each discipline as at 30 June 2006**

| Discipline                                                    | Number     |
|---------------------------------------------------------------|------------|
| Police officers                                               | 84         |
| Administrative officers                                       | 54         |
| Operational support officers                                  | 23         |
| Legal officers                                                | 20         |
| Intelligence analysts                                         | 20         |
| Financial investigators                                       | 18         |
| Registry officers                                             | 16         |
| Computer system officers                                      | 12         |
| Investigators (civilian)                                      | 9          |
| Research officers                                             | 15         |
| Strategic management                                          | 10         |
| Prevention officers                                           | 6          |
| Complaints officers (incl. one Indigenous Complaints Officer) | 7          |
| Librarian                                                     | 2          |
| Technical officers                                            | 1          |
| Indigenous liaison officers                                   | 2          |
| <b>Total</b>                                                  | <b>299</b> |

## Staff training

### Leadership and Management Development Program.

Consultants working with senior CMC officers have been engaged to design and deliver a Leadership and Management Development Program during 2006. Forty-four officers are participating in this program, including the Chairperson and senior leaders. The program runs from March to October 2006; it requires attendance at four two-day workshops. The first two were held in March and May 2006; the last two are scheduled for August and October 2006.

**Management Essentials Program.** This 12-month program was selected as a strategy for increasing management competency at middle levels of management. It is aimed at staff from the AO5/PO3 levels to the AO8/PO6 levels, and involves completion of a number of competency-based workshops leading to a Diploma of Government (Management). The program began in May 2006.

**Other accredited training.** The CMC's Certified Agreement 2003 provides an opportunity for staff at the AO2, AO3 and AO4 levels to study towards an accredited qualification at the Certificate IV (AO2), Diploma (AO3) or Advanced Diploma (AO4) level at no cost to the employee.

Most staff who have attempted this study so far have found it difficult to balance the competing demands of work, family responsibilities and study commitments, particularly in cases where they have not studied for some years. Consequently, a new approach has been adopted, enabling staff to undertake this study in a series of competency-based workshops during normal working hours on CMC premises.

The program, which began in May 2006, will enable participants to attain a Certificate IV in Government within 12 months. The program is open to all staff at the AO2 to AO4 levels.

**Training needs analysis.** The course requirements for the Diploma of Government (Management) and the Certificate IV in Government require participants to complete a number of mandatory units as well as a number of elective units.

A focused training needs analysis was undertaken to ascertain the views of staff and management on the relative need for each of the potential elective units. Responses were analysed and each course developed to take account of the highest-priority needs from both an individual and an organisational perspective.

**Table 19. HR courses held in-house 2005–06**

| Course name                                                   | No. of participants |
|---------------------------------------------------------------|---------------------|
| Project Management                                            | 43                  |
| Managing Public Sector Budgets                                | 6                   |
| Introduction to Queensland Public Sector Financial Management | 4                   |
| Certificate IV in Government                                  | 29                  |
| Diploma of Government (Management)                            | 53                  |
| Magic Minutes                                                 | 13                  |
| Executive Assistant Development Program                       | 18                  |
| Ergonomics and Manual Handling                                | 30                  |
| Records Management                                            | 17                  |

## Internship program

We entered into an arrangement with the Queensland University of Technology to assist final-year law students with one of their final units of study. This will require students to work at the CMC for one day per week for 12 weeks. Two students participated in this program during first semester 2006. One student was allocated to the Legal Services Unit and the other to Research and Prevention.

## EEO program

The Equal Employment Opportunity (EEO) program, including measures to eliminate sexual harassment and workplace harassment, will have a continuing impact on retention rates of EEO target group members, particularly women, who comprise over 50 per cent of the CMC workforce. It is anticipated the Work, Family and Life Balance Program will increase return rates of women from parental leave and generally increase retention rates of employees with family responsibilities.

The continuing use of exit interviews highlights any systemic issues that require attention from a staff retention perspective.

See also Appendix B.



Participants in the Certificate IV training

(Left to right) Assistant Information Retrieval Officer Chris Novobranek and Senior Support Officer Lee-Anne Geissler

## Workplace health and safety program

Over the last five years the CMC's Workplace Health and Safety Management Program has developed significantly. The structure of the program now incorporates the use of comprehensive policies and procedures, the implementation of annual action plans and the facilitation of regular performance assessment measures.

## Staff accountability

The Act requires the Chairperson to report to the PCMC any conduct of a CMC officer that the Chairperson suspects involves or may involve improper conduct (s. 329). The Act also provides for a wider definition of CMC officers, by including former officers, and specifically allows the PCMC to request reports in respect of these matters.

Taking into account the definition in section 329, the staff protocol for dealing with complaints against CMC officers has been reviewed. The revised protocol is currently with the PCMC for consideration.

## Departures and appointments

In this reporting period, several significant departures and appointments occurred.

### Departures

- > July 2005: Forbes Smith (Director, Misconduct Investigations) was one of four legal officers on the Fitzgerald Inquiry who was engaged by the CJC at its inception in 1989.
- > October 2005: Graham Brighton (Executive Director) had been with the organisation since June 1990.
- > December 2005: Suzette Coates (part-time Commissioner) had been with the organisation since November 2004.

### Appointments

- > July 2005: Hon. Douglas Drummond QC (part-time Commissioner)
- > July 2005: Detective Superintendent Tony Cross (Investigation Coordinator)
- > August 2005: Russell Pearce, Director, Misconduct Investigations
- > September 2005: Dr David Gow (part-time Commissioner)
- > September 2005: Mark Hummerston (Executive Director)

## Staff awards

The following staff were recognised for 10 years of service: Susan Peachey, Kathy Doherty, Katrina Welk, Robyn Buckley, Susan Johnson, Kelly Ede, Stephen Hardy, Geoffrey Kreutzer, Patricia Shelvey, Matthew Grice, Robert Evans, Maureen Pannell, Sean Sutcliffe, Laurie Paul, Peter Duell and Paula Liddell.

In April 2005 awards were given to those employees who had performed outstanding work during the year. They were:

- > Indigenous Liaison Officer Dan Abednego for his hard work and commitment over many years and his significant contribution to the goals of the CMC
- > Senior Intelligence Analyst Andrew Stapleton for his outstanding efforts in developing and facilitating the CMC's Human Source Operations Course



Forbes Smith, former Director, Misconduct Investigations

Forbes Smith left the CMC in July 2005, after serving the organisation in various roles since its inception.



Award for hard work and commitment

Dan Abednego receives his award from Chairperson Robert Needham.

- > the members of the Receivals and Assessments Unit for dealing efficiently with a large and ever-increasing workload while at the same time coping with various significant procedural changes.



#### Award for outstanding teamwork

Members of the Receivals and Assessments Unit with Chairperson Robert Needham: (left to right) Robert Walker, Lee-Anne Geissler, Kayleen Chapman, Deb Kuss, Beth Turnbull, Ingrid Knaggs, Lynette Waldron, Chris O'Toole and Deb Blythe

## Communications

The CMC encourages open communication with its stakeholders, within the constraints of the CM Act. 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.

Table 20 lists significant communications during the year.

During this reporting period we received 1073 media queries on such diverse topics as:

- > trends in the Queensland amphetamine market
- > the Gold Coast City Council hearing and report
- > outcall prostitution (escorts) hearing
- > paedophile raids
- > review of trial government responses to volatile substance misuse
- > local government module for *Facing the facts*
- > adult entertainment report
- > investigation of Gordon Nuttall MP
- > property crime report
- > *Protecting children* report recommendations
- > issues paper on public nuisance offence
- > Dr Jayant Patel and Queensland Health.

**Table 20. Significant communications 2005-06**

| Type                                                    | Number |
|---------------------------------------------------------|--------|
| Reports tabled in parliament                            | 2      |
| Investigative reports published on the CMC website only | 2      |
| Research reports                                        | 5      |
| Significant misconduct prevention materials             | 3      |
| Discussion and position papers                          | 3      |
| Strategic assessments                                   | 2      |
| Media releases                                          | 36     |
| Media queries                                           | 1073   |
| Media interviews                                        | 50     |
| Media conferences                                       | 7      |
| External presentations                                  | 91     |
| Regional visits                                         | 3      |

The CMC's Gold Coast City Council inquiry resulted in a high level of media interest during the period.

We produced 17 publications for a general audience and a number of confidential documents for limited circulation. Several more publications were close to completion at the end of June 2006. (See Appendix F for a full list of publications.) In addition, four electronic newsletters were issued to Queensland public sector agencies.

The Chairperson and other senior CMC officers gave 50 interviews to the media during the year and seven media conferences. Senior staff visited Cairns and Caloundra, Karumba and Inglewood, as well as Rockhampton in NAIDOC week (see pages 52-55 for more details on regional visits).

A new CMC website was launched in April 2006 and work was started on a new intranet.



The new CMC home page



## Information management

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

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.

Annual plans for maintaining high-quality information management support and driving the organisation forward are shared by three separate but closely related business units.

These are:

- > Information Technology
- > Records Management
- > Library Services.

Some major initiatives were taken during 2005–06:

- > The cyclical four-yearly replacement of all desktop and laptop computers was completed in conjunction with updating of the standard desktop software environment.
- > A range of network infrastructure upgrades were made, including an upgrade of key communications links, replacement of network switch equipment, and introduction of new storage back-up software.
- > The second stage of a project to review the options for moving to digital-recording technology was completed. The review set the scene for the progressive 'digital migration', which began in early 2006 and which is likely to continue over the next two years.
- > Substantial progress was made with the lengthy project to implement an electronic document and records management system (eDRMS). The project started in February 2006 and will be completed in the second half of 2006–07.

## Business practices

The CMC contracted the services of eight external consultants at a total cost of \$111 424 (as opposed to six consultants at a total cost of \$98 945 last year). See Table 21.



### Replacement of computers

Greg Rigby and Cameron Todd unpacking equipment during the major operation of replacing all the CMC's desktop and laptop computers

**Table 21. Consultancies 2005–06**

| Consultant                          | Description                              | \$ (excl. GST)   |
|-------------------------------------|------------------------------------------|------------------|
| <b>Management</b>                   |                                          |                  |
| Sagacity Consulting                 | Facilitate Business Planning Workshop    | 2 250            |
| Dialogue Consulting                 | Change Management and Strategic Planning | 28 300           |
| CSA Consulting                      | Focus Group Facilitation R&P             | 4 387            |
| <b>Professional/technical</b>       |                                          |                  |
| Amanda Davies                       | Research Cocaine Market in Qld           | 10 000           |
| Gwenn Murray Consulting             | Review Protection of Children Report     | 9 127            |
| <b>Human resources</b>              |                                          |                  |
| Ray Dempsey Consulting              | CMC Award Development                    | 1 080            |
| National Safety and Training (WH&S) | External Audit and Training              | 27 480           |
| <b>Information technology</b>       |                                          |                  |
| Dimension Data Pty Ltd              | Review of ICT Services                   | 28 800           |
| <b>Total</b>                        |                                          | <b>\$111 424</b> |



#### Members of Operations Support

(Right to left) Assistant Commissioner Ron Vincent, Director of Witness Protection and Operations Support; Detective Superintendent Paul Doyle; Inspector Geoff Harold; and Executive Assistant Katrina Welk



## 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 units:

- > Physical Surveillance
- > Technical Surveillance
- > Forensic Computing.

### Physical Surveillance Unit (PSU)

Physical surveillance supports the investigative areas of the Commission by obtaining evidence and gathering intelligence on people who are suspected of involvement in CMC-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. Members of the PSU also continually research technology to ensure that they possess suitable equipment to meet the objectives of various major crime and misconduct operations.

## Technical Surveillance Unit (TSU)

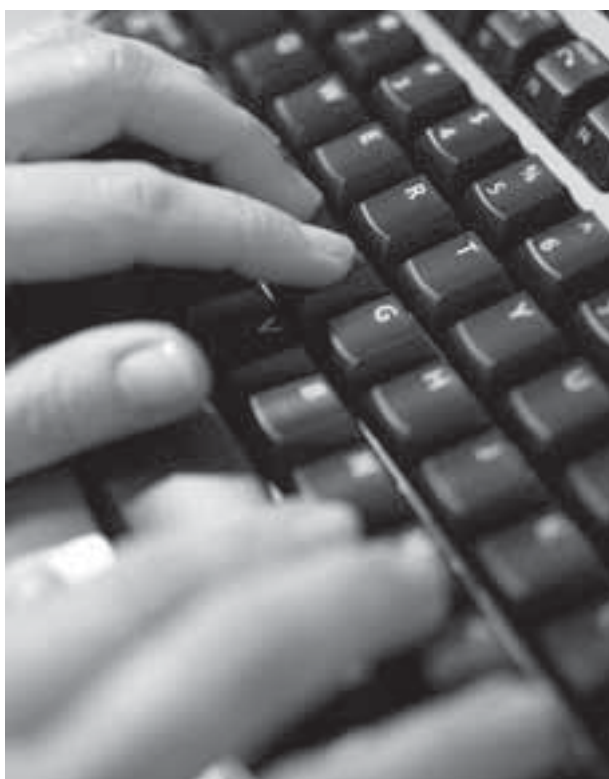
The TSU supports CMC outputs with the use of various electronic surveillance methodologies. These methodologies have successfully been deployed in a number of operations, resulting in enhanced intelligence and evidence product.

## 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 2005–06

- > Four new officers successfully completed a physical surveillance course conducted by qualified and experienced members of the PSU. The new members now form part of the operational teams that respond to requests from investigators to gain evidence and intelligence through recognised methodologies.
- > The CMC in conjunction with the QPS hosted the 2006 Australasian Technical Surveillance Unit Managers Forum on CMC premises. The forum was attended by representatives from ASIO, the AFP, the ACC, law enforcement agencies from other states and from New Zealand, and independent commissions. This forum provided an opportunity for managers to discuss and resolve common issues and to share information on matters affecting all jurisdictions.
- > Two TSU members attended the annual Australasian Technical Support Unit Practitioners Forum, which was held in Sydney in March 2006. This forum provided an opportunity to showcase new technology and methodology to other practitioners and to share information on technical issues.
- > A member of the FCU attended the Australian Hi-Tech Crime Conference, which was held in Canberra in June 2006. The aim of this conference was to ensure a consistent approach to forensic computer examinations.

## Our role with 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.

During the reporting period, the Review Commissioners were former Commissioners Ms Kathryn Biggs and Ms Dina Browne and practising solicitor Mr Pat Mullins.

Ms Julie Cork, a current CMC Commissioner, took on a liaison role between the Commissioners for Police Service Reviews and the CMC.

Review Commissioners monitored the progress of the amended QPS merit-based selection policy, which was implemented in June 2005. Monitoring occurs when Review Commissioners identify issues during reviews, addressing those issues in their recommendations. Further monitoring occurs when the CMC's Police Service Reviews Unit liaises with the QPS Central Convenors Unit and the QPS Human Resource Management Branch on matters as they arise.

Opportunities for liaison with the Queensland Police Union of Employees occur as a consequence of the standing invitation to have union representatives attend all promotion, transfer and disciplinary review hearings as observers.

Through representation at the annual national Public Sector Appeals Conference, the Office of the Commissioner for Police Service Reviews stays informed of best practice and emerging trends in other jurisdictions.

See also Tables 22–24.



Police Service Reviews

Secretary, Police Service Reviews, Karyn Worth (left) with Review Commissioner Dina Browne

**Table 22. Types of applications lodged, 2004–05 and 2005–06**

| Type             | 2004–05 | 2005–06 |
|------------------|---------|---------|
| Promotion        | 122     | 94      |
| Transfer         | 2       | 7       |
| Lateral transfer | 1       | 3       |
| Stand-down       | –       | 1       |
| Suspension       | –       | –       |
| Disciplinary     | 1       | –       |
| Dismissal        | –       | –       |
| Total            | 126     | 105     |

**Table 23. Status of applications lodged, 2004–05 and 2005–06**

| Status                              | 2004–05 | 2005–06 |
|-------------------------------------|---------|---------|
| Matters lodged                      | 126     | 105     |
| Matters withdrawn before hearing    | 87      | 73      |
| Matters out of jurisdiction         | –       | 1       |
| Matters awaiting hearing at 30 June | 15      | 14      |
| Matters heard                       | 65      | 32      |

**Table 24. Results of matters heard by Review Commissioners, 2005–06**

| Type             | Affirmed | Varied | Set aside | Total |
|------------------|----------|--------|-----------|-------|
| Promotion        | 23       | –      | 5         | 28    |
| Transfer         | –        | –      | 1         | 1     |
| Lateral transfer | 2        | –      | –         | 2     |
| Stand down       | 1        | –      | –         | 1     |
| Total            | 26       | –      | 6         | 32    |



# Appendixes

**Appendix A:** Functions of the CMC

**Appendix B:** EEO statistics 2005–06

**Appendix C:** Significant external presentations 2005–06

**Appendix D:** Public interest disclosures received in 2005–06

**Appendix E:** Overseas travel 2005–06

**Appendix F:** Publications 2005–06

## Appendix A

### Functions of the CMC

Extracts from the *Crime and Misconduct Act 2001*, sections 4, 5, 23–26, 33–35, 52, 53 and 56:

#### 4 Act's purposes

(1) The main 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—

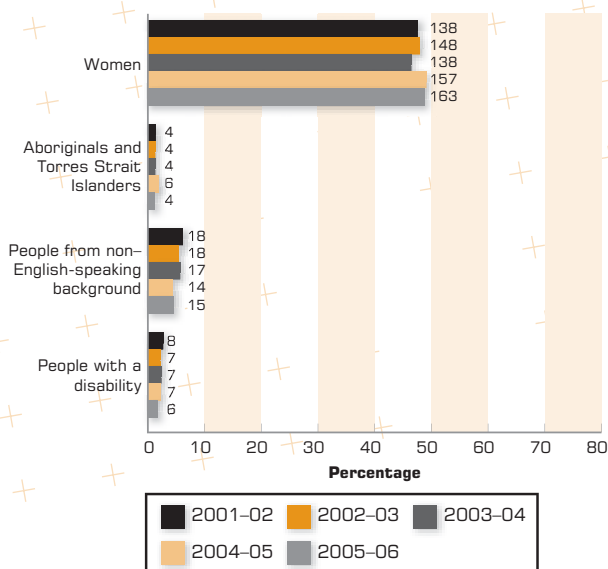
- (a) a function of undertaking witness protection;
- (b) a function conferred under another Act.

## Appendix B

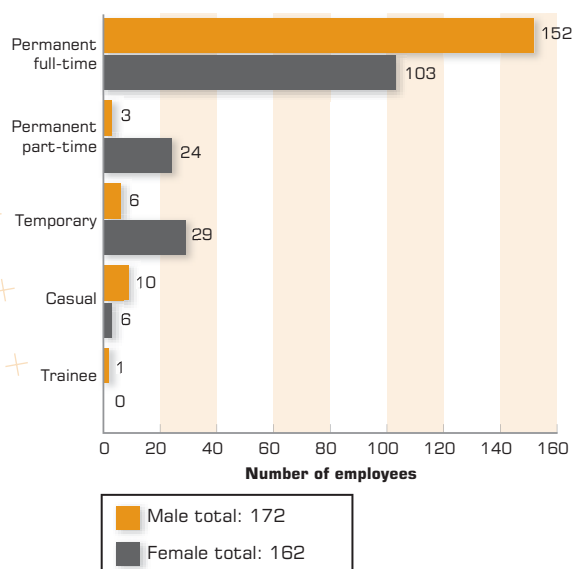
### EEO statistics 2005-06

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

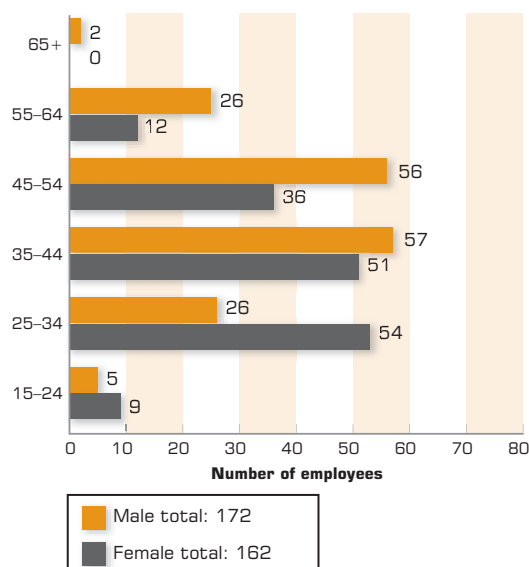
**Figure B1. Membership of EEO target groups 2001-02 to 2005-06**



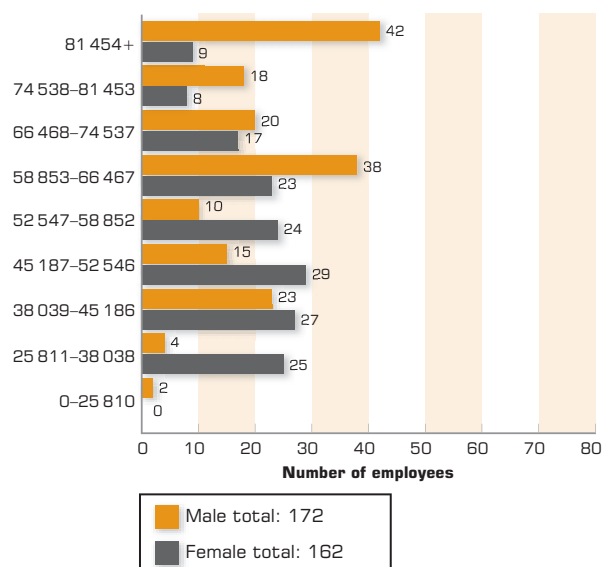
**Figure B2. Employees by gender and employment status as at 30 June 2006**



**Figure B3. Employees by gender and age as at 30 June 2006**



**Figure B4. Employees by gender and annual salary as at 30 June 2006**





## Appendix C

### Significant external presentations 2005–06

| Date    |                                                   | Audience                                                                | Topic                                                                         |
|---------|---------------------------------------------------|-------------------------------------------------------------------------|-------------------------------------------------------------------------------|
| 6.7.05  | Fred de Waard, Project Officer, CDCU              | Department of Housing — managers from Corporate Division                | Facing the Facts workshop                                                     |
| 6.7.05  | Chris Keen, Director, Intelligence                | Australian Winter School                                                | Clandestine methylamphetamine laboratories in Queensland                      |
| 13.7.05 | Dennis Budz, Team Leader, Police Program          | QPS Problem Oriented Policing Conference and Workshop, QPS Headquarters | Key issues in policing: emerging issues and research priorities               |
| 18.7.05 | Helen Couper, Director, Complaints Services       | Delegations from the Anti Corruption Bureau of Malaysia                 | Fighting crime, promoting integrity and protecting witnesses                  |
| 2.8.05  | Narelle George, Misconduct Prevention Officer     | Queensland Public Sector Ethics Network meeting organised by the OPSME  | Managing Conflicts of Interest workshop                                       |
| 9.8.05  | Narelle George, Misconduct Prevention Officer     | Councillors and Senior Staff of Maroochy Shire Council                  | Conflicts of interest and material personal interest                          |
| 9.8.05  | Narelle George, Misconduct Prevention Officer     | Senior staff of Caloundra City Council                                  | Information security: keeping sensitive information confidential              |
| 11.8.05 | Peter Jones, Principal Complaints Officer         | Sunnybank Flexi School                                                  | Making a complaint to the CMC                                                 |
| 24.8.05 | Margot Legosz, Team Leader, Public Sector Program | Justice Studies students, QUT                                           | Handling difficult social issues: a brief overview of research at the CMC     |
| 5.9.05  | Dennis Budz, Team Leader, Police Program          | Beat Officers' Training Course held at the Chelmer Police College       | Beat policing: past and future                                                |
| 8.9.05  | Narelle George, Misconduct Prevention Officer     | Corruption Prevention Network Conference in Sydney                      | When it's a crock ... : throwing culture out with the rubbish                 |
| 16.9.05 | Helen Couper, Director, Complaints Services       | CMC Liaison Officers Meeting                                            | Misconduct initiatives                                                        |
| 16.9.05 | Susan Johnson, Director, Research and Prevention  | CMC Liaison Officers Meeting                                            | Research and Prevention updates                                               |
| 16.9.05 | Fred de Waard, Project Officer, CDCU              | CMC Liaison Officers Meeting                                            | <i>Facing the facts</i> : local government module (draft)                     |
| 23.9.05 | Shane Neilson, Manager, Intelligence              | Griffith University 1st year Criminology students                       | The work of justice commissions in relation to organised crime and misconduct |
| 26.9.05 | Dennis Budz, Team Leader, Police Program          | Forest Lake Rotary Club                                                 | CMC's 10-year research program — continuing improvements to the QPS           |
| 26.9.05 | Dennis Budz, Team Leader, Police Program          | Forest Lake Rotary Club                                                 | Research priorities and projects                                              |
| 4.10.05 | Narelle George, Misconduct Prevention Officer     | QUT Senior Management Development Program (2)                           | Managing Conflicts of Interest workshop                                       |
| 4.10.05 | Ray Bange, Senior Prevention Officer              | QUT Senior Management Development Program (2)                           | Fraud and corruption risk: a university perspective                           |
| 4.10.05 | Ray Bange, Senior Prevention Officer              | QUT Senior Management Development Program (2)                           | Fraud and corruption risk: a university perspective                           |

| Date     |                                                                                                       | Audience                                                                                                                                                                                                | Topic                                                                                   |
|----------|-------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| 11.10.05 | Ray Bange, Senior Prevention Officer                                                                  | CEOs and DGs monthly forum (with QAO and KPMG)                                                                                                                                                          | Fraud and corruption prevention strategies for the public sector                        |
| 11.10.05 | Narelle George, Misconduct Prevention Officer                                                         | Local government councillors, CEOs and management staff, Cairns                                                                                                                                         | Managing conflict of interest and material personal interest                            |
| 11.10.05 | Helen Couper, Director, Complaints Services                                                           | Local government councillors, CEOs and management staff, Cairns                                                                                                                                         | Complaints Management workshop                                                          |
| 11.10.05 | Helen Couper, Director, Complaints Services, and Fred de Waard, Project Officer, CDCU                 | Local government councillors, CEOs and management staff, Cairns                                                                                                                                         | <i>Facing the facts</i> , local government module (draft)                               |
| 11.10.05 | Helen Couper, Director, Complaints Services                                                           | Local government councillors, CEOs and management staff, Cairns                                                                                                                                         | Case Studies in Local Government workshop                                               |
| 12.10.05 | Narelle George, Misconduct Prevention Officer                                                         | Public sector staff, Cairns                                                                                                                                                                             | Practical management of conflicts of interest                                           |
| 12.10.05 | Helen Couper, Director, Complaints Services, and Ivan Clark, Inspector, Complaints Services           | Public sector staff, Cairns                                                                                                                                                                             | Dealing with Misconduct workshop                                                        |
| 12.10.05 | Helen Couper, Director, Complaints Services, and Ivan Clark, Inspector, Complaints Services           | Public sector staff, Cairns                                                                                                                                                                             | Conducting an Investigation workshop                                                    |
| 18.10.05 | Narelle George, Misconduct Prevention Officer                                                         | Training World 2005 Conference in Sydney                                                                                                                                                                | Building Capabilities in the Public Sector: The Grass Roots of Ethical Conduct workshop |
| 20.10.05 | Ray Bange, Senior Prevention Officer                                                                  | CEOs and other senior executives for the whole of government release of Information Standard IS38                                                                                                       | Getting it right: foundations of best practice                                          |
| 24.10.05 | Ray Bange, Senior Prevention Officer                                                                  | Wishart Rotary Club                                                                                                                                                                                     | Inside the CMC: role and functions                                                      |
| 26.10.05 | Narelle George, Misconduct Prevention Officer                                                         | CACS 2005 Oceania Conference in Perth                                                                                                                                                                   | Information security controls: people and technology: getting the balance right         |
| 3.11.05  | Shane Neilson, Manager, Intelligence                                                                  | QPS Intelligence Training Course                                                                                                                                                                        | Tactical and strategic operations/assessments                                           |
| 3.11.05  | Ray Bange, Senior Prevention Officer                                                                  | Queensland Internal Audit Network Group                                                                                                                                                                 | Fraud and corruption control: best practice principles                                  |
| 4.11.05  | Fred de Waard, Project Officer, CDCU, and Robert Walker, Executive Legal Officer, Complaints Services | North Qld Local Govt Assn Conference – participants from Richmond, Cloncurry, Croydon, Etheridge, Burke Shire Councils, Mt Isa City Council and the Kowanyama Aboriginal Council (Gulf Savannah Region) | <i>Facing the facts</i> , local government module (draft)                               |
| 7.11.05  | Narelle George, Misconduct Prevention Officer                                                         | WA Integrity Coordinating Group representatives                                                                                                                                                         | Managing conflicts of interest in the public sector: a practical approach               |
| 7.11.05  | Narelle George, Misconduct Prevention Officer                                                         | Senior officers of WA oversight agencies                                                                                                                                                                | Information security: not just a load of rubbish                                        |
| 8.11.05  | Narelle George, Misconduct Prevention Officer                                                         | Representatives from the WA CCC and public sector                                                                                                                                                       | Cyber traps                                                                             |

| Date                      |                                                                                                    | Audience                                                                                                  | Topic                                                                                                       |
|---------------------------|----------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|
| 8.11.05                   | Narelle George, Misconduct Prevention Officer                                                      | WA CCC Commissioner and senior executives                                                                 | Conflict of interest and why it's an important issue for an anti-corruption agency                          |
| 9.11.05                   | Narelle George, Misconduct Prevention Officer                                                      | WA IPAA/ICG whole-of-government forum on Conflict of Interest                                             | Managing conflicts of interest in the public sector                                                         |
| 11.11.05                  | Anna Sheehan, Research Officer                                                                     | Australian Institute of Criminology, Canberra                                                             | Drug Use Monitoring in Australia (DUMA)                                                                     |
| 16, 17, 22, 23 & 24.11.05 | Helen Couper, Director, Complaints Services, and Ivan Clark, Inspector, Complaints Services        | All Saints Centre, Brisbane                                                                               | Facing the Facts workshops                                                                                  |
| 17.11.05                  | Narelle George, Misconduct Prevention Officer                                                      | 6th Seminar of the Brazilian Commission of Public Ethics: 'Ethics in Public Management'                   | Cooperation in ethics management and the fight against corruption – the Queensland (Australia) experience   |
| 18.11.05                  | Ray Bange, Senior Prevention Officer                                                               | Annual Conference of the Interdepartmental Accountants Group of the Queensland public sector              | Contemporary challenges: corporate governance in an age of risk                                             |
| 22.11.05                  | Kate Foote, Misconduct Prevention Officer, and Geoff Kreutzer, Inspector, Misconduct               | Townsville police recruits                                                                                | CMC's complaints process                                                                                    |
| 25.11.05                  | Kate Foote, Misconduct Prevention Officer, and Geoff Kreutzer, Inspector, Misconduct               | Oxley police recruits                                                                                     | CMC's complaints process                                                                                    |
| 29.11.05                  | Kate Foote, Misconduct Prevention Officer, and Geoff Kreutzer, Inspector, Misconduct               | Graduating police recruits, Oxley                                                                         | CMC's complaints process                                                                                    |
| 30.11.05                  | Dominic O'Connell, Witness Protection                                                              | Detective Training Program                                                                                | Witness protection                                                                                          |
| 22.12.05                  | Felix Grayson, Director of Operations, Crime                                                       | Boonah Probus                                                                                             | Overview of the CMC: roles and responsibilities                                                             |
| January                   | Sergeant Matt McQuaid and Senior Constable Geoff Robson, Witness Protection and Operations Support | QPS Surveillance                                                                                          | Night photography                                                                                           |
| 1.2.06                    | John Boyd, Team Leader, Research and Prevention                                                    | Seminar of Education Queensland Internal Auditors and Risk Managers                                       | Ethical behaviour in the public service: them and us                                                        |
| 3.2.06                    | Sergeant Dominic O'Connell, Witness Protection and Operations Support                              | Maroochydore District Officers Conference                                                                 | Witness protection                                                                                          |
| 9.2.06                    | Jeremy Pritchard, Research Officer                                                                 | Australian and New Zealand Society of Criminology Annual Conference: Human Rights and Criminology, Hobart | Using and selling amphetamines: three profiles of users in the Queensland amphetamine market                |
| 9.2.06                    | Susan Johnson, Director, Research and Prevention                                                   | Australian and New Zealand Society of Criminology Annual Conference: Human Rights and Criminology, Hobart | Police powers and volatile substance misuse                                                                 |
| 20.2.06                   | John Boyd, Team Leader, Research and Prevention                                                    | Presentation to Delegation from Integrity Institute of Malaysia                                           | The role and functions of the CMC, and corruption and developing corruption resistance in the public sector |

| Date    |                                                                  | Audience                                                                                                                                            | Topic                                                                                                                             |
|---------|------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| 21.2.06 | Sgt Dominic O'Connell, Witness Protection and Operations Support | QPOL Prosecutors Course, Townsville                                                                                                                 | Witness protection                                                                                                                |
| 21.2.06 | Sgt Dominic O'Connell, Witness Protection and Operations Support | State Crime Operations Command Training Day                                                                                                         | Witness protection                                                                                                                |
| 22.2.06 | Sgt Dominic O'Connell, Witness Protection and Operations Support | Phase 1 Detective Training Program                                                                                                                  | Witness protection                                                                                                                |
| 2.3.06  | Ray Bange, Senior Misconduct Prevention Officer                  | QSuper Management Development Workshop                                                                                                              | Integrity and accountability: who wants to be a manager?                                                                          |
| March   | Sgt Dominic O'Connell, Witness Protection and Operations Support | Metro South Officers in Charge conference                                                                                                           | Witness protection                                                                                                                |
| 2.3.06  | Narelle George, Misconduct Prevention Officer                    | QSuper Management Development Workshop                                                                                                              | Integrity and accountability: who wants to be a manager?                                                                          |
| 6.3.06  | David Goody, Principal Financial Investigator, Proceeds of Crime | Australian Securities & Investment Commission investigators                                                                                         | Role and functions of the CMC                                                                                                     |
| 6.3.06  | Dennis Budz, Team Leader, Police Program                         | 8th QPS Beat Officers Training Course, QPS Police Academy at Oxley                                                                                  | Beat policing: the past and maybe the future                                                                                      |
| 9.3.06  | Darren Cluff, Senior Intelligence Analyst                        | Department of Corrective Services Intelligence Group                                                                                                | Strategic intelligence assessment of outlaw motorcycle gang                                                                       |
| 10.3.06 | Ray Bange, Senior Misconduct Prevention Officer                  | QSuper Management Development Workshop                                                                                                              | Integrity and accountability: who wants to be a manager?<br>(impact and significance of integrity and trust in corporate culture) |
| 10.3.06 | Narelle George, Misconduct Prevention Officer                    | QSuper Management Development Workshop                                                                                                              | Integrity and accountability: who wants to be a manager?<br>(ethical decision-making and managing conflicts of interest)          |
| 14.3.06 | Tony Clowes, Senior Sergeant, Forensic Computing Unit            | Legal Aid Queensland Lawyers – professional development session                                                                                     | The role of forensic computing within the CMC: preservation of evidence, risk management, forensic techniques                     |
| 22.3.06 | Darren Cluff, Senior Intelligence Analyst                        | Australian Customs Service                                                                                                                          | Strategic intelligence assessment of outlaw motorcycle gang                                                                       |
| 28.3.06 | Brett Lee, Sergeant, Egret Team                                  | Students of Mt St Michael's College, Ashgrove                                                                                                       | Internet safety advice                                                                                                            |
| 29.3.06 | Sgt Dominic O'Connell, Witness Protection and Operations Support | Phase 1 Detective Training Program                                                                                                                  | Witness protection                                                                                                                |
| 5.04.06 | Darren Cluff, Senior Intelligence Analyst                        | Australian Customs Service                                                                                                                          | Strategic intelligence assessment of outlaw motorcycle gang                                                                       |
| 6.4.06  | Ray Bange, Senior Misconduct Prevention Officer                  | Senior agency executives and audit personnel at a CMC-sponsored workshop on fraud and corruption control: Getting the Implementation Strategy Right | Applying the CMC fraud and corruption control model                                                                               |
| 9.4.06  | Narelle George, Misconduct Prevention Officer                    | World Ethics Forum (attended by international practitioners/academics), Keble College, Oxford, UK                                                   | Managing conflicts of interest: a practical approach to common issues and misconceptions                                          |



| <b>Date</b>        |                                                                  | <b>Audience</b>                                                                                 | <b>Topic</b>                                                                        |
|--------------------|------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| 24.4.06            | Dennis Budz, Team Leader, Police Program                         | New police recruits at the QPS Police Academy, Oxley                                            | Role and functions of the CMC                                                       |
| 2.5.06             | Darren Cluff, Senior Intelligence Analyst                        | Australian Customs Service                                                                      | Strategic intelligence assessment of outlaw motorcycle gang                         |
| 2.5.06             | Steve Hardy, Executive Legal Officer, Misconduct                 | Queensland Transport inspector recruits                                                         | Handling complaints of official misconduct                                          |
| 8.5.06–<br>26.5.06 | Sgt Dominic O'Connell, Witness Protection and Operations Support |                                                                                                 | Witness protection                                                                  |
| 15.5.06            | Chris Keen, Director, Intelligence                               | Parliamentary Joint Inquiry                                                                     | Amphetamine and other synthetic drugs                                               |
| 23.5.06            | Ray Bange, Senior Misconduct Prevention Adviser                  | Students of Criminal Law and Procedure, Griffith University                                     | Combating fraud and corruption<br>Role and functions of the CMC                     |
| 2.6.06             | Chris Keen, Director, Intelligence                               | Policy Division, Department of the Premier and Cabinet                                          | Role of intelligence                                                                |
| 7.6.06             | Narelle George, Misconduct Prevention Officer                    | Corruption Prevention Network (Qld) lunchtime meeting, QT Theatre, Mineral House, George Street | Ethics in focus: keeping an eye on the big picture at Oxford                        |
| 15.6.06            | Ray Bange, Senior Misconduct Prevention Adviser                  | Workshop at Sunshine Coast Regional Initiatives Program, Shearwater Resort, Caloundra           | Implementing a fraud and corruption control strategy: a best-practice approach      |
| 15.6.06            | Narelle George, Misconduct Prevention Officer                    | Workshop at Sunshine Coast Regional Initiatives Program, Shearwater Resort, Caloundra           | Tools and techniques in ethical decision-making and conflict of interest management |
| 16.6.06            | Ray Bange, Senior Misconduct Prevention Adviser                  | Workshop at Sunshine Coast Regional Initiatives Program, Shearwater Resort, Caloundra           | Behind the scenes: prevention perspectives and council integrity                    |
| 16.6.06            | Narelle George, Misconduct Prevention Officer                    | Workshop at Sunshine Coast Regional Initiatives Program, Shearwater Resort, Caloundra           | Enhancing ethical work cultures                                                     |
| 27.6.06            | Chris Keen, Director, Intelligence                               | Department of Corrective Services Advanced Diploma in Public Safety (Police Intelligence)       | Ethical issues in research and intelligence operations                              |

## Appendix D

### Public interest disclosures received in 2005–06

| Section of the Whistleblowers Protection Act                   | Verified (by CMC) | Not verified (by CMC) | Referred to other agency | Under consideration (by CMC) | Total referred and not verified | Total referred and verified | Totals     |
|----------------------------------------------------------------|-------------------|-----------------------|--------------------------|------------------------------|---------------------------------|-----------------------------|------------|
| 15 Public officer complaining of official misconduct           | 5                 | 46                    | 113*                     | 4                            | 89                              | 24                          | 281        |
| 16 Public officer complaining of maladministration             |                   | 7                     | 9*                       | 1                            | 8                               | 8                           | 33         |
| 17 Public officer complaining of improper management           |                   | 3                     |                          |                              | 1                               |                             | 4          |
| 18 Public officer complaining about health/environment matter  |                   |                       | 1*                       |                              |                                 |                             | 1          |
| 19 Any person complaining about public health or safety matter |                   |                       | 4*                       |                              |                                 |                             | 4          |
| 20 Any person complaining about reprisal                       |                   | 21                    | 77*                      | 6                            | 15                              |                             | 119        |
| <b>Totals</b>                                                  | <b>5</b>          | <b>77</b>             | <b>204*</b>              | <b>11</b>                    | <b>113</b>                      | <b>32</b>                   | <b>442</b> |

Note: There were 105 complaints received, comprising 442 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 2005–06

| Date of travel        | Name of officer                                            | Destination              | Reason for travel                                                                                       | Cost     | Remarks                                                                                                                                                                              |
|-----------------------|------------------------------------------------------------|--------------------------|---------------------------------------------------------------------------------------------------------|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 16–21 October 2005    | Sen. Sgt Carey Stent, and Sgt Brett Lee                    | Wellington, New Zealand  | Computer Facilitated Crimes Against Children training course<br><br>Children's Online Safety Roundtable | \$4 262  | Provided access to contemporary research and investigative techniques.<br><br>Established and maintained contacts with international law enforcement agencies in the Pacific region. |
| 21–25 November 2005   | John Richardson and David Goody                            | Auckland, New Zealand    | International Proceeds of Crime Administrators, Trustees and Enforcement conference                     | \$3 749  | Provided insight into the legislative approaches and administrative structures adopted by other jurisdictions in the Pacific region.                                                 |
| 1–10 March 2006       | Sgt Anthony Morgan and B Bostock                           | Auckland, New Zealand    | Covert operation                                                                                        | \$4 870  |                                                                                                                                                                                      |
| 28 May – 20 June 2006 | Sen. Sgt Carey Stent, Sgt Brett Lee and Sgt Anthony Morgan | San Jose, Baltimore, USA | 3rd Annual Silicon Valley Internet Crimes Against Children conference                                   | \$27 361 | Provided inter-agency work experience, and training and development in latest techniques and methodologies to combat criminal internet-based paedophilia.                            |
| Total cost:           |                                                            |                          |                                                                                                         | \$40 242 |                                                                                                                                                                                      |

## Appendix F

### Publications 2005–06

#### Corporate

*Charter of service*, April 2006.

*Strategic plan 2006–10*, June 2006.

*Annual report 2004–05*, November 2005.

#### Building Capacity series

*Receiving gifts and benefits: managing the risks*, no. 8, June 2006.

*Fraud and corruption control: an integrated approach to controlling fraud and corruption in the workplace*, no. 5, 2nd edn, March 2006.

#### Crime Bulletin

*Property crime in Queensland: a strategic assessment*, no. 7, December 2005.

#### Discussion/interim papers

*The new public nuisance offence provision: an issues paper*, May 2006.

*Local government electoral process*, December 2005.

*Should legal outcall prostitution services in Queensland be extended to licensed brothels and/or escort agencies?*, December 2005.

#### Investigative reports

*Independence, influence and integrity in local government: a CMC inquiry into the 2004 Gold Coast City Council election*, May 2006.

*Allegations concerning the Honourable Gordon Nuttall MP: report of a CMC investigation*, December 2005.

*The arrest of Samuel Hogan: a CMC investigation*, August 2005.

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

#### Research reports

*Public perceptions of the Queensland Police Service*, June 2006.

*Preventing police misconduct: examples of practice and policy from other jurisdictions*, June 2006 (circulated to QPS only).

*Regulating adult entertainment: national comparison of adult entertainment regulation*, November 2005.

*OC spray: oleoresin capsicum (OC) spray use by Queensland police*, October 2005.

*Responding to volatile substance misuse: evaluation of the places of safety model*, September 2005.

*Police powers and VSM: a review*, September 2005.

#### Misconduct prevention material

*The CMC and local government*, Module 12 of *Facing the facts: a CMC guide for dealing with suspected official misconduct in Queensland public sector agencies*, June 2006 (web only).

*Preventing misuse of communication devices*, Prevention Pointer, December 2005.

#### E-newsletters

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



#### CMC publications

The CMC produced 21 public documents throughout the year, as well as confidential reports and papers.



# Index

- ACC, see Australian Crime Commission
- accountability 13
- external 15, 23–26
  - internal 15, 16–23
- accrual accounting 26
- adult entertainment regulation 63, 66
- advanced driving 70
- AFP, see Australian Federal Police
- allegations of misconduct 48–50
- types of 49
- amphetamine research 35, 80
- Anti-Discrimination Commission Queensland 47
- ASIO 83
- assault, sexual 62
- Assistant Commissioners 19–20
- selection of 24
- audit, internal 23
- AUSTRAC 38
- Australasian Technical Support Unit Practitioners Forum 83
- Australasian Technical Surveillance Unit Managers Forum 83
- Australian Crime Commission (ACC) 13, 34, 83
- Australian Federal Police (AFP) 13, 83
- Australian Hi-Tech Crime Conference 83
- Australian Police Oversight Agencies Research Forum
- CMC participation in 68
- beat policing 57
- see also Princess Alexandra Hospital
- Building Capacity series (CMC publications) 51, 96
- Bundaberg Hospital 61
- capacity-building 45, 50–53
- principle of CM Act 46
  - resources 51, 62
- case studies
- crime 40–41
  - misconduct 60–62
- Chairperson 3–4, 9, 17, 18
- as CEO 20
  - participation in external committees 47
  - selection of 24
- Charter of Service 26, 96
- Chat-Trak software 32
- Child Safety Directors' Network 37
- child-sex offending, see paedophilia
- chroming, see volatile substance misuse
- CJC, see Criminal Justice Commission
- Cloncurry Shire Council 61
- CM Act, see *Crime and Misconduct Act 2001*
- CMC, see Crime and Misconduct Commission
- cocaine research 29, 36, 42
- collaboration with other agencies 53
- in witness protection 74
  - see also Queensland Police Service
- combating major crime (CMC output) 5, 9, 27–42
- Commission (five-member board of CMC) 8, 17–19
- Commission for Children and Young People and Child Guardian 47, 65
- Commissioners for Police Service Reviews 84
- Commissioners 17–19
- ethical standards of 19
  - qualifications of 19
  - selection of 24
- committees, internal 17
- Audit Committee 21
  - Commission Consultative Committee 21
  - Equal Opportunity Consultative Committee 22
  - Finance Committee 21
  - Information Steering committee 21
  - Legislation Committee 21
  - Risk Management Committee 22
  - Workplace Health and Safety Committee 22
- committees, operational 22
- Commonwealth Ombudsman 68
- communications (at CMC) 80
- media 80
  - publications 80, 96
- community liaison 54
- complaints of misconduct 47, 48–50
- Complaints Services (area of CMC) 55
- review of 49, 77
- compliance structures, legislative 25
- General Counsel 25
- computers, replacement of 81
- confiscation, see proceeds of crime
- conflicts of interest, managing 51
- consultants, external 81
- Controlled Operations Committee 24
- cooperation principle of CM Act 46
- Corruption and Crime Commission (CCC), WA 53, 68
- Corruption Prevention Network Queensland (CPNQ) 53
- Crime and Misconduct Act 2001* (CM Act) 7, 10, 19, 26, 30, 33, 46, 47, 52, 58
- extracts from 58
  - referrals from minister under 66
  - s. 34 principles 46, 86–87
- Crime and Misconduct Commission (CMC)
- liaison officers 51
  - powers, use of, in investigations 30, 58
  - accountability 13, 16
  - accountability structures, external 23
  - functions of 8, 86–87
  - independence of 3
  - management 9
  - origins of 8
  - outputs 8
  - people and resources 14, 75–84
  - structure 14

- Crime Bulletins 34, 96
- crime functions of CMC, overview 30
- crime operations
  - Abina 40
  - Navan 40
- Crime Reference Committee 24, 28, 30, 31, 33
- crime referrals 30, 31
  - see also umbrella crime referrals
- crime, major 5, 8, 9, 11, 27–42
- crime-prevention programs 37
- Criminal Justice Commission (CJC) 7, 8, 25
- criminal paedophilia, see paedophilia
- Criminal Proceeds Confiscation Act 2002* 23, 38, 42
- Crown Law 53
- Davies Inquiry 61
- Department of Aboriginal and Torres Strait Islander Policy (former Queensland Government department) 55
- Department of Child Safety 65
- Department of Communities 67
- Department of Corrective Services 37, 38
- Department of Families (former Queensland Government department) 65
- Department of Local Government, Planning, Sport and Recreation (DLGPSR) 53–55
- Department of the Premier and Cabinet 55
- devolution principle of CM Act 46
- digital-recording technology 81
- Director of Public Prosecutions 39, 64, 65
- DLGPSR, see Department of Local Government, Planning, Sport and Recreation
- domestic violence 58
- driver licences, fraudulent 62
- drug cultivation 72
- drug markets, illicit 34
- drug trafficking 34, 72
- Drug Use Monitoring in Australia (DUMA) 29, 36
- drug use surveys 35
- drug use, illicit 29, 35
- DUMA, see Drug Use Monitoring in Australia
- e-briefs 39
- eDRMS (records management system) 81
- EEO, see equal employment opportunity
- Egret Team 32, 37, 41
- e-newsletters 51, 96
- equal employment opportunity
  - EEO Committee 22
  - program 78
  - statistics 88
- external accountability structures 23
- extortion 34, 62
- Facing the facts* (CMC publication) 4, 47, 51, 80
- Fear of crime* (literature review by CMC) 29
- financial management 26
- financial summary 6
- freedom of information (FOI) 25–26
  - applications and reviews 26
- Freedom of Information Act 1992* 25
- Freedom of Information and Other Legislation Amendment Act 2005* 25
- Forensic Computing Unit (FCU) 82, 83
- fraud 51
- Fraud and corruption control guidelines* (CMC publication) 51, 96
- General Counsel 25
  - see also compliance structures
- Gold Coast City Council 4, 60, 61
  - inquiry into 2004 election 4, 5, 25, 52, 60, 80
  - see also Operation Grand
- Health Rights Commission 47
- hearings power 12
- household survey of drug use 36
- HR, see human resource, human resources
- HSO, see Human Source Operations
- human resource (HR) management at CMC 76–81
  - equal employment opportunity program 78
  - internship program 78
  - review of Complaints Services 49, 77
  - review of Research and Prevention 77
  - staff training 78
  - staff accountability 79
  - staff awards 79
  - staff establishment 77
  - succession planning 77
  - Work, Family and Life Balance Program 77, 78
  - workforce management planning 77
  - workplace health and safety 79
- human resources 76
  - departures and appointments 79
- Human Source Operations (HSO) courses 29, 35, 42
- human sources 35
- ICAC, see Independent Commission Against Corruption
- independence of CMC 3
- Independence, influence and integrity in local government* (CMC report) 4, 96
- Independent Commission Against Corruption (ICAC), NSW 53
- Indigenous communities, working with 44, 53
- Indigenous Community Consultative Committee 53
- Indigenous Complaints Assessment Meetings (ICAM) 54
- Indigenous Engagement Strategy 53
- Indigenous Liaison Officers 54
- Indigenous Liaison Program 45, 53
- information management 81
- Information Privacy Principles 26
- Information Technology (business unit of CMC) 81
- inquiries power of CMC 12
- Integrity Commissioner 53
- integrity in public sector, promoting 43–62
- Intelligence Digests 34

- Internal Auditor 22–23
- internet paedophilia 29, 32, 39
- internet safety 37
- IPPs, see Information Privacy Principles
- law enforcement partnerships 38
- Legal Services Unit 25
  - see also compliance structures
- legislative compliance structures, see compliance structures
- Library Services (business unit of CMC) 81
- Local Government Act 1993* 52
- minister responsible for the CMC 24, 51
- Ministerial Portfolio Statement 26
- misconduct defined
  - official 9–10
  - police 10
- misconduct functions of CMC 35
  - overview 46
- misconduct investigations 45, 58–62
  - projects arising from 64–65
- misconduct jurisdiction 5, 10
- misconduct prevention advice 45, 52
  - ad hoc 52
- misconduct prevention, outreach activities 52
- misconduct tribunal 13
- money laundering 34
- monitoring how agencies handle misconduct 50
- Morris Inquiry 61
- motorbike noise 68
- move-on powers 68
- Multicultural Affairs Queensland 47
- multidisciplinary investigations 30, 34
- multidisciplinary taskforce 30
- NAIDOC 45, 54, 55, 62
- National Witness Protection Training Group 71
- network infrastructure upgrades 81
- New South Wales Crime Commission 38
- New South Wales Ombudsman 68
- Nuttall, Gordon MP, investigation of 61, 80, 96
- OC (oleoresin capsicum) spray 57
- Office of the Director of Public Prosecutions (ODPP) 39, 65
- Office of Police Integrity Victoria 68
- Office of Public Sector Merit and Equity (OPSME) 53
- ODPP, see Office of the Director of Public Prosecutions
- Ombudsman, see Queensland Ombudsman
- OMCG, see outlaw motorcycle gang
- On the right track councillor information kit* (CMC publication) 54
- Operation Grand 25
  - see also Gold Coast City Council
- Operations Support (area of CMC) 75, 82–83
- organised crime 30–32, 42
- outcall prostitution, regulation of 4, 63, 66, 80
- outlaw motorcycle gang (OMCG) 29, 34
- outlook 2006–07
  - combating major crime 42
  - misconduct 62
  - protecting witnesses 74
- outputs of the CMC
  - fighting major crime 5, 27–42
  - protecting witnesses 5, 69–74
  - reducing misconduct and improving integrity 5, 43–62
- overseas travel by CMC staff 95
- paedophilia 4, 29, 32, 39, 42, 80
- Parliamentary Commissioner, see Parliamentary Crime and Misconduct Commissioner
- Parliamentary Crime and Misconduct Commissioner 23
- Parliamentary Crime and Misconduct Committee (PCMC) 8, 17, 19, 23, 49
  - three-yearly review of CMC 23
- Patel, Dr Jayant 80
- PCMC, see Parliamentary Crime and Misconduct Committee
- people and resources of CMC 75–84
- performance management 26
- Physical Surveillance Unit (PSU) 82
- police (see also Queensland Police Service)
  - and young people 57
  - dog bites, review of 56
  - integrity programs 56
  - methods and practices 56
  - misconduct 42
  - pursuits 58
- Police Commissioner 33, 35
- Police Integrity Commission, NSW 68
- Police Powers and Responsibilities Act 2000* (PPRA) 24
  - review of changes to 12, 58, 66–68
- Police Service Administration Act 1990* 84
- Police Service Reviews, role of CMC 75, 84
- Policing domestic violence in Queensland* (CMC publication) 58
- presentations, external 89–93
- Prevention Pointers (CMC publications) 51, 96
- Princess Alexandra (PA) Hospital, police beat 57
- privacy 26
- proceeds of crime, confiscation of 38–39, 42
- property crime 29, 34, 80
- property crime market, organised 34
- Prostitution Act 1999* 66
- Protecting children* (CMC report) 37, 63–65, 80
- protecting witnesses (CMC output) 5, 10, 69–74
- public interest disclosures 94
- Public Interest Monitor 24
- public interest principle of CM Act 46
- public nuisance provision of Summary Offences Act 63, 67–68, 80
- Public perceptions of the Queensland Police Service* (CMC publication) 56, 96
- public policy, CMC engagement in 5, 10, 63–68

- publications 80, 96
- QAO, *see* Queensland Audit Office
- QCC, *see* Queensland Crime Commission
- Queensland Police Service (QPS)
  - collaboration with 8, 28, 38, 44, 46, 84
  - monitoring 50, 62
- Queensland Audit Office (QAO) 22–23, 53, 54
- Queensland Crime Commission (QCC) 7, 8, 25
- Queensland Health 35, 61, 80
- Queensland Ombudsman 47, 53, 54
- Queensland Treasury 26
- Queensland University of Technology (QUT) 57, 78
- Records Management (business unit of CMC) 81
- reducing misconduct and improving public sector integrity (CMC output) 5, 9–10, 43–62
- regional visits 45, 52, 54, 80
- reporting and accountability structures of CMC 16
- Research and Prevention (area of CMC) 35, 36, 64–68, 77
  - review of 77
- resource management 75
- Review Commissioners, *see* Commissioners for Police Service
- Reviews
- Seeking justice* (CMC report) 42, 63–65
- Seniors Taskforce 29
- serious crime 30, 31, 33
  - definition 33
  - hearings 33
- sexual abuse of children, programs to combat 29, 37, 42
  - see also* paedophilia
- sexual victimisation 37
- sniffing, *see* volatile substance misuse
- special powers of CMC 12
  - hearings power 12
  - limitations 13
  - public inquiries 12
- Strategic Communications Plan 80
- Strategic Intelligence Unit (SIU) 34–35
- Strategic Management Group (SMG) 20
  - committees 21–22
  - membership of 20
- Strategic Plan 2005–09* 28, 44, 70
- Strategic Plan 2006–10* 53, 96
- Summary Offences Act 2006* 63, 66, 67
- Supreme Court 24
- system reviews 52, 62
- target development 35
- Technical Surveillance Unit (TSU) 82, 83
- technology, emerging 39
- telephone interception powers 13, 39
- terrorism 30, 33
- theft 62
- Turf it out* (CMC publication) 53
- umbrella crime referrals 30, 31, 33
  - Artemis 31
  - Atrax 30, 31
  - counter-terrorism 30
  - Freshnet 30, 31
  - Gatekeeper 30, 31
- University of Queensland 57
- volatile substance misuse (VSM) 63, 67, 68
- watch-house detainees 29
- website (CMC) 37, 45, 62, 80
- misconduct prevention portal 52, 62
- whistleblowers 51, 94
- Whistleblowers Protection Act 1994* 94
- witness protection 5, 10, 69–74
  - interim 74
  - provision of new identity 72
  - relocation 72
  - statistics 73
  - training 70–73
- Witness Protection Act 2000* 71, 74
- Witness Protection Unit 72–74
- work areas of CMC 10–11
  - Corporate Support 11
  - Crime 10–11
  - Intelligence 11
  - Misconduct 11
  - Operations Support 11
  - Research and Prevention 11
  - Witness Protection 11
- workshops and presentations by CMC officers 51, 54, 89–93

# Financial statements

There are five key parts to these financial statements for the period ending 30 June 2006:

- > income statement
- > balance sheet
- > cash flow statement
- > statement of changes in equity
- > notes to and forming part of the financial statements.

The certificate of the CMC and the independent audit report are appended.



## About these financial statements

### Income statement

The income statement serves to show the comparison of revenues to expenses for the year. In prior years this was called the statement of financial performance. Approximately 98 per cent of the CMC's revenue is derived from government grants. For the year ended 30 June 2006, the CMC recorded a book deficit of \$586 000 due largely to a change in accounting policy that increased the CMC's asset recognition threshold from \$2000 to \$5000.

### Balance sheet

The balance sheet (formerly referred as 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 \$300 000 (of the total receivables \$464 000 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 \$307 000.) 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 \$3 071 000 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 that have an individual value greater than \$5000.

*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, \$2 789 000 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 \$1 497 000 have been set aside to cover the first four weeks of employees' accumulated annual leave entitlements as at 30 June. From 2005–06 these provisions will be disclosed as part of the CMC's payables. 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 2006–07.

*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 \$742 000 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 \$4 958 000 (\$5 544 000 last year) is the difference between total assets and total liabilities. The assets value exceeds the liabilities. Further, a good test of an organisation's financial health is its liquidity ratio (also known as the current ratio, because it compares current assets to current liabilities), for which the CMC has a ratio of 1.95 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 \$722 000 is derived from the \$586 000 current year's operating deficit, generated from the income statement plus prior year's operating results.

## Cash flow statement

This statement represents the CMC's actual movements of cash during the 12-month period to 30 June 2006.

For the period to 30 June 2006, the planned leasehold improvements to Terrica Place did not occur and are now scheduled to occur in August–September 2006.

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 balance sheet.

## Statement of changes in equity

The statement of changes in equity (new statement this year) highlights the movement in the equity of the agency. Equity is the net worth of the agency and is simply represented by total assets less total liabilities in the balance sheet. The normal entries affecting this statement include:

- > the operating outcome (either surplus or deficit)
- > accounting policy changes
- > equity injections or withdrawals
- > asset revaluations.

For 2005–06 the CMC's total equity movement is due to the operating book deficit of \$586 000.

## 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

### Income statement

for the year ended 30 June 2006

|                                                | Notes    | 2006<br>\$'000 | 2005<br>\$'000 |
|------------------------------------------------|----------|----------------|----------------|
| <b>Revenues from ordinary activities</b>       |          |                |                |
| Contributions and grants                       | 1(b)2(a) | 34 777         | 33 209         |
| Interest                                       | 1(h)     | 503            | 450            |
| Services received below fair value             | 1(b)     | 58             | –              |
| Gains from sale of assets                      | 1(b)     | 59             | 11             |
| Other revenue                                  | 1(b)     | 69             | 12             |
| <b>Total revenues from ordinary activities</b> |          | <b>35 466</b>  | <b>33 682</b>  |
| <b>Expenses from ordinary activities</b>       |          |                |                |
| Depreciation and amortisation                  | 1(d)2(b) | 1 358          | 1 445          |
| Employee expenses                              | 2(d)     | 25 322         | 24 201         |
| Operating expenses                             | 2(c)     | 9 337          | 7 297          |
| Loss from sale of assets                       | 1(b)     | 35             | 15             |
| <b>Total expenses from ordinary activities</b> |          | <b>36 052</b>  | <b>32 958</b>  |
| <b>Operating surplus/(deficit)</b>             |          | <b>(586)</b>   | <b>724</b>     |

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

## Crime and Misconduct Commission

### Balance sheet as at 30 June 2006

|                                      | Notes   | 2006<br>\$'000 | 2005<br>\$'000 |
|--------------------------------------|---------|----------------|----------------|
| <b>Assets</b>                        |         |                |                |
| <b>Current assets</b>                |         |                |                |
| Cash and cash equivalents            | 1(e) 3  | 4 647          | 4 364          |
| Receivables                          | 1(f) 4  | 464            | 502            |
| Other assets                         | 1 (g) 5 | 307            | 310            |
| <b>Total current assets</b>          |         | <b>5 418</b>   | <b>5 176</b>   |
| <b>Non-current assets</b>            |         |                |                |
| Property, plant and equipment        | 1(c) 6  | 3 071          | 4 001          |
| <b>Total non-current assets</b>      |         | <b>3 071</b>   | <b>4 001</b>   |
| <b>Total assets</b>                  |         | <b>8 489</b>   | <b>9 177</b>   |
| <b>Liabilities</b>                   |         |                |                |
| <b>Current liabilities</b>           |         |                |                |
| Payables                             | 1(i) 7  | 531            | 345            |
| Accrued employee benefits            | 1 (j) 8 | 1 766          | 1 583          |
| Other                                | 9       | 492            | 492            |
| <b>Total current liabilities</b>     |         | <b>2 789</b>   | <b>2 420</b>   |
| <b>Non-current liabilities</b>       |         |                |                |
| Accrued employee benefits            | 1 (j) 8 | 372            | 351            |
| Other                                | 9       | 370            | 862            |
| <b>Total non-current liabilities</b> |         | <b>742</b>     | <b>1 213</b>   |
| <b>Total liabilities</b>             |         | <b>3 531</b>   | <b>3 633</b>   |
| <b>Net assets</b>                    |         | <b>4 958</b>   | <b>5 544</b>   |
| <b>Equity</b>                        |         |                |                |
| Contributed capital                  |         | 4 236          | 4 236          |
| Accumulated surplus                  |         | 722            | 1 308          |
| <b>Total equity</b>                  |         | <b>4 958</b>   | <b>5 544</b>   |

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



## Crime and Misconduct Commission

### Cash flow statement

for the year ended 30 June 2006

|                                                            | Notes  | 2006<br>\$'000  | 2005<br>\$'000  |
|------------------------------------------------------------|--------|-----------------|-----------------|
| <b>Cash flows from operating activities</b>                |        |                 |                 |
| <b>Inflows</b>                                             |        |                 |                 |
| LSL reimbursement received                                 |        | 13              | (35)            |
| Government contributions and grants                        |        | 34 777          | 33 129          |
| Interest                                                   |        | 502             | 470             |
| GST received from customers                                |        | 67              | 45              |
| GST input tax credits received                             |        | 1 722           | 1 629           |
| Other                                                      |        | 156             | (124)           |
|                                                            |        | <b>37 237</b>   | <b>35 114</b>   |
| <b>Outflows</b>                                            |        |                 |                 |
| Employee expenses                                          |        | (25 118)        | (23 934)        |
| Supplies and services                                      |        | (6 825)         | (5 137)         |
| Other                                                      |        | (2 733)         | (2 554)         |
| GST paid to suppliers                                      |        | (1 782)         | (1 647)         |
| GST remitted to ATO                                        |        | (73)            | (39)            |
|                                                            |        | <b>(36 531)</b> | <b>(33 311)</b> |
| <b>Net cash provided by (used in) operating activities</b> | 10(b)  | <b>706</b>      | <b>1 803</b>    |
| <b>Cash flows from investing activities</b>                |        |                 |                 |
| <b>Inflows</b>                                             |        |                 |                 |
| Proceeds from sale of plant and equipment                  |        | 349             | 174             |
|                                                            |        | <b>349</b>      | <b>174</b>      |
| <b>Outflows</b>                                            |        |                 |                 |
| Payments for purchases of plant and equipment              |        | (772)           | (1 269)         |
| Payments for leasehold improvements                        |        | –               | (60)            |
|                                                            |        | <b>(772)</b>    | <b>(1 329)</b>  |
| <b>Net cash provided by (used in) investing activities</b> |        | <b>(423)</b>    | <b>(1 155)</b>  |
| <b>Net movement in cash</b>                                |        | <b>283</b>      | <b>648</b>      |
| <b>Cash at beginning of financial year</b>                 |        | <b>4 364</b>    | <b>3 716</b>    |
| <b>Cash at end of financial year</b>                       | 10 (a) | <b>4 647</b>    | <b>4 364</b>    |

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

## Crime and Misconduct Commission

### Statement of changes in equity for the year ended 30 June 2006

|                                           | Accumulated<br>surpluses |                | Contributed<br>equity |                |
|-------------------------------------------|--------------------------|----------------|-----------------------|----------------|
|                                           | 2006<br>\$'000           | 2005<br>\$'000 | 2006<br>\$'000        | 2005<br>\$'000 |
| Balance 1 July                            | 1 308                    | 585            | 4 236                 | 4 240          |
| Net expense recognised directly to equity | -                        | (1)            | -                     | -              |
| Surplus/(deficit) for the period          | (586)                    | 724            | -                     | -              |
| Non-appropriated equity adjustment        | -                        | -              | -                     | (4)            |
| Balance 30 June                           | 722                      | 1 308          | 4 236                 | 4 236          |

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 the year ended 30 June 2006

### 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, Australian Equivalents to International Financial Reporting Standards and Urgent Issues Group Abstracts.

The financial statements have been prepared in accordance with Australian Equivalents to International Financial Reporting Standards (AEIFRS) for the first time. The disclosures required by AASB 1, First Time Adoption of Australian Equivalents to International Financial Reporting Standards, concerning the transition from Generally Accepted Accounting Standards (GAAP) to AEIFRS are provided in Notes 19 and 20.

This financial report has been prepared on 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 CMC'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

Contributions of services are recognised only if the services would have been purchased if they had not been donated and their fair value can be measured reliably. Where this is the case, an equal amount is recognised as revenue and an expense.

##### 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 Income Statement and in the Cash Flow Statement as Government Contributions and Grants.

##### Sale of assets

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

## Crime and Misconduct Commission

### Notes to and forming part of the financial statements for the year ended 30 June 2006

#### Other revenue

Other revenue relates to income from disposal of non-capitalised assets and miscellaneous income.

#### (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 CMC.

Assets acquired at no cost or for nominal consideration are recognised at their fair value at date of acquisition.

Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use.

Property, plant and equipment items with a cost or value of \$5000 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.

##### 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 AASB116, Property, Plant and Equipment, are being depreciated over the term of the lease. The Terrica Place lease is due to expire in March 2008.

##### 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 Income Statement.

#### (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 CMC.

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 CMC.

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

## Crime and Misconduct Commission

Notes to and forming part of the financial statements  
for the year ended 30 June 2006

### Note 1(d), continued

| 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    |
| On three-year replacement cycle      | 3 years    |
| Motor vehicles                       | 5 years    |
| Leasehold improvements Terrica Place | 5.93 years |
| Leasehold improvements other         | 4.44 years |

#### (e) Cash and cash equivalents

For the purposes of the Balance Sheet and the Cash Flow Statement, cash assets include all cash and cheques receipted but not banked, as well as deposits at call with financial institutions. It also includes liquid investments with short periods to maturity that are convertible to cash on hand at the CMC'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 being generally 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) Prepayments

The CMC has determined that only prepayments on invoices  $\geq$  \$1000 will be recognised in its accounts. This recognition will occur at the time the invoice is processed for payment.

#### (h) Other financial assets

Investments are measured at cost.

Interest is recognised on an accrual basis

#### (i) Payables

Payables are recognised for amounts payable in the future for goods and services received, whether or not billed to the CMC.

Creditors are generally unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.



## Crime and Misconduct Commission

### Notes to and forming part of the financial statements for the year ended 30 June 2006

#### (j) Accrued 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 20 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 20 days has been treated as a non-current liability. The provision for annual leave has been made at nominal value as required by AASB 119, Employee Benefits.

##### 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 CMC 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 pursuant to AAS31, Financial Reporting by Governments.

##### Superannuation

Employees of the CMC 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 pursuant to AAS 31, Financial Reporting by Governments.

#### (k) Taxation

The activities of the CMC 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.

#### (l) Lease incentive

In accordance with AASB117, Leases, the lease incentive payment has been recognised as a liability which will be offset against lease instalments payable over the term of the lease.

#### (m) Insurance

The CMC is insured by the Queensland Government Insurance Fund (QGIF) for property and general liability.

#### (n) 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 CMC.

## Crime and Misconduct Commission

### Notes to and forming part of the financial statements for the year ended 30 June 2006

#### (a) Revised asset recognition threshold

A number of mandated policies were introduced, the commencement date of which coincided with the implementation of the new AEIFRS. The most significant change that affected the CMC was the change of asset recognition threshold from \$2000 to \$5000. The impact of this change resulted in an amount of \$341 000 being posted as a reduction to the opening balance of accumulated surplus on 1 July 2005, with a corresponding reduction to the relevant asset class and accumulated depreciation.

#### Note 2: Income statement disclosures

| (a) Contributions and grants                                 | 2006          | 2005          |
|--------------------------------------------------------------|---------------|---------------|
|                                                              | \$'000        | \$'000        |
| Queensland Government                                        | 34 546        | 32 960        |
| Other                                                        | 231           | 249           |
|                                                              | <u>34 777</u> | <u>33 209</u> |
| (b) Depreciation                                             |               |               |
| Motor vehicles                                               | 209           | 201           |
| Computer equipment                                           | 183           | 242           |
| General and technical equipment                              | 167           | 250           |
| Leasehold improvements                                       | 799           | 752           |
|                                                              | <u>1 358</u>  | <u>1 445</u>  |
| (c) Operating expenses                                       |               |               |
| Rental expense – operating lease                             | 2 733         | 2 553         |
| Auditors remuneration – Queensland Audit Office*             | 34            | 40            |
| Communications                                               | 300           | 295           |
| Computer software/services                                   | 302           | 159           |
| Consultants                                                  | 111           | 99            |
| Contractors                                                  | 45            | 83            |
| Contract support                                             | 360           | 155           |
| Electricity                                                  | 136           | 123           |
| Employment agency staff                                      | 285           | 271           |
| Equipment – non assets                                       | 1 242         | 266           |
| Information retrieval and access                             | 222           | 164           |
| Legal and litigation costs                                   | 611           | 275           |
| Maintenance                                                  | 263           | 214           |
| Motor vehicles                                               | 303           | 299           |
| Operational expenses                                         | 420           | 484           |
| Other supplies and services                                  | 879           | 841           |
| Other supplies and services (good provided below fair value) | 58            | –             |
| Project costs                                                | 178           | 193           |
| Security                                                     | 277           | 230           |
| Travel                                                       | 537           | 518           |
| Other                                                        | 41            | 35            |
|                                                              | <u>9 337</u>  | <u>7 297</u>  |

\* Total external audit fees relating to the 2005–06 financial year were estimated to be \$43 500 (\$39 260 in 2004–05). There were no non-audit services included in this amount.

## Crime and Misconduct Commission

Notes to and forming part of the financial statements  
for the year ended 30 June 2006

| (d) Employee expenses                 | 2006<br>\$'000 | 2005<br>\$'000 |
|---------------------------------------|----------------|----------------|
| Salaries and wages                    | 19 087         | 18 278         |
| Employer superannuation contributions | 2 501          | 2 428          |
| Annual leave                          | 1 210          | 1 310          |
| Long-service leave                    | 349            | 288            |
| Other employee-related expenses       | 2 175          | 1 897          |
|                                       | <b>25 322</b>  | <b>24 201</b>  |

The CMC had 305.1 full-time equivalent employees at 30 June 2006  
(285.2 full-time equivalent at 30 June 2005)

### Note 3: Cash and cash equivalents

|                  |              |              |
|------------------|--------------|--------------|
| Cash on hand     | 40           | 41           |
| Cash at bank     | 1 166        | 3 935        |
| Deposits on call | 3 441        | 388          |
|                  | <b>4 647</b> | <b>4 364</b> |

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

### Note 4: Receivables

|                                  |            |            |
|----------------------------------|------------|------------|
| Long-service leave reimbursement | 42         | 55         |
| GST input tax credits receivable | 300        | 239        |
| Interest receivable              | 7          | 6          |
| Grants receivable                |            | 54         |
| Reimbursements receivable        | 113        | 119        |
| Other receivables                | 2          | 29         |
|                                  | <b>464</b> | <b>502</b> |

### Note 5: Other assets

|                 |            |            |
|-----------------|------------|------------|
| <b>Current:</b> |            |            |
| Prepayments     | 307        | 310        |
|                 | <b>307</b> | <b>310</b> |

## Crime and Misconduct Commission

Notes to and forming part of the financial statements  
for the year ended 30 June 2006

### Note 6: Property, plant and equipment

|                                       | 2006<br>\$'000 | 2005<br>\$'000 |
|---------------------------------------|----------------|----------------|
| Property, plant and equipment at cost | 7 787          | 7 990          |
| Less: Accumulated depreciation        | (4 716)        | (3 989)        |
|                                       | 3 071          | 4 001          |

The CMC had 13 assets with a written down value of zero which were still in use at 30 June 2006. The original purchase cost of these assets totalled \$111 311.

#### Movements during the reporting period

|                                       | Motor<br>vehicles | Computer<br>equipment | General<br>and<br>technical<br>equipment | Leasehold<br>improve-<br>ments | Total          |
|---------------------------------------|-------------------|-----------------------|------------------------------------------|--------------------------------|----------------|
|                                       | 2006<br>\$'000    | 2006<br>\$'000        | 2006<br>\$'000                           | 2006<br>\$'000                 | 2006<br>\$'000 |
| Asset gross value:                    |                   |                       |                                          |                                |                |
| Opening balance                       | 1 191             | 485                   | 1 217                                    | 5 098                          | 7 991          |
| Purchases                             | 447               | 248                   | 77                                       | –                              | 772            |
| Disposals                             | (594)             | (106)                 | (276)                                    | –                              | (976)          |
| Closing balance                       | 1 044             | 627                   | 1 018                                    | 5 098                          | 7 787          |
| Accumulated depreciation:             |                   |                       |                                          |                                |                |
| Opening balance                       | (318)             | (171)                 | (579)                                    | (2 922)                        | (3 990)        |
| Depreciation expense                  | (209)             | (183)                 | (167)                                    | (799)                          | (1 358)        |
| Depreciation on assets<br>disposed of | 270               | 114                   | 248                                      | –                              | 632            |
| Closing balance                       | (257)             | (240)                 | (498)                                    | (3 721)                        | (4 716)        |
| <b>Total</b>                          | <b>787</b>        | <b>387</b>            | <b>520</b>                               | <b>1 377</b>                   | <b>3 071</b>   |

### Note 7: Payables

|                 | 2006<br>\$'000 | 2005<br>\$'000 |
|-----------------|----------------|----------------|
| <b>Current:</b> |                |                |
| Trade creditors | 525            | 334            |
| GST payable     | 6              | 11             |
|                 | 531            | 345            |

## Crime and Misconduct Commission

Notes to and forming part of the financial statements  
for the year ended 30 June 2006

### Note 8: Accrued employee benefits

|                                 | 2006<br>\$'000 | 2005<br>\$'000 |
|---------------------------------|----------------|----------------|
| <b>Current:</b>                 |                |                |
| Accrued salaries and wages      | 392            | 281            |
| Accrued long service leave levy | 60             | 51             |
| Annual leave                    | 1 126          | 1 076          |
| Other employee-related expenses | 188            | 175            |
|                                 | <b>1 766</b>   | <b>1 583</b>   |
| <b>Non-current:</b>             |                |                |
| Annual leave                    | 372            | 351            |
|                                 | <b>372</b>     | <b>351</b>     |

### Note 9: Other liabilities

|                     |            |            |
|---------------------|------------|------------|
| <b>Current:</b>     |            |            |
| Lease incentive     | 492        | 492        |
|                     | <b>492</b> | <b>492</b> |
| <b>Non-current:</b> |            |            |
| Lease incentive     | 370        | 862        |
|                     | <b>370</b> | <b>862</b> |

### Note 10: Cash flow statement — disclosures

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

|                  |              |              |
|------------------|--------------|--------------|
| Cash on hand     | 40           | 41           |
| Cash at bank     | 1 166        | 3 935        |
| Deposits on call | 3 441        | 388          |
|                  | <b>4 647</b> | <b>4 364</b> |



## Crime and Misconduct Commission

Notes to and forming part of the financial statements  
for the year ended 30 June 2006

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

|                                                         | 2006<br>\$'000 | 2005<br>\$'000 |
|---------------------------------------------------------|----------------|----------------|
| Net result for the year                                 | (586)          | 724            |
| Non-cash items                                          |                |                |
| Depreciation expense                                    | 1 358          | 1 445          |
| Other non-cash transactions adjustment                  | (4)            | 25             |
| Change in operating assets and liabilities :            |                |                |
| (Decrease) Increase in LSL payable                      | 9              | 6              |
| (Increase) Decrease in lease capitalisation             | (492)          | (492)          |
| (Increase) Decrease in interest receivable              | (1)            | 20             |
| (Increase) Decrease in LSL reimbursement receivable     | 13             | (35)           |
| (Increase) Decrease in other receivable                 | 87             | (177)          |
| Increase (Decrease) in GST payable                      | (5)            | 6              |
| (Increase) Decrease in GST input tax credits receivable | (61)           | (18)           |
| (Increase) Decrease in prepayments                      | 3              | (63)           |
| (Decrease) Increase in accounts payable                 | 189            | 81             |
| (Decrease) Increase in salaries payable                 | 112            | 68             |
| (Decrease) Increase in other employee related expenses  | 14             | 79             |
| (Decrease) Increase in provision for annual leave       | 70             | 173            |
| (Decrease) Increase in grant in advance                 | 0              | (39)           |
| Net cash provided by operating activities               | 706            | 1 803          |

## Crime and Misconduct Commission

Notes to and forming part of the financial statements  
for the year ended 30 June 2006

### Note 11: 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 2006 |        | Non-interest bearing |        | Total carrying amount as per balance sheet |        |
|-----------------------------|------------------------|--------|--------------------------------------|--------|----------------------|--------|--------------------------------------------|--------|
|                             | 2006                   | 2005   | 2006                                 | 2005   | 2006                 | 2005   | 2006                                       | 2005   |
|                             | \$'000                 | \$'000 | \$'000                               | \$'000 | \$'000               | \$'000 | \$'000                                     | \$'000 |
| Average interest rate       | 5.61%                  | 5.57%  | -                                    | -      |                      |        |                                            |        |
| Financial assets            |                        |        |                                      |        |                      |        |                                            |        |
| Cash                        | 4 607                  | 4 323  | -                                    | -      | 40                   | 41     | 4 647                                      | 4 364  |
| Receivables                 | -                      | -      | -                                    | -      | 464                  | 502    | 464                                        | 502    |
| Total financial assets      | 4 607                  | 4 323  | -                                    | -      | 504                  | 543    | 5 111                                      | 4 866  |
| Financial liabilities       |                        |        |                                      |        |                      |        |                                            |        |
| Payables                    | -                      | -      | -                                    | -      | 531                  | 345    | 531                                        | 345    |
| Total financial liabilities | -                      | -      | -                                    | -      | 531                  | 345    | 531                                        | 345    |

#### (b) Net fair value

| Financial instrument        | Total carrying amount as per balance sheet |        | Aggregate net fair value |        |
|-----------------------------|--------------------------------------------|--------|--------------------------|--------|
|                             | 2006                                       | 2005   | 2006                     | 2005   |
|                             | \$'000                                     | \$'000 | \$'000                   | \$'000 |
| Financial assets            |                                            |        |                          |        |
| Cash                        | 4 647                                      | 4 364  | 4 647                    | 4 364  |
| Receivables                 | 464                                        | 502    | 464                      | 502    |
| Total financial assets      | 5 111                                      | 4 866  | 5 111                    | 4 866  |
| Financial liabilities       |                                            |        |                          |        |
| Payables                    | 531                                        | 345    | 531                      | 345    |
| Total financial liabilities | 531                                        | 345    | 531                      | 345    |

#### (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 Balance Sheet. There are no concentrations of credit risk.

## Crime and Misconduct Commission

Notes to and forming part of the financial statements  
for the year ended 30 June 2006

### Note 12: Commitments

|  | 2006   | 2005   |
|--|--------|--------|
|  | \$'000 | \$'000 |

#### Capital commitments

At 30 June the CMC had the following capital commitments inclusive of GST:

|                                                                           |   |   |
|---------------------------------------------------------------------------|---|---|
| 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 CMC had the following operating commitments inclusive of GST:

Outstanding premises lease commitments are likely to be exercised as follows:

|                                |       |       |
|--------------------------------|-------|-------|
| Payments due within one year   | 2 750 | 2 466 |
| Payments due one to five years | 2 330 | 4 780 |
|                                | 5 080 | 7 246 |

##### Note:

The CMC occupies premises in Terrica Place, which is sub-leased through the Department of Public Works. This lease is due to expire in March 2008. As at 30 June 2006, the CMC had no set commitment to renew this lease.

Outstanding vehicle lease commitments are likely to be exercised as follows:

|                                |     |     |
|--------------------------------|-----|-----|
| Payments due within one year   | 336 | 211 |
| Payments due one to five years | 160 | 59  |
|                                | 496 | 270 |

Other outstanding operating commitments are likely to be exercised as follows:

|                               |    |     |
|-------------------------------|----|-----|
| Payments due within one year: | 52 | 139 |
|                               | 52 | 139 |

### Note 13: Contingent liabilities

#### Litigation in progress

As at 30 June 2006, there were two cases unfinalised. The CMC's legal advisers believe that they may result in costs and damages against the CMC, with the total estimated payable to be a maximum of \$120 000.

## Crime and Misconduct Commission

Notes to and forming part of the financial statements  
for the year ended 30 June 2006

### Note 14: 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 2005–06 was \$2 500 656 (\$2 428 815 in 2004–05)

As at the reporting date, there were no outstanding contributions payable to the fund and there were no loans to or from the CMC to the above fund.

The CMC is not liable for any unfunded liability in respect of the above employer sponsored superannuation scheme.

### Note 15: Remuneration of Commissioners and specified executives

Remuneration received or due and receivable by Commissioners and specified executives of the CMC in connection with the management of the CMC 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

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 Robert Needham from 1 January 2005 to 30 June 2006.

|      | Superannuable<br>salary | Allowances and<br>benefits <sup>1</sup> | Total remuneration |
|------|-------------------------|-----------------------------------------|--------------------|
| 2006 | \$299 295               | \$54 915                                | \$354 210          |
| 2005 | \$267 328               | \$50 954                                | \$318 282          |

1 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 the year ended 30 June 2006

#### (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 bodies*. The remuneration amounts shown include superannuation.

|                          |                              | 2006<br>\$     | 2005<br>\$     |
|--------------------------|------------------------------|----------------|----------------|
| Sally Goold OAM          | (Ceased 15 July 2004)        | –              | 2 046          |
| David Gow                | (Commenced 2 October 2005)   | 28 175         | –              |
| Ray Rinaudo              | (Ceased 19 September 2004)   | –              | 8 890          |
| Margaret Steinberg AM    | (Ceased 1 October 2005)      | 10 426         | 40 623         |
| Hon. William Pincus QC   | (Ceased 22 April 2005)       | –              | 32 861         |
| Suzette Coates           | (Ceased 23 December 2005)    | 21 206         | 25 526         |
| Julie Cork               | (Commenced 11 November 2004) | 38 725         | 27 205         |
| Hon. Douglas Drummond QC | (Commenced 7 July 2005)      | 39 735         | –              |
| <b>Total:</b>            |                              | <b>138 267</b> | <b>137 151</b> |

#### (c) Executives' remuneration

| Position                                               | 2006                         |                                                      |                            | 2005                         |                                                      |                            |
|--------------------------------------------------------|------------------------------|------------------------------------------------------|----------------------------|------------------------------|------------------------------------------------------|----------------------------|
|                                                        | Superannuable salary<br>(\$) | Employer<br>superannuation and<br>leave loading (\$) | Total remuneration<br>(\$) | Superannuable salary<br>(\$) | Employer<br>superannuation and<br>leave loading (\$) | Total remuneration<br>(\$) |
| Assistant Commissioner,<br>Crime                       | 159 038                      | 21 726                                               | 180 764                    | 153 486                      | 21 636                                               | 175 122                    |
| Assistant Commissioner,<br>Misconduct                  | 159 038                      | 21 726                                               | 180 764                    | 153 486                      | 21 636                                               | 175 122                    |
| Executive Director <sup>1</sup>                        | 130 912                      | 18 196                                               | 149 108                    | 125 389                      | 17 676                                               | 143 065                    |
| Director, Intelligence and<br>Information <sup>2</sup> | –                            | –                                                    | –                          | 78 449                       | 11 160                                               | 89 609                     |
| Director, Research and<br>Prevention                   | 112 110                      | 15 127                                               | 127 237                    | 101 599                      | 14 329                                               | 115 928                    |
| Director, Intelligence <sup>2</sup>                    | 103 598                      | 14 608                                               | 118 206                    | 34 476                       | 4 341                                                | 38 817                     |
| <b>Total:</b>                                          | <b>664 696</b>               | <b>91 383</b>                                        | <b>756 079</b>             | <b>646 885</b>               | <b>90 778</b>                                        | <b>737 663</b>             |

1 The position of Executive Director was held by Graham Brighton from 1 July 2005 to 10 October 2005 and by Mark Hummerston from 11 October 2005 to 30 June 2006.

2 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 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 the year ended 30 June 2006

### Note 16: Money held in trust

At 30 June 2006, the CMC held \$19 356 (\$3921 in 2005) in trust for a number of people as a result of operational activities. As the CMC only performed a custodial role in respect of the balances, they are not recognised in the financial statements but are disclosed here for information purposes.

### Note 17: Post balance date event

The CMC is not aware of any significant post balance date events.

### Note 18: Special payments

There were no special payments made by the CMC during 2005–06.

### Note 19: Reconciliation of adjustments from previous GAAP to Australian Equivalents to International Financial Reporting Standards (AEIFRS), as at 1 July 2004

|                                      | Note | Previous<br>GAAP<br>1 July<br>2004<br>\$'000 | Effect of<br>transition<br>to AEIFRS<br>\$'000 | AEIFRS<br>1 July<br>2004<br>\$'000 |
|--------------------------------------|------|----------------------------------------------|------------------------------------------------|------------------------------------|
| <b>Current assets</b>                |      |                                              |                                                |                                    |
| Cash assets                          |      | 3 716                                        | –                                              | 3 716                              |
| Receivables                          |      | 292                                          | –                                              | 292                                |
| Other assets                         |      | 247                                          | –                                              | 247                                |
| <b>Total current assets</b>          |      | <b>4 255</b>                                 | <b>–</b>                                       | <b>4 255</b>                       |
| <b>Non-current assets</b>            |      |                                              |                                                |                                    |
| Property, plant and equipment        | 19.1 | 1 790                                        | (340)                                          | 1 450                              |
| Leasehold improvements               |      | 2 867                                        | –                                              | 2 867                              |
| <b>Total non-current assets</b>      |      | <b>4 657</b>                                 | <b>(340)</b>                                   | <b>4 317</b>                       |
| <b>Total assets</b>                  |      | <b>8 912</b>                                 | <b>(340)</b>                                   | <b>8 572</b>                       |
| <b>Current liabilities</b>           |      |                                              |                                                |                                    |
| Payables                             | 19.2 | 612                                          | (354)                                          | 258                                |
| Accrued employee benefits            | 19.3 |                                              | 1 604                                          | 1604                               |
| Provisions                           | 19.4 | 1 250                                        | (1 250)                                        | –                                  |
| Other                                |      | 531                                          | –                                              | 531                                |
| <b>Total current liabilities</b>     |      | <b>2 393</b>                                 | <b>–</b>                                       | <b>2 393</b>                       |
| <b>Non-current liabilities</b>       |      |                                              |                                                |                                    |
| Provisions                           |      | –                                            | –                                              | –                                  |
| Other                                |      | 1 354                                        | –                                              | 1 354                              |
| <b>Total non-current liabilities</b> |      | <b>1 354</b>                                 | <b>–</b>                                       | <b>1 354</b>                       |
| <b>Total liabilities</b>             |      | <b>3 747</b>                                 | <b>–</b>                                       | <b>3 747</b>                       |
| <b>Net assets</b>                    |      | <b>5 165</b>                                 |                                                | <b>4 825</b>                       |
| <b>Equity</b>                        |      |                                              |                                                |                                    |
| Contributed capital                  |      | 4 240                                        | –                                              | 4 240                              |
| Accumulated surplus                  | 19.5 | 925                                          | (340)                                          | 585                                |
| <b>Total equity</b>                  |      | <b>5 165</b>                                 | <b>(340)</b>                                   | <b>4 825</b>                       |

## Crime and Misconduct Commission

Notes to and forming part of the financial statements  
for the year ended 30 June 2006

| Note |                                                                                                | \$'000  |
|------|------------------------------------------------------------------------------------------------|---------|
| 19.1 | Write-off of previously capitalised assets below new asset recognition threshold               | (340)   |
|      | adjustment to property, plant and equipment                                                    | (340)   |
| 19.2 | Reclassification of employee benefits from payables to accrued employee benefits               | (354)   |
|      | Adjustment to payables                                                                         | (354)   |
| 19.3 | Reclassification of employee benefits from provision and payables to accrued employee benefits | 1 604   |
|      | Adjustment to accrued employee benefits                                                        | 1 604   |
| 19.4 | Reclassification of employee benefits from provision to accrued employee benefits              | (1 250) |
|      | Adjustment to provision                                                                        | (1 250) |
| 19.5 | Write-off of previously capitalised assets below new asset recognition threshold               | (340)   |
|      | Adjustment to accumulated surplus                                                              | (340)   |

## Crime and Misconduct Commission

Notes to and forming part of the financial statements  
for the year ended 30 June 2006

Note 20: Reconciliation of adjustments from previous GAAP  
to Australian Equivalents to International Financial Reporting  
Standards (AEIFRS) — as at 1 July 2005

|                                      | Note | Effect of transition to AEIFRS  |                                       |                        |                       |
|--------------------------------------|------|---------------------------------|---------------------------------------|------------------------|-----------------------|
|                                      |      | Previous<br>GAAP<br>1 July 2005 | Opening<br>adjustments<br>1 July 2004 | 2004–05<br>adjustments | AEIFRS<br>1 July 2005 |
|                                      |      | \$'000                          | \$'000                                | \$'000                 | \$'000                |
| <b>Current assets</b>                |      |                                 |                                       |                        |                       |
| Cash assets                          |      | 4 364                           | –                                     | –                      | 4 364                 |
| Receivables                          |      | 502                             | –                                     | –                      | 502                   |
| Other assets                         |      | 310                             | –                                     | –                      | 310                   |
| <b>Total current assets</b>          |      | 5 176                           | –                                     | –                      | 5 176                 |
| <b>Non-current assets</b>            |      |                                 |                                       |                        |                       |
| Property, plant and equipment        | 20.1 | 2 167                           | (340)                                 | (1)                    | 1 826                 |
| Leasehold improvements               |      | 2 175                           | –                                     | –                      | 2 175                 |
| <b>Total non-current assets</b>      |      | 4 342                           | (340)                                 | (1)                    | 4 001                 |
| <b>Total assets</b>                  |      | 9 518                           | (340)                                 | (1)                    | 9 177                 |
| <b>Current liabilities</b>           |      |                                 |                                       |                        |                       |
| Payables                             | 20.2 | 852                             | (354)                                 | (153)                  | 345                   |
| Accrued employee benefits            | 20.3 | –                               | 1 604                                 | (21)                   | 1 583                 |
| Provisions                           | 20.4 | 1 076                           | (1 250)                               | 174                    | 0                     |
| Other                                |      | 492                             | –                                     | –                      | 492                   |
| <b>Total current liabilities</b>     |      | 2 420                           | –                                     | –                      | 2 420                 |
| <b>Non-current liabilities</b>       |      |                                 |                                       |                        |                       |
| Payables                             |      | –                               | –                                     | –                      | –                     |
| Accrued employee benefits            | 20.3 | –                               | –                                     | 351                    | 351                   |
| Provisions                           | 20.4 | 351                             | –                                     | (351)                  | 0                     |
| Other                                |      | 862                             | –                                     | –                      | 862                   |
| <b>Total non-current liabilities</b> |      | 1 213                           | –                                     | –                      | 1 213                 |
| <b>Total liabilities</b>             |      | 3 633                           | –                                     | –                      | 3 633                 |
| <b>Net assets</b>                    |      | 5 885                           | –                                     | –                      | 5 544                 |
| <b>Equity</b>                        |      |                                 |                                       |                        |                       |
| Contributed capital                  |      | 4 236                           | –                                     | –                      | 4 236                 |
| Accumulated surplus                  | 20.5 | 1 649                           | (340)                                 | (1)                    | 1 308                 |
| <b>Total equity</b>                  |      | 5 885                           | (340)                                 | (1)                    | 5 544                 |

## Crime and Misconduct Commission

Notes to and forming part of the financial statements  
for the year ended 30 June 2006

| Note                                                                                                 | \$'000 |
|------------------------------------------------------------------------------------------------------|--------|
| 20.1 Write-off of previously capitalised assets below new asset recognition threshold                | (1)    |
| Adjustment to property, plant and equipment                                                          | (1)    |
| 20.2 Reclassification of employee benefits from payables to accrued employee benefits                | (153)  |
| Adjustment to payables                                                                               | (153)  |
| 20.3 Reclassification of employee benefits from provision and payables to accrued employee benefits: |        |
| Current                                                                                              | (21)   |
| Non-current                                                                                          | 351    |
| Adjustment to accrued employee benefits                                                              | 330    |
| 20.4 Reclassification of employee benefits from provision to accrued employee benefits:              |        |
| Current                                                                                              | 174    |
| Non-current                                                                                          | (351)  |
| Total adjustment to provision                                                                        | (177)  |
| 20.5 Write-off of previously capitalised assets below new asset recognition threshold                | 1      |
| Adjustment to accumulated surplus                                                                    | 1      |

## Certificate of the Crime and Misconduct Commission

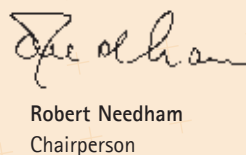
This general purpose financial report has been prepared pursuant to Section 46F of the *Financial Administration and Audit Act 1977* (the Act), and other prescribed requirements. In accordance with Section 46F(3) of the Act we certify that in our opinion:

- (a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- (b) the statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the Crime and Misconduct Commission's transactions for the financial year ended 30 June 2006 and of the financial position of the Commission at the end of that year.



Stephen Firth  
Financial Manager

Date: 20 September 2006



Robert Needham  
Chairperson

Date: 20 September 2006



## Independent Audit Report

*To the Commission of the Crime and Misconduct Commission*

### Matters Relating to the Electronic Presentation of the Audited Financial Report

The audit report relates to the financial report of the Crime and Misconduct Commission for the financial year ended 30 June 2006 included on the Crime and Misconduct Commission's website. The Commission is responsible for the integrity of the Crime and Misconduct Commission's website. We have not been engaged to report on the integrity of the Crime and Misconduct Commission's website. The audit report refers only to the statements named below. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. 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 report, available from the Crime and Misconduct Commission, 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 Crime and Misconduct Commission consists of the income statement, balance sheet, statement of changes in equity, cash flow statement, notes to and forming part of the financial report and certificates given by the Chairman and officer responsible for the financial administration of Crime and Misconduct Commission for the year ended 30 June 2006.

#### *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, which incorporate the Australian 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 audit 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 Crime and Misconduct Commission for the financial year 1 July 2005 to 30 June 2006 and of the financial position as at the end of that year.



V P Manera FCPA  
As Delegate of the Auditor-General of Queensland



Queensland Audit Office  
Brisbane