

Crime and Misconduct Commission Annual Report 2006–07

The CMC fights crime
and promotes integrity
in Queensland.

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This report uses agency names and abbreviations that were current in the reporting period.

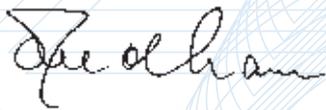
October 2007

Attorney-General and Minister for Justice
and Minister Assisting the Premier in
Western Queensland
Parliament House
George Street
Brisbane Qld 4000

Dear Minister

We are pleased to present to parliament the sixth annual report of the Crime and Misconduct Commission, which covers the 2006-07 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

Message from the Chairperson

This year has been historically significant for the Crime and Misconduct Commission. Twenty years ago on May 26 Queensland's political and legal landscape changed forever with the start of the Fitzgerald Inquiry, ultimately leading to the creation of the CMC.

That inquiry was not a watershed event for Queensland alone – its rippling effects have been felt around Australia. The public and political acceptance of the need for accountability in public office that prevails today is a direct result of the Commission of Inquiry into Possible Illegal Activities and Associated Police Misconduct, presided over by Tony Fitzgerald QC. Today, bodies similar to the CMC exist in most jurisdictions in Australia.

The Fitzgerald legacy has led to much-needed reforms in policing. The Queensland Police Service today is a vastly different, and better, organisation than the Queensland Police Force of pre-Fitzgerald days. The CMC continues to be an important driver of that ongoing reform as we work with the police and the public sector to set higher standards. Today these public agencies are far more accountable, transparent and ethical than a decade ago.

Despite this success, the CMC remains a much-needed organisation. Though I do not believe systemic corruption exists in Queensland, I have seen during my three years as CMC Chairperson some 'slippage' in our public sector and police service. This is an ever-present risk, requiring constant vigilance both on our part and on the part of every public agency. Systemic corruption does not happen overnight; it builds up over a period of years. Even misconduct which may seem apparently insignificant can, if left unchecked, lead to a major decline in the level of public sector integrity.

This is why, in addition to our ongoing work with public agencies this year, we have embarked on a new national initiative to prevent misconduct. Later this year the CMC is co-hosting the inaugural Australian Public Sector Anti-Corruption Conference in Sydney with two interstate agencies – the Independent Commission Against Corruption (NSW) and the Corruption and Crime Commission (WA). This conference is to be a national biennial event, with the next one held in Queensland in July 2009.

This year we carried out 107 misconduct investigations, involving the most serious cases of misconduct, or those that involve the public interest. These included the jailing of a Far North Queensland police officer for three and a half



Chairperson Robert Needham.

years for extorting money from a member of the Mareeba community; a former Minister of the Crown charged with corruptly receiving payments totalling close to \$300 000 from a Queensland businessman; and another former minister jailed for 18 months, to be suspended after three months, for demanding a benefit with threats.

Increasingly, we rely on our partnerships with Queensland, interstate and national crime agencies to dismantle criminal networks and protect Queenslanders from harmful drugs. Earlier this year the CMC, in partnership with other law enforcement agencies, disrupted the flow of amphetamines and cocaine into Queensland. Three separate organised crime operations targeted and dismantled an outlaw motorcycle gang and a European drug-trafficking syndicate.

In the past twelve months, the CMC has restrained about \$11.74 million and confiscated about \$4 million in property from crime figures in Queensland – representing a significant increase from last year. Under the *Criminal*

Proceeds Confiscation Act 2002, the CMC can restrain property even without a conviction, undermining the financial incentive of crime. Recently, the CMC was provided with extra funding in this area to cope with the current and future demands for its services.

We are pleased with these outcomes. Nonetheless, we are conscious that, if we are to remain effective in our independent watchdog role over the longer term, the mandate and capability of the CMC must keep pace with continuing change in our society.

A significant example is what appears to be a growing government trend to convert some public agencies to government-owned corporations (GOCs). More worryingly still, recent amendments to the *Government Owned Corporations Act 1993* disclose the government's intention that all statutory GOCs – currently under the CMC's jurisdiction – will convert to being corporate GOCs. This means that the CMC will not have the power to investigate these agencies. Neither will the *Whistleblowers Protection Act 1994* apply to them.

I acknowledge that it may make commercial sense for some public agencies to become corporate GOCs. However, I am strongly of the view that private entities that carry out public functions should be subject to scrutiny by the CMC, especially where public funding is involved. Without any corresponding changes to our powers there is considerable potential for public accountability to be eroded.

Similarly, the CMC has always strongly argued for telecommunications interception (TI) powers, generally regarded as one of the most effective investigative tools for law enforcement agencies. I am pleased to see that there is now positive, albeit slow-moving, progress towards the CMC and the Queensland Police Service gaining TI powers. According to an announcement by the former Premier in April, proposed legislation would include the need for our agencies to consult with the Public Interest Monitor when applying for a TI warrant. The CMC has always supported this provision, and I welcome this move forward in access to strong investigative tools. TI will greatly improve how the CMC operates, particularly in the areas of organised crime and internet paedophilia.

We also face the challenges of change and renewal within the organisation.

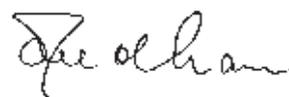
One is the attraction and retention of specialised staff, particularly in the area of financial investigators, investigative lawyers and intelligence officers. Nationally, there has been an increased need for these specialised skills, and over the last 12 months a number of our staff have been attracted to Commonwealth agencies. This has placed

additional pressure on the CMC to carry out its work with limited staff. While we have nevertheless outperformed in the area of civil confiscation and conducted significant misconduct and crime investigations, we recognise it is unfair to expect staff to continue to work under such pressure.

Accordingly, this year we explored ways to expand our competitiveness with other workplace environments. We increased our commitment to training and development by introducing a nationally recognised management qualification that has been made available to many of our professional staff. We are continuing to develop family-friendly arrangements that will offer staff more flexible ways to balance their family responsibilities with their work commitments.

We have also made decisions with respect to our long-term accommodation and infrastructure requirements, and will be moving to a corporate office park, Green Square in Fortitude Valley, late next year. Green Square will not only provide a highly functional work environment but enable greater organisational capabilities for the CMC. Nevertheless, re-locating will be a significant challenge facing the entire organisation over the next twelve months.

Finally, I would like to thank all staff for their hard work this year. Due to the very nature of what we do, at times this organisation can attract criticism. That can be difficult for CMC staff, but they take it in their stride, knowing that controversy comes with the territory. I thank them for their professionalism and dedication.



Robert Needham
October 2007

Highlights of the year 2006–07

- Disruption and dismantling of two major organised crime networks – one a European ethnic-based drug syndicate, involving the arrest of 13 offenders on a total of 64 charges; the other a drug-trafficking network based on an outlaw motorcycle gang, involving the arrest of 37 offenders on 101 charges.
- A total of 107 misconduct investigations. These included the jailing of a police officer for three and a half years for extortion; a former Minister of the Crown charged with corruptly receiving payments totalling close to \$300 000 from a Queensland businessman; and another former minister jailed for demanding a benefit with threats.
- Launch of an independent inquiry into policing in remote Aboriginal and Torres Strait Islander communities. The project team visited all 21 Indigenous communities in Queensland, and were impressed by the generally positive relationship between the communities and their police.
- Maintenance of our 100 per cent success rate in our witness protection service.
- Preparations to co-host the first Australian Public Sector Anti-Corruption Conference in Sydney later this year with two interstate agencies – the Independent Commission Against Corruption (NSW) and the Corruption and Crime Commission (WA).
- Substantial increase in the number of restraints and forfeitures of criminal proceeds, with the value of assets forfeited in the year double the target amount.
- Implementation of our Project Verity model, one of the most significant shifts in the Queensland Police Service's integrity regime since the Fitzgerald Inquiry.
- Assessment of the cocaine market in Queensland, which identified current trends and issues for cocaine use and determined the status of the market in Queensland.
- Strengthening relationships with a broad range of partners: law enforcement agencies, integrity bodies, public sector agencies and research institutions.

Priorities and challenges

In 2007–08 we will be placing specific emphasis on:

- fighting paedophilia
- confiscating the proceeds of crime
- monitoring trends in organised crime
- building the capacity of agencies to prevent and deal with misconduct
- monitoring responsibilities devolved to agencies
- balancing our investigative and capacity-building activities
- increasing awareness of our witness protection service among client agencies
- assessing the changing environment for new threats
- dealing with the impact of technology advances
- enhancing our governance framework
- attracting and retaining skilled employees
- relocating the CMC.

Financial summary 2006–07

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 2007, this was \$35.012m (98.13% 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 (\$26.137m), with supplies and services (\$8.187m) and depreciation (\$1.361m). Total expenses were \$35.707m for the year ended 30 June 2007.

Assets

Total current and non-current assets as at 30 June 2007 totalled \$7.705m.

Liabilities

Total liabilities as at 30 June 2007 were \$2.773m. This included \$0.369m for the lease incentive liability for the Terrica Place premises, \$2.111m for employee leave entitlements not taken, and \$0.293m for accrued expenses and trade creditors.

Net equity

As at 30 June 2007, the CMC's net equity was \$4.932m.

Operating result

The CMC had an operating deficit of \$26 000 as at 30 June 2007.

Financial summary for year ended 30 June 2007

	\$'000
For the year	
Queensland Government grant	35 012
Operating revenue	669
Total revenues	35 681
Operating expenses	35 707
Operating surplus (deficit)	(26)
At year end	
Total assets	7 705
Total liabilities	2 773
Net assets	4 932



About the CMC

The CMC strives to protect Queenslanders from major crime and promote a trustworthy public sector.

The Commission – the board of the CMC. As at 30 June 2007, the Commissioners were (left to right): Ms Julie Cork, the Honourable Douglas Drummond QC, Chairperson Robert Needham, Dr David Gow and Ms Ann Gummow.

‘Our responsibility to the people of Queensland is to ensure that the CMC acts independently, impartially and in the public interest’

Julie Cork
Commissioner





The Parliamentary Crime and Misconduct Committee as at 30 June 2007. (Clockwise from left) Howard Hobbs MP (Warrego), Deputy Chair; Paul Hoolihan MP (Keppel), Chair; Simon Finn MP (Yeerongpilly); Jack Dempsey MP (Bundaberg); Christine Smith MP (Burleigh); and Liz Cunningham MP (Gladstone). (Absent from photo) Dean Wells MP (Murrumba).

About the CMC

The Crime and Misconduct Commission (CMC) is an independent specialist agency set up to fight major crime and enhance public sector integrity in Queensland.

Established under the *Crime and Misconduct Act 2001* (CM Act), the CMC came into existence on 1 January 2002 with the merger of the Criminal Justice Commission and the Queensland Crime Commission.

The CMC's active presence in our public life is a reassurance to Queenslanders that there is a vigilant independent body striving to ensure our public institutions are ethical and accountable, our police honest and efficient, our children safe, and our communities as free as possible from corruption and organised crime.

Our structure and people

The CMC is headed by a five-member Commission comprising the Chairperson (currently Mr Robert Needham), who is also the chief executive officer (CEO), and four part-

time Commissioners who represent the community. Decisions made by the Commission are put into effect by the Strategic Management Group.

While independent of the government of the day, the CMC is fully accountable to the people of Queensland through the Parliamentary Crime and Misconduct Committee, an all-party committee that monitors and reviews our activities and deals with complaints against us.

The CMC incorporates a breadth of professional expertise and personal experience.

Our Act mandates that the membership of the Commission represent a depth of legal experience, demonstrated interest in civil liberties, and expertise in public sector management and review, criminology, sociology or relevant research, and that at least one member is a woman.

A similar range of expertise is represented in our staff. About 300 people work at the CMC, including lawyers, investigators, police, social scientists, financial investigators, intelligence analysts, IT and surveillance specialists, administrators and support officers.

Figure 1 on page 12 is a representation of the CMC's structure and accountability. More information about our structure and governance can be found in 'Organisational capability', pages 53–63.

Major areas of activity

The CMC focuses on three main areas of activity, defined in our strategic plan for the period 2006–10 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 'Protecting our children and enhancing community safety'. In addition, the second output 'Reducing misconduct and improving public sector integrity' contributes to the government priority 'Delivering responsive government'.

Combating major crime

Our Crime staff work in partnership with the Queensland Police Service (QPS) and other law enforcement agencies to combat and prevent major crime, including organised crime, criminal paedophilia, serious crime and terrorism.

However, the CMC is not an alternative police service. We use our special powers, expertise and resources to make a significant contribution to combating and preventing major crime. Our effectiveness is enhanced by our partnerships with other law enforcement agencies, especially the QPS.

Our intelligence work helps us decide what crimes pose the most serious threat to Queensland, and our research and prevention function helps us develop preventive strategies in addition to making arrests. For performance in 2006–07, see pages 13–26.

Reducing misconduct and improving public sector integrity

Our misconduct jurisdiction includes all state government departments, the QPS, local governments, most public sector agencies and statutory bodies, universities, courts, prisons, tribunals and elected officials.

We receive and assess complaints about misconduct, refer most to agencies for handling, and monitor how agencies, including the police service, deal with them. We investigate the most serious cases of misconduct, or those that involve the public interest. In these ways we safeguard public confidence in the integrity of government agencies while encouraging agencies to take individual responsibility.

About 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** – criminal activity involving offences punishable by not less than 14 years' imprisonment (e.g. murder, arson)
- **terrorism** (added by an amendment to our Act in 2004)
- actions taken in preparation for committing, or avoiding detection or prosecution for, organised crime, criminal paedophilia, serious crime or terrorism.

About misconduct

Under our Act, 'misconduct' refers to official misconduct or police misconduct, defined as follows:

- **Official misconduct** (which applies to all public sector officials, including police) is conduct relating to the performance of a public sector 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.

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** (which relates only to police officers) 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 prevention activities help agencies reduce their risk of corruption by improving their internal controls, accountability and integrity of operation. For performance in 2006–07, see pages 27–42.

Protecting witnesses

The Witness Protection area protects people who are in danger as a result of assisting a law enforcement agency such as the QPS. They include victims of crime, innocent bystanders to a crime, and anyone who has information about criminal or corrupt activity. The CMC provides the witness protection service for the state of Queensland. For performance in 2006–07, see pages 43–47.

Engaging in public policy

In recent years the CMC has been engaged with a fourth area of activity, involving projects with a significant criminal justice and public policy focus. These may originate from investigations, through referral by our minister under our Act, or as a requirement in other legislation. For performance in 2006–07, see pages 49–52.

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. These include a range of search,

About the CMC's special powers

The CMC has power to:

- 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
- summons a person to attend a hearing to give evidence and produce such records or things as are referred to in the summons
- apply to a magistrate or judge for a warrant to enter and search premises
- use surveillance devices.

We must apply to the Supreme Court before exercising some of our powers, and the Public Interest Monitor examines our applications for covert search warrants and surveillance warrants.

surveillance and seizure powers as well as the power to conduct coercive hearings.

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.

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 CEO to consider disciplinary action. We can also charge public officers with official misconduct in a Misconduct Tribunal.

The CMC is also actively seeking to gain telecommunications interception powers, regarded as a key investigative tool for law enforcement agencies. Currently, these important powers are not available in most CMC investigations of major crime and corruption.

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 2006–07, see Table 3, page 17 and Table 9, page 32.

The hearings power

The CMC is the only Queensland law enforcement agency with the power to conduct coercive hearings – that is, to require witnesses to attend closed hearings and answer questions even where the answers would normally tend to incriminate the witness.

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 as well as insights into the processes adopted within the particular system.

The holding of public inquiries:

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

No public inquiries were held during this reporting period.

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.

Support activities

The following work areas support the CMC's major areas of activity described above.

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 and other policy and legislative issues. It may also undertake research into police service methods of operation, police powers and their use, and the continuous improvement of the police service. It 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.



Director, Misconduct Investigations, Russell Pearce speaks at a media conference.



Principal Adviser, Misconduct Prevention, John Melit (*left*) and Research Officer Stuart Weierter.

Corporate support

A range of corporate services assist all areas of the CMC to operate effectively in the interests of achieving the organisation's goals. They include managing our internal and external accountability systems; providing a secretariat service to the Commission; managing corporate governance, human resources and information; and providing legal, financial, administrative and communications services.

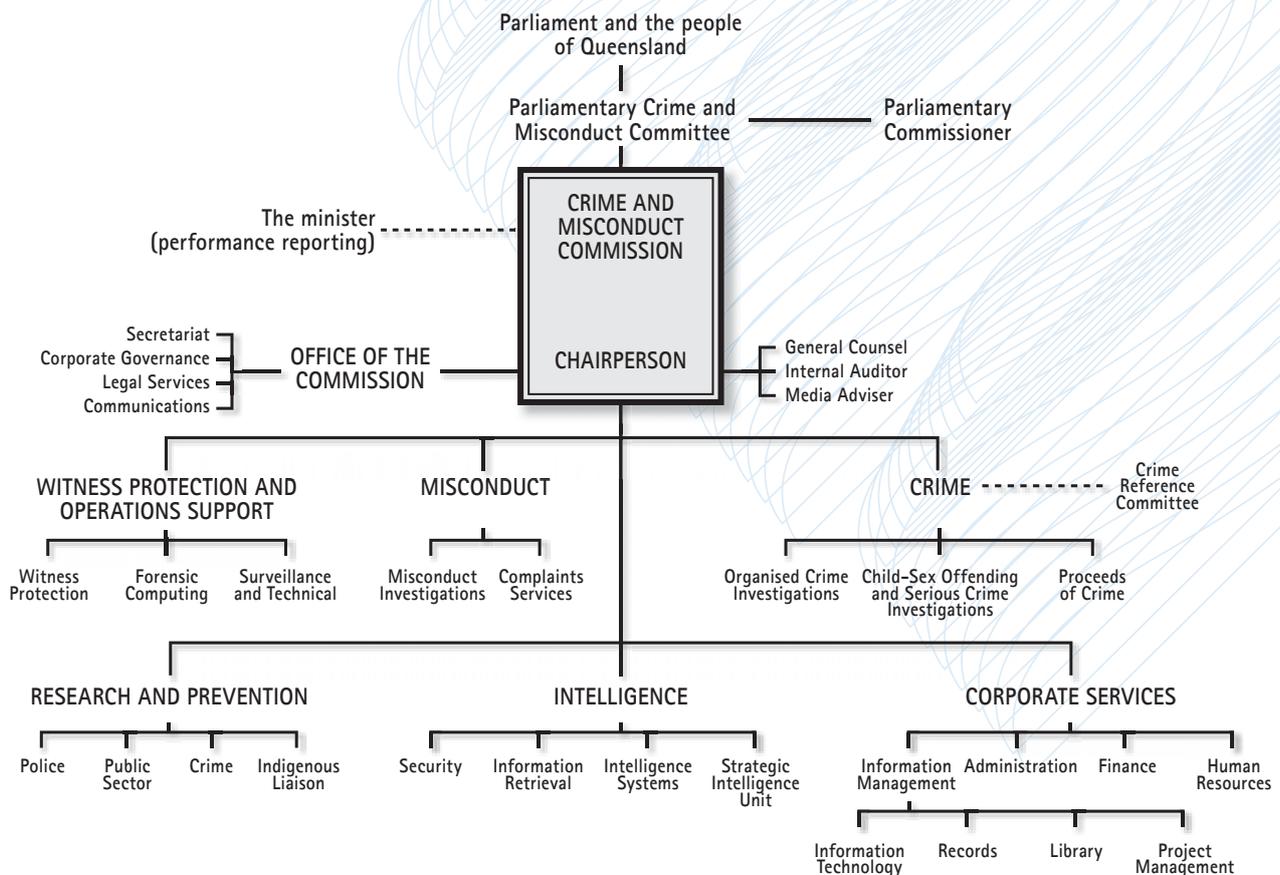
Topics that we address include identifying and managing conflicts of interest, best practice in fraud and corruption control, cyber bullying and internet safety, the role of the CMC in criminal investigations, and accountability in procurement.

We liaise with the media and have an active publishing program, producing materials to suit a wide range of audiences. Some of our products, as required, are available in community languages.

Community engagement

We maintain an active outreach and education role within the Queensland community. Our staff present to audiences as diverse as local councillors, transport inspectors, teachers and secondary school students, trainee detectives, and international delegations. We have a particular focus on working with Indigenous communities.

Figure 1. Structure and accountability of the CMC





Combating major crime

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

The Crime Reference Committee. Membership at June 2007 was (left to right) community representative Johanna Bakermans; CMC Assistant Commissioner, Crime, John Callanan; Commissioner for Children and Young People and Child Guardian Elizabeth Fraser; Acting Commissioner of Police Richard Conder, representing Commissioner of Police Bob Atkinson; and CMC Chairperson Robert Needham.

‘Our strengths are our multidisciplinary teams, our partnerships and sheer doggedness’

John Callanan
Assistant Commissioner, Crime



The CMC's resources are directed specifically towards major crime, which encompasses organised crime, criminal paedophilia, serious crime such as murder, arson and extortion, and terrorism.

Crime matters may come to us internally through our own target development or through referral from the Crime Reference Committee, which includes community representatives as well as the Assistant Commissioner, Crime (the Chair), the CMC Chairperson, the Commissioner of Police, and the Commissioner for Children and Young People and Child Guardian.

In addition to specific matters, the Committee has referred several broad 'umbrella' areas of major crime, which allows us to investigate individual cases of suspected criminal activity without needing a specific committee referral.

Our plan in 2006–07

Through the Strategic Plan 2006–10 we undertook 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 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.
- Collaborate with the Misconduct business unit to identify and target those public officials who may be involved in major crime.

In fulfilling these responsibilities in 2006–07, we focused particularly on:

- multidisciplinary crime investigations into organised crime, criminal paedophilia, serious crime and terrorism
- strategic intelligence
- research and prevention activities
- law enforcement partnerships
- confiscation of the proceeds of crime
- emerging technology.

Overall performance 2006–07

Indicator	Performance
Total investigations finalised	27
Joint agency investigations	12 commenced 15 finalised
Organised crime investigations	5 commenced 4 finalised
Paedophilia investigations	16 commenced 14 finalised
Serious crime investigations	3 commenced 8 finalised
Counter-terrorism investigations	1 commenced 1 finalised
Number of people charged	105
Number of charges laid	354
Investigative hearing days	81
Intelligence assessments	4
Intelligence disseminations	316
Research, prevention and intelligence projects undertaken	15
Criminal proceeds restraining orders obtained	50
Assets restrained	\$11.74m
Matters finalised	26
Assets forfeited to the state	\$4.24m
Cost for output	\$11.37m

Multidisciplinary crime investigations

Our multidisciplinary teams comprise CMC police and civilian staff with skills in areas such as investigation, intelligence, forensic computing, law, information technology, accounting, and surveillance and technical disciplines. We frequently conduct joint investigations with the QPS and other law enforcement agencies.

Many of the CMC's organised crime and paedophile investigations are conducted under our broad major crime referrals:

- Freshnet: criminal activity by members of established criminal networks
- Gatekeeper: criminal activity involving money laundering
- Hydra: criminal activity by outlaw motorcycle gang members or associates
- Atrax: criminal activity involving the use of the internet to commit sex offences against children, or offences relating to obscene material depicting children
- Artemis: extrafamilial paedophile activity by networked offenders or people who offend against multiple victims
- Counter-terrorism: criminal activity involving a terrorist act.

Table 1 outlines our overall performance in 2006–07 against the outlook in last year's annual report.

Table 1. Performance 2006–07 against outlook in last year's annual report	
Last year we said we would:	In 2006–07 we:
Continue to dismantle and disrupt organised crime networks operating in Queensland.	<ul style="list-style-type: none"> 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.	<ul style="list-style-type: none"> Commenced 16 paedophilia investigations, 14 in relation to internet offenders and 2 concerning networked offenders, resulting in the arrests of 16 offenders on 40 charges. Enhanced software and adapted innovative investigative methodologies to enable successful, intensive online child–sex offender investigations to continue.
Obtain approximately 42 restraining orders, resulting in the restraint of assets valued at approximately \$8m. Finalise 20 matters to a value of \$2m to be forfeited to the state.	<ul style="list-style-type: none"> Obtained 50 restraining orders and restrained assets worth \$11.74m, bringing the total value of assets restrained since the legislation was enacted in January 2003 to \$48.38m; in 2006–07 finalised 26 matters resulting in the forfeiture of \$4.24m in assets to the state.
Produce strategic assessments in relation to cocaine use and distribution patterns.	<ul style="list-style-type: none"> Produced a detailed strategic assessment identifying the extent of the cocaine market in Queensland and determining the level of risk posed by that market. The report for law enforcement agencies was finalised in June 2007. A more general Crime Bulletin will be released publicly later in 2007.
Deliver Human Source Operations (HSO) courses.	<ul style="list-style-type: none"> Delivered four HSO courses; three were joint CMC–ACC (Australian Crime Commission) courses for officers of both agencies; the fourth was a Misconduct-specific course for CMC Misconduct officers.
Report on the prevalence and patterns of illicit drug use among emergency room patients.	<ul style="list-style-type: none"> Surveyed 1200 patients in 2005 and entered data into a database; these will be analysed and a public report published during the next reporting period.
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.	<ul style="list-style-type: none"> Drafted a report on the 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.
Publish research findings on trends in the general population regarding the use of illicit drugs.	<ul style="list-style-type: none"> Our report, <i>Illicit drug use in Queensland: a survey of households 2002–05</i>, was released in February 2007.
Review the recommendations of the 2003 report <i>Seeking justice: an inquiry into how sexual offences are handled by the Queensland criminal justice system</i> .	<ul style="list-style-type: none"> Sought and received submissions concerning the implementation of recommendations in the <i>Seeking justice</i> report. The report of the review will be published during the next reporting period. See 'Engaging in public policy', page 50.
Take part in a coordinated, cross-government sexual victimisation prevention program for Indigenous children.	<ul style="list-style-type: none"> The Child Safety Directors Network has now sponsored this program. We continue to work with the network to progress the project.
Continue to promote the advantages of electronic court briefs for complex criminal issues.	<ul style="list-style-type: none"> Made progress in configuring database, with identification of original information sources, interaction between information, automatic population of interrelated information, and manipulation of data for brief preparation finalised to date.

Table 2 summarises the crime referrals to the CMC that were current during 2006–07. Table 3 details the use of our powers in investigations into organised crime, criminal paedophilia, serious crime and counter-terrorism.

Table 2. Referrals from Crime Reference Committee current or completed in 2006–07

Referral	Date	Status	Type	Description
Abina	Feb. 2003	Completed	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 offenders 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 Laurel	Feb. 2004	Current	Serious crime	Murder
Bravo Settler	Apr. 2006	Current	Serious crime	Multiple murders
Bravo Vada	Dec. 2004	Completed	Serious crime	Murder
Caviar	Nov. 2002	Reopened	Serious crime	Murder
Charlie Caravan	June 2005	Completed	Serious crime	Attempted murder
Charlie Caribou	Mar. 2005	Completed	Serious crime	Attempted murder
Charlie Dove	Dec. 2005	Completed	Organised crime	Fraud
Charlie Raze	June 2005	Completed	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	Oct. 2006	Completed	Serious crime	Suspected unlawful homicide
Delta Note	April 2005	Completed	Serious crime	Unlawful killing
Diehard	Jan. 2006	Current	Serious crime	Fraud
Distant Thunder	Feb. 2007	Completed	Serious crime	Rape
Echo Praise	Feb. 2007	Current	Serious crime	Unlawful killing
Foxtrot Crest	June 2007	Current	Serious crime	Suspected murder
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	Reopened	Serious crime	Murder
Hydra	Dec. 2006	Current	Serious crime	Criminal activity by outlaw motorcycle gang members or associates
Ink	Oct. 2003	Completed	Serious crime	Murder
Napier	Sept. 2002	Current	Serious crime	Suspected murder
Samian	Feb. 2001	Reopened	Serious crime	Murder and rape
Tiber	Nov. 1998	Current	Serious crime	Murder

Table 3. Use of CMC powers for major crime investigations, 2005–06 and 2006–07

Description	Organised crime		Criminal paedophilia		Serious crime		Counter-terrorism	
	2005–06	2006–07	2005–06	2006–07	2005–06	2006–07	2005–06	2006–07
Hearing days	26	51	3	–	75	28	–	2
Notices to attend hearing	28 issued 25 served	58 issued 48 served	3 issued 3 served	– issued – served	88 issued 84 served	49 issued 24 served	– issued – served	2 issued 2 served
Witnesses legally represented	3	20	1	–	12	3	–	1
Witnesses who applied to the Attorney-General for financial help	–	2	–	–	1	5	–	–
Witnesses giving evidence	23	44	3	–	66	21	–	2

Note: 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.

Organised crime

We bring wide-ranging expertise and resources to the investigation and prevention of organised crime in Queensland, which we undertake in partnership with other law enforcement agencies.

Investigative priorities are based on a risk-assessment method according to the threat that 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, with a view to dismantling and disrupting organised crime networks and preventing crime. This entails not merely convicting key individuals, but financially incapacitating the networks by confiscating crime-related assets.

Our organised crime investigations resulted in 88 arrests and 313 charges laid during 2006–07 (see Tables 4 and 5) and included the dismantling of two major organised crime syndicates. See page 24 for more detail.

Table 4. Organised crime investigations 2006–07

Operations	Arrests	Charges laid	Drug seizures (\$)	Notices to produce	Assets restrained	Hearing days	Witnesses
Alpha Submission Barrier	2	14	–	–	–	–	–
Alpha Washington	–	–	–	–	–	17	12
Danson	38	101	162 340	6	–	2	1
Diehard	1	2	–	–	–	3	2
Echo Prawn	2	5	–	–	–	5	5
Echo Slam	4	30	–	–	–	4	3
Foxtrot Condense	–	–	–	–	–	11	13
Navan	16	78	–	1	\$0.38m	–	–
Sabre	13	64	29 350	19	\$0.765m	–	–
Shock	6	6	–	–	–	2	4
Smoke	6	13	15 000	3	–	7	2
Total	88	313	206 690	29	\$1.145m	51	42



The CMC's Egret Team investigates internet paedophilia. Pictured here are team members Inspector Sue Dawson and Detective Senior Sergeant Carey Stent.

Criminal paedophilia

In investigating criminal paedophilia we focus on the niche areas of networked or recidivist extrafamilial child-sex offenders, and 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. It comprises four police officers, an intelligence analyst, an assistant intelligence analyst and a lawyer, and its work is supported by forensic computing, technical, surveillance and other investigative resources within the CMC.

We strive to stay abreast of new technologies for investigating online child exploitation, which makes it possible to target paedophiles operating through internet chat rooms and other media.

During 2006–07 our paedophile investigations resulted in the arrest of 16 people and the laying of 40 charges (see Table 5). This included several arrests using innovative methodologies, and the first arrest by the CMC of an offender for procuring a child aged under 12 years. See page 25 for more detail.

Table 5. Arrests and charges in 2006–07

Type	Offenders	Charges
Organised crime	88	313
Paedophilia	16	40
Serious crime	1	1
Terrorism	–	–
Total	105	354

Serious crime

The CMC helps police with serious crime investigations that have not resulted in sufficient evidence to enable prosecutions with reasonable prospects of success. In addition to receiving three new referrals for investigation, we were involved during 2006–07 in investigations arising from an old referral. Operation Abina was referred several years ago but new developments led us to revive this referral and hold further hearings during the year. As a result, the main suspect was charged with one count of murder.

Table 6. Serious crime hearings 2006–07

Operation	Hearing days	Witnesses	Offences
Abina	1	2	Murder
Bravo Settler	24	15	Murder
Delta Fluid	1	1	Suspected unlawful homicide
Distant Thunder	2	3	Rape
Totals	28	21	

Terrorism

As for other types of major crime, we are able to use our special powers (particularly the hearings power) to assist in the investigation of terrorist threats and terrorist-related activity in Queensland. 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. In 2006–07, following an urgent request for assistance from the QPS, we were able to immediately institute hearings in relation to a suspected terrorism-related incident. See pages 24–25 for more detail.

Strategic intelligence

Our Strategic Intelligence Unit monitors various crime markets in Queensland to identify emerging trends or changes in threat levels. We take a multidisciplinary approach which integrates strategic intelligence, research and financial investigation.

We share relevant intelligence with other agencies and, where appropriate, with the public. We also produce 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. These findings set our investigative priorities.

Significant activities this year included the following.

- During 2006–07 the CMC completed an assessment of the cocaine market in Queensland, which identified current trends and issues for cocaine use and determined the status of the market in Queensland. The report found minimal expansion in the Queensland cocaine market over recent years, with the most prevalent areas for cocaine activity being south-east Queensland and, to a lesser extent, Cairns. Demand for cocaine outstrips supply, suggesting the market is supply driven.

The assessment also found the market is limited by the comparatively high price of cocaine, as against other illicit substances, and sporadic availability. The CMC assessed the cocaine market as a 'medium' risk in Queensland. This risk level is likely to remain static in the short term but may increase in the next three to five years, and for that reason we will continue to monitor the market closely.

- CMC officers prepared a submission to, and gave evidence before, the Parliamentary Joint Committee Inquiry on the Australian Crime Commission's Inquiry into Future Trends in Serious and Organised Crime in Australia. Apart from strategic reporting, we respond regularly to requests from the ACC for contributions to their strategic assessments of organised crime matters of national importance.

Target development

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 Australian Federal Police (AFP) and other interstate agencies.



Our Strategic Intelligence staff monitor crime markets in Queensland. Pictured are Director, Intelligence, Chris Keen and Executive Assistant Robyn Nuttall.

- During 2006–07 a number of organised crime matters were referred by the CMC to agencies, including the QPS, primarily for intelligence purposes. Information reports were also uploaded to the Australian Criminal Intelligence Database to enhance intelligence sharing across Australian law enforcement agencies.

Human source program

An important investigatory and intelligence tool 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 provide specialised training for our officers. Our successful Human Source Operations (HSO) course, developed and run in partnership with the ACC, has been presented 15 times since it began in 2002 – most recently in March 2007. The course has attracted the interest of a number of police services from other jurisdictions.

In October 2006, we provided HSO courses tailored specifically to the CMC's Misconduct function.

Research and prevention activities

Within the Crime program, research focuses particularly on:

- illicit drug use
- crime prevention.

Illicit drug use

Given the relevance of illicit drug use to law enforcement activities, strategic research and policy development, we undertake a range of monitoring activities to assess illicit drug use in Queensland. These monitoring activities include both independent and collaborative research activities. For example:

- A detailed overview of current and changing drug-use patterns, *Illicit drug use in Queensland: a survey of households 2002–05*, was published in February 2007. Population-level information from a sample of approximately 13 000 Queenslanders in 2002–05 was compared with survey results of other populations.



- In December 2006 we published a report focusing on law enforcement and health-related aspects of the Queensland amphetamine market. *Profiling the Queensland amphetamine market* provides evidence that law enforcement strategies do affect the dynamics of the amphetamine market, and that there are benefits and limitations to both demand- and supply-reduction strategies.

The report builds on a 2002 study (Amphetamines in Queensland I, or AIQ I), which will be repeated in 2007–08 by Queensland Health to assess any changes in the characteristics, usage patterns, behaviours and socio-economic environment of amphetamine users in the



intervening period (AIQ II). The CMC has participated on the reference group for the study and will receive a copy of the dataset for future analysis and report writing.

- We conducted data analysis and reviewed relevant literature for a major report on the use of alcohol and illicit drugs among emergency department attendees. Data for the project is drawn from an initial study in 2002, undertaken with the Queensland Alcohol and Drug Research and Education Centre (QADREC), and a later comparative survey, undertaken with QADREC and the Australian Centre for Pre-hospital Research. The report will be released in 2007–08.
- We had continuing involvement in the national drug research project conducted by the Australian Institute of Criminology (AIC), and referred to as DUMA. Using data collected quarterly from detainees in police watch-houses, we worked on a report which will identify trends in illicit drug use among watch-house detainees in Queensland between 1999 and 2005, as well as provide state comparisons with New South Wales, Western Australia and South Australia for 2004–05. The report will be published in 2007–08.
- In September 2006 we were invited to collaborate with the AIC on a project to assess the rates of recidivism (charges and convictions) among male inmates who participated in the DUCO (Drug Use Career Offending) study conducted by the AIC in 2001. The project has the potential to deliver a unique recidivism study, with vital information about the links between illicit drug use and criminal careers amongst a sample of Queensland prisoners.
- In 2007 we submitted a successful partnership bid with Queensland Health and QADREC to the Australian

Research Council to conduct a longitudinal study of 400 young amphetamine users in south-east Queensland over a period of two years. Unlike previous studies, this study will focus on amphetamine users who have not had contact with health services or law enforcement agencies, and will assess the impact of such contact on their drug use patterns and attitudes towards drug use. The project aims to produce informed, evidence-based policies and practices for addressing amphetamine uptake and use, health-service approaches, and law enforcement strategies.

Crime-prevention programs

- We have completed preparation of a major report, to be published early in 2007–08, which studies the relationship between the negative early life experiences (e.g. sexual victimisation) of 480 offenders serving community supervision orders and their experiences and outcomes later in life (e.g. education, employment, crime). A Research and Issues paper will also be published.

Based on a 2003–04 study, these reports will provide, for the first time, comprehensive information about the lives of offenders serving community supervision orders in Queensland. The results suggest that there may be considerable benefits associated with early intervention and treatment strategies that aim to 'break the cycle' of both victimisation and offending.

- We assisted the Child Safety Directors Network to design an early intervention and prevention program to address sexual abuse among Indigenous children. The focus of the program will be a school-based education program that aims to encourage the disclosure of sexual abuse. The program is based on the findings of research conducted for a CMC Research and Issues paper (no. 5) called *Child-focused sexual abuse prevention programs: how effective are they in preventing child abuse?*
- The CMC's Egret Team regularly conducted internet safety lectures for high school students and their parents. These lectures promote safe internet use by children and increase parental awareness of the potential dangers for children and how to safeguard them.

Law enforcement partnerships

To combat major crime, which crosses state and national boundaries, we forge enduring strategic partnerships with a wide range of other agencies. We maintain regular liaison with state, federal and international law enforcement agencies, participate in state and national law enforcement

forums, and share intelligence and operational resources to achieve significant results.

We also engage with other key agencies such as Queensland Corrective Services, the Australian Transaction Report and Analysis Centre (AUSTRAC), the New South Wales Crime Commission, and other interstate law enforcement agencies. In particular, we often seek to involve national and interstate law enforcement agencies that have the capacity, not presently available to Queensland law enforcement agencies, to intercept telecommunications between suspected criminals.

CMC partnerships with state and national agencies

The CMC actively collaborates with many state and national law enforcement forums including:

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

Proceeds of crime

Through our Proceeds of Crime staff, the CMC works to remove the financial incentive for crime by identifying and recovering assets gained through illegal activity. We undertake proceeds of crime restraint and forfeiture action in relation to criminal activity investigated by us and by other law enforcement agencies.

The CMC has responsibility for administering the civil confiscation scheme under the *Criminal Proceeds Confiscation Act 2002*. 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.

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, 50 proceeds of crime restraining orders were obtained, restraining assets valued at \$11.74 million, which well exceeded our target of \$8 million for the year.

- Since 1 January 2003, when this Act came into operation, \$48.38 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.
- During 2006–07 the CMC finalised 26 matters (exceeding the target by 6), resulting in \$4.24 million being forfeited to the state. The making of a restraining order by the Supreme Court represents the initial step in confiscation proceedings under the civil confiscation scheme. As with any other form of litigation there is a time lag between the initiation of proceedings and the final determination.
- Additional funding has been provided in the CMC 2007–08 budget allocation to enable recruitment of additional staff to meet expanding workloads.

Table 7, showing proceeds of crime data since this Act commenced on 1 January 2003, illustrates the progressive increase of restrained and forfeited funds through activity by the CMC and partner agencies.

Table 7. Proceeds of crime comparative data

	2002–03 (half year)		2003–04		2004–05		2005–06		2006–07		Total
	Number	Amount (\$m)	Number	Amount (\$m)	Number	Amount (\$m)	Number	Amount (\$m)	Number	Amount (\$m)	Amount (\$m)
Restraining orders	10	7.12	33	10.55	37	8.09	28	10.88	50	11.74	48.38
Forfeitures/settlements	1	0.02	2	0.77	15	1.62	25	2.00	26	4.24	8.65



Since the Criminal Proceeds Confiscation Act came into operation in January 2003, we have restrained a total of \$48.38 million in assets.

Emerging technology

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 has responded by continual training of its staff and enhancement of its technical capabilities, together with its pursuit of telecommunications interception powers.



Emerging trends in crime require the CMC to maintain a high level of technical sophistication.

In 2006–07, the CMC developed further capability in applying new technology to the production of complex briefs, particularly in relation to organised crime investigations where briefs can consist of thousands of pages of evidence and hundreds of exhibits. We started producing briefs in electronic form, thereby reducing their volume dramatically. We continued to contribute on the reference group established to assist the Office of the Director of Public Prosecutions (ODPP) Case Management System Project in relation to technical and operational matters.

The continual adoption of time-saving technology is crucial to the CMC's commitment to preparing high-quality court briefs in joint agency investigations.

Major crime case studies 2006–07

Investigative hearings

The CMC's Crime Reference Committee may refer major crime to the CMC for investigation at the request of the Commissioner of Police where:

- the QPS has carried out an investigation that has not been effective
- further investigation is unlikely to be effective using powers ordinarily available to police officers
- it is in the public interest to do so.

The purpose of referral is so that the CMC may use its coercive hearings power to require witnesses to attend closed hearings and be examined on oath. Legal mechanisms are available to enable the CMC to require a witness to answer questions even where the answers would normally tend to incriminate the witness.

The CMC's hearings power can be particularly useful in obtaining evidence from witnesses who have themselves been involved in criminal activity. Accordingly, they may be reluctant to disclose information relevant to the offence under investigation because to do so would expose them to the risk of prosecution for their own criminal conduct.

The CMC held investigative hearings over 81 days between 1 July 2006 and 30 June 2007, to which 67 witnesses were called. These hearings were held in connection with 13 major crime investigations, including unsolved murders, rape, fraud, drug trafficking, dealing in stolen goods, and suspected terrorist activity. Examples include:

- 15 witnesses were examined over 24 days in relation to an ongoing multiple murder investigation, resulting in significant additional information being obtained
- 12 witnesses were examined over 17 days in relation to an ongoing fraud investigation involving \$6 million, culminating in several of the persons involved making full admissions of their involvement in the alleged conspiracy and implicating others.

Organised crime

Operation Danson

This operation evolved as a CMC major crime investigation targeting, conjointly with the ACC and QPS, drug trafficking in south-east Queensland. During an earlier investigation, the supplier of methylamphetamine to the targets was identified as a senior member of a south-east Queensland chapter of an outlaw motorcycle gang. Operation Danson was developed to target this person and his associates, resulting in the dismantling of this network.

Various forms of electronic surveillance combined with physical surveillance identified that the target was supplying substantial quantities of drugs to Queensland-based customers as well as being involved in interstate drug trafficking and distribution.

In July 2006 the NSW Police Force agreed to the proposal for a joint task force targeting the NSW and south-east Queensland chapters of the gang. The NSW Crime Commission agreed to provide telecommunications interception on identified targets. A memorandum of understanding was formulated, the CMC and the NSW Police Force exchanged investigation plans, and the covert phase of the operation continued to gather intelligence and evidence. That phase was closed in February 2007.

At 30 June 2007 the total number of offenders arrested was 38, facing 101 charges including 21 of trafficking in a dangerous drug and 17 of supplying a dangerous drug.



Drug-making equipment seized during a crime operation.

Operation Sabre

This operation concentrated on a suspected European ethnic-based drug syndicate, and successfully dismantled it.

The CMC's interest in this network arose out of the execution of a search warrant by members of a regional CIB unit in March 2005. The subject of the warrant had previously been convicted and imprisoned in relation to drug-trafficking charges.

The search was initiated after credible information was received suggesting the individual was involved in trafficking heroin in the greater Brisbane area. It also appeared that the target was a 'cook' and had an associate who was linked to a business based in Melbourne and Brisbane. Intelligence received through the use of covert surveillance confirmed that the target and his associates were engaging in drug trafficking.

Staff finalised the target profiles and closed the covert phase of the operation in March 2007. A total of 13 offenders were arrested on 64 charges including 13 trafficking charges and 34 charges of supplying a dangerous drug.

Terrorism

Operation Echo Sherlock

This operation demonstrated the CMC's ability to respond rapidly to a QPS request for assistance in a counter-terrorism investigation.

In November 2006, a confidential report was received by the QPS from a member of the public who suspected that a male person might be engaged in terrorist activities. The person of interest with respect to this investigation entered Australia via Sydney International Airport under a United Kingdom passport on a three-month tourist visa. Inquiries conducted with Interpol indicated he was criminally recorded in the United Kingdom.

On a Sunday in November, following an urgent request for assistance from the QPS, the Assistant Commissioner, Crime determined to commence this investigation under the umbrella referral. On the same day we applied to the Supreme Court for approval to issue an immediate attendance notice to a witness. The approval was granted, and an immediate notice was issued and served on the witness, who was called before a CMC hearing later that day. Another witness was called to a hearing later in the same week.

The hearings were highly useful in providing a forum in which the suspects could be debriefed (despite claims of self-incrimination) as to their recent suspicious activities.

In the event, no cogent evidence of terrorist-related planning emerged, and it appeared that the person of interest's suspicious activities were related to his involvement in international credit card fraud.

Several days after his attendance at the CMC, the suspect was sentenced in the Southport Magistrates Court in respect of a tainted property charge and immediately deported to the United Kingdom.

The CMC will continue to maintain a high state of readiness to engage in terrorism-related investigations.

Criminal paedophilia

CMC investigations have been very effective in targeting persons who possess and distribute 'high end' child exploitation material, particularly highly graphic material. Several of the offenders were identified as possessing extensive libraries of child exploitation material, including encrypted hard drives/discs to prevent location and prosecution.

In February 2007, investigators executed a search warrant on an offender in relation to online chat investigations. He undertook a record of interview, during which he made full admissions to exposing girls of 11 and 12 years respectively (in reality, covert police operatives) to indecent matter and procuring to engage in a sexual act. This offender was the first arrested by the CMC for procuring/exposing a child under the age of 12 years; where the child concerned is under 12 years (or believed by the offender to be a child under 12 years), the offender is liable to an increase in penalty from five years' to 10 years' imprisonment.

In addition to these operations, presentations were delivered by Egret Team members to QPS Detective Training and the QPS Child Protection Investigation Unit training courses. Numerous lectures on internet safety and cyber bullying were also presented to a number of secondary schools and community agencies in the Brisbane area.

Proceeds of crime

Restraining orders

Following large cash seizures by police in two investigations, CMC proceeds of crime officers obtained restraining orders over property valued at approximately \$2.8 million.

The first matter resulted in restraining orders on property valued at \$1 million, including \$564 000 in cash seized from a Toowoomba storage shed. The second matter resulted in restraining orders over property valued at \$1.8 million following the seizure of \$668 000 cash buried at a Townsville address.

Settlements

State of Queensland v. Brown. This long-running matter arose from a joint ACC/QPS investigation into organised criminal activity in south-east Queensland. Property valued at \$800 000 was initially restrained in 2003 and was finally resolved in July 2006 with forfeiture to the state of property valued at \$710 000.

State of Queensland v. Wallace. This matter arose from a QPS investigation in North Queensland which culminated in the arrest of the respondent on serious drug charges. A restraining order over all of the respondent's property was made in July 2006 and was settled in February 2007. The settlement terms will see property valued in excess of \$700 000 forfeited to the state.

ACC/QPS Operation Charlie Thatch. During 2006–07 settlements were reached with a number of parties arrested as a result of a protracted ACC/QPS joint investigation into large-scale drug production and trafficking in Far North Queensland. The settlements reached have resulted in the forfeiture to the state of property valued at almost \$700 000.

Outlook 2007–08

In 2007–08 we will:

- 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 45 restraining orders under the *Criminal Proceeds Confiscation Act 2002*, resulting in the restraint of assets valued at approximately \$10 million.
- Finalise 20 matters to a value of \$4 million to be forfeited to the state.
- Continue to produce assessments of organised crime markets.
- Continue to deliver Human Source Operations courses.
- Undertake crime–prevention projects especially in relation to drugs and criminal paedophilia.
- Continue to produce a range of strategic intelligence reports, including strategic assessments, crime bulletins, digests and briefing papers.
- Implement amendments to the Chapter 2 (Confiscation without conviction) provisions of the Criminal Proceeds Confiscation Act as a result of the review of the Act.
- Continue to monitor trends in the use of illicit drugs.
- Continue to produce research reports and papers on crime–related issues.
- Continue to promote the advantages of electronic court briefs for complex criminal cases.



Reducing misconduct and improving public sector integrity

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

The Project Verity team, working with the police to strengthen integrity. (Left to right) Inspector Geoffrey Kreutzer; Senior Legal Officer Hilary Fisher; Assistant Director, Complaints Services, Robert Walker; and Director, Complaints Services, Helen Couper.

‘We strive to make sure that people can have confidence in their public agencies’

Stephen Lambrides
Assistant Commissioner, Misconduct



The CMC's Misconduct functions under the Act are to raise standards of integrity and conduct in the Queensland public sector, and ensure that any complaint which involves, or may involve, misconduct is dealt with appropriately.

At a strategic level we work closely with public sector agencies, including the QPS, to strengthen the culture of integrity, and we take a lead role in building their capacity to prevent and deal with misconduct. We also work with integrity agencies such as the Queensland Ombudsman and the Queensland Audit Office to achieve our aims.

We receive and assess complaints about misconduct and monitor how agencies deal with them. In the most serious cases, we conduct independent investigations ourselves. In handling complaints and investigations, we identify systemic or procedural weaknesses and advise agencies how to address them.

We also undertake specialised research into both the police and the public sector as part of the continuous improvement process.

Our jurisdiction covers misconduct within the Queensland public sector including the QPS, departments, statutory authorities, universities, local governments, courts and prisons. 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.

Overall performance 2006–07

Indicator	Performance
Matters assessed	3565
Matters referred to relevant agency	2891
Matters investigated	107
Research, prevention and intelligence projects completed	10
Capacity-building and monitoring projects undertaken	23
Disciplinary/criminal charges recommended	87
Number of reports tabled in parliament	1
Number of regional visits	4
Number of liaison officer meetings	2
Cost for output	\$20.052m

Our plan in 2006–07

In our Strategic Plan 2006–10, we adopted 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.
- Undertake effective monitoring of misconduct management in public sector agencies.
- 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.
- Incorporate planned communication strategies in all misconduct operations and projects.
- Determine and implement supporting technology solutions.

In fulfilling these responsibilities in 2006–07, we focused particularly on:

- investigating serious misconduct
- receiving and assessing complaints about misconduct
- monitoring how public sector agencies handle misconduct
- helping public sector agencies build their capacity to prevent and deal with misconduct
- researching police methods and practices.

Following a review over the last two reporting years, the CMC restructured its Complaints Services area into one integrated team with two programs: a police program and a public sector program.

Reporting in this chapter focuses first on the CMC's Misconduct functions and overall performance, and then on performance relating to continuous improvement of the police service and the public sector respectively.

Case studies of significant police and public sector misconduct investigations are presented at the end of the chapter.

Table 8 outlines our overall performance in 2006–07 against the outlook in last year's annual report.

Table 8. Performance 2006–07 against outlook in last year’s annual report

Last year we said we would:	In 2006–07 we:
Assess an estimated 4100 matters.	Assessed 3565 matters. There was a decrease of 8 per cent in the number of complaints received by the CMC compared with 2005–06.
Finalise an estimated 110 misconduct investigations.	Finalised 107 misconduct investigations.
Undertake 10 research, prevention and intelligence projects.	Completed 10 research, prevention and intelligence projects.
Conduct audits of complaints dealt with by six agencies, and/or conduct quality assurance reviews.	Developed a compliance review and audit evaluation system/CMC compliance model. Conducted five public sector audits and one QPS audit. Commenced quality assurance reviews of three agencies.
Review individual complaints dealt with by the QPS and by other public sector agencies.	Reviewed 206 complaints identified as warranting specific monitoring at the time of assessment. As part of the audits conducted, reviewed 357 other complaints.
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.
Implement ‘section 40’ directions for local government councils.	Commenced work on the development of the ‘section 40’ directions in consultation with councils and the Local Government Association of Queensland (LGAQ). The project is temporarily in abeyance pending the outcome of local government reform.
Undertake 16 capacity-building and monitoring projects.	Completed 23 capacity-building and monitoring projects.
Examine the QPS misconduct complaints management system.	Developed, in conjunction with the QPS Ethical Standards Command, a model for dealing with complaints that devolves enhanced managerial responsibility to the appropriate local level (Project Verity). This is supported by a framework incorporating the monitoring roles of the QPS and the CMC, and a consensual short-form disciplinary hearing process for a six-month trial in a QPS region, commencing July 2007.
Undertake major prevention system reviews as needed to address specific or generic misconduct risks that are identified in public sector agencies.	Reviewed the implementation of the 110 recommendations made in the CMC’s January 2004 report, <i>Protecting children: an inquiry into abuse of children in foster care</i> (see page 50).
Review the CMC’s Indigenous Engagement strategy.	Continued a review of CMC strategies 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.	Collaborated with five universities and 13 other industry partners to national develop the research methodology, distribute multiple questionnaires and collect data during the second year of this three-year project.
Continue to provide misconduct-prevention advice and assistance to public sector agencies on issues of concern identified by them.	In response to agency requests, provided misconduct-prevention advice or resources to state and local government agencies on 73 occasions. Delivered 21 presentations (conference lectures, seminar presentations, workshops and training sessions) on misconduct-prevention topics.
Develop more capacity-building advisory papers on such topics as sponsorship and outside employment.	Released advisory papers on outside employment for public officials, public-private partnerships, sponsorship management, public records management, and ethics, probity and accountability in procurement.
<p>Continue to raise community awareness of public sector integrity issues through:</p> <ul style="list-style-type: none"> • providing useful information to stakeholders on the CMC website • increasing public availability of investigative and prevention reports • participating in community activities such as NAIDOC Week. 	<p>Continued to maintain and update the misconduct-prevention section of the website.</p> <p>Made reports available on website and in hard-copy form.</p> <p>Participated in NAIDOC Week activities in four regional centres.</p> <p>Made a number of public presentations on misconduct prevention.</p>

Overall misconduct functions

Complaints received and assessed

Complaints about possible misconduct come to the CMC primarily from CEOs within the public sector, the Police Commissioner and the general public.

The number of complaints we received this year, compared with last year, decreased by 8 per cent. This followed a sharp increase between 2001–02 and 2004–05 and a decrease last year (see Figure 2). Historically, this pattern of increasing and decreasing complaint levels is quite common. Given the increasing Queensland population, and greater awareness about misconduct 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.

- We received almost 3600 complaints, compared with just under 3900 in the previous year (a complaint may consist of more than one allegation).
- Despite the large number of complaints, we assessed 92 per cent within four weeks, exceeding the target of 85 per cent that we had set ourselves.
- Figure 3 gives a general breakdown of allegations received (9146), by the type of agency they related to. The largest proportion (57 per cent) related to police.
- As in 2005–06, 'assault' was the most common allegation made against police (Figure 4).
- Most allegations made against other public sector officials were in the 'official conduct' category (Figure 5).
- '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 6).

- Of the complaints we received: 17 per cent were assessed as not requiring any further action by us or anyone else; 2 per cent were investigated by us; 81 per cent were referred to the relevant agency for handling (Figure 7), with the agency dealing with many of these matters through management action rather than investigation. Of this 81 per cent, we reviewed 8 per cent.
- This means that of the 83 per cent of matters that we considered warranted further action, we were involved in over 10 per cent by way of investigation or review.

Monitoring of agencies

All government agencies, including the QPS, should take responsibility for the conduct of their own officers and for dealing with the deficiencies in workplace standards and/or practices that allow misconduct to occur. However, the manner in which an agency handles a complaint may be the subject of a CMC review at any time. We monitor how public sector agencies, including the QPS, deal with misconduct in a variety of ways:

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

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

Figure 2. Complaints received between 1990–91 and 2006–07

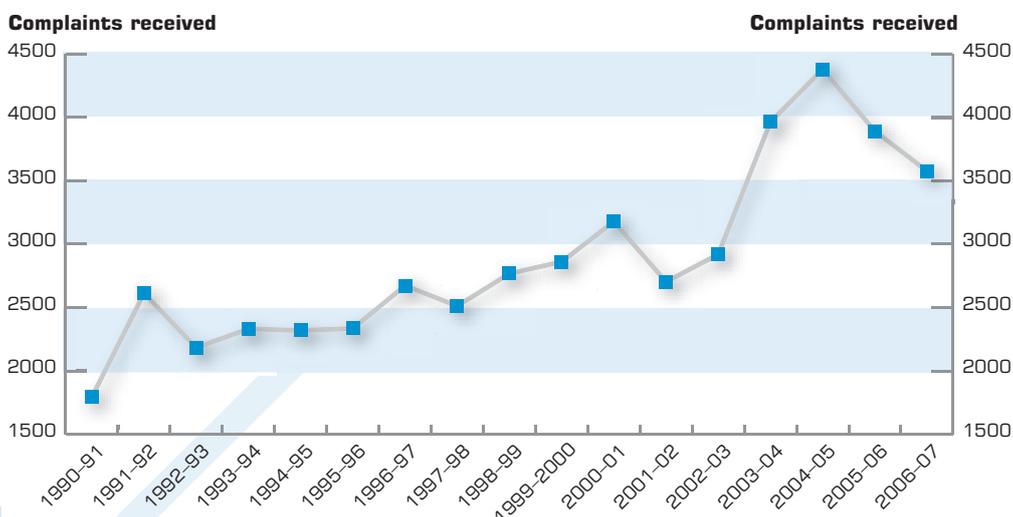


Figure 3. Allegations by agency, 2006-07

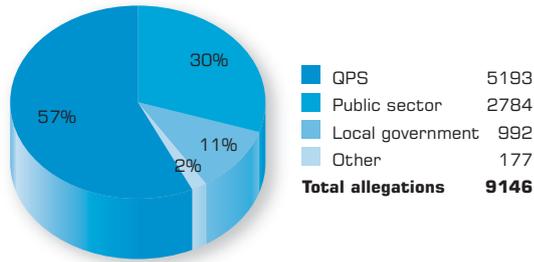


Figure 4. Types of allegations — QPS

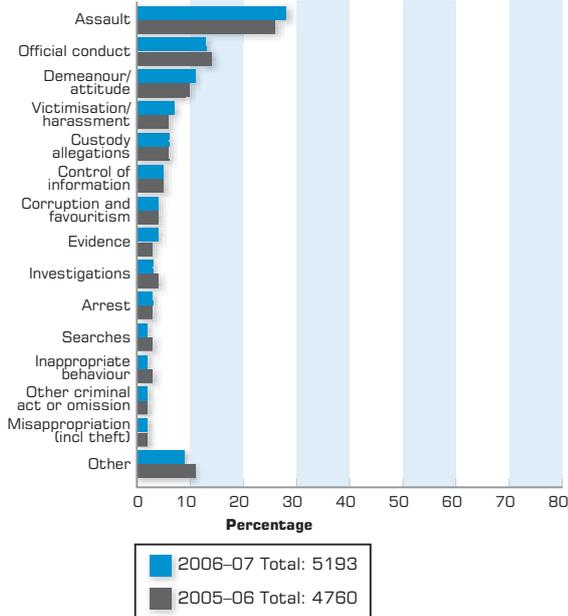


Figure 5. Types of allegations — public sector

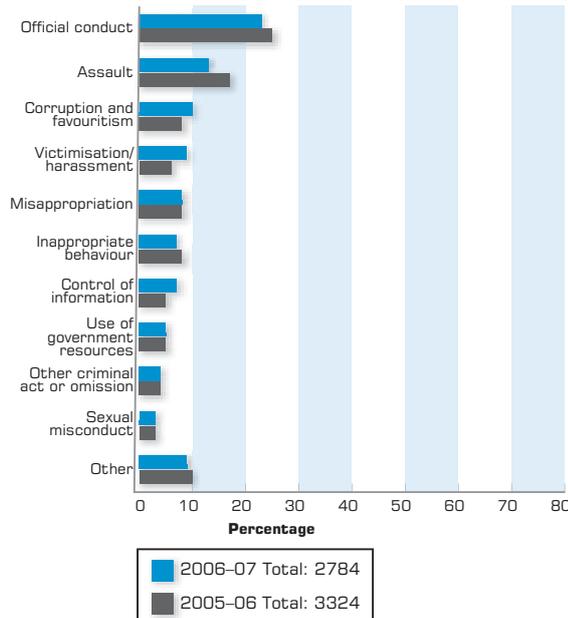


Figure 6. Types of allegations — local govt

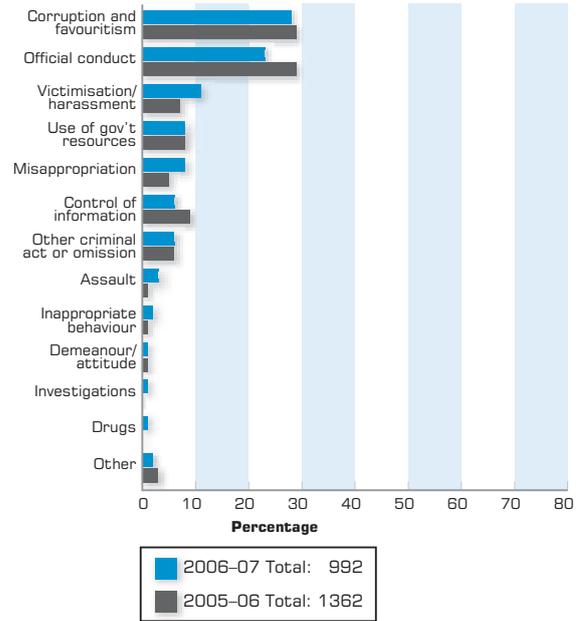
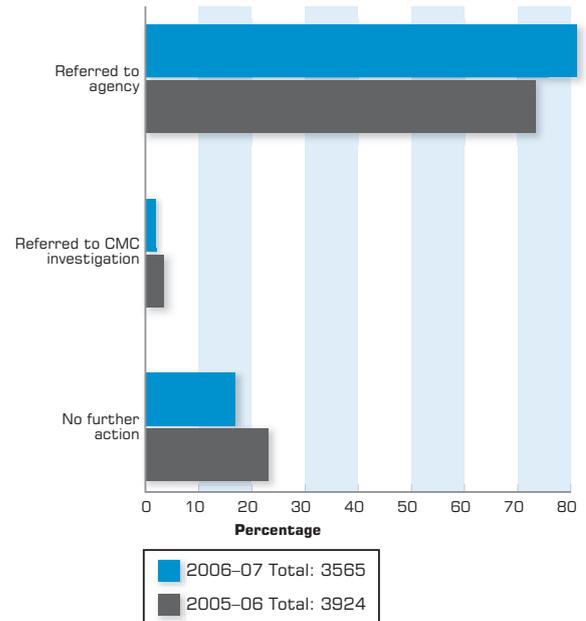


Figure 7. Assessment outcomes



Individual complaints reviewed

- This year we reviewed 206 individual complaints dealt with by agencies including the QPS (i.e. complaints identified as warranting specific monitoring at the time of assessment). We found the vast majority of these matters to have been dealt with appropriately by the relevant agency. We had some concern about the standard of the investigation in only 17 per cent of cases and made recommendations to the agencies concerned to address the shortcomings.

Complaints not reviewed

- In relation to complaints referred to agencies to deal with that have not been subject to individual review by the CMC, we request information about the manner in which they have been handled and their outcomes. This year we collected such information about 2154 complaints.
- Analysis revealed that no further action was taken by the relevant agencies in 15 per cent of the complaints referred to them; in 54 per cent of cases the original complaint was not substantiated, though some action may have been taken to resolve it; and in the remaining 31 per cent of cases some disciplinary or other action was taken in relation to the original complaint/allegation.

Misconduct investigations

We concentrate our efforts on matters such as major fraud within government agencies, police corruption and sensitive political matters. Our investigations benefit from our specialised resources in intelligence, financial analysis and forensic computing.

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 police or a politician.

We use proactive and covert investigative techniques in our pursuit of corruption and other serious misconduct. Covert techniques include the use of physical and electronic surveillance and search warrants. In addition, we can use our special powers, including the power to compel people to attend hearings. In 2006–07, a total of 121 'notices to attend' were issued, a substantial increase when compared with the number of such notices issued in each of the previous five years. The exercise of various special powers over the past two years is shown in Table 9.

Table 9. Exercise of the CMC's special powers for misconduct investigations, 2005–06 and 2006–07

Power exercised	Act and section	No. of times exercised	
		2005–06	2006–07
Power to enter	CM Act, s. 73	15	3
Notice to discover information	CM Act, s. 75	223	198
Notice to attend hearing	CM Act, s. 82	71	121
Search warrant applications	CM Act, s. 86 PPR Act, s. 68	22	24
Surveillance warrant applications	CM Act, s. 121	–	–

- In 2006–07, we finalised 107 misconduct investigations, including a number of large, complex matters. Figure 8 shows the number of finalised investigations by agency type. This compares with the estimate of 110 finalised investigations for the previous reporting period.
- Of these investigations, 76 per cent were completed within 12 months.
- We recommended criminal or disciplinary charges in 10 of these investigations; in a further two cases we recommended management action.
- A total of 85 charges were recommended as a result of CMC investigations (see Figures 9 and 10).
- Out of these activities, we made a number of recommendations for legislative and procedural reform.

Research and prevention activities

Our handling of complaints and investigations is enhanced by our research and prevention activities. CMC researchers design and conduct surveys, and ensure the validity of statistical analysis. Our misconduct prevention area works with complaints staff and investigators to identify agencies' systemic or procedural weaknesses and advise agencies on how to address these. We also provide ad hoc advice to agencies on request.

Figure 8. Number of finalised investigations

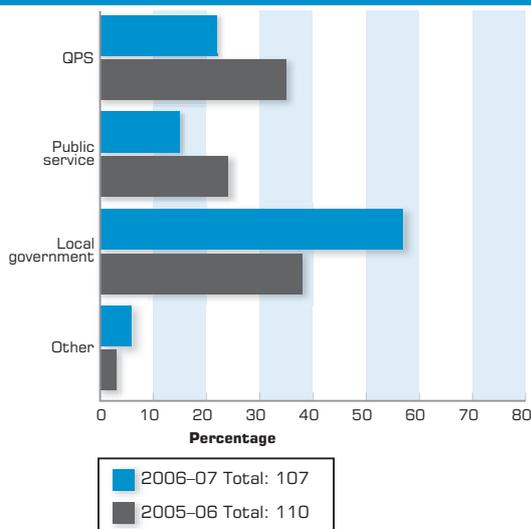


Figure 9. Types of charges

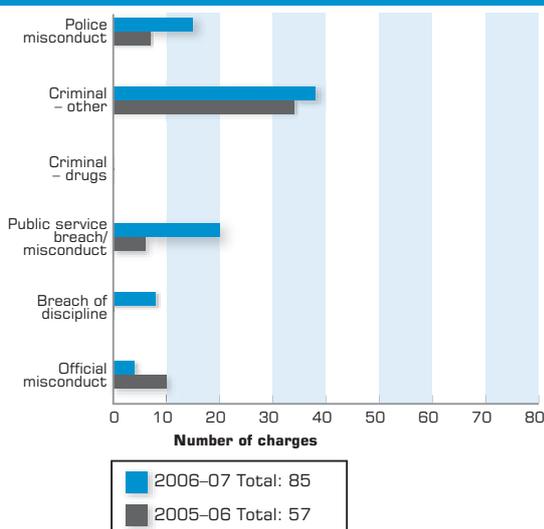
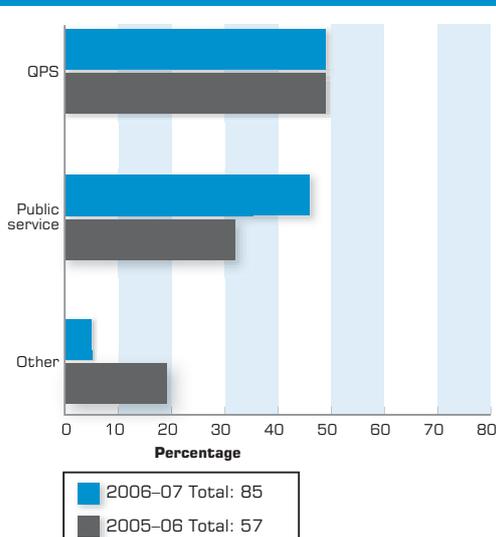


Figure 10. Recommended charges by agency



Continuous improvement of the Queensland Police Service

This section covers complaints against police, monitoring the QPS, capacity building in the QPS, and researching police methods and practice. Case studies of misconduct investigations involving police are presented at the end of the chapter.

Complaints against police

- We received 1887 complaints against the police, a slight increase in comparison with 2005–06 (1780), but a decrease when compared with the number of complaints received in 2004–05 (2101).
- Of the complaints we received: 54 per cent were made directly to the CMC; and 45 per cent were referred by the QPS. Members of the public made 84 per cent of all misconduct complaints against police.
- The number of complaints per 1000 officers was 335. This was a slight decrease on the previous year.
- The major types of allegations were assault/excessive force (28 per cent), official conduct (13 per cent) and demeanour/attitude (11 per cent).

Monitoring the QPS

- In relation to complaints against police, we reviewed 104 individual complaints that we identified as warranting monitoring when we referred them to the QPS. Each review focused on compliance with approved standards and the integrity of the manner in which the complaint was dealt with, giving consideration to the adequacy, impartiality and transparency of any investigative or other resolution processes.
- We also conducted two audits of complaints dealt with by the QPS – one focused on whether the complaints were classified correctly (and reported accordingly to the CMC), and the other on whether particular categories of complaints were dealt with appropriately. The first audit will lead to the development of criteria to ensure a shared understanding of the appropriate classifications. The second audit will result in enhanced assessment and resolution of these types of complaint. In the course of these audits, 262 complaints were reviewed.
- We conducted weekly liaison meetings with officers of the QPS Ethical Standards Command to discuss individual complaints and any emerging trends and issues.
- We produced internal quarterly statistical reports designed to identify any emerging trends and issues at a strategic level.

Capacity building in the QPS

Review of QPS complaints management

This year, we worked closely with the QPS Ethical Standards Command on Project Verity, which recognises the importance of local line managers in promoting positive behaviour and strengthening the culture of integrity.

The first part of Project Verity will see responsibility for dealing with complaints devolved to the appropriate local level. The second part aims to improve the speed and efficiency of the disciplinary process.

Project Verity is to be trialled in a QPS region for six months commencing in July 2007.

We also commenced, in conjunction with the broader CMC Inquiry into Policing in Indigenous Communities (see page 51), a project to develop culturally appropriate, timely and effective ways to deal with Indigenous complaints against police.

Working with Indigenous communities

The CMC engages with Indigenous communities through a range of activities to prevent and deal with police misconduct. These activities include:

- visits to communities by CMC Indigenous liaison officers and Indigenous complaints officers, and ongoing contact
- attendance at a number of significant Indigenous forums, including the Indigenous Police Review and Reference Group, the Community Consultative Committee for Justice Entry Program, and the Brisbane Indigenous Employment Coordinators Network meeting



Assistant Director, Police Program, Complaints Services, Robert Walker keeping up with the demand for CMC materials at NAIDOC celebrations in Cairns.

- informal contacts with the Cultural Advisory Unit of the QPS and Indigenous legal services
- taking part in NAIDOC Week, the national celebration of Indigenous culture, in four regional centres, to make ourselves and our complaint process better known to Indigenous people – in particular, the process for complaints relating to police misconduct.

Researching police methods and practice

The CMC is involved in a wide range of activities relating to police practices, including conducting research into police service methods of operation, police powers and their use, law enforcement by police, and the continuous improvement of the police service.

Some of our activities include:

- monitoring complaints and reporting on issues of concern
- legislative reviews¹
- undertaking inquiries into important issues, such as policing in Indigenous communities²
- program evaluations (either in conjunction with or independent of the QPS) and
- representation on various police-related committees and working parties.

In monitoring complaints, we identify issues of concern which warrant further research or involvement.

- A review of complaints about police-dog bites has been finalised and the resulting report, *QPS dog squad: review of bite incidents and management*, will be released early in 2007–08. The review found a marked decrease in complaints between 1999 and 2006, especially those involving juveniles and multiple bites.
- We received complaints alleging that people in custody were being hooded, and inquiries revealed that the use of spit hoods was being trialled in a watch-house. While we acknowledge the need to ensure the safety of police officers, we expressed some concern about the process initially adopted by the QPS to select and trial particular designs of spit hoods. We raised the issue with the QPS and worked with them to develop and implement a more formal trial and evaluation process. (The spit hood being trialled has opaque close-weave material covering the nose and mouth area, which prevents oral transmission of mucus or saliva.)

1 See our discussion about legislative reviews (e.g. the *Summary Offences Act 2005*) in 'Engaging in public policy', page 52.
2 See our discussion about the public inquiry into policing and Indigenous communities in 'Engaging in public policy', page 51.

- The CMC is working with the University of Queensland (UQ) and Queensland University of Technology (QUT) on a study of interactions between police and young people (15–24 years old) in Queensland, to develop possible strategies for enhancing police–youth relations. The CMC's contribution to the project includes an analysis of complaints to identify the types of interactions that lead to friction between police and young people.
- On 1 July 2007 the QPS commenced a 12-month trial of the use of electro-muscular disruption devices (EMD), better known as Tasers®, in Brisbane and the Gold Coast. This trial is largely a response to the increasing frequency of situations that cannot be effectively managed by the current 'use of force' options available to first-response police officers. In many other jurisdictions, Tasers have been found to provide a safer and more effective alternative to the traditional types of force used by police. The CMC assisted the QPS develop the methodology for the trial of Tasers and is participating in the review.
- A 12-month trial of a revised QPS safe-driving policy incorporating a more restrictive pursuits policy commenced in October 2006. At the invitation of the QPS, the CMC is providing expert advice on a broad array of issues relating to the conduct of the trial. The policy was developed in response to a major CMC study into police pursuits in Queensland in 2003, recommendations from the Queensland Coroner, and an ongoing review of police pursuits by the QPS itself. The evaluation is under way and will be reported on in 2008.

The CMC has worked to develop, implement and evaluate innovative policing practices, such as operational reviews and beat policing.

- At the invitation of the QPS, we assisted in its evaluation of its Operational Performance Review (OPR), a process which aims to improve operational performance and the overall effectiveness of the service. We collected relevant data, consulted widely with the QPS about the progress of OPRs since their inception, and in December 2006 provided a report to the Commissioner of Police entitled *The Operational Performance Review: how senior police perceive the OPR*.
- Since the initial inception in 1993 of two police beats in Toowoomba, beats have been established in over 100 locations statewide. Most recently we evaluated the effectiveness of a police beat established at the Princess Alexandra Hospital. We concluded that the project has achieved a great deal in a short period of time. The report, *The Princess Alexandra Hospital Police Beat: an evaluation by the Crime and Misconduct Commission*, was released in February 2007.

Continuous improvement of the Queensland public sector

This section provides information about complaints against public sector officials, monitoring the public sector, capacity building, and research into the public sector.

Case studies of public service misconduct investigations are presented at the end of the chapter.

Complaints against public sector officials

Complaints against public sector officials, other than local government

- We received 1146 complaints against the public sector, a decrease of 24 per cent since 2005–06 (1517).
- Of the complaints we received: 25 per cent were made directly to the CMC; and 75 per cent were referred by the relevant agency. Members of the public made 49 per cent of all complaints.
- The number of complaints per 1000 officers was 9. This rate varies considerably between the various departments and agencies.
- The major types of allegations involved official conduct (23 per cent), assault/excessive force (13 per cent), and corruption and favouritism (10 per cent).

Complaints against local government officials

- We received 453 local government complaints, a decrease in comparison with 2005–06.
- Of the complaints we received: 46 per cent were made directly to the CMC; and 54 per cent were referred by the relevant agency. Members of the public made 59 per cent of all complaints.
- The major types of allegations about local government officials were corruption and favouritism (28 per cent), and official conduct (23 per cent).

Monitoring the public sector

- In relation to public sector complaints, in 2006–07 we reviewed 102 individual complaints that we identified as warranting monitoring when we referred them to the agency concerned. Each review focused on the same issues as those referred to for police complaints.
- We developed a comprehensive compliance review and audit evaluation system/CMC compliance model which allows us to audit compliance by agencies with the standards for dealing with complaints outlined in our

Facing the facts guide. We can also assess the integrity of the manner in which a complaint is resolved, and the level of capacity of the agency to deal with matters (on a scale from Very Limited to Advanced).

- In the course of these audits, we reviewed 95 complaints.
- The agencies audited demonstrated a high to very high level of compliance with all legislative obligations and standards. Only a small amount of relatively minor noncompliance was detected for some agencies.
- We also commenced the development of a quality assurance model which focuses on an agency's frameworks for compliance with their obligations under the Crime and Misconduct Act, including its policies, procedures and processes, and resources, including staffing and case management systems. We have commenced three quality assurance reviews of significant agencies which have recently completed, or are in the process of, restructuring their framework.
- Any deficiencies in capacity identified in our audits (which were minor) were addressed with the relevant agency.
- We conducted monthly or quarterly liaison meetings with officers of a number of departments, agencies and councils to discuss individual complaints and emerging trends and issues.
- We produced internal quarterly statistical reports designed to identify emerging trends and issues at a strategic level.
- The Chairperson and the Director, Complaints Services visited the CEOs of seven public sector agencies to discuss matters of shared interest, and to provide briefing sheets about complaints and other information gathered through our monitoring processes.

Capacity building in the public sector

Workshops and presentations

Each year in its capacity-building role the CMC delivers presentations throughout Queensland on specific issues pertinent to the groups or agencies concerned.

In 2006–07 these included:

- presentations to management groups of public sector agencies and local governments
- seminars for state and local government agencies
- presentations to local government councillors and staff
- meetings with regional agency officers, local police and other stakeholders such as Indigenous bodies, local legal aid agencies, regional managers' networks and law associations.

Topics included:

- agency obligations under the Crime and Misconduct Act
- practical management of misconduct, based on our *Facing the facts* guide
- identifying and managing conflicts of interest
- managing confidential information.



Facing the facts: a CMC guide for dealing with suspected official misconduct in Queensland public sector agencies provides CEOs with scenarios and real-life advice about their obligation to report and manage suspected misconduct.

Agencies in regional and rural areas, including local councils, face particular difficulties in dealing with and preventing misconduct, 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 assist with these problems, in 2006–07 we conducted regional visits to Charleville, Longreach, Rockhampton and Townsville.

Throughout the year we frequently advised individual agencies on dealing with particular complaints as well as broad-ranging policy and operational issues. A client survey indicated that 75 per cent of agencies surveyed rated our misconduct-prevention services as valuable.

Collaboration with other agencies

- Partnerships with key agencies are essential to the CMC's capacity-building function. We consult, liaise and work cooperatively with many agencies and key stakeholders such as the Integrity Commissioner, the Office of the

Public Service Commissioner (OPSC), Crown Law, the Queensland Audit Office and the Queensland Ombudsman.

- The CMC Chairperson participates in an inter-agency communications committee which strives to help make the complaints systems of key agencies, including Multicultural Affairs Queensland, the Queensland Ombudsman and the Health Rights Commission, more accessible to people from culturally and linguistically diverse backgrounds.
- Our misconduct-prevention officers participated in the Corruption Prevention Network Queensland (CPNQ), including representation on its organising committee. The CPNQ is a network of officers drawn mainly from the public sector with an interest or involvement in misconduct prevention.
- To improve efficiency and optimise available information and resources, the CMC is entering into a number of protocols with various groupings of key public sector agencies with overlapping jurisdictions, such as in the health and child safety sectors.

Resource development

Resources completed or published in 2006–07 include the following:

- a new edition of our *Facing the facts* guide, incorporating further detailed advice on a wide range of issues, based on suggestions from agencies and the CMC's continual review process
- a collaborative publication with Queensland State Archives to assist agencies in managing public records responsibly
- papers in our Building Capacity series, on topics such as sponsorship management, public-private partnerships and outside employment
- the publication (with Queensland Purchasing) of *Ethics, probity and accountability in procurement*, which provides guidance on how to lessen some of the misconduct risks associated with purchasing goods and services
- an electronic newsletter, which is sent to all CMC liaison officers and many other stakeholders within and outside the public sector, as well as being available on our website
- further development of our website information on misconduct prevention.

For a full list of CMC publications produced in 2006–07, see Appendix F.



The APSACC Team. (Left to right) Acting Deputy Director, Research and Prevention, Margot Legosz; Director, Research and Prevention, Susan Johnson; Chairperson Robert Needham; Misconduct Prevention Officer Narelle George; and Principal Project Officer (Prevention) John Boyd.

First Australian conference on corruption prevention in the public sector

In March 2006, the three Australian anti-corruption commissions (the Independent Commission Against Corruption in NSW, Queensland's Crime and Misconduct Commission, and Western Australia's Corruption and Crime Commission) agreed to work together to host the first Australian Public Sector Anti-Corruption Conference (APSACC) on 23–26 October 2007 in Sydney. Conference attendance is anticipated to be 400–600.

This conference will serve the stakeholder populations in each jurisdiction, as well as being open to corruption-prevention management, policy and operational staff nationally and internationally.

It is proposed to conduct the conference every two years thereafter, rotating the conference location between Sydney, Brisbane and Perth.

The program will cover key issues such as regulatory/licensing, conflicts of interest, public/private interface and whistleblowing.

There will also be streams addressing key jurisdictional areas such as the public sector, local government, police and universities, and incorporates workshops on conducting investigations, implementing corruption-prevention strategies, policies and procedures, managing conflicts of interest and managing protected disclosures.

Working with Indigenous communities

As with police misconduct, we have undertaken a range of activities to prevent and deal with public sector misconduct that has the potential to impact on Indigenous individuals or communities. These include:

- visits to Indigenous communities by CMC Indigenous liaison officers and Indigenous complaints officers, as well as ongoing contact
- participation on the Across Government Indigenous Governance Committee
- capacity-building and education activities (see examples below).

The CMC recognises that Indigenous councils face particular difficulties in dealing with and preventing misconduct. Contributory factors include the size of the communities in which these councils operate, limited resources, and isolation. To help overcome possible disadvantage, the CMC provides Indigenous organisations with advice and information about governance and misconduct-prevention strategies.

We are also committed to 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, Planning, Sport and Recreation (DLGPSR), our Indigenous liaison officers provided training on the CMC's *On the Right Track: Councillor Information Kit (How to develop a code of conduct and Reporting and disciplinary procedures)* to most of the Aboriginal and Torres Strait Island councils in 2005–06. This year, we completed training with Yorke, Mabuig, Duane and Stephen islands, although logistical problems meant that alternative training methods were required for some of the more remote islands.

The CMC will continue to attend regular liaison meetings regarding Indigenous community governance with other key agencies including the DLGPSR, the Queensland Audit Office (QAO), the Queensland 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 appropriate and coordinated training and capacity-building initiatives.

The CMC, DLGPSR and QAO trialed a consultative assessment process whereby the three agencies meet regularly and reach consensus about the most appropriate action to deal with complaints related to Indigenous local government councils.

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. Throughout this year, Indigenous liaison officers regularly visited Indigenous communities to promote awareness of the CMC's role and to educate Indigenous councils in preventing and dealing with misconduct. They also provided cultural advice and assistance to the CMC, particularly in the areas of complaints, research and prevention, and misconduct.

Researching the public sector

Whistleblower policy and practices

In conjunction with Griffith University, four other universities and 13 other industry partners, the CMC is involved in an important research project on best practice in public sector whistleblower policy, practices and management. The project, 'Whistling while they work: enhancing the theory and practice of internal witness management in public sector organisations', involves a number of surveys of public sector and integrity agencies and their employees across four jurisdictions (Queensland, New South Wales, Western Australia and the Commonwealth). Most of these surveys were distributed in 2006–07 and data entry and some analysis have commenced.

Preliminary findings of the research were presented to the National Steering Committee in September 2006, the National Investigations Symposium in Sydney in November 2006, and a forum in Brisbane, Enhancing Internal Witness Management in Queensland's Public Sector Agencies, in November 2006. The forum included a presentation by Mr Guy Dehn, Director, Public Concern at Work (UK), a London-based lawyer and one of Europe's most respected authorities on public interest whistleblowing. We also co-hosted a roundtable forum for key staff interested in the review of whistleblower legislation with the Queensland Ombudsman.

During 2007–08 we expect to focus on finalising the data entry and analysis and preparing reports for the partner agencies and the public.

Profiling the Queensland public sector

This year, we surveyed public sector agencies within our jurisdiction about their misconduct risks and their capacity to respond to – and prevent – future misconduct. We are interested in determining whether there have been any changes since we conducted a similar survey and published

the results in 2004 (see our report *Profiling the Queensland public sector*). In collaboration with the Independent Commission Against Corruption (NSW), this year we also surveyed staff from numerous Queensland public sector agencies. Both surveys will enable some interesting cross-jurisdictional comparisons.

Official misconduct in correctional institutions

In conjunction with the Key Centre for Ethics, Law, Justice and Governance at Griffith University, this year we conducted a survey of prison staff to assess their perceptions of the occurrence of misconduct in correctional facilities. This study will build on a similar survey undertaken several years ago by the CMC and Griffith University which was funded by an Australian Research Council Collaborative Research Grant. Comparing the previous and current survey results will enable us to determine whether there have been any changes over time.



Methods of collecting data for our research projects include questionnaires, face-to-face interviews and telephone surveys.

Misconduct investigation case studies 2006–07

A significant number of high-profile and complex investigations were completed in 2006–07, as follows.

Misconduct in the police service

Allegations of police corruption

The CMC has commenced a series of proactive inquiries, codenamed Operation Capri, into allegations involving possible misconduct in the police service. In part, the investigations extend to issues involving the propriety of certain relationships between police officers and convicted criminals. The allegations are wide-ranging and complex, and investigations are ongoing at the time of this report.

Allegations of police assault

On 7 February 2007 the CMC published a report on its investigation of the alleged assault of an Aurukun man, Warren Bell, while in police custody in January 2007. The only direct evidence of the alleged assault was the evidence of Mr Bell himself. However, there were significant inconsistencies in the accounts given by Mr Bell of his treatment while in police custody, which suggest that it would have been unsafe to rely on his evidence without supporting information from other sources. The CMC concluded that there was no ground for referring the matter to the Director of Public Prosecutions for possible criminal charges.

While the CMC made no adverse findings against any police officer in relation to an assault, it did refer its report to the QPS for consideration of disciplinary action in relation to the failure of police to videotape the complainant in his cell at Aurukun police station on the morning of the arrest. CMC Assistant Commissioner, Misconduct, Stephen Lambrides travelled to Aurukun to meet with senior members of the Indigenous community to discuss the outcome of the report.

Police officer jailed on perjury and assault charges

A former police constable, Justin Anthony Burkett, was jailed on 6 August 2007 for attempting to cover up an assault on a woman in a watch-house cell. He was sentenced to three years' imprisonment after pleading guilty to four perjury charges, two charges of attempting to pervert the course of justice, and one count of assault causing bodily harm. Judge Ian Dearden ordered that the sentence be suspended after Burkett had served nine months.

The CMC investigated the actions of Burkett and other police officers when they arrested a woman in April 2004 for shoplifting and a traffic offence. Burkett hit the woman several times while she was in a holding cell at Loganholme police station. Burkett charged the woman with assault, claiming that she had initially kicked him. Burkett later gave false testimony during the summary trial of the woman for assault. He asked two other police officers, via email, to supply false statements, for the purposes of the summary trial.

The CMC held closed investigative hearings as part of its investigation. Burkett also provided false information on oath at those hearings. It is considered a very serious offence for a police officer to provide false testimony on oath, whether to a court or to an investigative hearing. Arising from the incident, another police officer was charged with attempting to pervert the course of justice and perjury. The officer has pleaded not guilty and has been committed to stand trial.

Cifuentes conviction

Last year's annual report included an account of the sentencing of a policeman in North Queensland for extortion. Detective Senior Constable Michael Cifuentes appealed against his sentence but the appeal was dismissed.

Misconduct in the public sector

Jailing of former minister

The CMC investigated allegations that, on 30 October 2006, former minister Merri Rose threatened to smear the reputation of a nominated individual unless the Queensland Premier provided her with a highly paid position in the public sector. The investigation resulted in her being sentenced in the District Court on 31 May 2007 to a term of imprisonment of 18 months, to be suspended after three months.

The CMC's Chairperson publicly commented that the jailing of former minister Merri Rose, for the offence of demanding a benefit with threats, served as a strong warning that people who seek to corrupt public servants do so at their peril. He also emphasised the value of early reporting of extortion threats.

Former minister and Queensland businessman face charges relating to secret commission

The CMC investigated allegations of suspected misconduct on the part of a former minister for allegedly receiving secret commissions from a prominent business identity. On 25 January 2007, the former Minister for Health, Gordon Nuttall, appeared in the Brisbane Magistrates Court in relation to 35 counts of corruptly receiving payments totalling approximately \$300 000 from businessman Kenneth Talbot, who later appeared in court on 5 February 2007 in relation to the alleged payments. The committal hearing in relation to the charges against Mr Nuttall and Mr Talbot has been listed for hearing for three weeks, commencing 28 January 2008.

On 20 January 2007, as a result of civil proceedings under the *Criminal Proceeds Confiscation Act 2002* instituted against Mr Nuttall, Justice Moynihan ordered that Mr Nuttall be restrained from dealing with his principal place of residence, pending further order of the court.

Prince Charles Hospital investigation

In May 2006 the Director-General of Queensland Health requested the CMC's assistance in investigating allegations of misconduct related to the appointment, in late 2003, of Virginia Hancil as Nursing Director at the Prince Charles Hospital in Brisbane.

The investigation found that, when Ms Hancil applied for the position of Nursing Director, her résumé included a reference to a Master of Public Administration from the University of Tasmania which she did not have. The CMC recommended that Queensland Health consider taking disciplinary action against Ms Hancil on the basis that she ought to have known that an objective reader of her résumé could have been misled by her statement in relation to the degree, and that Ms Hancil did nothing to correct any wrong impression. However, the evidence showed that the university degree was not a determining factor in her successfully obtaining the position of Nursing Director.

The CMC also found evidence that Ms Hancil nominated her de facto partner as her referee but failed to disclose this potential conflict of interest to the selection panel. The

department was asked to consider disciplining Ms Hancl for a possible breach of the code of conduct.

In addition, the CMC investigated allegations that three senior health officials took disciplinary action against a Queensland Health doctor because, or in the belief that, he made or might make a public interest disclosure under the *Whistleblowers Protection Act 1994* in relation to the allegations against Ms Hancl. The CMC found that there was no evidence of reprisal by the three officials.

Fraudulent road safety certificates

On 4 May 2007, Edward Cornelius Moran, a former Queensland Transport inspector, was sentenced to seven years' imprisonment for fraud and official corruption offences. Mr Moran was convicted following a nine-day trial in the Brisbane District Court. Four accomplices were earlier imprisoned for their involvement in the scheme whereby defective vehicles were issued with road safety certificates. Queensland Transport outlaid \$665 000 to re-examine those vehicles for which false road safety certificates were issued.

The prosecution followed a lengthy joint investigation by the CMC, Queensland Transport and the QPS. Between September 2002 and July 2003, Mr Moran and his accomplices were responsible for the fraudulent issue of approximately 3500 road safety certificates.

The CMC received very favourable feedback from Queensland Transport and the prosecutor involved in this case regarding its part in the joint investigation of this extensive and complex fraud.

False driver licences

In 2005–06, we reported on an investigation into allegations regarding the fraudulent issue of driver licences.

On 27 November 2006, two former Queensland Transport officers appeared in the Brisbane Magistrates Court in relation to the issue and use of false driver licences and 18 Plus identification cards. Ann Marie Corrigan faced 12 charges of fraud for offences allegedly committed while employed as a customer service officer at Greenslopes Customer Service Centre. Rebecca Louise McConnell was charged with three counts of falsifying records and nine of fraud for offences allegedly committed while she was a customer service officer at Wynnum Customer Service Centre. The matters are currently before the court.

The CMC has also identified a number of people who obtained false identity documents, and investigations are continuing with respect to them.

Fraud

A former Queensland Transport employee was sentenced on 5 February 2007 to five years' imprisonment for defrauding the department of more than \$250 000. He pleaded guilty to charges of fraud, fraudulent falsification of records, and making a false declaration.

The CMC's investigation uncovered that between 1 January 2000 and 3 June 2004 David Bell corruptly used his position as a senior adviser at the Zillmere Customer Service Centre to create false credits in various customer accounts. Mr Bell applied those funds to his own use in a variety of ways, using refund cheques and cash paid to Queensland Transport by customers. In addition, Mr Bell created a false 18 Plus identification card and a false Queensland driver licence after he was suspended from driving for three months.

Former public servant found guilty of corruption

On 5 September 2006 a former employee of the Department of Public Works, Don Mervyn Samartunga, was found guilty of corruption and received a nine-month suspended jail sentence following a CMC investigation into matters surrounding the department's tendering processes. He was also ordered to pay restitution of \$7500.

Mr Samartunga encouraged a builder, Jan Thorsen, to supply a false invoice for \$8200 worth of fictitious landscaping and other work. Mr Thorsen pleaded guilty in August 2004 to a charge of supplying a false invoice and was sentenced to three months' imprisonment, totally suspended. In sentencing Mr Samartunga, the judge described his actions as a gross breach of trust.

Allegations of misconduct relating to local councils

Douglas Shire Council

The CMC investigated corruption allegations concerning the Douglas Shire Council, and in October 2006 released a lengthy report on its investigation of numerous allegations against the mayor, the chief executive officer and councillors. It found that the allegations were without substance, or did not amount to misconduct, or could not be proved on the available evidence. The CMC worked closely with the Ombudsman to ensure that the allegations which fell within the respective jurisdictions were effectively and efficiently dealt with.

Burnett Shire Council

In early September 2006, the CMC completed an investigation into allegations of corrupt conduct against the mayor of the Burnett Shire Council and found the claims were not substantiated.

However, during the CMC investigation, other matters came to light which resulted in a report to the DLGPSR to consider prosecuting the mayor and another person for alleged breaches of the *Local Government Act 1993*. The prosecution of the mayor in relation to these other matters is before the Brisbane Magistrates Court but yet to be heard. The misconduct allegations relating to the other person (a councillor) arose from a failure to declare, in his statement of interests, hospitality and travel benefits

received from a developer. The Minister for Local Government determined that this matter be referred for disciplinary action, rather than laying charges under the Local Government Act.

The mayor, Raymond Duffy, was also charged with four counts of providing false and misleading information during the course of the CMC investigation. This is an offence under section 217 of the Crime and Misconduct Act, carrying a maximum punishment of 12 months' imprisonment. The charges were heard in the Brisbane Magistrates Court in May 2007, and Mr Duffy was later fined \$8000 in relation to two of the charges and sentenced to three months' imprisonment, wholly suspended for three years, on the remaining two charges.

Outlook 2007–08

In 2007–08 we will:

- Assess an estimated 3800 matters.
- Finalise 100 investigations and aim to complete 80 per cent of these within 12 months.
- Continue to focus on investigating the more complex and serious allegations of misconduct while assisting agencies to build their capacity to investigate matters not requiring the resources or special powers of the CMC.
- Undertake 26 research, intelligence, capacity-building, prevention and monitoring projects.
- Conduct audits of complaints dealt with by six agencies, and/or conduct three quality assurance reviews.
- Review individual complaints dealt with by the QPS and by other public sector agencies, and identify issues for further research and prevention work.
- Continue to 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.
- Continue 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 materials that advise public sector agencies about the best way to prevent different types of misconduct.
- Continue to raise community awareness of public sector integrity issues through:
 - providing information to stakeholders on the CMC website
 - increasing public availability of investigative and prevention reports
 - participating in community activities such as NAIDOC Week.
- Publish a report on public perceptions of the Queensland public sector and local government.
- Co-host the first Australian Public Sector Anti-Corruption Conference (APSACC) on 23–26 October 2007 in Sydney.
- Continue our research into policing.



Protecting witnesses

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

We have maintained a 100 per cent success rate in keeping witnesses safe.

‘We pride ourselves on delivering a timely, professional and effective witness protection service’

Felix Grayson
Director, Witness Protection and Operations Support



The CMC has primary responsibility for the protection of witnesses for the state of Queensland through its Witness Protection Unit, which is staffed largely by sworn QPS officers attached to the CMC.

These officers provide witnesses in the program with the necessary protection and security to ensure their safety, including during court appearances. They have responsibility for changes of identity to, and relocation of, protected witnesses.

As well, the CMC ensures that protected witnesses receive any necessary professional assistance and guidance. This enables people who enter the witness protection program with drug or alcohol addictions or other mental or physical afflictions to address these issues. Numerous witnesses have been rehabilitated as a direct result of being included in our program.

Our plan in 2006–07

Through the Strategic Plan 2006–10, we adopted 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.

In fulfilling these responsibilities during 2006–07, 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 10 outlines our overall performance in 2006–07 against the outlook in last year's annual report.

Overall performance 2006–07

Indicator	Performance
Applications received and assessed	130
Number of admissions to program	78
Percentage of eligible people offered interim protection within two days	81
Number of witnesses provided with court security	39
Percentage of protected witnesses who met court commitments	100
Cost for 'protecting witnesses' output	\$4.285m

Overview of witness protection

The CMC continued to maintain its 100 per cent success rate in protecting witnesses this year. It protected 106 people in 44 operations, including 28 who were already receiving protection at the start of the year – none came to any harm. At the end of the reporting period, 41 people were receiving protection (see Tables 11 and 12).

During the year, 74 threat assessments were conducted and 39 witnesses were protected while giving evidence in court.

Examples of court matters involving protected witnesses

- In proceedings against two defendants, close personal protection was afforded for two witnesses. The defendants pleaded guilty to charges including robbery and assault, and both received substantial terms of imprisonment.
- A CMC-protected witness gave evidence in relation to charges of rape and related offences. The accused was sentenced to several years' imprisonment.
- Three CMC-protected witnesses gave evidence at a committal hearing for a matter that saw a defendant charged with a number of rape offences and committed for trial.
- Close personal protection was provided for a witness who gave evidence against a number of defendants in relation to charges of trafficking in dangerous drugs. While one is still awaiting trial, other defendants were sentenced to more than 10 years' imprisonment.
- In another matter, two CMC-protected witnesses gave evidence in a trial against one accused who was sentenced to a lengthy term of imprisonment for drug trafficking and related offences.

Table 10. Performance 2006–07 against outlook in last year’s annual report

Last year we said we would:	In 2006–07 we:
Continue to develop new and better ways of protecting witnesses, both generally and in specific cases.	<ul style="list-style-type: none"> • Saw changes enacted to the Witness Protection Regulations 2001 to incorporate approved authorities for witness protection including Western Australia’s Crime and Corruption Commission and Victoria’s Office of Police Integrity. • Researched national and international best practice in the provision of video evidence by protected witnesses.
Continue to deliver education and awareness/marketing sessions to client agencies throughout Queensland to promote awareness 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"> • QPS prosecutors • QPS detectives in training courses • criminal investigators • regional police commands.
Offer interim witness protection to 95 per cent of eligible people within two days, assess 150 applications for witness protection, and admit an estimated 70 people to the witness protection program.	<ul style="list-style-type: none"> • Protection offered to 81 per cent of eligible people within two days. • Assessed 130 applications. • Admitted 78 people to the program.
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"> • Began developing memoranda of understanding with other Australian witness protection agencies. • Negotiated with state government departments and agencies to develop memoranda of understanding for mutual arrangements and benefits.
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"> • Attended a National Witness Protection Training Group meeting in Canberra, to further review and develop national competencies of witness protection officers. • Liaised with interstate and federal counterparts on matters relating to training identification processes, technology and equipment, and court security issues.

Developing witness protection methods

Through their involvement in the Australasian Heads of Witness Protection Forum, our Witness Protection staff keep abreast of developing trends in protection nationally and internationally, with issues and methodologies examined within the forum meetings. Improvements in operational methodologies and techniques are also achieved through constant monitoring of changing criminal methodologies and practices.

Providing specialist training

The CMC leads witness protection training in Australasia. Our nationally accredited Witness Protection course is registered as an Advanced Diploma in Public Safety (Police – Witness Protection) through Queensland’s Department of Education, Training and the Arts, and was the first police course awarded such a standing.

The course includes practical and theoretical training in various skills and techniques needed for the effective protection of witnesses. Elements include:

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

The CMC course continues to evolve. Changes to assessment criteria for course competencies proposed by CMC staff at the recent Australasian Heads of Witness Protection Forum were universally accepted. These changes will further expand the skills sets of personnel attaining the qualification. CMC staff can also attain the qualification through formal processes involving ‘recognition of prior learning’ or ‘recognition of current

competencies'. Staff also constantly upgrade their skills through regular in-house training in firearms, driving skills and operational skills and tactics.

In 2006–07 we worked with client law enforcement agencies throughout Queensland to promote awareness of our witness protection capability and the services we offer. For example, we provided training and education sessions to police officers throughout the state, including delivering regular lectures to trainee police prosecutors and investigators, and providing sessions to regional police at investigators' and crime conferences.

Liaison with other agencies

The CMC maintains close relationships not only with interstate and international counterparts in witness protection but also with other agencies involved in providing protection. In 2006–07, CMC staff fostered relationships through participation in the Australasian Heads of Witness Protection Forum held in Canberra, as well as taking part in the national Witness Protection Training Group that met during the year to continue developing the National Witness Protection Course and the qualification.

Research

During the reporting year the CMC completed a research report into best practice in risk assessment processes and the re-identification of protected witnesses. It analysed responses from Australasian and international jurisdictions, and researched legislation to determine a framework for assessing risk of witness re-identification in appropriate instances.

Table 11. Witness protection statistics, 2005–06 and 2006–07

	2005–06	2006–07
People protected	136	106
Operations	70	44
Protection at court	38	39
Referrals	91	130
Threat assessments	61	74
Acceptances	47	78
Arrangements concluded	69	62
No. on program as at 30 June	28	41

Table 12. Current applicants, current operations and new referrals, between 1987–88 and 2006–07

	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
2006–07	106	44	130

*A person may apply for protection more than once.



Our witness protection program can organise changes of identity, where necessary, to ensure witness safety.

Outlook 2007–08

In 2007–08 we will:

- Continue to develop new and better ways of protecting witnesses, both generally and in specific cases.
- Continue to deliver education and awareness/marketing sessions to client agencies throughout Queensland to promote our witness protection services.
- Offer interim witness protection to 95 per cent of eligible people within two days, assess 120 applications for witness protection, and admit 55 people to the witness protection program.
- 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.



Operations Support

Operations Support provides the CMC's specialist operational and investigative services through the use of physical surveillance, technical surveillance and forensic computing resources.

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

Operations Support comprises three units:

- The **Physical Surveillance Unit** obtains evidence and intelligence on people who are suspected of involvement in CMC-related investigations and are the subject of an approved surveillance operation.
- The **Technical Surveillance Unit** deploys electronic surveillance technologies and methodologies in operations, resulting in enhanced intelligence and evidence product.
- The **Forensic Computing Unit** establishes and maintains effective operating procedures, resources and equipment for delivery of digital intelligence and evidence to investigative areas within the CMC. Its major functions include:
 - searching, seizing and preserving digital evidence, using specialist forensic software products
 - advising management and investigators on methods for handling digital evidence
 - identifying opportunities for digital evidence and/or intelligence to support investigations.

Overview of performance

Among other undertakings, Operations Support contributed significantly to the closure of two major drug-trafficking operations. Various electronic surveillance technologies and

Members of Operations Support. (Left to right) Detective Superintendent Paul Doyle; Inspector Geoff Harold; Executive Assistant Katrina Callanan; and Assistant Commissioner Felix Grayson, Director, Witness Protection and Operations Support.

methodologies were deployed to obtain key audio and video evidence that depicted the activities of a number of suspects involved in drug trafficking and supply. Significant evidence was also obtained through physical surveillance of the primary suspects. After the closure of the operations, support was provided through forensic computing resources.

Forensic computing resources also contributed significantly to a comprehensive Misconduct investigation into the dealings of a former government minister, and protracted investigations into allegations of corruption against sworn members of the QPS. Physical surveillance staff also assisted in a number of Misconduct operations involving allegations of corruption and official misconduct.

Training

Technical surveillance staff undertook a range of training courses through the year, increasing capability in improved operational effectiveness. The knowledge and skills provided to officers via these courses has equipped them to install, service and maintain operational equipment and major infrastructure and system components.

All forensic computing examiners received training in computer operating systems and new forensic software. They also gave a number of presentations, including a lecture on forensic computing awareness to members of Legal Aid Queensland.

The Physical Surveillance Unit hosted a physical surveillance course conducted by qualified and experienced staff members. The new members now form part of the operational teams that respond to requests from Crime and Misconduct investigators for evidence and intelligence gathering.



Engaging in public policy

The Policing in Indigenous Communities team. (Left to right) Project Manager Mark Pathe; Principal Adviser (Legal Research) Zoe Ellerman; Senior Legal Research Officer David Jones; Principal Adviser (Policing) Dennis Budz; Indigenous Complaints Services Officer Trudi Broderick; and Indigenous Liaison Officer Cheryal Kyle. (Absent from photo) Indigenous Liaison Officer Daniel Abednego.

‘Our research referrals attest to our independence and our commitment to non-partisan analysis’

Susan Johnson
Director, Research and Prevention



In recent years the CMC has been engaged in 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 Crime and Misconduct Act
- be undertaken under requirements in other legislation.

Projects arising from investigations

A significant area of activity for the CMC has been to produce major reports on social and criminal justice policy issues confronting government, which have arisen out of our misconduct investigations. Some examples include:

- *Seeking justice: an inquiry into how sexual offences are handled by the Queensland criminal justice system* (2003), arising out of the investigation into police and prosecution conduct with respect to charges against Mr Scott Volkens
- *Protecting children: an inquiry into abuse of children in foster care* (2004), arising out of our investigation of specific complaints we received about abuse of children in foster care.

In both cases, the CMC has been involved in following up on how implementation of the recommendations has progressed.

Implementation of the *Seeking justice* report

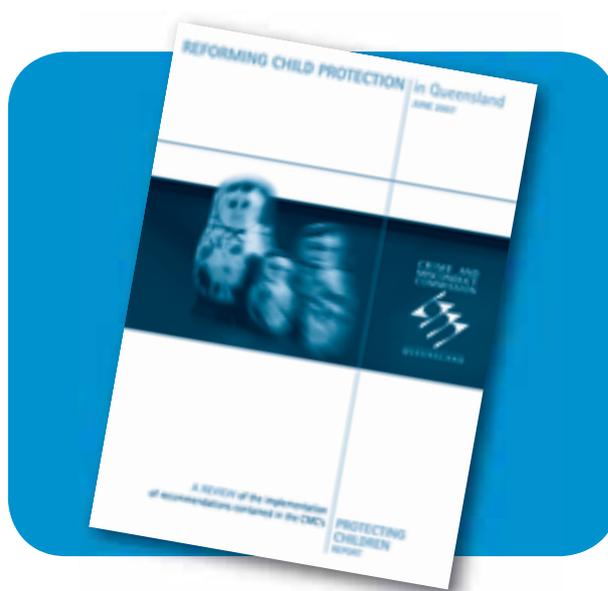
This report contained 24 recommendations for reform of the criminal justice system, including that the CMC review the implementation of its recommendations and report to parliament in two years.

In 2006–07 we sought submissions concerning the implementation to date of the 24 recommendations made. In their submissions 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. The final report is expected to be completed shortly.

Implementation of the *Protecting children* report

This 2004 report contained 110 recommendations for reform, including a recommendation for the creation of a new department, the Department of Child Safety. The Queensland Government accepted all 110 recommendations.

The CMC's report, *Reforming child protection in Queensland: a review of the implementation of recommendations contained in the CMC's Protecting children report* (published in June 2007), confirmed that most of the recommendations have been implemented, although some work still remains to be done. The Commission for Children and Young People and Child Guardian is now established as the organisation to continue to monitor the child protection system.



Referrals from the minister under the Crime and Misconduct Act

Under section 52(1)(c) of our 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 CMC by the minister.

The most recent referral was received in 2007 and requested a review of policing in Indigenous communities.

Policing in Indigenous communities

On 26 November 2004 there was a riot at Palm Island during which the police station was extensively damaged. This incident followed the death of an Aboriginal man in the Palm Island watch-house a week earlier. A riot also occurred at Aurukun on 9 January 2007 after an Aboriginal man alleged that police had assaulted him in the watch-house.

In February 2007, the Attorney-General and Minister for Justice asked the CMC to examine policing in Indigenous communities (Aboriginal communities living on deed of grant in trust [DOGIT] areas and Torres Strait Islander communities). The terms of reference were for the CMC to examine and make recommendations to the state government with respect to:

- possible changes to existing police policy and procedure that would result in improved relations between the Queensland Police Service and Aboriginal DOGIT communities and Torres Strait Islander communities
- current practices relating to detention in police custody in remote communities, including the monitoring of detainees in watch-houses and other police facilities in Aboriginal DOGIT communities and Torres Strait Islander communities, and the possible involvement of community justice groups or other civilians in the monitoring of detainees
- the optimal use of existing and future state resources available to deliver criminal justice services in Aboriginal DOGIT communities and Torres Strait Islander communities.

As at 30 June 2007 the CMC had commenced its inquiry into these issues and had:

- published an issues paper on the inquiry
- undertaken a review of the relevant literature, including the report of the Royal Commission into Aboriginal Deaths in Custody and the Deputy Coroner's report on the Palm Island inquest
- visited all the DOGIT communities in Queensland and consulted with the councils, community justice groups, community members and local police
- visited Thursday Island and consulted with Torres Strait Islander community representatives, police and other agency representatives
- visited regional centres and consulted with police managers, legal services and government departments

- invited submissions from these and other interested people and organisations, including the police unions, government departments and the government's 'community champions'.

Since the inquiry began, the CMC has also been monitoring relevant developments, including the government's announcements of the introduction of digital recording cameras in watch-houses, and increased police numbers in several DOGIT communities. Public hearings are scheduled for the latter half of 2007, and the CMC's report of the inquiry will be published in 2008.

Projects required under other legislation

As well as the research functions set out in our 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* and the *Summary Offences Act 2005*.

Regulating outcall prostitution

The Prostitution Act included a provision requiring the CMC to review the effectiveness of the Act. Our evaluation of the Prostitution Act, *Regulating prostitution*, was described in last year's annual report. That review was then extended to examine whether Queensland should legalise outcall or escort prostitution services.

After conducting consultations with key informants, calling for public submissions, updating our review of the pertinent research literature and legislation, and conducting two days of public hearings, we released an interim position paper in December 2005.

During 2006–07 we released the second report, *Regulating outcall prostitution: should legal outcall prostitution services be extended to licensed brothels and independent escort agencies?* The report recommended against legalising outcall prostitution services from licensed brothels and independent escort agencies. We were concerned that legalising those services could pose too many risks for Queensland, and damage the current legal industry (licensed brothels and sole operators). We also made a number of recommendations designed to strengthen the attack on the illegal industry.



Our recommendations are still being considered by the Queensland Government, and no decision has yet been made about implementation.

Review of public nuisance provision

We are currently finalising our review of the public nuisance provision of the *Summary Offences Act 2005*. This Act replaced the *Vagrants, Gaming and Other Offences Act 1931* (VG00 Act) and reformulated a number of street offences. Section 7AA(6) of the VG00 Act required the CMC to undertake a review of the operation of the public nuisance provision of that Act after 18 months, and the review requirement was carried over into section 6 of the *Summary Offences Act*. The CMC's review started in October 2005.

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

Outlook 2007–08

Forthcoming reviews

The Queensland Parliament has made a number of amendments to the *Police Powers and Responsibilities Act 2000* (PPRA), which include a requirement that the CMC review the new powers.

Motorbike noise. Section 25 of the *Police Powers and Responsibilities Act (Motorbike Noise) Amendment Act 2005* amends the PPRA to direct that the CMC, as soon as practicable after 1 July 2007, 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 report on the review. Work on the review has commenced.

Move-on powers. The *Police Powers and Responsibilities and Other Acts Amendment Act 2006* received assent on 1 June 2006. Among other amendments, this Act amended the PPRA to expand the QPS move-on powers – in particular, expanding the operation of the move-on power to include any public space, and inserting 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.

'Evade police' offence. The *Police Powers and Responsibilities Act* was also amended to insert new provisions about evading police.

Section 789 of the PPRA directs that the CMC review the use by police officers of powers under this chapter and report on the review. The review must be started as soon as practicable after 30 June 2009.



Organisational capability

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

Members of the Strategic Management Group. (Clockwise from top left) SMG members Peter Duell, Stephen Lambrides, John Richardson, John Callanan, Daniel Boyle representing Russell Pearce, Len Potts, Helen Couper, Chris Keen, Robert Needham, Susan Johnson and Felix Grayson. (Absent from photo) Greg Rigby.

‘We’re only as good as our staff and we do our utmost to have the best’

Greg Rigby
Acting Executive Director



The capability and productivity of any organisation over the longer term is linked to its corporate governance structure and practice, and to its people, organisational culture and resources. This chapter reports on both of these aspects.

Corporate governance

The CMC's corporate governance structure is based on principles of openness, integrity and accountability. This structure guides us as we plan, manage and monitor our operations, performance and internal controls, and strive to achieve best practice.

The first section of this chapter looks at our internal and external reporting and accountability structures, as well as our legislative compliance and our financial and performance management.

Internal accountability structures

The CMC's most important internal accountability mechanism is the Commission. CMC corporate policy and strategic directions are set by the Commission, implemented by a range of internal committees, and generally overseen by the Strategic Management Group.

The CMC also has an independent internal audit function, which reports directly to the Chairperson. Where necessary, we use additional external resources to ensure effective audit coverage.

The Commission

The Commission has primary responsibility for achieving the purposes of the Crime and Misconduct Act. It 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 Commissioners during this reporting period were:

- Mr Robert Needham (Chairperson)
- the Honourable Douglas Drummond QC (appointed July 2005)
- Ms Julie Cork (appointed November 2004)

- Dr David Gow (appointed October 2005)
- Ms Ann Gummow (appointed August 2006).

See page 55 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. When urgent matters arise, special meetings, either in person or by telephone, are convened at short notice. The Commission also meets regularly with the CMC's overseeing body, the Parliamentary Crime and Misconduct Committee (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 2006–07 the Commission met 24 times (of which one was a special meeting) and met with the PCMC four times (see Table 13).

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

Table 13. Attendance of Commissioners, Assistant Commissioners and Executive Director at Commission meetings 2006–07

	Ordinary meetings (n = 23)	Special meetings (n = 1)	With PCMC (n = 4)
Robert Needham	23	1	4
Douglas Drummond QC	20	1	3
Julie Cork	23	1	4
David Gow	20	1	4
Ann Gummow	19	1	4
John Callanan	18	–	4
Stephen Lambrides	18	–	3
Mark Hummerston	9	1	1
Greg Rigby	13	–	3

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. Prior to 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.



Ann Gummow

(from August 2006)

Ms Ann Gummow has a Bachelor of Laws from the University of Queensland (UQ) and a Graduate Diploma in Legal Practice from what is now the Queensland University of Technology (QUT). She was admitted as a solicitor in 1983 and is currently the appointee fulfilling the requirement that one of the CMC Commissioners be a lawyer with a proven commitment to civil liberties.

the areas of domestic violence and family law, working directly with women, undertaking community legal education and community development, and contributing to legal reform. She was previously a solicitor in private practice. At various times since 1989 Ms Gummow has taught at the School of Social Work and Social Policy at UQ, Griffith University's Law School, and at QUT. From 1992 until 2006 she was a member of UQ's Behavioural and Social Sciences Ethics Review Committee.

Since 1990 Ms Gummow has worked part-time at Women's Legal Service, a community legal service that specialises in



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 satisfactorily 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 must terminate the appointment of the Chairperson if the Chairperson engages in paid employment outside the duties of office without the minister's approval.

The Governor may terminate the appointment of a Commissioner on a recommendation to the Legislative Assembly made with the bipartisan support of the parliamentary committee and approved by 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 10 years in total (however, under certain circumstances this period may be extended to a maximum of 15 years). 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.

Internal committees

The CMC has a comprehensive committee structure to comply with corporate governance principles of effective management.

The most significant is the Strategic Management Group (SMG). The other committees are either Commission committees, which are chaired by a member of the Commission or an independent external person; SMG committees, which may be chaired by a CMC staff member; or operational committees.

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.

The Strategic Management Group

The role of the SMG is to manage the CMC 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 CMC, in line with corporate priorities, objectives and statutory responsibilities.

The SMG is led by the Chairperson and comprises 12 members, representing the main areas of the CMC. For membership of the SMG during this reporting period, see the photograph on page 53.

Commission committees

Audit Committee

Chair: Phil Procopis (external member)

The Audit Committee provides independent advice to the Commission on the effectiveness of its enterprise risk management program and where the main thrust of the audit functions should be directed. It also provides a forum for communication between the Commission and its auditors. In 2006–07 this committee:

- endorsed the 2007–11 Internal Audit Strategic Plan
- endorsed the 2007–08 Internal Audit Annual Plan
- reviewed the CMC's financial statements for 2005–06
- reviewed the 2006–07 Client Service Plan provided by the Queensland Audit Office
- reviewed all internal and external audit reports
- reviewed report of actions taken by management on audit recommendations.

Finance Committee

Chair: Chairperson Robert Needham

The Finance Committee assists the Commission with managing the budget process and ensures that there are appropriate and effective financial management practices. In 2006–07 all of its recommendations were accepted by the Commission. During the year this committee:

- monitored expenses 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 both an internal and an external mid-year review of the revenue and expense budgets for the CMC and ensured that approved budgets were aligned with the CMC's priorities
- prepared successful budget enhancement bids for the Proceeds of Crime function, the CMC's relocation, and general operational increase
- 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

The Information Steering Committee provides advice concerning the development of the CMC's strategic plan for its information systems and information infrastructure, and ensures that the deployment of resources is directed towards supporting and enhancing the business functions of the CMC. In 2006–07 this committee:

- approved required alterations to the 2006–07 Information Management Operational Plan
- monitored progress with major information management projects.



Responsibility for corporate governance is held within the Office of the Commission.
(Above) Acting Executive Director Greg Rigby and (below) Manager, Corporate Governance, Gary Adams and Adviser, Corporate Governance, Therese Flynn.



Legislation Committee

Chair: Chairperson Robert Needham

The Legislation Committee monitors state and federal changes to legislation and activities that are likely to affect the work of the CMC. In 2006–07 this committee:

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

SMG committees

Commission Consultative Committee

Elected chair: Craig Doran

Vice chair: David Honeyman

The Commission Consultative Committee provides a forum for employees and senior management to exchange ideas, concerns and points of view. In 2006–07 this committee met eight times and:

- 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

The EEO Consultative Committee provides advice to management in relation to discrimination and EEO matters, and a forum where staff can raise matters of interest and concern. In 2006–07 this 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, International Day of People with Disability 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 D for EEO statistics relating to all CMC staff, except seconded police officers from the QPS.



EEO Consultative Committee. Committee members at May 2007: (back row from left) Lorelle Noble, Narelle George, Kristine Rankin, Stephen Firth, Tony Clowes, Trudie Broderick; (middle row from left) Julie Cork, Cheryal Kyle, Anne Philtrip; (front row from left) Mandy Ross, Rosanne Jaunitis, Barbara McKenzie and Alisha Rankin (minutes). (Absent from photo) Greg Rigby, Shane Neilson, Margaret Patane and Helen Couper.

Risk Management Committee

The CMC is currently reviewing its Risk Management Committee as part of the review of the CMC's risk management framework.

Workplace Health and Safety Committee

Chair: Acting Executive Director Greg Rigby

The Workplace Health and Safety Committee monitors the CMC's performance in providing a safe and healthy environment for its employees. In 2006–07 this committee:

- facilitated the election and training of additional workplace health and safety representatives
- continued to provide a forum for staff to raise workplace health and safety issues
- achieved excellent results in the 2007 biennial Compliance Audit
- conducted the biennial review of the workplace health and safety policies and procedures manual
- implemented a formal risk management system (HAZNET) and conducted initial assessments of all immediately evident hazards
- formally reviewed and adjusted the information contained in the evacuation procedures and the visitors brochure.

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 and Research Review Committee
- Witness Protection Advisory Committee
- Misconduct Activities and Project 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
- provides advice to management on governance, management and accounting issues.

In 2006–07 the Internal Auditor:

- completed the 2006–07 Audit Program
- conducted audits of the following procedures and processes:
 - management information, with emphasis on the use of financial information in management reports
 - payroll review
 - assets management at the offsite premises and the Witness Protection program
 - covert operations expenditure
 - staff travel claims
 - hospitality expenditures
 - 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
- managed and participated in the workplace health and safety audit and the review of network security performed by external consultants.

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 Parliamentary Crime and Misconduct Committee (PCMC).

The PCMC

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

- monitor and review the performance of the CMC
- review CMC reports, including the annual report and research reports
- request reports on matters that have come to the 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 during this reporting period, see the photograph on page 8.



PCMC members visited CMC work areas in November 2006.

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 minister

The Honourable Kerry Shine MP, Attorney-General and Minister for Justice and Minister Assisting the Premier in Western Queensland, is 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 Crime and Misconduct Act.

Crime Reference Committee

The Crime Reference Committee, established under section 274 of our 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 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 our 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:

- monitor compliance by the CMC in relation to matters concerning applications for surveillance warrants and covert search warrants
- 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
- gather statistical information about the use and effectiveness of surveillance warrants and covert search warrants
- whenever it is considered appropriate, 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 their 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 of the CMC
- representing the CMC before courts and tribunals and presiding at in-house investigative hearings
- representing the CMC on various intergovernmental and interdepartmental committees and working groups, including groups examining new cross-border investigations legislation, whistleblower protection legislation, and the development of proposed Queensland legislation to allow 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 2006–07, General Counsel has been counsel assisting in private investigative hearings, consulting regularly with CMC operational teams on legal issues. A particular focus this year has been two major Misconduct operations, which are still active.

General Counsel also monitors and reviews new developments in the law to advise the CMC and its staff of any impact on its operations. The Commission has sought assistance from General Counsel with its work on the first stage of development of its corporate governance policy.



General Counsel Jan Speirs (right) and Commissioner Ann Gummow.

Legal Services Unit

The core tasks of the Legal Services 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.

Freedom of information

The CMC is subject to the FOI Act, which means that members of the public are entitled to apply for access to our documents under that Act (see Table 14).

However, the *Freedom of Information and Other Legislation Amendment Act 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 also applies to such information obtained, used or prepared by its predecessors, the CJC and the Queensland Crime Commission, in the performance of the equivalent functions.

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

The 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. This ensures that the CMC remains effective and that 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.

Table 14. FOI applications and reviews 2006–07

On hand at 1 July 2006	3
Applications for access	
Personal applications received	39
Non-personal applications received	16
Applications for amendment	
Total applications	59
Access	
Full access granted (personal)	24
Full access granted (non-personal)	6
Partial access granted (personal)	7
Partial access granted (non-personal)	6
Access refused (all matter exempt)	2
No documents located	6
Withdrawn/lapsed (fee not paid)	3
Earlier application for same documents	1
Amendment	
Application to amend (refused)	1
Outstanding at 30 June 2007	3
Reviews	
Internal	8
External (to Information Commissioner)	5
Total reviews	13

Most applications are requests by misconduct complainants for access to documents concerning their own complaint. Although the number of applications received was considerably more than last year (an increase of 27 per cent), the number received was generally consistent with the previous few years.

Privacy

Since 2001, when the Queensland Cabinet approved Information Standard 42 (IS42), agencies have been required to review the way they handle personal information to ensure that they comply with the requirements of the 11 Information Privacy Principles (IPPs) contained in IS42.

The CMC is exempt from IPPs 2, 3, 9, 10 and 11 for all functions except administrative ones. Personal information about a witness who is included in a witness protection program under the *Witness Protection Act 2000* and personal information about a person arising out of an investigation of misconduct or official misconduct under our Act is also exempt. As a result, most of the CMC's core activities are excluded from the privacy scheme.

In accordance with the requirements of IS42, the CMC has nominated a privacy contact officer, developed a privacy plan to give effect to the IPPs, and published the plan on the 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. The Charter of Service reflects the evolving role of the CMC and agencies in the management of complaints. It is published in print form and on our website. It is also reproduced on the inside back cover of this report.

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 (as attached)
- an internal budget reporting regime
- six-monthly reports under section 260 of our 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, CMC publications and our 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.



Finance Manager Stephen Firth and Acting Administration Manager Bill Parada.

Our people and resources

This section of the chapter reports on issues relating to our staff and working environment, including the work of the Commissioners for Police Service Reviews, support areas such as communications and information management, and infrastructure developments.

Human resources

The CMC is dedicated to providing the best working environment it can for its diverse staff of lawyers, police, accountants, investigators, intelligence analysts, social scientists, computing specialists, support officers and administrators. It also recognises that a good working environment directly contributes to a more stable and productive workforce.

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, avenues for regular internal communication, and a mechanism for staff to have their concerns heard by senior management.

During 2006–07 the number of established positions at the CMC grew to 316 (see Tables 15 and 16). This was an increase of 5.6 per cent over the previous 12 months, created from additional positions in Complaints Services, Corporate Governance, Information Technology, Proceeds of Crime, Forensic Computing and Research and Prevention.

The number of actual staff in June 2007 was 266.2. This variance between established positions and actual staff on hand was influenced by a large number of vacancies. Many of these were in Proceeds of Crime, Research and Prevention, and Misconduct, all of which had a reasonably high turnover for the year.

Organisational climate

The second CMC Organisational Climate Survey was conducted in June 2007. The survey instrument was designed by Professor Victor Callan from the University of Queensland after consultation with employee focus groups. A total of 228 completed surveys were received, representing about 80 per cent of available staff. Once the survey results have been analysed, a comparison with the results from the 2004 survey will be made across 20 measures of effectiveness.

Organisational restructures

From time to time it is necessary to review how an organisation, or part of an organisation, is performing and assess whether its organisational structure is best suited to meeting the needs of its clients.

During 2006–07 we reviewed the structure of our Research and Prevention section. The revised structure was effective from 1 July 2007.

Work, Family and Life Balance Program

This year the CMC continued to implement its Work, Family and Life Balance Program, which incorporates flexible working hours, leave provisions and employment arrangements, and contributes to a workplace culture that supports employees in balancing their work and family and other responsibilities. As part of this, we will undertake a comprehensive review of our current working hours arrangements in the first half of 2007–08.

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 accommodating it with operational demands. Therefore, a series of workshops will be arranged 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.

Table 15. Staff establishment as at 30 June 2007

	Approved establishment	Actual staff (including temporary)
Executive	19	21.8
Crime	49	40.8
Misconduct	91	77.3
Witness Protection and Operations Support	56	43
Research and Prevention	30	18.3
Intelligence	21	18.2
Corporate Services	50	46.8
Total	316	266.2

Table 16. Number of established positions within each discipline as at 30 June 2007

Discipline	Number
Police officers	84
Administrative officers	56
Operational support officers	25
Legal officers	19
Intelligence analysts	21
Financial investigators	22
Registry officers	16
Computer system officers	13
Investigators (civilian)	10
Research officers	16
Strategic management	11
Prevention officers	7
Complaints officers (incl. one Indigenous Complaints Officer)	11
Librarian	2
Technical officers	1
Indigenous liaison officers	2
Total	316

Workforce management planning

We are developing a new Workforce Management Plan covering the period 2007–09 that will continue to focus on attracting and retaining highly skilled staff, and enhancing leadership and management competency throughout the organisation. This new plan will build on the strategies contained in the previous plan and incorporate strategies to address issues arising from the second organisational climate survey of the CMC.

Employee relations

Award employment

On 4 August 2006, the Queensland Industrial Relations Commission approved the Crime and Misconduct Commission Employees Award – State 2006, which provides coverage for staff employed at levels up to A05 and equivalent.

Enterprise bargaining

On 5 February 2007, the Queensland Industrial Relations Commission approved the Crime and Misconduct Commission Certified Agreement 2006, which provides for wage increases for award employees over the next three years.

Staff accountability

Our 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 (section 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, we have reviewed our staff protocol for dealing with complaints against CMC officers. The revised protocol is currently with the PCMC for consideration.

Staff training

Leadership and Management Development Program. This six-month program, which was attended by 44 senior officers, including the Chairperson and senior leaders, was completed in November 2006. A review of the program will be conducted in the first half of 2007–08.

Management Essentials Program. This program was selected as a strategy for increasing management competency at middle levels of management. It was aimed at staff from the A05/PO3 levels to the A08/PO6 levels, and involved completion of a number of competency-based workshops leading to a Diploma of Government (Management). The program, which began in May 2006, was completed in March 2007.



Jeffrey Farrah, Hilary Fisher and Deborah Blythe attended a two-day project management course.

Other accredited training. The CMC's Certified Agreement 2006 continues to provide 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.

During 2006–07, a number of staff at these levels completed a series of competency-based workshops during normal working hours on CMC premises. The program, which began in May 2006 and was completed in March 2007, provided participants with an opportunity to attain a Certificate IV in Government.

Table 17 lists a range of courses held in-house during 2006–07.

Table 17. HR courses held in-house 2006–07

Course name	No. of participants
Workplace Conflict Management	10
Senior First Aid	16
Microsoft Outlook	7
Certificate IV in Government	21
Diploma of Government (Management)	42
Newstext: Finding Newspaper Articles Retrospectively	15
Media Training	11
Legal Advices and Precedents Database	7
Clear and Meaningful Communication	57
Balanced Approach to Work and Life	8
Application Writing and Interview Skills	37
Anti-Discrimination Training	8
Time Management Essentials	22
Project Management	10
Project Management (Advanced)	13
People Skills for Supervisors	16
Leadership and Management Development	44
Introduction to Records Management	14
Indigenous Cultural Awareness	9

Internship program

We continued our arrangement with the Queensland University of Technology to assist final-year law students with one of their final units of study. The internship program requires students to work at the CMC for one day a week for 12 weeks. Two students participated in this program during first semester 2007. Both students were allocated to the Legal Services Unit.

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 half of the CMC workforce. It is anticipated that our 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.

Appendix D presents EEO statistics for CMC staff for 2006–07.

Workplace health and safety program

Over the last five years we have significantly developed our Workplace Health and Safety Management Program. This program incorporates comprehensive policies and procedures, the implementation of annual action plans, and the facilitation of regular performance assessment measures.



Workplace health and safety representatives, Executive Assistant Stephanie Rogan and Security Supervisor Peter Delaney.

Our role with the Commissioners for Police Service Reviews

Commissioners for Police Service Reviews arbitrate on any grievances police officers may have about promotions, transfers or disciplinary action. The Commissioners are independent of the CMC and the Queensland Police Service but are nominated by the CMC Chairperson under the *Police Service Administration Act 1990*.

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.

Through the Office of the Commissioner for Police Service Reviews, the CMC coordinates review hearings and provides administrative and secretarial support to the Commissioners.

During the reporting period, the Review Commissioners were former CMC Commissioners Ms Kathryn Biggs and Ms Dina Browne and practising solicitor Mr Pat Mullins. Ms Julie Cork, a current CMC Commissioner, continues to liaise between the Commissioners for Police Service Reviews and the CMC.

In addition to their primary role to arbitrate on grievances, Review Commissioners also monitor the progress of any changes to the Queensland Police Service merit-based policy. Monitoring occurs as issues are identified during reviews and addressed through 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.

The transparency and independence of the review process are enhanced by the standing invitation to the Queensland Police Union of Employees to attend promotion, transfer and disciplinary review hearings as observers. During the reporting period the Police Commissioner has supported all recommendations made by Review Commissioners.

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.



Secretary, Police Service Reviews, Karyn Worth (left) with Review Commissioners Dina Browne and Pat Mullins.

Table 18. Types of applications lodged, 2005–06 and 2006–07

Type	2005–06	2006–07
Promotion	94	49
Transfer	7	12
Lateral transfer	3	1
Stand-down	1	1
Suspension	-	2
Disciplinary	-	-
Dismissal	-	-
Total	105	65

Table 19. Status of applications lodged, 2005–06 and 2006–07

Status	2005–06	2006–07
Matters lodged	105	65
Matters withdrawn before hearing	73	35
Matters out of jurisdiction	1	-
Matters awaiting hearing at 30 June	14	8
Matters heard	32	22

Table 20. Results of matters heard by Review Commissioners, 2006–07

Type	Affirmed	Varied	Set aside	Total
Promotion	16	-	2	18
Transfer	3	-	1	4
Lateral transfer	-	-	-	-
Stand down	-	-	-	-
Total	19	-	3	22

Departures and appointments

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

Departures

November 2006: Mark Hummerston (Executive Director) had been with the organisation since September 2005.

November 2006: Assistant Commissioner Ron Vincent (Director, Witness Protection and Operations Support) was one of the hand-picked police investigators on the Fitzgerald Inquiry and had worked with the organisation for extended periods since 1990.

January 2007: Theresa Hamilton (General Counsel) had been with the organisation since April 1990.

Appointments

August 2006: Ann Gummow (part-time Commissioner)

December 2006: Jan Speirs (General Counsel)

February 2007: Assistant Commissioner Felix Grayson (Director, Witness Protection and Operations Support)

May 2007: Chief Superintendent Len Potts (Director, Operations, Crime).

Staff awards

The following staff were recognised for 10 years of service: Karel Weimar, Rosemarie Holder, Monica Chaplain, Mick McMullen, Jodie Boland and Frank Van Den Elsen.

In April 2007 we gave awards to employees who had performed outstanding work during the year. They were:

- the members of the Forensic Computing Unit for their professionalism and dedication, and for the quality of support they provide to the delivery of an efficient and effective service to operations
- the members of the Operation Grand team for their achievements in investigating the conduct of certain candidates in local authority elections
- Bob Dowling and Lorelle Noble for their commitment and dedication in ensuring the success of three significant developmental programs during 2006–07
- Suzanne Sweeper for her commitment and hard work in managing the acquisition and roll-out of digital hand-held records to replace analogue tape recorders and other related dictation equipment.

Communications

The CMC places great importance on ensuring that our biggest stakeholder, the Queensland public, is kept informed about the organisation. Our other three main stakeholders are parliament, public sector agencies, including the QPS, and CMC staff.

We release information through research, intelligence and investigative reports, crime bulletins, brochures, media releases and interviews. All printed material can be accessed on the CMC's website.

Due to the nature of the CMC's work, the organisation attracts significant interest from both the public and the media. During the reporting period we received 937 media queries on varied topics such as:

- the jailing of former minister Merri Rose for extortion
- the charging of former minister Gordon Nuttall and Queensland businessman Ken Talbot relating to secret commissions
- public inquiry into policing in remote Indigenous communities
- escort services report
- trends in the Queensland amphetamine market
- closure of two major crime operations involving drug trafficking
- prosecutions arising from the public inquiry into the Gold Coast City Council investigation
- the marking of the Fitzgerald Inquiry's 20th anniversary.

We gave 64 media interviews and held four media conferences.



Award for efficient and effective service support to operations. Director, Witness Protection and Operations Support, Felix Grayson with members of the Forensic Computing Unit: (left to right) Senior Sergeant Tony Clowes, Sergeant Jason Wright and Sergeant Mark Camilleri.



CMC marks the 20th anniversary of the start of the Fitzgerald Inquiry. Records Manager Janet Legg, holding an exhibit from the Inquiry, and Media Adviser Leanne Hardyman.

We also receive requests from stakeholder and community groups for CMC officers to speak about the organisation. In 2006–07 our public presentations included addresses to schools on internet safety, to Rotary clubs on the CMC's role and functions, and to university students on crime investigations. See Appendix B for a list of significant external presentations.

Each year the CMC takes part in events or activities that help raise awareness of the organisation among members of the public and other stakeholders. This financial year we participated in NAIDOC Week and Child Protection Week.

In 2006–07 the key publications produced included:

- a survey on public attitudes to the Queensland Police Service
- an investigative report into an alleged police assault of an Aurukun resident
- a report following up on recommendations contained in our 2004 publication *Protecting children*
- a profile of the Queensland amphetamine market.

See Appendix F for a list of all of our publications.

In addition, we initiated an organisational plain language strategy, Clear and Meaningful Communication at the CMC, to assist staff to communicate more effectively.

Information management

The CMC's operational work relies heavily on an effective information management infrastructure to support investigations, analysis and decision-making. Major initiatives taken during 2006–07 include the following.

- A range of network infrastructure upgrades were completed, including an upgrade of data storage facilities and communication links, and a replacement of network servers and switch equipment.
- The first practical implementation of the digital migration project was completed with the successful replacement of hand-held analogue audio recorders with digital technology. The conversion from analogue to digital capture equipment in interview rooms and hearing rooms will continue over the next two years with corresponding upgrades to the network storage infrastructure.
- Despite significant resources being devoted to the project to implement an electronic document and records management system, it was agreed to suspend the project in February 2007 following ongoing problems with the core software.



The hand-held digital recorder and accessories.

Consultancies

The CMC contracted the services of 10 external consultants at a total of \$136 420 (compared with eight consultants at a total cost of \$111 424 last year). See Appendix G for further details.



Infrastructure development — relocation to Green Square

Relocation of the CMC to Green Square, Fortitude Valley in 2008 will not only provide a larger and more functional work environment but also vastly improve our organisational capabilities.

It has been apparent for several years that the CMC's future operational requirements could not be met in its current accommodation at Terrica Place in the Brisbane CBD.

Green Square was selected as the most viable long-term alternative after numerous options were considered in consultation with the Queensland Government Accommodation Office. In early 2007 a Relocation Project Team was set up to plan, manage and coordinate the CMC's move to Green Square's North Tower.

Green Square is a corporate office park currently under construction by Leighton Properties. The CMC has been working closely with Leighton Contractors, Cox Rayner Architects and the Department of Public Works to design a practical and secure working environment for the organisation.

Green Square Project Team. Looking over the plans to Green Square are (left to right) Senior Project Officer Graeme Catling; Project Support Officer Sally Doyle; Project Officer (Change Management) Suzanne Sweeper; and Project Officer Matthew Chiswell. (Absent from photo) Project Manager Don Jeppersen.

As the building is still under construction, the CMC has a unique opportunity to create a tailor-made and highly functional work environment while also achieving considerable financial savings. In addition, Green Square conforms to environmentally sustainable design principles and will deliver environmental initiatives consistent with a 5 Green Star rating and 4.5 Star Australian Building Greenhouse Rating, a relatively new concept implemented by the construction industry and endorsed by government.

During the course of the project, the CMC is expected to move from its current analogue systems to digital technology for both investigative and corporate applications. Developing the specifications for the associated security infrastructure, digitisation and specialist operational infrastructure will constitute a significant aspect of the relocation project.

The relocation project will continue throughout 2007–08, aiming to relocate the CMC in September–October 2008.



Appendixes

Appendix A: Functions of the CMC

Appendix B: Significant external presentations 2006–07

Appendix C: Public interest disclosures received in 2006–07

Appendix D: EEO statistics 2006–07

Appendix E: Overseas travel 2006–07

Appendix F: Significant publications 2006–07

Appendix G: Consultancies 2006–07

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 the 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.

Significant external presentations 2006–07

Date		Audience	Topic
5.7.06	Margot Legosz, Deputy Director, R&P	Australian Winter School Conference	Project Opal
10.7.06	Tony Morgan, Sergeant, Egret Team	JAB Workshop	Role of CMC in paedophilia investigations
10.7.06	Sue Dawson, Operations Coordinator (Inspector) and Brett Lee, Sergeant, Egret Team	Teachers of Brisbane State High School	Internet safety
3.8.06	Tony Morgan, Sergeant, Egret Team	Phase 1 Detective Training Program	Online child-sex offences
3.8.06	Louise Norman, Research Officer, Police Program	QPS Senior Executive Conference	Project Verity: devolution and discipline and sanctions projects
8.8.06	Louise Norman, Research Officer, Police Program	QPS District Officers' Conference	Project Verity: devolution and discipline and sanctions projects
10.8.06	Ray Bange, Senior Misconduct Prevention Officer	Joint presentation to Queensland Purchasing staff and a delegation of visiting Indonesian parliamentary members	Ethics, probity and accountability in procurement (an outline of recent project work carried out between the CMC and QP to revise a key procurement guidelines document)
11.8.06	John Boyd, Principal Project Officer, Public Sector Program	Dewan Perwakilan Daerah, Indonesian parliamentary delegation	Role and functions of the CMC
22.8.06	Alexa VanStraaten, Misconduct Prevention Officer, Police Program	Police recruits at Oxley	Misconduct prevention
23.8.06	Ray Bange, Senior Misconduct Prevention Officer	Joint presentation with Department of Transport to members of the Corruption Prevention Network Queensland	Implementing best-practice fraud and corruption control
25.8.06	Alexa VanStraaten, Misconduct Prevention Officer and Laurie Paul, Senior Sergeant, Police Program	Townsville police recruits	Misconduct prevention
30.8.06	John Melit, Principal Adviser, Misconduct Prevention	Delegates of LGAQ conference	Fielding general queries from conference delegates
1.9.06	Sue Dawson, Operations Coordinator (Inspector) and Brett Lee, Sergeant, Egret Team	Ten students from Stuartholme School	Internet safety and dangers
4.9.06	Alexa VanStraaten, Misconduct Prevention Officer, Police Program	Police recruits at Oxley	Misconduct prevention
6.9.06	Dominic O'Connell, Witness Protection	Phase 1 Detective Training Program	Witness protection
12.9.06	Shane Neilson, Strategic Intelligence Unit	QPS advanced intelligence training course	Tactical and strategic intelligence
12.9.06	Dominic O'Connell, Witness Protection	Police trainees	WPU presentation to the Queensland Police Prosecutors Course
19.9.06	Brett Lee, Sergeant, Egret Team	Students in Years 8 & 9 at Clontarf State High School	Internet safety and dangers
21.9.06	Ray Bange, Senior Misconduct Prevention Officer	Heads of Procurement Network comprising principal procurement officers and management	Ethics, probity and accountability in procurement (an outline of recent project work carried out between the CMC and QP)

Date	Audience	Topic
28.9.06	Narelle George, Misconduct Prevention Officer	CMC Liaison Officers Meeting, Brisbane Is your information really secure? Keeping sensitive information confidential
28.9.06	Ray Bange, Senior Misconduct Prevention Officer	CMC Liaison Officers Meeting, Brisbane Sponsorship management: achieving mutually beneficial outcomes
28.9.06	Ray Bange, Senior Misconduct Prevention Officer	Presentation to members of the Institute of Internal Auditors Fraud and corruption control; organisational inertia and change management
30.9.06	Carey Stent, Senior Sergeant, Egret Team	Detective training at the QPS Police Academy Role of the CMC in criminal investigations
27.10.06	Wayne Robson, Senior Financial Investigator	CPA Australia congress on forensic accounting in the public sector The CMC and public sector fraud and corruption investigations
11.10.06	Mark Docwra, Principal Legal Officer, Public Sector Program	Old Transport staff Role and functions of the CMC
12.10.06	John Richardson, Manager, Financial Investigations	Presentation to the Australian Environmental Law Enforcement and Regulators Network Proceeds of Crime legislation and its application in an environmental context
19.10.06	Andrew Stapleton, Manager, Intelligence	QPS intelligence training course Human source operations
19.10.06	Mark Docwra, Principal Legal Officer, Public Sector Program	Department of Natural Resources and Water, South West Region field staff The role and functions of the CMC
23.10.06	Mark Docwra, Principal Legal Officer, Public Sector Program	Brisbane City Council Dealing with poor performance, misconduct and official misconduct
31.10.06	Alexa VanStraaten, Misconduct Prevention Officer, Police Program	About 90 QPS recruits The CMC's role and functions
2.11.06	Theresa Hamilton, General Counsel	Sixth National Investigations Symposium, Sydney Independence, influence and integrity in local government: aspects of an investigation conducted by the CMC
7.11.06	Dennis Budz, Team Leader, Police Program	Police beat officers' course, QPS Police Academy Beat policing: past and future
3.11.06	Carey Stent, Senior Sergeant, Egret Team	Online investigators workshop, Police Headquarters The CMC's role, function, resources and investigative parameters
3.11.06	Brett Lee, Sergeant, Egret Team and Tony Morgan, Sergeant, Egret Team	Online investigators workshop, Police Headquarters Online and internet-based investigations and investigative techniques
7.11.06	Brett Lee, Sergeant, Egret Team	Phase 3 Detective Training Program CMC paedophile investigations and internet-based investigations
14.11.06	Brett Lee, Sergeant, Egret Team and Carey Stent, Senior Sergeant, Egret Team	Lecture to 150 Year 9 students at Mt St Michaels College, Ashgrove Internet safety: making MySpace and Messenger safe
14.11.06	John Boyd, Principal Prevention Officer	Ipswich and West Moreton CPA and NIA Accountants Discussion Group The CMC and fraud and corruption prevention
14.11.06	Narelle George, Misconduct Prevention Officer	Longreach Shire Council staff Ethics and accountability (covering disposal, purchasing, information security)
22.11.06	Carey Stent, Senior Sergeant, Egret Team and Brett Lee, Sergeant, Egret Team	Lecture to 110 Year 10 students at Lourdes Hill College, Hawthorne Internet safety: making MySpace and Messenger safe

Date	Audience	Topic	
24.11.06	Carey Stent, Senior Sergeant, Egret Team and Brett Lee, Sergeant, Egret Team	Lecture to 160 Years 8 & 9 students at Stuartholme School, Bardon	Internet safety: making MySpace and Messenger safe
26.11.06	Carey Stent, Senior Sergeant, Egret Team and Brett Lee, Sergeant, Egret Team	Lecture to 100 Year 8 students at Lourdes Hill College, Hawthorne	Internet safety: making MySpace and Messenger safe
27.11.06	Carey Stent, Senior Sergeant, Egret Team and Brett Lee, Sergeant, Egret Team	Lecture to 100 Year 9 students at Lourdes Hill College, Hawthorne	Internet safety: making MySpace and Messenger safe
27.11.06 – 30.11.06	John Callanan, Assistant Commissioner, Crime and Felix Grayson, Director, Operations (Chief Superintendent)	State Crime Forum at Police Headquarters	Continuous improvement through networking
9.1.07	Laurie Paul, Senior Sergeant, Police Program	QPS Police Academy	Recruits presentation
22.1.07	John Boyd, Principal Project Officer	Rotary Club of Windsor, Italo-Australian Club, Foster Street, Newmarket	The CMC's role and function
28.1.07	Carey Stent, Senior Sergeant and Brett Lee, Sergeant, Egret Team	Lecture to 250 parents and boarder students at Stuartholme School, Bardon	Internet safety: making MySpace and Messenger safe
5.2.07	Chris Keen, Director, Intelligence and Paul Doyle, Director, Operations (Acting Chief Superintendent)	Australian Crime Commission conference on national outlaw motorcycle gang strategy, Sydney	Outlaw motorcycle gangs
6.2.07	Dianne McFarlane, Assistant Director, Public Sector Program	Dalby Town Council	Presentation on the role and functions of the CMC
6.2.07	Mark Docwra, Principal Legal Officer, Public Sector Program	Brisbane City Council, Customer and Community Services Division	Joint CMC–BCC seminar on dealing with with poor performance, misconduct and official misconduct
7.2.07	Carey Stent, Senior Sergeant and Brett Lee, Sergeant, Egret Team	Internet forum for parents and students at Stuartholme School	Cyber bullying: consequences
13.2.07	Carey Stent, Senior Sergeant and Tony Morgan, Sergeant, Egret Team	Phase 1 Detective Training Program	The role of the CMC in paedophilia and serious crime investigations, online investigations and hearing processes
20.2.07	Jeffrey Farrah, Senior Legal Officer, Complaints Services	Queensland Transport (new transport inspectors)	The role of the CMC in investigating and dealing with misconduct
26.2.07	David Goody, Principal Financial Investigator and Damien Wilson, Senior Financial Investigator, Proceeds of Crime Unit	Detective training course, QPS Police Academy	Proceeds of crime
1.3.07	Laurie Paul, Senior Sergeant, Police Program	QPS Police Academy	The role and functions of the CMC
1.3.07	Carey Stent, Senior Sergeant and Tony Morgan, Sergeant, Egret Team	Phase 2 Detective Training Program	The role of the CMC in paedophilia and serious crime investigations, online investigations and hearing processes
13.3.07	Narelle George, Misconduct Prevention Officer and John Melit, Principal Adviser, Misconduct Prevention	Redland Shire councillors and senior staff	Ethics and accountability: underpinning good corporate governance

Date	Audience	Topic
19.3.07	Mark Docwra, Principal Legal Officer, Public Sector Program	Brisbane City Council officers The CMC Act and the Whistleblowers Protection Act
22.3.07	Andrew Stapleton, Manager, Intelligence	QPS intelligence training course Human source operations
23.3.07	Jeffrey Farrah, Senior Legal Officer, Complaints Services	Queensland Transport (new transport inspectors) Presentation to new transport inspectors on the role of the CMC in investigating and dealing with misconduct
27.3.07	Carey Stent, Senior Sergeant and Brett Lee, Sergeant, Egret Team	QPS Police Academy The role of the CMC in paedophilia and serious crime investigations, online investigations and hearing processes
27.3.07	Sue Dawson, Operations Coordinator (Inspector)	Child Protection Unit Investigation Course, QPS Police Academy Role of the CMC in paedophilia investigations
29.3.07	Felix Grayson, Director, Witness Protection and Operations Support	Criminal justice students, Griffith University CMC crime investigations and relevant CMC legislation
20.4.07	Helen Couper, Director, Complaints Services and Mark Docwra, Principal Legal Officer, Public Sector Program	Queensland Audit Office Contract Auditors Workshop The Crime and Misconduct Act and the audit role
16.5.07	David Goody, Acting Manager, Proceeds of Crime	Students from St Pauls School, Aspley The role of the CMC
17.5.07	David Goody, Acting Manager and Damien Wilson, Proceeds of Crime	Detective training course Recovering the proceeds of crime
8.5.07	Carey Stent, Senior Sergeant, Egret Team	Brisbane Boys College Parents & Friends Assoc. Internet safety
9.5.07	Carey Stent, Senior Sergeant, Egret Team	600 students from Faith Lutheran College Internet safety
9.5.07	Carey Stent, Senior Sergeant, Egret Team	Parents of students at Faith Lutheran College Forum on internet safety and personal safety for children
11.5.07	Narelle George, Misconduct Prevention Officer	Workshop at CQ area Regional Initiatives Program, Rockhampton Ethics and accountability: underpinning good corporate governance
15.5.07, 16.5.07	Narelle George, Misconduct Prevention Officer	Workshop at Townsville area Regional Initiatives Program Identifying and managing conflicts of interest
7.6.07	Chris Keen, Director, Intelligence and Liz Foulger, Manager, Intelligence	Parliamentary Joint Committee on the Australian Crime Commission The future impact of serious and organised crime on Australian society
19.6.07	Narelle George, Misconduct Prevention Officer	Burdekin Shire Council staff Identifying and managing conflicts of interest
19.6.07	Carey Stent, Senior Sergeant, Egret Team	Year 10 students at All Hallows School Internet safety
28.6.07	Narelle George, Misconduct Prevention Officer	SEQ Regional Animal Management Group Identifying and managing conflicts of interest

Public interest disclosures received in 2006–07

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		48	177*	11	91	27	354
16 Public officer complaining of maladministration			1*				1
17 Public officer complaining of improper management		3	3*	4	2		12
18 Public officer complaining about health/environment matter		1					1
19 Any person complaining about public health or safety matter			5*				5
20 Any person complaining about reprisal		9	30*		6		45
Totals		61	216*	15	99	27	418

Note: There were 110 complaints received that comprised 418 allegations. This table details the status of the allegations.

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

EEO statistics 2006-07

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

Figure D1. Membership of EEO target groups 2002-03 to 2006-07

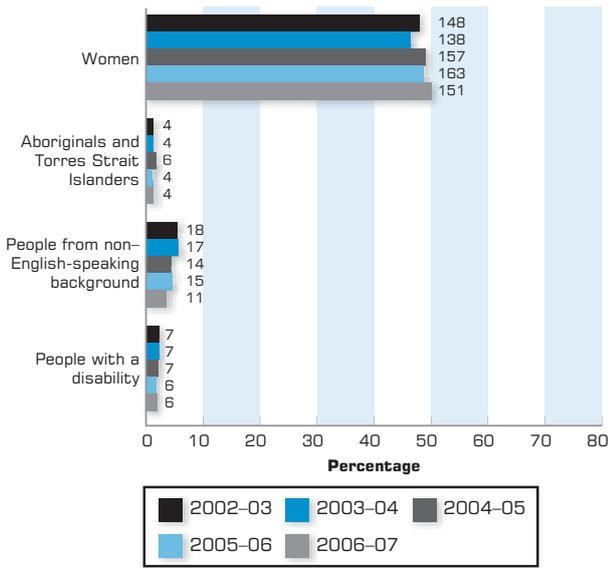


Figure D2. Employees by gender and employment status as at 30 June 2007

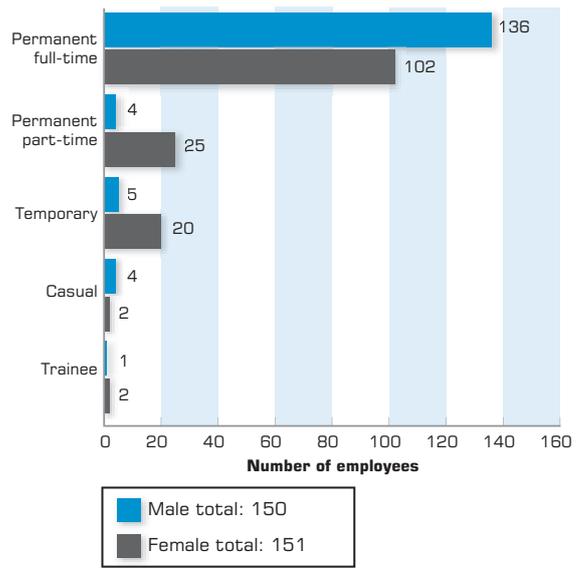


Figure D3. Employees by gender and age as at 30 June 2007

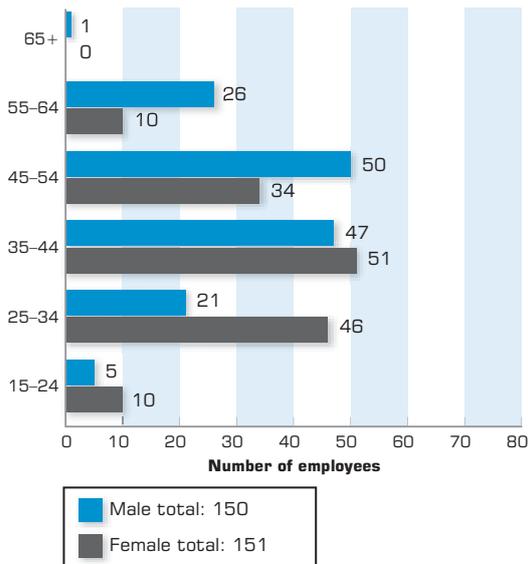
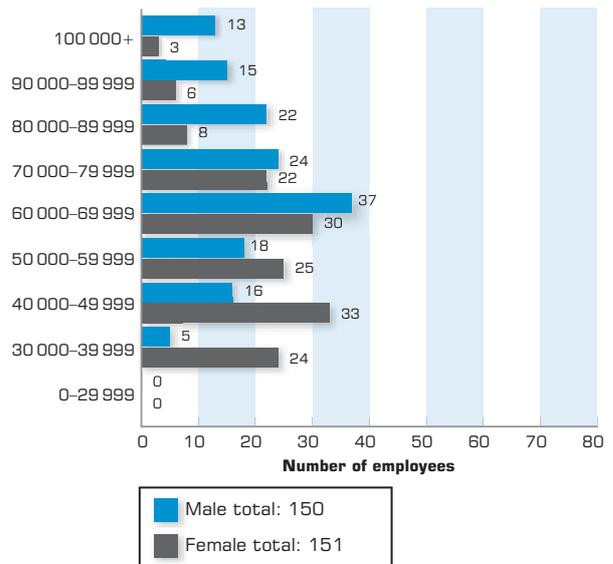


Figure D4. Employees by gender and annual salary as at 30 June 2007



Overseas travel 2006-07

Date of travel	Name of officer	Destination	Reason for travel	Cost	Remarks
23 June – 21 November 2006	Sergeant Brett Lee	USA	Attendance at FBI advanced internet training course; work experience with Immigration and Customs Enforcement Cyber Crimes Centre; attendance at 5th Annual Internet Crimes against Children National Conference.	\$4589	Officer was recalled to duty to attend training course, work experience and conference while on leave, and paid for his own airfare costs.
Total cost:				\$4589	

Significant publications 2006–07

The following is a list of the significant publications published by the CMC during 2006–07.

Corporate

Strategic plan 2007–11, June 2006.

Annual Report 2005–06, October 2006.

Building Capacity series

Sponsorship management: achieving mutually beneficial outcomes, no. 9, September 2006.

Public–private partnerships: identifying governance risks, no. 10, March 2007.

Outside employment: risks and remedies, no. 11, June 2007.

Discussion/interim papers

Inquiry into policing in Indigenous communities: issues paper, April 2007.

Research reports

Regulating outcall prostitution: should legal outcall prostitution services be extended to licensed brothels and independent escort agencies?, October 2006.

Profiling the Queensland amphetamine market, December 2006.

Operational Performance Review: how senior police perceive the OPR, December 2006.

The Princess Alexandra Hospital Police Beat: an evaluation by the Crime and Misconduct Commission, February 2007.

Illicit drug use in Queensland: a survey of households 2002–05, February 2007.

Reforming child protection in Queensland: a review of the implementation of recommendations contained in the CMC's Protecting children report, June 2007.

Investigative reports

CMC investigations into allegations affecting the Douglas Shire Council, October 2006.

Actions and reactions at The Prince Charles Hospital: a report of a CMC investigation into allegations flowing from the appointment of a nursing director, October 2006.

Alleged police assault of Aurukun resident Warren Bell: a report from the CMC, February 2007.

Other

A message to all state government candidates, August 2006.



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

Consultancies 2006–07

Consultant	Description	\$ (excl. GST)
Management		
Ernst & Young	Risk Management Process Review	59 627
Pivot	Project Planning and Management – Green Square	5 760
Sagacity	Preparation and Facilitation of Business Plan Workshop – Intelligence	1 600
Professional/technical		
Dimension Data	Review of Information and Technology	9 600
Professional/technical		
Gwen Murray	Develop project plan to review Protecting Children recommendations	3 100
John Heath	Preparation of documentation for Operation Spoke	918
Human resources		
Dialogue Consulting	Facilitation and Coaching Processes	10 575
Mercer	Focus Group – Development of Research and Prevention Structural Models, HR	26 240
Ray Dempsey	Application and finalisation of CMC Award	800
Callan Consulting	Organisational Climate Survey	18 200
Total		\$136 420

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Financial statements

There are five key parts to these financial statements for the period ending 30 June 2007:

- income statement
- balance sheet
- statement of changes in equity
- cash flow statement
- 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 (income and expenses)

The income statement serves to show the comparison of income to expenses for the year. Approximately 98 per cent of the CMC's revenue is derived from government grants. For the year ended 30 June 2007, the CMC recorded a book deficit of \$26 000 due principally to the late receipt of invoices for legal services associated with our Proceeds of Crime function.

Balance sheet

The balance sheet 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 \$194 000 (of the total receivables \$298 000 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 relate to periods after 30 June becomes the prepayment. (This year it was \$377 000.) 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 \$2 082 000 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 balance sheet 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, \$2 429 000 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 \$1 767 000 have been set aside to cover the first four weeks of employees' accumulated annual leave entitlements as at 30 June. The CMC does not need to provide for its employees' long-service leave entitlements because long-service leave is catered 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 AASB17, 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 \$369 000 shown as a current liability represents that part of the liability or borrowing that will be reduced by lease instalments during 2007–08.

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 \$344 000 relate to non-current employee leave provisions. It represents that part of the liability or borrowing still outstanding at 30 June 2007 (that is, will not be extinguished in the next 12 months).

Net assets. The figure for the CMC's net assets of \$4 932 000 (\$4 958 000 last year) is the difference between total assets and total liabilities. The assets value exceeds the liabilities. Further, a good test of an organisation's financial health is its liquidity ratio (also known as the current ratio, because it compares current assets to current liabilities), for which the CMC has a ratio of 2.31 to 1 (1.95 last year).

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 \$696 000 is derived from the \$26 000 current year's operating deficit, generated from the income statement, plus prior year's operating results.

Statement of changes in equity

The statement of changes in equity 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; and asset revaluations. For 2006–07 the CMC's total equity movement is due to the operating book deficit of \$26 000.

Cash flow statement

This statement represents the CMC's actual movements of cash during the 12-month period to 30 June 2007.

Note: 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.

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 2007

	Notes	2007 \$'000	2006 \$'000
Income			
Revenue			
Contributions and grants	1(b)2(a)	35 012	34 777
Interest	1(h)	529	503
Services received below fair value	1(b)	34	58
Other revenue	1(b)	80	69
Gains			
Gains from sale of property, plant and equipment	1(b)	26	59
Total income		35 681	35 466
Expenses			
Depreciation and amortisation	1(d)2(b)	1 361	1 358
Employee expenses	2(d)	26 137	25 322
Supplies and services	2(c)	8 187	9 337
Loss from sale of assets	1(b)	22	35
Total expenses		35 707	36 052
Operating surplus/(deficit)		(26)	(586)*

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

* 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.

Crime and Misconduct Commission

Balance sheet as at 30 June 2007

	Notes	2007 \$'000	2006 \$'000
Assets			
Current assets			
Cash and cash equivalents	1(e) 3	4 948	4 647
Receivables	1(f) 4	298	458
Other assets	1(g) 5	377	307
Total current assets		5 623	5 412
Non-current assets			
Property, plant and equipment	1(c) 6	2 082	3 071
Total non-current assets		2 082	3 071
Total assets		7 705	8 483
Liabilities			
Current liabilities			
Payables	1(i) 7	293	525
Accrued employee benefits	1(j) 8	1 767	1 766
Other	9	369	492
Total current liabilities		2 429	2 783
Non-current liabilities			
Accrued employee benefits	1(j) 8	344	372
Other	9	-	370
Total non-current liabilities		344	742
Total liabilities		2 773	3 525
Net assets		4 932	4 958
Equity			
Contributed capital		4 236	4 236
Retained surplus		696	722
Total equity		4 932	4 958

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 2007

	Retained surpluses		Contributed equity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Balance 1 July	722	1 308	4 236	4 236
Net expense recognised directly to equity	-	-	-	-
Surplus/(deficit) for the period	(26)	(586)*	-	-
Non-appropriated equity adjustment	-	-	-	-
Balance 30 June	696	722	4 236	4 236

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

* 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.

Crime and Misconduct Commission

Cash flow statement for the year ended 30 June 2007

	Notes	2007 \$'000	2006 \$'000
Cash flows from operating activities			
Inflows			
LSL reimbursement received		(11)	13
Government contributions and grants		35 012	34 777
Interest receipts		528	502
GST collected from customers		19	67
GST input tax credits from ATO		1 831	1 722
Other		153	156
		37 532	37 237
Outflows			
Employee expenses		(26 165)	(25 118)
Supplies and services		(5 490)	(6 825)
Other		(3 458)	(2 733)
GST paid to suppliers		(1 729)	(1 782)
GST remitted to ATO		(21)	(73)
		(36 863)	(36 531)
Net cash provided by (used in) operating activities	10(b)	669	706
Cash flows from investing activities			
Inflows			
Proceeds from sale of plant and equipment		335	349
Outflows			
Payments for purchases of property, plant and equipment		(703)	(772)
Net cash provided by (used in) investing activities		(368)	(423)
Net increase (decrease) in cash held		301	283
Cash at beginning of financial year		4 647	4 364
Cash at end of financial year	10 (a)	4 948	4 647

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 2007

Objectives and principal activities of the Crime and Misconduct Commission

The objectives of the Commission over the medium term on a no policy change basis are three fold:

1. Combat and prevent the incidence of major crime

To combat and prevent major crime the CMC works with the Queensland Police Service (QPS) and other law enforcement agencies to fight crimes defined in the *Crime and Misconduct Act 2001*. It does this through a range of law enforcement and crime prevention initiatives including research and prevention activities, intelligence analysis, target identification and development, investigative hearings, gathering of evidence for prosecution action, recovery of the proceeds of crime and provision of policy-relevant information and advice. Also, the CMC undertakes a range of research activities into the incidence and prevention of criminal activity and into other matters relating to the administration of criminal justice referred to it by the Minister or required by other legislation.

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

The CMC's jurisdiction covers misconduct within the Queensland Public Sector, including the police service, departments, statutory authorities, universities, local governments, courts, prisons and on the part of State elected officials. The CMC handles complaints about misconduct, conducts investigations, monitors how agencies deal with complaints, takes a lead role in building the capacity of agencies to prevent and deal with misconduct and undertakes related research, intelligence and prevention activities. The Commission also has a legislative role of conducting research into police powers and methods of operation and undertakes research related to Misconduct activities required by other legislation.

3. Provide an effective witness protection service

The CMC provides Queensland's only witness protection services. The majority of protected witnesses are referred to the CMC by QPS.

Note 1 Summary of 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 (AIFRS) and other authoritative pronouncements.

This financial report has been prepared on an accrual and going concern basis. The financial report has also been prepared under the historical cost convention except where specifically stated.

Accounting policies

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

Crime and Misconduct Commission

Notes to and forming part of the financial statements for the year ended 30 June 2007

Note 1(a) continued

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.

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 non-current physical and intangible assets controlled and administered by the CMC. 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.

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

Measurement

Items of property, plant and equipment with a cost or other value equal to or in excess of \$5000 are recognised as assets for financial reporting purposes in the year of acquisition. All other items of property, plant and equipment are expensed on acquisition.

The carrying amounts for plant and equipment measured at cost should not materially differ from their fair value.

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.

Crime and Misconduct Commission

Notes to and forming part of the financial statements for the year ended 30 June 2007

Note 1(c) continued

Leasehold improvements

Leasehold improvements are recognised at cost and are amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter.

Costs relating to the fit-out of leasehold premises at Terrica Place have been capitalised as leasehold improvements and, in accordance with AASB 116 Property, Plant and Equipment, are being depreciated over the term of the lease. The Terrica Place lease is due to expire in March 2008.

Impairment of non-current assets

All non-current assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the CMC determines the asset's recoverable amount.

Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

The asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated replacement cost. An impairment loss is recognised immediately in the income statement. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount. A reversal of an impairment loss is recognised as income.

(d) Depreciation of property, plant and equipment

Depreciation is calculated on a straight-line basis so as to allocate the net cost 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.

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	5.90 years
Leasehold improvements other	4.44 years

Crime and Misconduct Commission

Notes to and forming part of the financial statements for the year ended 30 June 2007

Note 1 continued

(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 greater than or equal to \$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

Trade creditors 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.

(j) Accrued employee benefits

Salaries and wages

Salaries and wages due but unpaid at reporting date are recognised in the balance sheet at the remuneration rates expected to apply at the time of settlement. Payroll tax and workers compensation insurance are a consequence of employing employees, and are not counted in an employee's total remuneration package. They are not employee benefits and are recognised separately as employee-related expenses. Employer superannuation contributions and long service leave levies are regarded as 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 oncosts.

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.

Crime and Misconduct Commission

Notes to and forming part of the financial statements for the year ended 30 June 2007

Note 1(j) continued

Long service leave

Under the State Government's long service leave scheme a levy is made on the CMC to cover this expense. Levies are expensed in the period in which they are paid or payable. 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 AAS 31 Financial Reporting by Governments.

Superannuation

Employees of the CMC are members of QSuper, the superannuation plan for Queensland Government employees, at rates determined by the State Actuary. Contributions to employee superannuation plans are expensed at the time the contributions are paid or become payable.

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

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.

Executive remuneration

The executive remuneration disclosures in the employee expenses note (note 2[d]) in the financial statements include:

- the aggregate remuneration of all senior executive officers (including the Executive Director) whose remuneration for the financial year is \$100 000 or more; and
- the number of senior executives whose total remuneration for the financial year falls within each successive \$20 000 band, commencing at \$100 000.

Remuneration received or due and receivable by Commissioners and specified Executives of the CMC in connection with the management of the CMC, includes salary and allowances, contributions to members' superannuation, accrued leave, and fringe benefits paid on motor vehicles.

The Chairperson, Commissioners and specified Executives are eligible to become members of a superannuation plan established under the *Superannuation (State Public Sector) Act 1990*.

(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 from and GST payable to the Australian Taxation Office are recognised and accrued.

(l) Lease incentive

In accordance with AASB 117 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.

Crime and Misconduct Commission

Notes to and forming part of the financial statements for the year ended 30 June 2007

Note 1 continued

(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.

Note 2: Income statement disclosures

(a) Contributions and grants

	2007 \$'000	2006 \$'000
Queensland Government	35 015	34 546
Other	(3)	231
	35 012	34 777

(b) Depreciation

Motor vehicles	196	209
Computer equipment	192	183
General and technical equipment	167	167
Leasehold improvements	806	799
	1 361	1 358

(c) Operating expenses

Rental expense – operating lease	2 966	2 733
Auditors remuneration – Queensland Audit Office*	47	34
Communications	332	300
Computer software/services	148	302
Consultants	127	111
Contractors	60	45
Contract support	232	360
Electricity	141	136
Employment agency staff	118	285
Equipment – non assets	382	1 242
Information retrieval and access	288	222
Legal and litigation costs	377	611
Maintenance	259	263
Motor vehicles	314	303
Operational expenses	591	420
Other supplies and services	881	879
Other supplies and services (goods provided below fair value)	34	58
Project costs	37	178
Security	266	277
Travel	545	537
Other	42	41
	8 187	9 337

* Total external audit fees relating to the 2006–07 financial year were estimated to be \$44 800 (\$38 000 in 2005–06). 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 2007

Note 2 continued

(d) Employee expenses

	2007 \$'000	2006 \$'000
Employee benefits		
Salaries and wages	18 449	18 680
Annual leave	1 786	1 210
Employer superannuation contributions*	2 582	2 501
Long-service leave*	359	349
Other employee benefits	970	694
Employee-related expenses		
Workers compensation premium*	204	239
Payroll tax*	1 141	1 096
Other employee-related expenses	646	553
	26 137	25 322

* Costs of workers compensation insurance and payroll tax are a consequence of employing employees, but are not counted in employees' total remuneration packages. They are not employee benefits but rather employee-related expenses. Employer superannuation contributions and the long service leave levy are regarded as employee benefits.

The CMC had 266.2 full-time equivalent employees at 30 June 2007 (305.1 full-time equivalent at 30 June 2006)

Executive remuneration

(i) 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 2006 to 30 June 2007.

	Superannuable salary	Allowances and benefits ¹	Total remuneration
2007	\$311 341	\$73 087	\$384 428
2006	\$299 295	\$54 915	\$354 210

1 Allowances and benefits are made up of employer superannuation contribution at 12.75%, annual leave loading of 17.5% on four weeks' leave, motor vehicle allowance, expense of office allowance, and reportable fringe benefits tax on motor vehicles.

Crime and Misconduct Commission

Notes to and forming part of the financial statements for the year ended 30 June 2007

(ii) 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.

		2007 \$	2006 \$
David Gow	(Commenced 2 October 2005)	38 796	28 175
Julie Cork	(Commenced 11 November 2004)	38 725	38 725
Hon. Douglas Drummond QC	(Commenced 7 July 2005)	38 725	39 735
Anne Gummow	(Commenced 21 August 2006)	32 767	-
Margaret Steinberg AM	(Ceased 1 October 2005)	-	10 426
Suzette Coates	(Ceased 23 December 2005)	-	21 206
Total:		149 013	138 267

(iii) Executives' remuneration

The number of senior executive who received or were due to receive total remuneration of \$100,000 or more:

	2007	2006
\$100 000 to \$119 999	10.6	8.6
\$120 000 to \$139 999	3	7
\$140 000 to \$159 999	2	4
\$160 000 to \$179 999	4	1
\$180 000 to \$199 999	2	-
\$200 000 to \$219 999	-	2
\$220 000 to \$239 999	2	-
Total:	23.6	22.6

The total remuneration of executives shown above at 30 June 2007 was \$3 389 862** (\$3 052 245 at 30 June 2006).

** The amount calculated as executive remuneration in these financial statements includes the direct remuneration received, as well as allowances and benefits. These allowances and benefits are made up of employer superannuation contribution of 12.75%, annual leave loading of 17.5% on 4 weeks leave, motor vehicle allowance, and reportable fringe benefits on vehicles.

Note 3: Cash and cash equivalents

	2007 \$'000	2006 \$'000
Cash on hand	30	40
Cash at bank	2 539	1 166
Deposits on call	2 379	3 441
	4 948	4 647

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

Crime and Misconduct Commission

Notes to and forming part of the financial statements for the year ended 30 June 2007

Note 4: Receivables

	2007 \$'000	2006 \$'000
GST receivable	198	300
GST payable	(4)	(6)
	194	294
Long service leave reimbursement	53	42
Interest receivable	8	7
Other receivables	43	115
	298	458

Note 5: Other assets

Current:		
Prepayments	377	307

Note 6: Property, plant and equipment

Property, plant and equipment at cost	7 699	7 787
Less: Accumulated depreciation	(5 617)	(4 716)
	2 082	3 071

The CMC had 12 assets with a written down value of zero which were still in use at 30 June 2007. The original purchase cost of these assets totalled \$152 361.

Movements during the reporting period

	Motor vehicles	Computer equipment	General and technical equipment	Leasehold improvements	Total
	2007 \$'000	2007 \$'000	2007 \$'000	2007 \$'000	2007 \$'000
Asset gross value:					
Opening balance	1 044	627	1 018	5 098	7 787
Purchases	499	29	118	57	703
Disposals	(591)	(125)	(74)	-	(790)
Closing balance	952	531	1 062	5 155	7 700
Accumulated depreciation:					
Opening balance	(257)	(240)	(498)	(3 721)	(4 716)
Depreciation expense	(196)	(192)	(167)	(806)	(1 361)
Depreciation on assets disposed of	260	125	74	-	459
Closing balance	(193)	(307)	(591)	(4 527)	(5 618)
Total	759	224	471	628	2 082

Crime and Misconduct Commission

Notes to and forming part of the financial statements for the year ended 30 June 2007

Note 7: Payables

	2007 \$'000	2006 \$'000
Trade creditors	293	525

Note 8: Accrued employee benefits

Current:

Accrued salaries and wages	408	392
Accrued long service leave levy	57	60
Annual leave	1 106	1 126
Other employee-related expenses	196	188
	1 767	1 766

Non-current:

Annual leave	344	372
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Note 9: Other liabilities

Current:

Lease incentive	369	492
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Non-current:

Lease incentive	-	370
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Note 10: Cash flow statement — disclosures

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

Cash on hand	30	40
Cash at bank	2 539	1 166
Deposits on call	2 379	3 441
	4 948	4 647

Crime and Misconduct Commission

Notes to and forming part of the financial statements for the year ended 30 June 2007

Note 10 continued

(b) Reconciliation of operating surplus to net cash provided by (used in) operating activities

	2007 \$'000	2006 \$'000
Operating surplus/(deficit)	(26)	(586)
Non-cash items		
Depreciation expense	1 361	1 358
Other non-cash transactions adjustment	(5)	(4)
Change in operating assets and liabilities :		
(Decrease) Increase in LSL payable	(3)	9
(Increase) Decrease in lease capitalisation	(492)	(492)
(Increase) Decrease in interest receivable	(1)	(1)
(Increase) Decrease in LSL reimbursement receivable	(11)	13
(Increase) Decrease in other receivable	73	87
Increase (Decrease) in GST payable	(2)	(5)
(Increase) Decrease in GST input tax credits receivable	102	(61)
(Increase) Decrease in prepayments	(70)	3
(Decrease) Increase in accounts payable	(231)	189
(Decrease) Increase in salaries payable	15	112
(Decrease) Increase in withholding tax	2	-
(Decrease) Increase in other employee-related expenses	4	14
(Decrease) Increase in provision for annual leave	(47)	70
Net cash provided by operating activities	669	706

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 2007		Non-interest bearing		Total carrying amount as per balance sheet	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Average interest rate	6.30%	5.61%	-	-				
Financial assets								
Cash	4 918	4 607	-	-	30	40	4 948	4 647
Receivables	-	-	-	-	297	458	297	458
Total financial assets	4 918	4 607	-	-	327	498	5 245	5 105
Financial liabilities								
Payables	-	-	-	-	293	525	293	525
Total financial liabilities	-	-	-	-	293	525	293	525

Crime and Misconduct Commission

Notes to and forming part of the financial statements for the year ended 30 June 2007

Note 11 continued

(b) Net fair value

Financial instrument	Total carrying amount as per balance sheet		Aggregate net fair value	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Financial assets				
Cash	4 948	4 647	4 948	4 647
Receivables	297	458	297	458
Total financial assets	5 245	5 105	5 245	5 105
Financial liabilities				
Payables	293	525	293	525
Total financial liabilities	293	525	293	525

(c) Credit risk

The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the balance sheet. There are no concentrations of credit risk.

Note 12: Commitments for expenditure

(a) Capital expenditure commitments

Material classes of capital expenditure commitments inclusive of anticipated GST, contracted for at reporting date but not recognised in the accounts are payable as follows:

	2007 \$'000	2006 \$'000
	Leasehold improvements	Leasehold improvements
Not later than one year	10 678	-
Later than one year and not later than five years	-	-
	10 678	-

Note: The full anticipated capital cost for the CMC's leasehold fitout at Green Square, Fortitude Valley excluding GST is \$13 579 000, which is funded by \$9 707 000 in government grant and \$3 872 000 in a lease incentive provided by the building developer.

(b) 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:

Not later than one year	3 587	2 750
Later than one year and not later than five years	7 279	2 330
	10 866	5 080

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. The CMC will be relocating all of its Terrica Place operations to Green Square in Fortitude Valley in September/October 2008. Green Square offers slightly larger floor plates that will permit a better co-location of related CMC functions.

Crime and Misconduct Commission

Notes to and forming part of the financial statements for the year ended 30 June 2007

Note 12(b) continued

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

Not later than one year	253	336
Later than one year and not later than five years	285	160
	<u>538</u>	<u>496</u>

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

Not later than one year	104	52
	<u>104</u>	<u>52</u>

Note 13: Contingent liabilities

Litigation in progress

As at 30 June 2007, there were two unfinalised cases where damages was sought against the CMC. It is not expected either of these cases will result in the CMC having to pay costs or damages in the 2007–08 financial year.

Note 14: Money held in trust

At 30 June 2007, the CMC held \$11 856 (\$19 356 in 2006) 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 15: Post-balance date event

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

Note 16: Special payments

There were no special payments made by the CMC during 2006–07.

Certificate of the Crime and Misconduct Commission

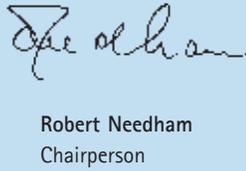
This general purpose financial report has been prepared pursuant to Section 46F of the *Financial Administration and Audit Act 1977* (the Act), and other prescribed requirements. In accordance with Section 46F(3) of the Act we certify that in our opinion:

- (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 2007 and of the financial position of the CMC at the end of that year.



Stephen Firth
Financial Manager

Date: 29 August 2007



Robert Needham
Chairperson

Date: 29 August 2007

Independent Audit Report

To the Commission of the Crime and Misconduct Commission

Report on the Financial Report

I have audited the accompanying financial report of the Crime and Misconduct Commission, which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and certificates given by the Chairperson and Finance Manager.

The Commission's Responsibility for the Financial Report

The Commission is responsible for the preparation and fair presentation of the financial report in accordance with prescribed accounting requirements identified in the *Financial Administration and Audit Act 1977* and the Financial Management Standard 1997, including compliance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with Auditor-General of Queensland Auditing Standards, which incorporate the Australian Auditing Standards. These Auditing Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement in the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies and the reasonableness of accounting estimates made by the Commission, as well as evaluating the overall presentation of the financial report including any mandatory financial reporting requirements as approved by the Treasurer for application in Queensland.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

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 Queensland 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.

Auditor's Opinion

In accordance with s.46G of the *Financial Administration and Audit Act 1977* –

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion –
 - (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the financial report has been drawn up so as to present a true and fair view, in accordance with the prescribed accounting standards of the transactions of the Crime and Misconduct Commission for the financial year 1 July 2006 to 30 June 2007 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