

Crime and Misconduct Commission Annual Report 2008–09

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October 2009

The Honourable Cameron Dick MP
Attorney-General and Minister for Industrial Relations
Parliament House
George Street
Brisbane Qld 4000

Dear Minister,

We are pleased to present the Annual Report 2008-09 for the Crime and Misconduct Commission.

We certify that this Annual Report complies with:

- the prescribed requirements of the *Financial Accountability and Audit Act 1977* and the *Financial Management Standard 1997*, and
- the detailed requirements set out in the Annual Reporting Guidelines for Queensland Government Agencies.

A checklist outlining the annual reporting requirements can be accessed at <www.cmc.qld.gov.au>.

Yours sincerely



Robert Needham, Chairperson



Dr David Gow, Commissioner



Ann Gummow, Commissioner



Judith Bell, Commissioner



Philip Nase, Commissioner

What we stand for

Our vision

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

Our mission

To combat crime and promote public sector integrity.

We value

- Integrity
- Accountability
- Excellence and innovation

Our strategic goals

- To prevent and combat crime.
- To promote high standards of integrity and reduce misconduct in the public sector.
- To provide an effective witness protection service.
- To be an effective and productive organisation serving all Queenslanders.

Our operating principles

We will:

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

Our communication objective

Our annual report enables the minister, the parliamentary committee, members of parliament and the people of Queensland to assess the efficiency, effectiveness and economy of the CMC, in accordance with the requirements of the *Financial Administration and Audit Act 1977*.

The report details the CMC's key achievements in combating crime, promoting public sector integrity and protecting witnesses, assessed against our *Strategic Plan 2008–12*, available at <www.cmc.qld.gov.au>, and our *Service Delivery Statement 2008–09*, available at <www.treasury.qld.gov.au>. It also outlines our plans for 2009–10.

We are committed to open and accountable governance and welcome your feedback on this report. See back cover for our contact details and information concerning interpreter services or go to <www.cmc.qld.gov.au>.

Key achievements of the year 2008–09

Through its achievements in fighting major crime, promoting a trustworthy public sector and protecting witnesses, the CMC contributed to the Queensland Government's ambitions for Queensland – in particular, its ambition for a Queensland that is *Fair – Supporting safe and caring communities*.

Prevent and combat crime

- All 17 organised crime and criminal paedophilia tactical investigations completed in the past year resulted in arrests and charges.
- We conducted investigative hearings over a record 157 days in Brisbane, Cairns, Townsville, Gympie, Maryborough, Hervey Bay and Mackay. More than 174 witnesses were called to give evidence in relation to 31 major crime investigations.
- We were involved in a multi-agency operation which was successful in dismantling three separate organised criminal groups in Queensland with links to outlaw motorcycle gangs.
- Our proceeds of crime team obtained 78 restraining orders over property valued at \$24.374 million; finalised 23 matters resulting in the forfeiture of property valued at \$3.304 million; and obtained two proceeds assessment orders for the recovery of \$1.7 million of criminally derived proceeds.

Promote high standards of integrity and reduce misconduct in the public sector

- Following a complex misconduct investigation by the CMC, former Queensland Government minister Gordon Nuttall and Queensland businessmen Kenneth Talbot and Harold Warner Shand were committed to stand trial.
- Based on CMC recommendations, the Queensland Government introduced a Queensland Contact with Lobbyists Code and a new Criminal Code offence of misconduct in public office.
- Over the course of Operation Capri, our investigation of police misconduct, some 25 police officers were referred to the QPS for disciplinary action.
- We finalised preparations to host the biennial Australian Public Sector Anti-Corruption Conference in Brisbane in July 2009.

Provide an effective witness protection service

- We ensured that all of our protected witnesses were kept safe and were able to give evidence in court, maintaining this 100 per cent success rate for the twenty-first successive year.
- In May, the CMC hosted the annual Australasian Witness Protection Forum in Brisbane, which was attended by representatives from Australia-wide law enforcement agencies.

Be an effective and productive organisation serving all Queenslanders

- A major review of the CMC's functions and strategic direction, supported by an independent facilitator, was concluded in the latter half of 2008 after wide consultation with the QPS, a selection of public sector agencies in Queensland, partner law enforcement agencies in other jurisdictions, community and civil liberties groups, and CMC staff.
- A range of workforce capability strategies was implemented, including a revamped performance management system and improved professional development options for staff.
- The relocation to Green Square North Tower was completed months ahead of the original schedule with very little interruption to CMC operations.

Engage in public policy

- In August 2008, the Queensland Government announced its intention to implement the recommendations of the CMC report *Policing public order: a review of the public nuisance offence*. A new stand-alone offence of public urination commenced in 2009, and a 12-month trial of on-the-spot fines (that is, ticketing) for public nuisance offences commenced in Townsville and South Brisbane on 1 January 2009.
- In response to the 2006 CMC report, *Regulating outcall prostitution*, the government this year signalled its intention to introduce the changes we recommended to the *Prostitution Act 1999*.

Financial summary

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 2009, this was \$41.652m (98.4% of revenue).

Expenses

Most of the CMC's expenses for the period related to employee expenses (\$30.191m), supplies and services (\$10.605m) and depreciation (\$1.640m). Expenses totalled \$42.541m for the year ended 30 June 2009.

Operating result

The CMC's financial result for 2008-09 was that expenses (\$42.541m) exceeded revenue (\$42.347m), resulting in an operating deficit of \$0.194m as detailed below:

For the year ended 30 June 2009	\$'000
Queensland Government grant	41 652
Other revenue	695
Total Revenue	42 347
Less Total Expenses	42 541
Operating deficit	(194)

Assets

At 30 June 2009, the CMC's assets totalled \$21.002m.

Liabilities

Total liabilities as at 30 June 2009 were \$6.557m. This included \$3.597m for the lease incentive liability for the Green Square premises, \$2.126m for accrued employee leave entitlements, and \$0.834m for accrued expenses and trade creditors.

Equity

Therefore, at 30 June 2009, the CMC's equity was \$14.445m:

At year end — 30 June 2009	\$'000
Total Assets	21 002
Less Total Liabilities	6 557
Equity	14 445

Outlook for 2009-10

In 2009-10, the CMC will focus on the following activities:

- Institute and develop a telecommunications interception capability.
- Enhance the CMC's crime-fighting function with regard to technical capability (intelligence, surveillance and forensic computing), coercive hearings capability and the use of criminal proceeds confiscation.
- Further devolve responsibility to public sector agencies to resolve complaints, subject to the CMC's ongoing oversight, and provide capacity-building support to agencies.
- Focus on significant misconduct issues such as conflicts of interest, involvement of police in illegal activities, inappropriate use of police powers and serious misconduct on the part of elected officials and senior public officers.
- Continue to maintain a highly effective witness protection program.
- Enhance the CMC's organisational capability through a range of workforce management initiatives aimed at improving the recruitment and retention of skilled personnel.

Message from the Chairperson



Chairperson Robert Needham

This year public sector integrity has taken centre stage in the media and the general community. We have found ourselves in an environment where the words 'transparency', 'accountability' and 'integrity' have become increasingly commonplace.

It is probably not surprising that the notion of integrity in public life should be given such prominence in the year marking the twentieth anniversary of the Fitzgerald Inquiry. In that inquiry, Tony Fitzgerald QC exposed systemic corruption in the state government and the police service. While recent speculation suggests that Queensland has not changed in the intervening years, I would argue to the contrary. Events in the past year show that there have been significant changes.

This year the *Right to Information Act 2009* replaced the *Freedom of Information Act 1992*. The new Act requires that all public sector agencies and statutory authorities, including the CMC, must regularly release information online rather than wait for requests from the public. Recently, lobbyists were banned from serving on government-appointed boards and questions have been publicly raised about businesses paying for access to government ministers.

Earlier this year the state government implemented some significant recommendations arising from the CMC's public report on an investigation into former director-general Scott Flavell. A Lobbyists Register has now been established and new post-separation employment quarantine periods apply to former ministers, parliamentary secretaries, ministerial staff and senior public servants.

Attitudinal changes within the public sector are also evident. Public servants and police are now more aware of the community's demand for higher standards of integrity and accountability. Agencies recognise that if they are to meet these community demands then they must equip themselves with the knowledge and skills to prevent and combat corruption in their own organisations.

It is within this new environment that the Australian Public Sector Anti-Corruption Conference has emerged. The conference, to be held every two years and jointly hosted by the CMC, the Independent Commission Against Corruption (NSW) and the Corruption and Crime Commission (WA), is indicative of an increasing appetite for knowledge on integrity-related issues. This year we hosted the second conference in Brisbane which attracted more than 500 delegates from around Australia and overseas. The Corruption and Crime Commission will host the next conference in Perth in October 2011.

Working in partnership with other agencies is an integral part of our corruption prevention work. This year, the CMC, the Queensland Ombudsman and the Public Service Commission jointly developed a series of guides to help managers and individuals deal with public interest disclosures. We also worked closely with the Queensland Police Service (QPS) to review Taser training and operational policy following a death in custody.

Despite the CMC's prevention work, fostering an ethical climate remains an ongoing effort. This year, in Operation Capri, we exposed a number of police officers who were implicated in relatively serious levels of police misconduct. Another CMC investigation led to the jailing of former minister Gordon Nuttall. His conviction on 36 charges of receiving secret commissions from two prominent businessmen showed that no-one is above the law.

Serious incidents of misconduct, like these, may cause the community to question the level of integrity within the state's public agencies. However, I believe that Queensland now has a strong ethical framework which is capable of preventing and detecting most official misconduct. This has given the CMC

the confidence to move further this year down the path of 'devolution' — a process whereby agencies require their local managers to take responsibility for dealing with complaints of official misconduct rather than see it as a senior management problem. If supervisors are made responsible for the behaviour of those working directly for them, then they are less likely to turn a blind eye to misconduct and more likely to ensure systems are in place to foster integrity. Only then can a culture of integrity successfully be embedded in an organisation. Of course, the CMC will continue to closely monitor the handling of all complaints and will investigate the more serious or systemic cases.

The CMC has begun redirecting resources to significantly increase our monitoring. During 2008–09 the CMC carried out audits of five public agencies (including the QPS), three quality assurance reviews of three further agencies and reviewed 264 individual complaint matters. Our monitoring revealed significant improvements in how they deal with complaints.

Importantly, many public sector organisations are demonstrating that they are not only capable of taking control of their complaints and disciplinary processes, but are eager to do so. Over the next 12 months, we will work closely with five of these agencies to trial various models of agency-managed complaints. However, we recognise that not all organisations are ready for this leap. Over the next few years, the CMC will also work with agencies to help them strengthen their capacity to be able to manage more incidents of official misconduct in the long term.

While public interest often focuses on the CMC's misconduct role, our crime function attracted interest in March this year following a Supreme Court decision which questioned the validity of a crime investigation. That decision ruled that the *Crime and Misconduct Act 2001* did not empower our crime oversight group, the Crime Reference Committee, to refer 'categories' of crime to the CMC for investigation (as opposed to a specific incident of criminal activity). Consequently, our crime division ceased investigating any matter where there was doubt about the CMC's jurisdiction. Paedophilia and organised crime investigations were affected. However, our Act was amended in May 2009 confirming the CMC's jurisdiction and validating past investigations.

Despite the setback in the crime area, the CMC still held a record 157 crime investigative hearing days. We also carried out 17 organised crime and paedophilia investigations leading to the arrest of 120 offenders and the laying of

544 charges. Our proceeds of crime team also obtained 78 restraining orders over property valued at \$24.374 million, more than doubling the annual target.

These statistics show that pressure on services within the crime area has continued strongly this year. As a result, we have devoted increased resources to keep up with the demand, particularly for our coercive hearings power and our proceeds of crime recovery services. The CMC will have to seek further funding for these areas to continue to cope with this increased demand.

This year the CMC gained the additional investigative power of telecommunications interception after the Commonwealth and Queensland governments took steps earlier in the year to authorise the use of those powers in the state. This is a very significant gain as until this year, Queensland was the only jurisdiction in Australia not to have these special powers. We expect to commence using this new investigative tool by the end of the year.

By the time this annual report is tabled in state parliament, I will have only a few months left in my role as CMC Chairperson. At the time of writing, my successor had not been announced. However, I know I am leaving the organisation in very capable hands. Over the past five years I have received enormous support from my fellow Commissioners and my Assistant Commissioners and Directors, for which I thank them. Their knowledge and depth of experience has been invaluable to me and the organisation. I have no doubt that my successor will enjoy that same support.

I would also like to thank the CMC's hardworking staff. It has been a privilege to spend the past five years working with such supportive and highly competent officers. Without their dedication it would not be possible to achieve all that we do. I wish the organisation every success as it continues to move forward to meet the challenges of combating crime and promoting high standards of public sector integrity in Queensland.


Robert Needham
October 2009

About the CMC

The Crime and Misconduct Commission (CMC) strives to protect Queenslanders from major crime and to promote a trustworthy public sector.

Overview of the CMC

The 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* (Crime and Misconduct Act), the organisation came into existence on 1 January 2002.

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 accountability

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 Executive Committee.

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 (PCMC), a bipartisan committee that monitors and reviews our activities and deals with complaints against us. The Committee's three-yearly review of the CMC was conducted in late 2008. For more detail, see page 50.

The CMC incorporates a breadth of professional expertise and experience. The Crime and Misconduct Act mandates that the membership of the five-member 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, sworn police officers, social scientists, financial investigators, intelligence analysts, information technology and surveillance specialists, administrators and support officers.

Figure 1 outlines the CMC's internal structure and its external accountability relationships. More information about our structure and governance can be found on pages 42–51.

The CMC Commission — as at 30 June 2009



Chairperson
Robert Needham



Commissioner
Dr David Gow



Commissioner
Ann Gummow



Commissioner
Judith Bell



Commissioner
Philip Nase

The Parliamentary Crime and Misconduct Committee – as at 30 June 2009

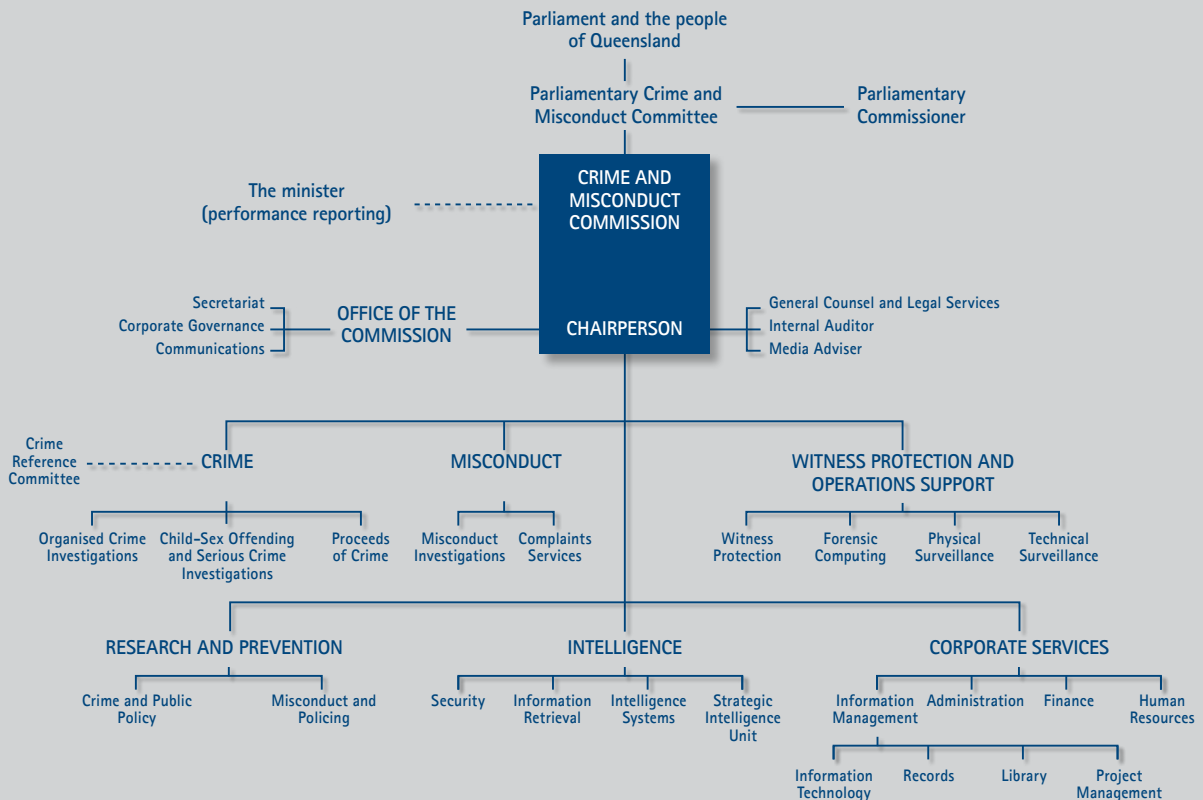


Back row (left to right) Scott Emerson MP (Indooroopilly); Steve Wettenhall MP (Barron River); Mark Ryan MP (Morayfield); and Steve Dickson MP (Buderim).

Front row (left to right) Deputy Chair, Jack Dempsey MP (Bundaberg); Chair, Paul Hoolihan MP (Keppel), and Betty Kiernan MP (Mt Isa).

More information on the PCMC and its activities can be found on page 50.

Figure 1. CMC's structure and accountability



Our operating environment

During 2008–09, the CMC focused on its core legislated responsibilities to operate an effective and productive organisation working to prevent and combat crime, promote a trustworthy public sector and protect witnesses.

The more particular priorities and challenges addressed throughout the year were outlined in our *Strategic Plan 2008–12*. These were presented with a one-year timeframe as these specific initiatives were being reconsidered as part of a major review of our strategic direction. The strategic review was conducted in the latter half of 2008. For more detail, see page 40.

Contribution to the Queensland Government's ambitions

The CMC's activities contribute to the government's ambition for a Queensland that is *Fair – Supporting safe and caring communities*, outlined in the government's document *Toward Q2, tomorrow's Queensland*, available at <www.towardQ2.qld.gov.au> (see Figure 2).

Major areas of activity

Preventing and combating crime

Our Crime staff work in partnership with the Queensland Police Service (QPS), the Office of the Director of Public Prosecutions 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 powers, expertise and resources to make a significant contribution to preventing and combating major crime. Our effectiveness is enhanced by our partnerships with other law enforcement agencies, especially the QPS.

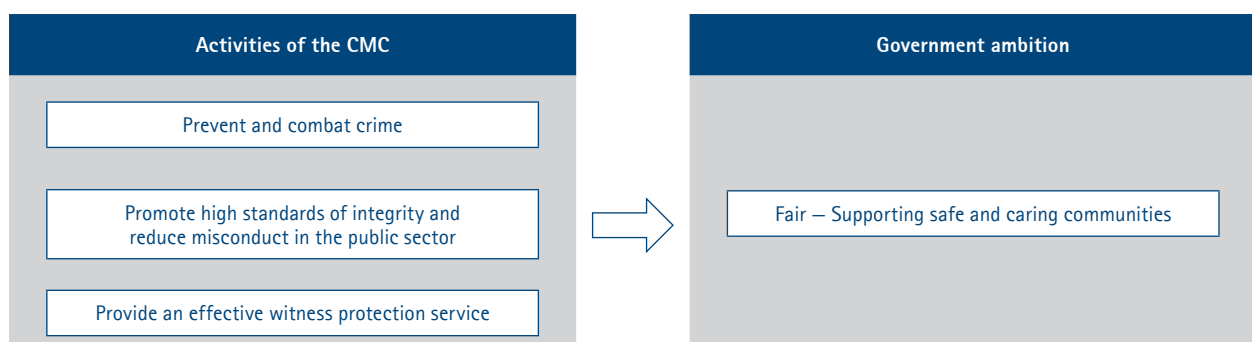
Our intelligence work helps us decide which crimes pose the most serious threat to Queensland, and our research and prevention function helps to inform our response to major crime and to develop preventive strategies. For performance in 2008–09, see pages 14–21.

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).

Figure 2. How CMC activities contribute to the Queensland Government's ambitions



Promoting high standards of integrity and reducing misconduct in the public sector

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

We receive and assess complaints about misconduct. While we refer most complaints to the relevant agencies for handling, we monitor how those agencies, including the QPS, 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.

Our prevention activities help agencies reduce their risk of misconduct by improving their internal controls, accountability and integrity of operation. For performance in 2008–09, see pages 22–35.

About misconduct

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

- **Official misconduct** is conduct relating to the performance of public 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 or material. To amount to official misconduct, the conduct must be a criminal offence or serious enough to justify dismissal. Official misconduct includes conduct by anyone who seeks to adversely affect the honest exercise of powers of an agency or person within an agency.
- **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.

Providing an effective witness protection service

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 has responsibility for the protection of witnesses for all Queensland law enforcement agencies. For performance in 2008–09, see pages 36–39.

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. For performance in 2008–09, see page 57.

Support activities

A wide range of support roles are vital to achieving results in our major areas of activity. These include the following.

- CMC Intelligence staff collect, collate and analyse information and intelligence relevant to our Crime, Misconduct and Witness Protection responsibilities.
- Research and Prevention staff undertake research into crime and the criminal justice system, misconduct, policing and other policy and legislative issues. Prevention advice may also be provided directly to agencies.
- The Operations Support area coordinates the activities of police working in the CMC, and provides expertise in surveillance, technical services and forensic computing.
- The CMC's Legal Services unit provides independent and specialist legal services mostly related to the CMC's functions and powers, administrative or judicial review, and statutory compliance.
- Corporate services assist all areas of the CMC. They include providing a secretariat service to the Commission; managing corporate governance, human resources and information; and providing financial, administrative, communications and security services.
- The CMC's security services protect the Commission's staff, information, assets and corporate reputation through providing protective security measures (including 24/7 physical security), investigative capacity and an in-house vetting service.

How matters come to the CMC

Matters that are referred to the CMC for investigation or review vary greatly and come from a variety of sources. They range from allegations of misconduct by a public official, to areas of major crime referred by the Crime Reference Committee for investigation, to requests from the Attorney-General to research a public policy issue and provide recommendations for amending legislation. The following section explains how matters come to the main areas of the CMC.

Crime

The Crime Reference Committee (see membership on page 16) may refer major crime to the CMC for investigation on its own initiative, or at the request of the Commissioner of Police or the Assistant Commissioner, Crime. It refers major crime where a police investigation has not been, or is unlikely to be, effective using powers ordinarily available to police officers, and where it is in the public interest to do so.

In addition to specific referrals, the committee has granted several general referrals of major crime. This allows us to investigate particular incidents of organised crime, paedophilia and terrorist activity falling within the terms of a general referral.

Legislative validation of general referrals

Following a Supreme Court decision in March 2009 that questioned the validity of an investigation undertaken pursuant to a general referral, the Crime and Misconduct Act was amended in May 2009 to make it clear that particular incidents of major crime could be investigated under a general referral, and to validate all past investigations which had been conducted in this manner.

Some additional accountabilities were also introduced to enhance the Crime Reference Committee's ability to place limitations on the powers available to be used by the CMC during investigations.

Misconduct

Possible misconduct within the Queensland public sector can come to our attention through complaints from members of the public and from within public sector agencies, and through the CMC's own investigative and intelligence activities.

Chief executive officers (including directors-general) of public sector agencies and other public officials are obliged by law to notify us of suspected misconduct.

Witness protection

People who have assisted a law enforcement agency, and who are in danger as a result of having done so, may be eligible for inclusion in our witness protection program. An application for protection is normally submitted to the CMC on behalf of the witness by the relevant law enforcement agency.

Public policy

Our public policy projects may arise from investigations, be referred by our minister under section 52(1)(c) of the Crime and Misconduct Act, or be required by other legislation.

In recent years we have undertaken reviews into areas such as policing in Indigenous communities, prostitution, how the Queensland criminal justice system handles child sexual abuse, and police powers and responsibilities.

The CMC's powers

The Crime and Misconduct Act has given us powers to enable us to gather vital evidence and information in the fight against crime and misconduct. These include a range of search, surveillance and seizure powers as well as the power to conduct coercive hearings.

In the context of our crime investigations, the CMC can have people arrested and charged. In the context of our official Misconduct functions, we can refer a matter to a prosecuting authority with a view to criminal prosecution, or to the appropriate CEO to consider disciplinary action. The CMC can also bring charges of official misconduct in a Misconduct tribunal.

Powers under the *Police Powers and Responsibilities Act 2000* can also be used, depending on the operation. Table 2, page 15 and Table 4, page 23 show how we used our powers in crime and misconduct investigations.

Nevertheless, the CMC is not a court. It cannot find people guilty or not guilty, or discipline anyone. Nor can it 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.

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 hearings and answer questions even where the answers tend to incriminate the witness. Such answers cannot, however, be used against them in civil or criminal proceedings unless witnesses give false answers, in which case they can be charged with perjury.

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 misconduct. 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 individuals on the other.

About the CMC's 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 for a warrant to enter and search premises
- apply to a judge for a warrant to use surveillance devices.

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 public administration and government. Often, in these cases, there are numerous stakeholders who can provide important evidence and information 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 and information 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.

Oversight of our powers

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. More information about how our investigations and operations are overseen by external mechanisms is found on pages 50–51.

Future telecommunications interception powers

In May 2009, the Commonwealth and Queensland governments enacted legislation to enable the CMC to undertake lawful interception of telecommunications in the context of investigating criminal and misconduct offences. The final steps to declare the CMC as an interception agency will be completed in 2009–10.

Additional accountability obligations particular to Queensland have been put in place for the new power including roles for the Public Interest Monitor and the Parliamentary Crime and Misconduct Commissioner.

Support and advice from state agencies including the QPS, the Department of the Premier and Cabinet, the Department of Justice and Attorney-General, and other sources including the Commonwealth Attorney-General's Telecommunications and Surveillance Law Branch, the Australian Crime Commission and the Office of Police Integrity, Victoria, will enable the CMC to establish its capability to best practice. The contributions from these agencies are gratefully acknowledged.

During the year a multidisciplinary team undertook the initial preparation for implementing this capability in 2009–10, including consulting on legislative provisions, negotiating with government and telecommunications industry representatives, and installing infrastructure.

Collaborative partnerships

In combating major crime, we work closely with state, federal and international law enforcement agencies, participate in state and national law enforcement joint operations and forums, and share intelligence and operational resources. We also engage with other key agencies such as Queensland Corrective Services, and the Australian Transaction Report and Analysis Centre. Our witness protection role is dependent on the cooperation of other law enforcement agencies, especially the QPS.

To increase integrity in the public sector, we work with a wide range of agencies including state departments, local government agencies and universities, and agencies such as the Queensland Ombudsman, the Queensland Audit Office,

and the Office of the Public Service Commissioner as well as anti-corruption agencies and networks, including those in other states.

Our research area works with universities and other specialist research and funding bodies, public service departments, participants in the criminal justice system, and policy makers. It also seeks active collaboration with the Queensland public, who this year contributed to our research findings through their survey responses, submissions and consultations on a range of topics such as the integrity of police, the public sector and local government, and the effectiveness of police powers regarding off-road motorbike noise and move-on legislation.



How we are reporting

The following chapters report on our outputs this year in fighting major crime, promoting high standards of integrity in the public sector and protecting witnesses. We also report on our organisational effectiveness and our contribution to public policy.

We report against the priorities and challenges identified in our *Strategic Plan 2008–12*, and the performance measures and targets or estimates identified in our *Service Delivery Statement 2008–09*.

For greater transparency, we also include key Strategic Plan or other relevant performance indicators not represented in the Service Delivery Statement measures.

Prevent and combat crime

Our performance in 2008–09

We report first on our priorities and challenges in preventing and combating crime, our key achievements and our results against performance indicators. We then report in more detail on our work in crime, the contributions to that effort by the Intelligence and Research and Prevention areas, and conclude with our outlook for 2009–10.

Priorities and challenges

As described in our *Strategic Plan 2008–12*, in 2008–09 we placed specific emphasis on the following.

Raising our capacity to investigate major crime by the use of hearings

In recent years we have experienced a heightened level of demand from partner agencies for the use of our hearings as part of the investigation of major crime. We therefore devoted increased resources to providing an efficient and timely hearings service, including the ability to conduct simultaneous hearings. For more detail, see page 18.

Fighting paedophilia

Our ongoing challenge in fighting paedophilia is to ensure that we use our resources in a way that does not duplicate the overall law enforcement effort in this field. To add unique value to that effort, we focused on niche areas like internet-based networks and networked recidivist offenders. We directed resources to continuing skills development for investigating internet crimes against children, and strengthened relationships with local and international law enforcement agencies. We also had significant research involvement including progressive updating of our knowledge about paedophilia in Queensland since 2000 and further participation in a pilot child sexual abuse prevention program in an Indigenous community. For more detail, see pages 17 and 20.

Confiscating proceeds of crime

Growth in demand for proceeds of crime recovery continued in 2008–09 with the value of restraining orders increasing by 31.3 per cent over the 2007–08 year and exceeding the annual performance target by 103 per cent. This level of growth required some realignment of our resources to provide additional staff to the proceeds of crime team to meet the increased demand. For more detail, see pages 18–19.

Assessing organised crime markets

We completed a large part of our four-yearly assessment of Queensland's organised crime markets including an assessment of risk. This assessment focuses on individual areas of organised crime such as property crime, money laundering and fraud, and is released in versions tailored, respectively, for state and national law enforcement agencies and the general public. For more detail, see page 19.

Key achievements

- All 17 organised crime and criminal paedophilia tactical investigations completed in the past year resulted in arrests and charges. Organised crime charges included trafficking in, producing and supplying dangerous drugs, perjury, receiving and possessing stolen property, money laundering and weapons offences. Paedophilia charges included attempted indecent treatment of a child, attempt to procure a child for carnal knowledge, possession and distribution of child exploitation material, and breach of *Dangerous Prisoners (Sexual Offenders) Act 2003* Supreme Court orders.
- We conducted investigative hearings over a record 157 days in Brisbane, Cairns, Townsville, Gympie, Maryborough, Hervey Bay and Mackay. More than 174 witnesses were called to give evidence in relation to 31 major crime investigations including unsolved murders, rape, grievous bodily harm, extortion, a break and enter and associated firearms trafficking, organised property offences, illegal prostitution and associated money laundering, attempts to pervert the course of justice, and drug production and trafficking.
- A multi-agency operation involving resources from the CMC, QPS and the Australian Crime Commission (ACC) was successful in dismantling three separate organised criminal groups in Queensland, with links to outlaw motorcycle gangs (OMCG) from Queensland, New South Wales and Western Australia.
- Our proceeds of crime team restrained property valued at \$24.374 million, forfeited property valued at \$3.304 million and obtained two proceeds assessment orders totalling \$1.7 million.

Results against performance indicators

The data provided in Table 1 enable our performance for 2008–09 to be reviewed in the context of our major targets and estimates for this year, our results over the previous four years, and our expected performance for 2009–10. Data for other details of our performance are provided in Table 2.

The intense level of activity throughout 2008–09 is reflected in Tables 1 and 2. For example, comparing performance over five years reveals that this year we achieved record results across many indicators including proceeds of crime restraining orders obtained; net value of

criminal proceeds restrained; research, prevention and intelligence projects undertaken; investigative hearings days held; and witnesses who attended hearings. We also exceeded our estimates for this year in all but two measures.

Overall, we commenced 29 tactical operations during 2008–09, considerably more than our estimated target of 20. This followed a higher than estimated number of investigations referred by the Crime Reference Committee and operations commenced under general referrals. In all, 120 persons were charged with 544 offences, resulting from investigations commencing either in 2008–09 or in previous years.

Table 1. Performance 2004–05 to 2008–09, and estimated 2009–10

Key performance indicators ^a	2004–05	2005–06	2006–07	2007–08	2008–09		2009–10 (estimate)
					(target or estimate)	(actual)	
Tactical operations undertaken	23	23	25	35	20	29	20
Percentage of operations resulting in charges, restraints or seizures	95	94	94	100	95	100	95
Criminal proceeds restraining orders obtained	37	28	50	78	60	78	60
Net value of criminal proceeds restrained (\$'000)	8 088	10 879	11 743	18 561	12 000	24 374	15 000
Net value of assets forfeited (\$'000)	1 622	2 000	4 245	4 675	4 000	3 304	4 000
Civil confiscation matters finalised	15	25	26	27	20	23	20
Research, prevention and intelligence projects undertaken	6	5	5	5	15	13	15
Expenses to achieve strategic goal 'To prevent and combat crime'	\$10.4m	\$11.5m	\$11.3m	\$12.2m	\$13.6m	\$14.0m	\$14.2m

a All indicators are Service Delivery Statement measures.

Table 2. Use of CMC powers and results of investigations, 2004–05 to 2008–09

Description	2004–05	2005–06	2006–07	2007–08	2008–09
Investigative hearing days	35	104	81	151	157
Witnesses attending on summons	37	92	66	163	174
Surveillance warrants	31	31	28	10	21
Arrests	143	52	109	114	120
Charges laid	915	323	433	561	544
Drugs seized – estimated street value	\$17.215m	\$0.327m	\$0.318m	\$0.284m	\$0.456m

Major crime: key activity areas

Our reporting covers organised crime, criminal paedophilia, terrorism, serious crime and other hearings-based investigations, and proceeds of crime.

Organised crime

We seek to disrupt and dismantle organised crime networks and prevent crime through interrupting the flow or continuity of the criminal behaviour and/or enterprises, convicting key individuals, and/or financially incapacitating the networks by confiscating crime-related assets.

In addition to organised crime investigations instigated by the CMC itself and conducted by our own teams, we also become involved in some other organised crime investigations led by the QPS and other agencies.

- Organised crime investigations in which we were involved resulted in the arrests of 97 individuals who were charged with a total of 500 offences. These included trafficking in, producing and supplying dangerous drugs, perjury, receiving and possessing stolen property, money laundering and weapons offences.
- Requests for assistance by means of coercive hearings increased markedly in 2008–09, resulting in the number of operations commenced exceeding our annual target.

Organised criminal groups dismantled

A multi-agency operation involving resources from the CMC, QPS and the ACC was successful in dismantling three separate organised criminal groups in Queensland, with links to outlaw motorcycle gangs from Queensland, New South Wales and Western Australia. The three-stage operation culminated in February this year in the arrest of 46 persons for 154 charges ranging from trafficking and supply to the production of dangerous drugs.

Drugs seized during the operation included 200 grams of amphetamines, over 700 grams of cannabis, 145 grams of cocaine, 4500 ecstasy tablets, more than 4½ kilograms of ecstasy powder and 4 pill presses capable of pressing hundreds of thousands of pills.

After the execution of search warrants and courier intercepts, over \$5 million in cash and property were restrained by CMC proceeds of crime staff. Six witnesses were summonsed to CMC coercive hearings, in conjunction with other witnesses attending ACC examination hearings.

The Crime Reference Committee – as at 30 June 2009



CMC Chairperson
Robert Needham



CMC Assistant
Commissioner, Crime
John Callanan



Commissioner
of Police
Bob Atkinson



Commissioner
for Children and
Young People and
Child Guardian
Elizabeth Fraser



Community
representative
Johanna Bakermans



Community
representative
Diana Johnston

E-briefs bring multiple benefits to delivering and managing evidence

E-briefs (electronic briefs of evidence) are a valuable tool in delivering and managing evidence during complex criminal proceedings. The e-brief developed by CMC staff maintains a traditional format but allows the equivalent of 40 hard-copy volumes to be presented in an electronic environment on an external hard drive or a single DVD. Benefits of the e-brief include:

- Formal briefs of evidence can be developed by investigators as the investigation progresses rather than on conclusion, enabling full briefs of evidence to be delivered to stakeholders sooner.
- Crown and Defence can quickly understand the relationships between defendants and what evidence supports the charges. Defence can thereby provide earlier advice to clients.
- With minimal handling and reproduction of paper-based briefs of evidence necessary, evidence and exhibits can be accessed readily without disruption to the natural flow of court proceedings.
- Briefs of evidence are capable of being filtered and searched for specific content, and evidence can be readily grouped or classified by defendant, events or even source.

The time required for brief preparation is likely to be reduced even further through the implementation of a case management system to be developed by staff by June 2010. During the upcoming year the CMC will continue to promote whole-of-government use of e-briefs.

Criminal paedophilia

- In 2008–09, as a result of covert investigations into internet crimes against children, seven people were charged with a total of 18 offences, namely attempted indecent treatment of a child, attempt to procure a child for carnal knowledge, possession of child exploitation material and distribution of child exploitation material. One juvenile offender was cautioned with respect to three charges including exposing a child to indecent matter, using a telecommunications service to menace or harass and attempting to procure a child under 16 to commit an indecent act.
- As a result of a protracted covert operation, a male offender from Victoria was identified as distributing more than 6000 child exploitation computer files. This information was disseminated to the Victoria Police Sexual Crimes Squad and the offender was arrested. A second Victorian male offender was extradited to Queensland for procuring a child for sex over the internet.
- The taskforce investigation (involving CMC, QPS and Queensland Corrective Services staff) of networked child sex offenders released from prison under *Dangerous Prisoners (Sexual Offenders) Act 2003* (DPSOA) Supreme Court orders has continued. The operation has led to the return to prison of a further three offenders for DPSOA breaches, one of whom is in detention pending the outcome of his court case.
- A protracted taskforce (CMC and QPS) covert operation resulted in a Brisbane male offender being charged with criminal offences, namely the making and possession of child exploitation material.
- We directed resources to continuing skills development for investigating internet crimes against children and strengthened relationships with local and international law enforcement agencies. This included adapting covert investigative software obtained from the Wyoming Division of Criminal Investigation (USA) and attending two international conferences relating to internet crimes against children.

Terrorism

By statutory definition, our major crime role includes the power to investigate suspected terrorist activity and we have a general referral in relation to such activity. Any CMC investigation of terrorism will occur in response to a request from the QPS or other law enforcement agency, and we maintain a high state of readiness to respond to any such request.

Serious crime and other hearings-based investigations

The CMC joins with police in conducting hearings-based investigations into serious crime such as murder, arson, extortion and rape; and other kinds of major crime when it is considered that the police investigation to date has not been able to gather sufficiently useful information, continued investigation using ordinary police powers and methodologies is unlikely to be effective, and it is in the public interest to refer the matter to the CMC. Such investigations usually entail the use by the CMC of its coercive hearings power.

Hearings were held in relation to a large number of matters, for example:

- the break and enter of an Ipswich gunshop and the theft and distribution of a large quantity of firearms
- a suspected double murder in Far North Queensland
- the unlawful killing by neglect of infant twins
- two brothel-related murders and a rape in Brisbane in 2000
- the suspected unlawful killing of a patron by security staff at a Gold Coast hotel
- illegal cannabis production and trafficking by members of a family syndicate in South-West Queensland
- a Sunshine Coast nightclub glassing resulting in grievous bodily harm
- organised property crime by a network in the Redland Bay area
- the suspected arson of an Ipswich boarding house in 1990 and the murder of five occupants
- the attempted murder of an organised crime figure with OMCG links
- drug trafficking and money laundering in the Burdekin area
- illegal drug activity by members of a Gold Coast based network with interstate links.

Vital testimony secured in hearing

The police sought our assistance with a 'cold case' suspected murder of a missing person who had last been seen at his Gold Coast workshop in May 1989. Though blood traces were later found both at the workshop and in his nearby vehicle, the investigation was unable to uncover evidence as to the identity of the person(s) responsible for the suspected murder.

Five people were called to CMC hearings. One of them changed his account during the hearings, telling police that he had been involved in disposing of the missing person's body, and implicating two other men in the matter. Two men were later charged, one with murder and interference with a corpse, and the other with interference with a corpse.

Proceeds of crime

Through our proceeds of crime team, we work 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 proceeds derived from 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 is liable to 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. Restrained property is liable to be forfeited unless a person proves, on the balance of probabilities, that it was lawfully acquired.

In 2008–09, the CMC proceeds of crime team exceeded its targets in all but one indicator. The team:

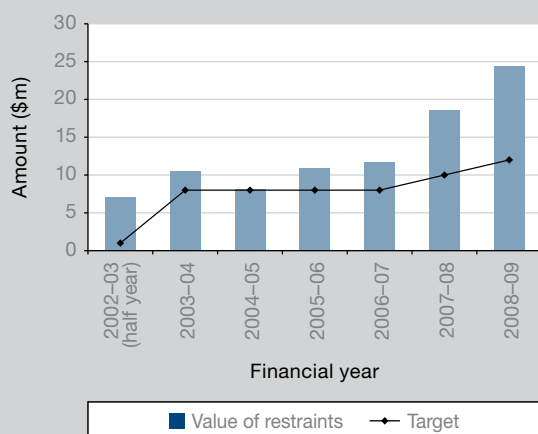
- Obtained 78 restraining orders over property valued at \$24.374 million, more than doubling the annual target (see Figure 3).
- Finalised 23 matters resulting in the forfeiture of property valued at \$3.304 million. (The making of a restraining order by the Supreme Court represents the initial step in confiscation proceedings. As with any form of litigation there is a time lag between the initiation of proceedings and the final determination involving forfeiture of property.)
- Obtained two proceeds assessment orders for the recovery of \$1.7 million of criminally derived proceeds.
- Continued to promote civil confiscation to our law enforcement partners through detective training courses and regional presentations.

Since the commencement of the civil confiscation scheme in 2003, the CMC has:

- restrained property valued at more than \$91.325 million
- returned \$16.635 million to the state under negotiated settlements and forfeiture orders.

The *Criminal Proceeds Confiscation and Other Acts Amendment Act 2009* received assent on 23 February 2009 and came into effect on 22 June 2009. The amendments to the *Criminal Proceeds Confiscation Act 2002* follow a review of the Act conducted in 2008.

Figure 3. Estimated net value of criminal proceeds restrained (target compared to actual), 2002–03 to 2008–09



Intelligence

Strategic intelligence assessments

Strategic intelligence assessments are developed to help the CMC, other law enforcement agencies and policy makers to make decisions about priorities and resourcing, and to develop legislative, policy and operational responses to current and emerging threats in the criminal environment.

- We released three strategic assessments focusing on three areas of organised crime: property crime, money laundering and fraud. These reports assessed the nature and extent of these crime markets in Queensland, including risk assessments and a series of strategies for each area.
- We finalised two intelligence digests for law enforcement agencies, one focusing on organised property crime and the other detailing a sophisticated method of cannabis concealment and transportation.

Target development

Target development involves identifying indicators of potential significant criminal activity or misconduct by one or more individuals, and collecting and analysing data to determine the level and extent of activity by an individual or network. During 2008–09 our strategic intelligence area referred three crime matters to the CMC's organised crime teams for investigation as well as referring a number of matters to the ACC, the QPS and other agencies.

Human source training

We register, review and audit the collection of CMC human source intelligence, which contributes significantly to the CMC's strategic assessments and operational activities. During 2008–09, we also provided specialised training on recruiting and managing confidential human intelligence sources to staff from the CMC, the QPS, the ACC and New South Wales Police.

Intelligence disseminations

We uploaded 144 reports, such as information reports, offender profiles and post-operational assessments to the Australian Criminal Intelligence Database, as well as disseminating intelligence and information to other law enforcement and misconduct agencies in response to their

requests for information. We also contributed to state and national crime and corruption intelligence and investigation forums including the OMCG National Intelligence Taskforce, the National Criminal Target Report and the Parliamentary Joint Committee on the Australian Crime Commission.

Research and prevention

We finalised two long-term projects on the use of illicit drugs:

- The report *Exploring drug use II: drug use by hospital emergency department patients* was released. Replicating a study conducted in 2002, this project re-examined the nature and extent of alcohol and drug use among patients attending the Gold Coast Hospital Emergency Department (ED) in 2005 to ascertain whether there had been any changes in the nature and extent of illicit drug use.

While both studies demonstrated high levels of illicit drug use – higher than that of the general population – we found that illicit drug use among young people had significantly decreased (from 66% of young patients in 2002 to 55% in 2005). However, we found a slight increase in levels of cocaine and ecstasy use between 2002 and 2005. Of concern also were the 12 per cent of drivers in the sample who reported that they had driven while under the influence of an illicit drug.

These results have implications for the detection of illicit drug use among emergency department patients, the resources to manage it, and potential interventions regarding its effects. The project was undertaken by the CMC in partnership with the Queensland Alcohol and Drug Research and Education Centre and the Australian Centre for Pre-Hospital Research.

- We released the issues paper *Mandatory treatment and perceptions of treatment effectiveness: a Queensland study of non-custodial offenders with drug and/or alcohol abuse problems*. The paper provides unique insights into the effectiveness of mandatory and voluntary drug and alcohol treatment options, concluding that mandatory treatment may be as effective as voluntary treatment. It also identifies and discusses a range of issues and factors raised by recent research as crucial to the success of mandatory treatment.

The study was based on 480 offenders serving either intensive correction orders or probation orders under the supervision of Queensland Corrective Services.

We undertook research into criminal paedophilia:

- The CMC is represented on the Child Responsive Communities (CRC) Working Group – a whole-of-government working group tasked with implementing a pilot study in an Indigenous community. Based on recommendations made by the CMC in 2004, the pilot study is intended to prevent child sexual abuse, encourage disclosures of abuse, and enhance the response by local services to those disclosures. The curriculum developed for the intervention was rolled out in May 2009 across all grades of the community's state school.

As the CMC is also responsible for evaluating the intervention, a team of our researchers travelled to the community in April to collect pre-intervention data and conduct extensive interviews with local community agencies about their response to allegations of sexual abuse. Post-intervention data collection will take place in late 2009.

- We made significant progress in our research about paedophilia in Queensland, by updating the research undertaken for Project Axis (2000), a wide-ranging inquiry by the Queensland Crime Commission and QPS into the sexual abuse of children in Queensland. Axis II will review changes in research, policy and legislative developments in child sex offending since 2000; ensure that the CMC is well informed regarding the latest research findings and policy outcomes from both Australia and overseas; and allow the CMC to identify any gaps in research or policy that need to be addressed to improve the police and criminal justice response to child sexual offenders, offences and victims.

Further detail about our research publications and projects may be found on our website at <www.cmc.qld.gov.au>.

Crime: outlook 2009–10

In 2009–10 we will:

- work towards establishing effective telecommunications interception capability with strong public interest safeguards
- work towards enhancing our technical capability generally in respect to intelligence, surveillance and forensic computing
- explore opportunities to enhance our coercive hearings capability
- explore opportunities to enhance the use of the CMC's criminal proceeds confiscation function
- publish the latest research about criminal paedophilia in Queensland since 2000 and an evaluation of a child sexual abuse prevention program in an Indigenous community
- undertake collaborative research with the QPS about child exploitation material and networked offending.

Promote high standards of integrity and reduce misconduct in the public sector

Our performance in 2008–09

We report first on our priorities and challenges in improving integrity in the public sector, our key achievements and our results against performance indicators. We then detail our performance across our Misconduct function, including specific activities with the public sector and the Queensland Police Service. The chapter concludes with our outlook for 2009–10.

Priorities and challenges

As described in our *Strategic Plan 2008–12*, in 2008–09 we placed specific emphasis on the following.

Building the capacity of the QPS to more effectively deal with police misconduct

The CMC is conscious of the public's concern about police dealing with complaints about police. However, the CMC is strongly of the view that external complaint management will not lead to positive cultural or systemic change within the QPS. Until police managers and supervisors take responsibility for the ethical behaviour of their officers, misconduct will continue to be perceived as the CMC's problem and standards will not improve.

For this reason, the CMC continues to identify and make recommendations to address issues impacting on the capacity of the QPS to deal with misconduct within its ranks. For more detail, see pages 33–35.

Building the capacity of the public sector to prevent and deal with misconduct

The aim of the CMC is to increase integrity in the Queensland public sector and to ensure that any complaint which involves, or may involve, misconduct is dealt with appropriately. The Commission remains strongly convinced that responsibility for continuously raising standards of conduct, and reducing the incidence of misconduct, must not rest solely with monitoring bodies such as the CMC, but must be part of the core business of public sector agencies themselves, including the QPS.

The focus of the CMC's capacity-building role has been to enhance the capabilities of public sector managers. In particular, the CMC commenced in the latter part of the year planning for its major strategic project for 2009–13 to progress the further devolution of responsibility for misconduct to public sector managers. For more detail, see page 28.

Key achievements

- Following a complex misconduct investigation by the CMC, former Queensland Government minister Gordon Nuttall and Queensland businessmen Kenneth Talbot and Harold Warner Shand were committed to stand trial in relation to the payment of almost \$360 000 to Mr Nuttall, which payments are alleged to be secret commissions. For more detail, see page 32.
- Based on CMC recommendations, the Queensland Government introduced a Queensland Contact with Lobbyists Code to deliver greater accountability standards for former ministers, parliamentary secretaries, ministerial staff and senior public servants; and a new Criminal Code offence of misconduct in public office. For more detail, see page 31.
- Over the course of Operation Capri, our investigation involving multiple allegations of misconduct by a number of police officers in connection with the use and management of prison informants, some 25 police officers were referred to the QPS for disciplinary action. For more detail, see page 35.
- We finalised preparations to host the biennial Australian Public Sector Anti-Corruption Conference in Brisbane in July 2009, a significant opportunity for Australian and international public officials to learn about contemporary anti-corruption trends and strategies. For more detail, see page 30.

Results against performance indicators

The data provided in Table 3 enable our performance for 2008–09 to be reviewed in the context of our major targets and estimates for this year, our results over the previous four years, and our expected performance for 2009–10. Data for other details of our performance are provided in Table 4.

- As shown in Table 3, the numbers of misconduct matters assessed and misconduct-related projects completed this year exceeded both our estimates for this year and our results over the last two years.
- Table 3 also shows that 94 per cent of matters were assessed within four weeks, higher than any of the four previous years.
- In 2008–09, we finalised¹ 80 misconduct investigations concerning allegations of serious instances of

corruption, misappropriation, and police and drugs: 52 (65 per cent) related to the QPS, 16 (20 per cent) to public sector agencies, and 7 (9 per cent) to local government (see Figure 8). Seventy-one per cent of these investigations were completed within 12 months.

- In relation to the 80 finalised matters, the CMC recommended a total of 70 charges against 36 people; a further nine charges were recommended as a result of other ongoing investigations (see Figures 9 and 10). The majority of the criminal charges are presently in the court system. Most of the disciplinary charges relate to QPS officers, and many of these charges are still proceeding through the disciplinary process.
- The number of investigations and percentage completed within 12 months reflect our increasing focus on more serious and complex matters, which is explained in more detail later in this chapter.

¹ 'Finalised' means that CMC involvement is effectively completed, although the matter may have been referred for prosecution or disciplinary action.

Table 3. Performance 2004–05 to 2008–09, and estimated 2009–10

Key performance indicators ^a	2004–05	2005–06	2006–07	2007–08	2008–09		2009–10 (estimate)
					(target or estimate)	(actual)	
Matters assessed	4419	3924	3565	3678	3800	3922	3800
Matters investigated	109	110	107	93	90	80	80
Percentage of matters assessed within four weeks	90	93	92	85	85	94	85
Percentage of investigated matters finalised within 12 months	77	68	76	76	80	71	80
Research, intelligence, capacity-building, prevention and monitoring projects undertaken	32	31	33	41	26	42	26
Expenses to achieve strategic goal 'To promote high standards of integrity and reduce misconduct in the public sector'	\$18.8m	\$20.2m	\$20.0m	\$20.5m	\$23.0m	\$23.5m	\$23.9m

a All indicators are Service Delivery Statement measures.

Table 4. Use of CMC powers for investigating misconduct, 2004–05 to 2008–09

Description	2004–05	2005–06	2006–07	2007–08	2008–09
Use of powers:					
Power to enter	6	15	3	0	0
Notices to discover information	158	223	198	139	80
Notices to attend hearing	39	71	121	54	44
Search warrant applications	17	22	24	4	8
Surveillance warrant applications	0	0	0	0	0

Misconduct: key activity areas

Our misconduct output comprises:

- a complaints-handling process
- a monitoring regime
- investigations into serious misconduct
- a concerted program of capacity-building, prevention and research activities.

The CMC is charged with improving integrity and reducing misconduct in Queensland public agencies, and all its misconduct-related activities are directed to these purposes. Through its complaints handling and monitoring activities the CMC ensures that public sector managers take responsibility, in appropriate cases, for the conduct of their staff and also holds agencies accountable for the decisions that they make. Through its prevention function and capacity-building role, the CMC supports public sector agencies by enhancing their capacity to prevent and deal with misconduct. As part of our investigation process, we make recommendations for structural and procedural reform within agencies to address any identified systemic issues.

Complaints to the CMC

Complaints about possible misconduct come to the CMC from a number of sources, including the general public and public sector agencies.

The following provides a brief overview of the complaints made to us in 2008–09, followed by more detailed information about complaints relating to, respectively, the public sector and the police service.

Overall number of complaints

This year we received 3873 complaints, compared with 3724 in 2007–08. Figure 4 provides an overview of the numbers of complaints received between 2001–02 and 2008–09. The long-term trend clearly shows an increase. There may be multiple reasons for this, but likely factors include increased awareness of the complaints process by both public agency staff and the general public.

Range of allegations

Figure 5 gives a general breakdown of allegations² received, by the type of agency they related to. The largest proportion (58 per cent) related to police.

Figures 6 and 7 illustrate the sources of complaints against the police, public sector and local government respectively.

Of the complaints against police in 2008–09, 58 per cent were made direct to the CMC by members of the public; 41 per cent were referred to us by the QPS (and 26 per cent of these were made by members of the public direct to the QPS).

In contrast, only 23 per cent of complaints about public sector agencies (excluding local government) were made direct to the CMC by the general public in 2008–09; 76 per cent were referred to us by the agencies themselves (and 21 per cent of these were made by members of the public direct to the agency).

In terms of local government, excluding Indigenous councils, 35 per cent of complaints received in 2008–09 were made direct to the CMC by members of the public; 64 per cent were referred to us by the CEOs of local councils (and 18 per cent of these were made by the public direct to the councils). For Indigenous councils, 52 per cent of complaints in 2008–09 were made direct to the CMC by members of the public; 45 per cent were referred to us by the CEOs (and 6 per cent of these were made by the public direct to the councils).

² A complaint may consist of one or more allegations.

Figure 4. Complaints received between 2001-02 and 2008-09

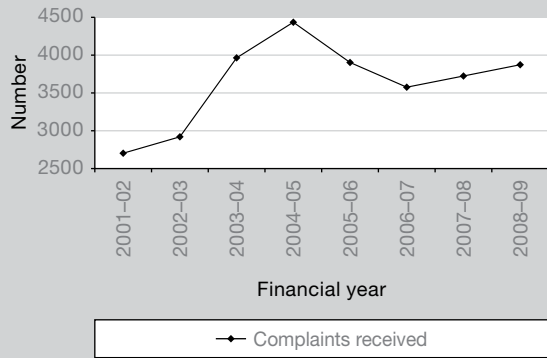


Figure 5. Allegations by agency for 2008-09

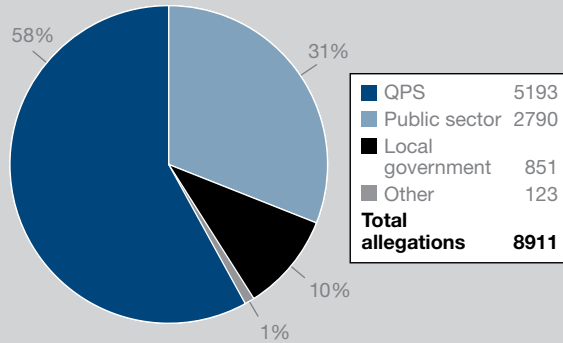


Figure 6. Sources of complaints (by year)

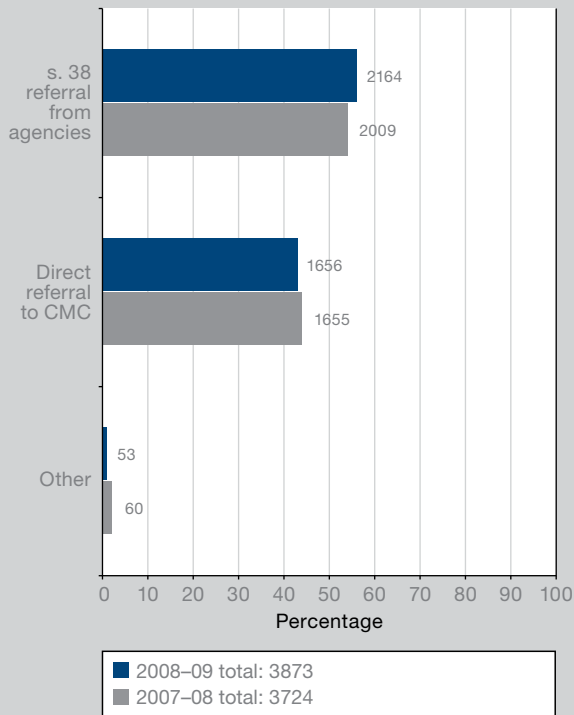
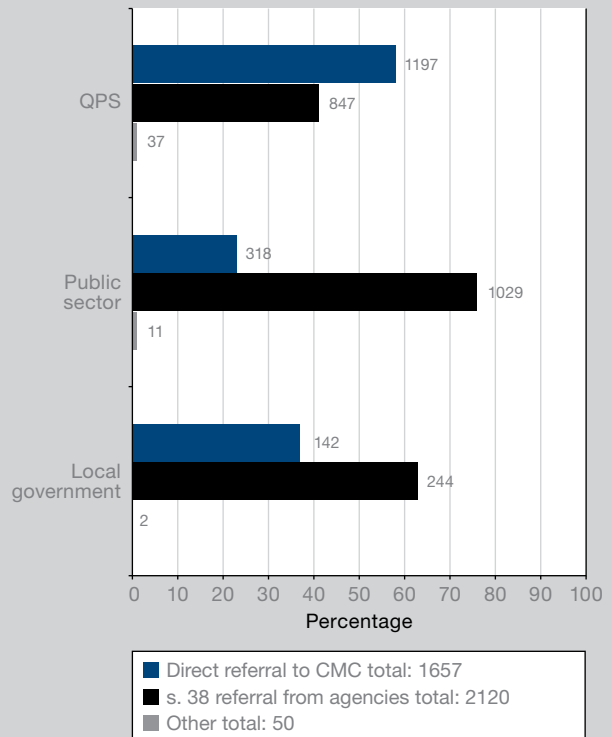


Figure 7. Sources of complaints (by sector) for 2008-09



Note: These figures do not include a small number of complaints received by the CMC concerning other individuals and agencies under the CMC's jurisdiction. If a complaint contains allegations concerning more than one 'sector', it is only counted once against the sector which is the subject of the most serious allegation.

Monitoring the public sector

A key function of the CMC is monitoring how public agencies deal with complaints of misconduct referred to them by the CMC. This is both to maintain public confidence through holding agencies accountable for the manner in which they deal with the complaints, and to help agencies improve their overall capability and systems by identifying any deficiencies and recommending strategies to address these.

We use three types of monitoring tools:

- **Reviews** examine how an agency has dealt with individual complaints from the perspectives of integrity and compliance. In assessing integrity we consider, among other things, whether the way in which the matter was dealt with was thorough, fair and impartial and supported by the evidence. We assess public sector agencies' compliance against the standards outlined in *Facing the facts*, our guide to dealing with suspected official misconduct in the Queensland public sector. The QPS has its own set of standards, similar to those contained in *Facing the facts* and approved by the CMC, against which we assess their complaints.
- **Audits** examine how an agency has dealt with **classes of complaints** – for example, reprisals against whistleblowers – as well their compliance with standards and legislative obligations, their timeliness, etc.
- **Quality assurance reviews** examine the overall integrity framework of an agency including its policies, code of conduct, and systems for complaints and records management. The CMC has developed a QA model which we use to assess an agency's integrity framework for compliance with its obligations and responsibilities under the Crime and Misconduct Act to prevent and deal with misconduct.

In 2008–09, the CMC undertook reviews of 264 individual complaints, of which 130 were dealt with by the QPS and 134 by other public sector agencies. In 87 per cent of the reviews, the CMC was totally satisfied with compliance and integrity. In the remaining 13 per cent of matters we made recommendations to address the issues that raised concern. (See pages 28 and 33 for further discussion about these matters.)

Six audits (four of public sector agencies' complaints and two of QPS complaints) and three quality assurance reviews were conducted in the year.

Misconduct investigations

We concentrate our efforts on matters such as major fraud within government agencies, police corruption and sensitive political matters (see Figure 14). As part of the investigation process, we focus on identifying agencies' systemic or procedural weaknesses and develop recommendations to help them prevent recurrences.

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 activity or agency, a politician or the police.

In our pursuit of corruption and other serious misconduct, we use specialised resources in intelligence, financial analysis and forensic computing as well as proactive and covert investigative techniques.

We can also use our powers, including the power to compel people to attend investigative hearings. Table 4 shows the number of times such powers were exercised in 2008–09 and in the preceding four years.

We increasingly conduct investigations cooperatively with agencies in order to build their capacity to investigate and deal with potential misconduct matters. This may involve providing agencies with investigators to conduct interviews and financial investigators to obtain documents from third parties using our 'notice to discover information' powers. It could also include an officer from the agency being embedded in the CMC's multidisciplinary team.

The CMC cannot make findings in an investigation. We refer any evidence of criminal conduct or misconduct to the relevant prosecuting or employing authority for appropriate action. In some cases it may take several years for the outcome of charges to be finalised in court or in disciplinary tribunals.

Capacity building

To build agency capacity to prevent and deal with misconduct, we work in a variety of ways including direct outreach, undertaking joint ventures, working with Indigenous communities, developing relevant resources and conducting research.

Figure 8. Number of finalised investigations

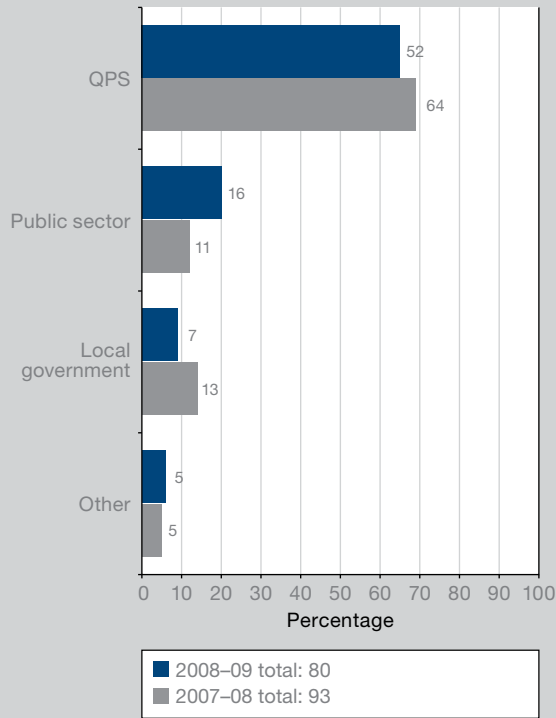
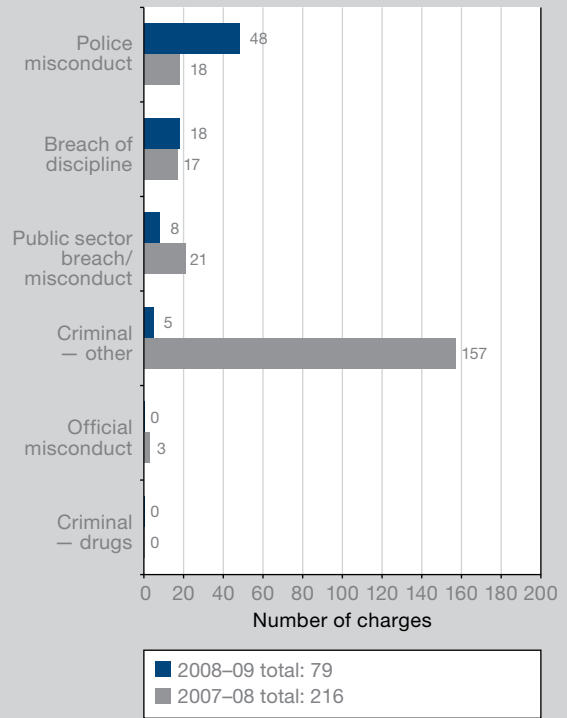
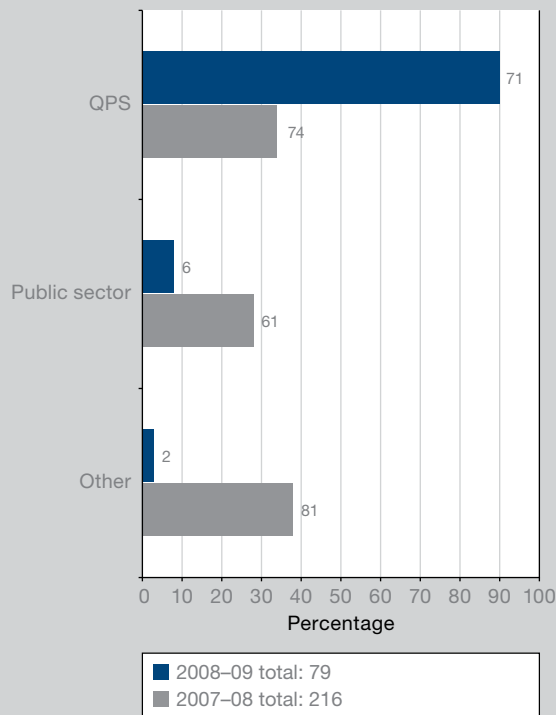


Figure 9. Types of charges



Note: The comparatively high 2007-08 figures resulted from multiple charges, arising out of complex investigations, being laid that year.

Figure 10. Recommended charges by agency



The CMC's work with the Queensland public sector

This section outlines our work with the Queensland public sector (excluding the QPS). It provides information about complaints against public sector officials, monitoring the public sector, misconduct investigations, capacity building, and research into the public sector.

Complaints against public sector officials

Misconduct allegations of official conduct (such as inappropriate exercise of powers), assault, misappropriation, corruption and favouritism, control of information and victimisation/harassment accounted for 72 per cent (70 per cent 2007–08) of the allegations against public sector officials (see Figure 11).

Of the misconduct complaints assessed in 2008–09 relating to public sector agencies (excluding the QPS), 76 per cent (64 per cent 2007–08) of the subject officers were from the large agencies – Health, Corrective Services, Education, Emergency Services and Child Safety. Twelve public sector agencies, including those mentioned, accounted for 92 per cent (84 per cent) of all subject officers for complaint matters assessed in 2008–09. This is no doubt indicative of the large scale of operations undertaken by these departments, their staff numbers, and the level and nature of their interaction with the public.

Given the local government sector's functions and the responsibilities of councillors and council employees,

not surprisingly, the significant allegation types relating to them are corruption and favouritism, official conduct and misuse of government resources, which make up 66 per cent of all allegations. The number of allegations of the first two types has remained virtually the same in the last two years, but there has been a significant increase in allegations concerning misuse of resources. The increase was largely due to one council pursuing the issue of inappropriate use of internet access and emails (see Figure 12).

Monitoring: Results in 2008–09

Of 134 reviews (13 per cent of individual complaints referred to public sector agencies), we were satisfied with compliance and integrity in 90 per cent of the cases. In relation to the remaining complaints, some of the issues of concern were the failure to interview relevant witnesses, the investigation focus was too narrow and the report was not in the prescribed format with all accompanying source material.

This year the CMC also audited complaints dealt with by four large public sector agencies: the Department of Emergency Services, the Environmental Protection Agency, the Department of Justice and Attorney-General, and the Department of Employment and Industrial Relations. In the course of these audits, we reviewed 77 complaints. According to the audits, these agencies demonstrated significant compliance with all legislative obligations and standards.

Further devolution in the public sector

A strategic priority for 2009–13 is the further devolution to public sector agencies of the responsibility to deal with misconduct, subject to CMC oversight, and supported by the CMC's capacity-building and prevention roles.

Devolution is about strengthening public sector agencies' integrity, accountability and misconduct resistance. As long as an agency relies upon the ever-present oversight agency to deal with complaints, poor performance and misconduct will continue to be perceived as the oversight body's problem and standards will not improve. Only when an agency takes responsibility for its own culture of integrity, and extends that responsibility downwards from the senior management to line managers and individual employees, will it fully appreciate

that ethical behaviour is integral to its operations. Managers must learn to see complaints about misconduct as an opportunity for them to address any inappropriate conduct by an employee and any systemic issues, control failures, policy and procedural deficiencies, poor workplace culture and standards, and client service issues.

Four agencies have been selected to participate as 'early adopters' of a 'further devolution' model on the basis of their knowledge and experience; the nature of their integrity framework; their organisational philosophy of management responsibility; the complexity of the internal/external factors that will impact on devolution; their capacity to prevent and deal with misconduct; and their complaints profile. (To read about devolution in the QPS, see page 33.)

Figure 11. Types of allegations – public sector

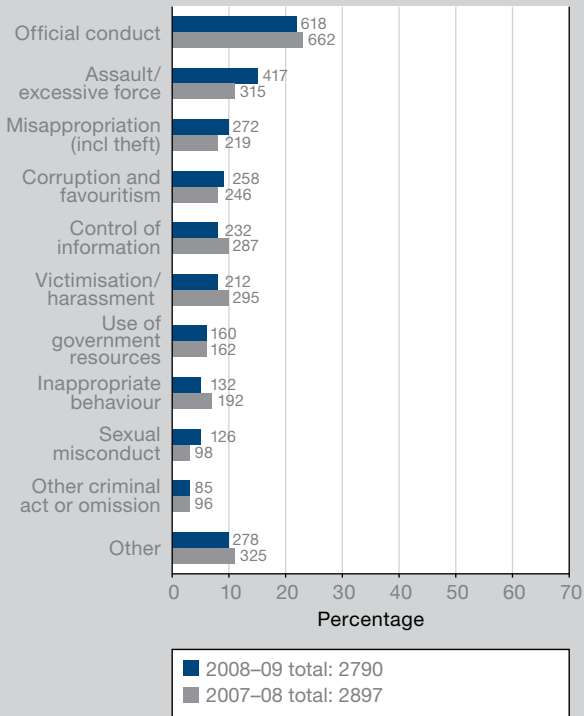


Figure 12. Types of allegations – local government

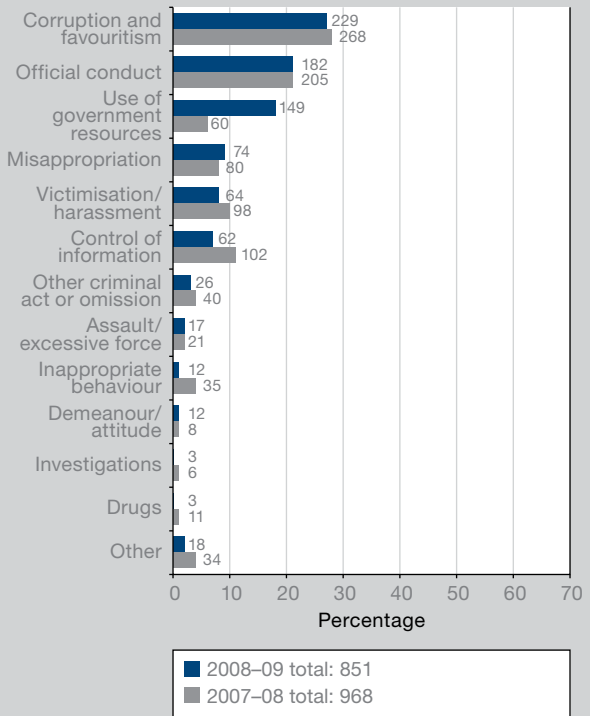


Figure 13. Types of allegations – QPS

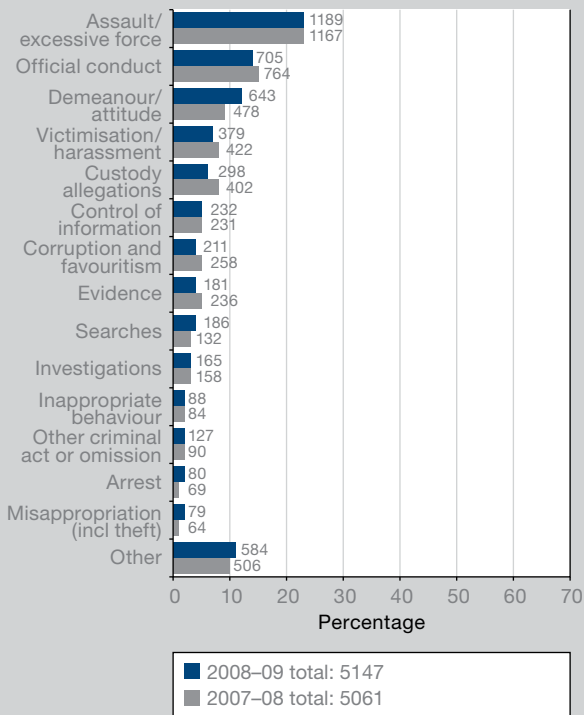
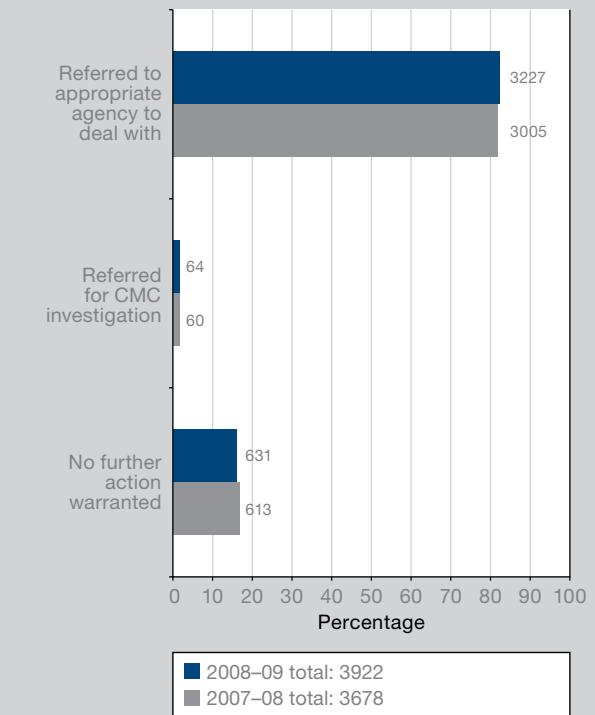


Figure 14. Assessment outcomes



This year we conducted three quality assurance reviews. In the review of the Townsville City Council we noted the rigorous, well planned policy framework of the new merged Council that will build their capacity for integrity. In the review of the Gold Coast City Council we noted some cultural issues, but acknowledged that the CEO had introduced reforms that have moved the Council forward significantly. Our review report for Corrective Services noted a difficulty in identifying whistleblowers and activating relevant procedures but recognised that the department's capacity to act with integrity is of a high standard.

Capacity building

Direct outreach

- The Chairperson and the Director, Complaints Services, met with nine directors-general and CEOs of state agencies and councils. Such meetings allow them to discuss concerns identified from the CMC's complaints data and monitoring activities, emerging trends and issues, and the agencies' prevention and complaints management activities.
- In 2008–09, our program of regional visits involved trips to the Gold Coast, Cairns, Townsville, Thursday Island, Mount Isa and Doomadgee. We met with, and provided training and/or information sessions for, a variety of stakeholders within the public sector and local government. As a result we increased their awareness and understanding of their roles, responsibilities and obligations, and the functions of the CMC, under the Crime and Misconduct Act.
- The CMC conducted training for public sector (including local government) managers and staff in dealing with suspected official misconduct based on our publication *Facing the facts*. A total of 252 people attended the *Facing the facts* workshops conducted at the CMC's premises in late 2008 and May 2009 and during our regional visits. Other ad hoc workshops were conducted for particular agencies. Positive feedback from all sessions suggests that the attendees increased their knowledge of the tools and strategies to prevent and deal with misconduct, and appropriately manage any impact on the workplace.
- This year we conducted misconduct prevention training as part of the regional visits covering issues relating to codes of conduct and conflicts of interest.

Joint ventures

- Significant planning has been undertaken for the second Australian Public Sector Anti-Corruption Conference (APSACC). The Independent Commission Against Corruption (NSW), the Corruption and Crime Commission (WA) and the CMC will jointly host APSACC in Brisbane in July 2009. The 2009 conference will coincide with the 20th anniversary of the release of the Fitzgerald Report into corruption in Queensland. Keynote speakers will include the Premier of Queensland, the Hon. Anna Bligh MP, the Chief Justice of Queensland, the Hon. Paul de Jersey AC, and respected journalists Chris Masters and Quentin Dempster. Topics will include international corruption prevention efforts; the role of the media in exposing corruption; and corruption risks and prevention opportunities in major development, higher education, the health sector, policing, corrections and remote communities. Details of the conference will be given in our 2009–10 Annual Report.
- We continued our involvement as an industry partner in Whistling While They Work, a three-year collaborative research project led by Griffith University and funded by the Australian Research Council. This project aims to enhance internal witness management in Australian public sector organisations. In September 2008, the project released a publication entitled *Whistleblowing in the Australian Public Sector*. The CMC Chairperson spoke at the book launch, which was held at Parliament House in Canberra. The project's second report into organisational best practice will be released in the second half of 2009.
- We continued to work closely with a range of relevant groups such as the Corruption Prevention Network Queensland and Queensland Public Sector Ethics Network to foster ethical conduct. Presentations on integrity issues have been made to both groups by our prevention advisers.

Resource development

- In conjunction with the Queensland Ombudsman and the Public Service Commission, as part of the Whistling While They Work project, we developed a series of guides about public interest disclosures for the Queensland

public sector. The first of these web-based documents are now available at <www.cmc.qld.gov.au>:

- *Making a public interest disclosure: a guide for individuals working in the public sector*
- *Handling a public interest disclosure: a guide for public sector managers and supervisors*
- *Blowing the whistle in Queensland* (flyer)

A third guide, intended for organisations, will be released in the next reporting period.

- *Receiving gifts and benefits: managing the risks* (Building Capacity series, no. 8) was updated following legislative changes.
- *Managing public records responsibly*, a joint publication with Queensland Archives, was updated.
- In the light of legislative reforms, particularly in local government, and the CMC's devolution strategy, we commenced a review of our primary misconduct publication, *Facing the facts*. Preliminary consultation on suggested improvements has been conducted with agencies and the revised publication will be released in the next reporting period.

Working with Indigenous communities

During the reporting period, the CMC undertook a number of visits to Indigenous communities in Queensland, including Doomadgee, Yarrabah and Thursday Island. As part of these visits, CMC staff met with mayors, councillors, council workers, community agencies and organisations, staff from government departments and agencies in these areas, and members of the communities. During those visits we provided information about the role and functions of the CMC, and conducted conflict of interest training workshops.

Researching the public sector

- We released the report *Perceptions of misconduct in Queensland correctional institutions: a survey of custodial officers*. It summarises the key findings of a collaborative research project by the CMC and Griffith University. We surveyed custodial correctional officers in 2001 and again in 2007 about their perceptions of misconduct in Queensland correctional facilities. The results highlighted some significant improvements in perceptions of misconduct over time and some challenges. We made recommendations to address these challenges and Queensland Correctional Services has indicated its willingness to implement them.

Online resources

Our misconduct materials are easy to access from the home page of our website <www.cmc.qld.gov.au>, and are some of our most popular web pages. For example, our most frequently accessed publications, downloaded over 100 times a month, are:

- *Facing the facts: a CMC guide for dealing with suspected official misconduct in Queensland public sector agencies*
- *Managing conflicts of interest in the public sector: Toolkit*, and
- *Fraud and corruption control: guidelines for best practice*.

Misconduct investigations of the public sector

A number of high-profile, long-running and complex investigations were undertaken or resulted in court appearances in 2008–09, including the following.

Public duty, private interests

In July 2008, the CMC conducted a public hearing as part of the investigation into an allegation of official misconduct by the former Director-General of the Department of Employment and Training, Scott Flavell. The investigation examined Mr Flavell's role and alleged conflicts of interest in the establishment and development of a private skills training company whilst in the role of director-general.

The CMC released a public report entitled *Public duty, private interests* in December 2008. The report highlighted the need for better controls over the use of information or influence by public servants representing private interests. It also addressed issues of pre-separation conduct and post-separation employment in relation to senior executives.

Arising out of the report's recommendations, the Queensland Government introduced a new Criminal Code offence of misconduct in public office; a Queensland Contact with Lobbyists Code to deliver greater accountability standards for former ministers, parliamentary secretaries, ministerial staff and senior public servants; and a requirement for all lobbyists to register their details with the Department of the Premier and Cabinet. The government will also clarify the conflict of interest provisions within the *Public Service Act 2008*.

Former minister and others face charges

Following a CMC investigation, former Queensland Government minister Gordon Nuttall was found guilty of receiving secret commissions totalling almost \$360 000 over three years from two prominent Queensland businessmen, Ken Talbot and Harold Shand.

The evidence presented at Mr Nuttall's trial showed Mr Talbot made 35 payments to the former minister totalling almost \$300 000 between October 2004 and September 2005. Mr Shand made one payment of \$60 000 to Mr Nuttall in April 2002. On 17 July 2009 Mr Nuttall was sentenced to seven years jail for each offence to be served concurrently and will be eligible for parole on 2 January 2012. Mr Nuttall has lodged an appeal in relation to conviction and sentence. Mr Shand will face a separate trial commencing on 8 March 2010. Mr Talbot's trial is scheduled to commence on 30 August 2010.

Conflict of interest at the Public Trustee

We investigated a senior executive officer employed by the Public Trustee of Queensland in relation to an allegation that a family trust in respect of which the officer had an interest was engaged in share trading in a company which had a commercial relationship with the Public Trustee. It was alleged that the officer, by virtue of his employment with the Public Trustee, was privy to commercially sensitive information about the company but had at no time disclosed his interests in the company to his employer.

After investigating the matter, we referred a report to the Attorney-General recommending the evidence obtained as a result of our investigation of these matters warranted consideration of disciplinary action against the Senior Executive Officer for his alleged failure to comply with s. 84 of the *Public Service Act 1996* and the Department's Code of Conduct on the basis that he did not declare his family trust's shareholding in the first company. The Attorney-General subsequently advised the CMC that such action had been taken and the Senior Executive Officer's employment had been terminated.

Forgery to obtain overseas travel

In conjunction with Queensland Transport, we investigated an executive director employed by the department in relation to an allegation that the executive director had forged the initials of a junior officer on a briefing note to the then Minister for Transport, Trade, Employment and Industrial Relations for the purpose of obtaining approval for himself to travel overseas to a conference.

We subsequently referred a report to the Minister for Transport recommending the evidence obtained as a result of our investigation was sufficient to consider disciplinary action against the executive director on the basis that he dishonestly represented to a senior officer that his subordinate had prepared the briefing note recommending he attend the overseas conference, placed the officer's initials on the briefing note without the junior officer's authority and failed to act impartially in the performance of his functions in recommending to the minister that his attendance at the conference was in the best interests of the department.

The department subsequently advised the CMC that disciplinary action had been taken against the executive director as recommended and his employment had been terminated.

Public servants and a contractor sentenced for fraud

Two former Department of Public Works officers were sentenced on 12 March 2009 in the Brisbane District Court for approving false invoices worth more than \$200 000 for painting work not performed. Robin Brown pleaded guilty to a charge of fraud while Bradley Goodwin pleaded guilty to charges of official corruption and fraud. A third man, Christopher Creedy of Brisbane and West Painting Pty Ltd, also pleaded guilty to charges of official corruption and fraud. Goodwin and Creedy each received a four-year jail sentence to be suspended after one year. Brown was given a three-year wholly suspended sentence due to the lesser role he played in the scheme. The contractor, Creedy, was ordered to pay restitution of \$210 061.

Queensland Transport employee issues false 18+ cards and drivers licences

During the execution of a search warrant in October 2003, police discovered an 18+ card which was shown to be fake. Using the CMC's coercive powers a number of persons receiving false documentation were identified. During 2008–09 Anne-Marie Corrigan pleaded guilty to one count of fraud and received a 12-month intensive correctional order and had a conviction recorded. Terrence Goodman Benfer was charged and convicted of one count of fraud. Glen David Cannard was charged and convicted on one count of fraud and one count of forgery.

The CMC's work with the Queensland Police Service

This section covers complaints against police, monitoring the QPS, misconduct investigations, capacity building in the QPS and researching police methods and practice.

The CMC works with the Ethical Standards Command (ESC) of the QPS in handling complaints about and investigations into the conduct of police.

Complaints against police

In 2008–09, 2081 police complaints were received. This was slightly higher than for 2007–08 (1869) and higher than 2006–07 (1891).

The state-wide complaint rate per 1000 officers has remained steady for the period and similar to previous years. The trend in relation to Indigenous complaints remained steady for the year. As at the end of 2008–09, Indigenous complaints were 6 per cent of the total complaints against police.

A comparison of QPS allegations registered in 2007–08 and 2008–09 (see Figure 13) reveals the following:

- the highest number of allegations related to Assault/excessive force
- allegations relating to Arrest, Investigations and Searches showed a minor increase
- allegations relating to Demeanour/attitude showed the greatest increase.

Tasers

The use of Tasers by police officers is an issue of considerable debate and concern in the community, and we are closely monitoring all matters relative to their use.

In 2008–09, following a Taser incident at Southbank in April 2008 (see page 35) we received eight complaints concerning the deployment of a Taser.

- Four complaints were investigated by the QPS and allegations of inappropriate use were not substantiated. We agreed with those findings and no further action was taken.
- Three matters have been referred to QPS for investigation. They have not yet been finalised.
- One matter is being jointly investigated by the QPS and the CMC, and is ongoing.

Monitoring the QPS

In 2008–09, the CMC conducted 130 reviews (9 per cent of complaints dealt with by the QPS). It was satisfied with compliance and integrity in 83 per cent of the cases. In relation to the remaining complaints, some of the issues of concern were findings not supported by the evidence, failure to secure or consider relevant evidence, failure to interview a relevant witness, incorrect categorisation of allegations as breach of discipline and investigation reports not in accordance with the prescribed format. In addition, the CMC conducted two audits of classes of complaints dealt with by the QPS (other than those conducted as part of Project Verity [see below]). The types of matters audited were those involving allegations of process corruption and whistleblowers. In the course of these audits 37 complaints were reviewed.

No significant concerns were raised by these audits and the report made some recommendations designed to help enhance the capacity of the QPS.

Capacity building in the QPS

Devolution of QPS complaints management (Project Verity)

This project is about the devolution to appropriate local level managers of the responsibility to deal with less serious complaints about their officers through investigation or other appropriate management action. Last year we reported that we had developed a devolved complaints management model and were trialling it in two regions. An extensive evaluation process, involving surveys of complainants, police managers and officers and audits of complaints dealt with by the regions during the trial period revealed that the model had not been fully implemented as intended for a number of reasons. The CMC and the ESC determined it was appropriate to suspend any further evaluation or roll-out of the model and proceeded to address the identified issues. A new QPS Complaints Management and Discipline Policy has now been drafted. Further steps are to be taken to develop practice guidelines and an enhanced program of awareness sessions, education and training and on-the-spot advice and support for managers. Following the implementation of these measures, a further evaluation will be carried out to ascertain firstly, whether the model has been implemented and secondly, whether it meets the project's objectives.

Improving the Indigenous complaints process

The CMC continued with its project to develop culturally appropriate, timely and effective ways to manage Indigenous complaints against police. Following the initial phase of data collection and analysis and a series of workshops, this year we engaged in consultation focused on developing a model or models to facilitate better access to, and understanding of, the complaints system. We will look to trial appropriate models in the coming year.

Researching police methods and practice

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

- We released the report *Interactions between police and young people*. Partly funded by an Australian Research Council grant, this three-year project examined the relationship between young people (15–24 years old) and police in Queensland across three linked research projects. These projects were conducted by the CMC in partnership with the University of Queensland and Queensland University of Technology in response to our public attitudes surveys (see below), which have consistently found poorer perceptions of police by young people than by older people. Although none of the studies provided definitive answers for improving relations between police and young people, all three increased our understanding of the nature and complexity of these relations.
- We released the report *Public perceptions of the Queensland Police Service: findings from the 2008 public attitudes survey*. Since 1991, the CJC–CMC has conducted a series of surveys of Queensland residents about their attitudes toward the Queensland Police Service, public service and local government, and complaints processes. In the seventh survey in the series conducted in 2008, for the first time we included questions about Indigenous issues and the Indigenous status of respondents and collected detailed information about the nature of respondents' contact with police.

- We released a research and issues paper entitled *Tasers: a brief overview of the research literature*, based on Australian and international research into the use of Tasers by operational police.
- The CMC continues to administer the police ethics survey to Queensland Police Service recruits and first-year constables. The survey is designed to gauge their attitudes to and perceptions of a range of issues related to police ethics and misconduct and to track any changes over time. It serves as a useful guide to the ethical climate of the QPS and is intended to assist the QPS in making decisions about the ethics education and training of its officers.

Written reports summarising the results of the most recent surveys are provided annually to the QPS and presentations of the findings are given to staff at both QPS academies. We are also in the final stages of preparing a public report which describes key findings from the survey since its inception in 1995. The report will be released in the next reporting period.

Misconduct investigations of the QPS

Jailing of former police officers over watch-house incident at Loganholme

In November 2008, former Senior Constable Craig Stuart Ablitt was sentenced to 15 months jail, suspended after five months, for his part in the assault of a 25-year-old woman in a holding cell at the Loganholme Police station in April 2004. He pleaded guilty to being an accessory after the fact to assault occasioning bodily harm. His fellow officer, former police constable Justin Anthony Burkett, was jailed in August 2007 for three years, suspended after nine months, after pleading guilty to one count of assault causing bodily harm, four perjury charges and two charges of attempting to pervert the course of justice. The woman was attacked by Burkett after being taken into custody for suspected shoplifting and arguing with Burkett.

Allegations of police corruption (Operation Capri)

Commencing in 2006 and concluding in September 2008, Operation Capri was an investigation into multiple aspects of police misconduct in connection with the use and management of prison informants, the removal of prisoners from custody for improper purposes, the unlawful diversion of telephone calls made by prisoners from correctional centres, misappropriation of money intended to be used as rewards, and the improper receipt of money and gifts from a prison informant who manipulated police officers for his own ends.

Our investigation revealed that some police officers improperly took advantage of their authority and made wide use of their powers while largely failing to exercise or recognise their associated responsibilities. The prevailing attitude of these officers was that it was acceptable for them to ignore legislation and QPS policy and procedures, and to act in ways that were improper and, in some cases, dishonest and unlawful.

Some 25 officers were implicated. Of the 25 officers, one officer resigned prior to the commencement of the investigation, one officer resigned prior to the conclusion of the investigation, the CMC recommended that six officers receive managerial guidance and that disciplinary action for misconduct be considered against 17 officers. Of those 17 officers, one officer was dismissed; six officers resigned, six officers were given managerial guidance, and the disciplinary action in relation to four officers has not yet concluded. Additionally, three of the 25 officers are also facing criminal charges and those matters are currently before the courts.

The revelations of Operation Capri serve as a reminder for all police of the risks and responsibilities inherent in the exercise of professional duties and the importance of embedding a culture of ethical behaviour.

A public report of the investigation will be tabled in July 2009.

Taser incident at South Bank

In April 2008, a police officer used a Taser on a 16-year-old girl at South Bank. Following its investigation of the incident, the CMC recommended in March 2009 that the police officer receive managerial guidance over his actions. The CMC found that the police officer had shown poor exercise of discretion in requiring youths to 'move on' (in a situation where they were waiting for an ambulance), poor communication in failing to advise the youths of the consequences of disobeying a police direction, and using the Taser contrary to the QPS policy in circumstances where the girl could have been otherwise restrained and where the police officer knew she could be a juvenile.

Further, the CMC commented that this incident and other cases pointed to a concerning pattern within the QPS with regards to the handling of policing incidents. The CMC Chairperson warned that the QPS must learn from its mistakes in policing or risk jeopardising the police service's professionalism.

Misconduct: outlook 2009–10

In 2009–10, the following Misconduct priorities will be pursued:

- advance the progressive roll-out of a developed and effective localised complaints management resolution process in police regions and commands (Project Verity)
- continue to further devolve responsibilities for dealing with misconduct to public sector agencies including local governments
- focus on significant misconduct issues such as:
 - the inappropriate use of confidential information, conflict of interest issues, and purchasing and procurement irregularities
 - excessive use of force in conjunction with frontline policing and inappropriate use of policing powers.

Provide an effective witness protection service

Our performance in 2008–09

We report first on our priorities and challenges in providing an effective witness protection service, our key achievements and our results against performance indicators. We then report in more detail on our work in protecting witnesses, developing witness protection methods and liaising with client law enforcement agencies, and conclude with our outlook for 2009–10.

Priorities and challenges

As described in our *Strategic Plan 2008–12*, in 2008–09 we placed specific emphasis on the following.

Dealing with the impact of advancing technology

Through ongoing consultation and liaison with national and international counterparts, we examined trends in advanced technologies and their potential impact on witness protection. Rapidly advancing technologies present both opportunities and risks in providing a safer and more resource-effective witness protection service.

Building and maintaining relationships with key Queensland agencies

We developed new marketing strategies and tools, including presentations and a DVD, to engage with client law enforcement agencies and promote greater awareness of our services and their potential benefits for those agencies. We also took opportunities to strengthen working relationships with other agencies providing witness protection services.

Key achievements

- We ensured that all of our protected witnesses were kept safe and were able to give evidence in court, maintaining this 100 per cent success rate for the twenty-first successive year. Over 1560 people have been successfully protected since the inception of the program in 1987.
- The evidence given by witnesses protected by the CMC played a key role in prosecutors being able to secure convictions across a wide range of organised and serious crime cases.
- In May, the CMC hosted the annual Australasian Witness Protection Forum in Brisbane, which was attended by representatives from Australia-wide law enforcement agencies and other key external agencies such as the Australian Taxation Office and Centrelink.
- Twenty-one protected persons were provided with court security, directly contributing to successful prosecutions for a number of serious criminal matters.

Results against performance indicators

The data provided in Table 5 enable our performance for 2008–09 to be reviewed in the context of our major targets and estimates for this year, our results over the previous four years, and our expected performance for 2009–10. Data for other details of our performance are provided in Figure 15.

Table 5: Performance 2004–05 to 2008–09, and estimated 2009–10

Key performance indicators	2004–05	2005–06	2006–07	2007–08	2008–09		2009–10 (estimate)
					(target or estimate)	(actual)	
Applications for witness protection assessed (persons) ^{a,b}	156	89	130	96	100	104	100
Admissions to witness protection program (persons) ^a	70	57	78	42	78	51	78
Percentage of eligible persons offered interim protection within two days of receipt of application ^a	99	100	81	92	95	100	95
Percentage of protected persons whose safety was not compromised ^{a,c}	n/a	n/a	n/a	n/a	100	100	100
Threat assessments conducted for protection operations ^d	n/a	n/a	74	62	70	60	70
Protected witnesses provided with court security ^d	n/a	n/a	39	30	40	21	40
Expenses to achieve strategic goal 'To provide an effective witness protection service'	\$4.1m	\$4.3m	\$4.3m	\$4.4m	\$4.9m	\$5.0m	\$5.1m

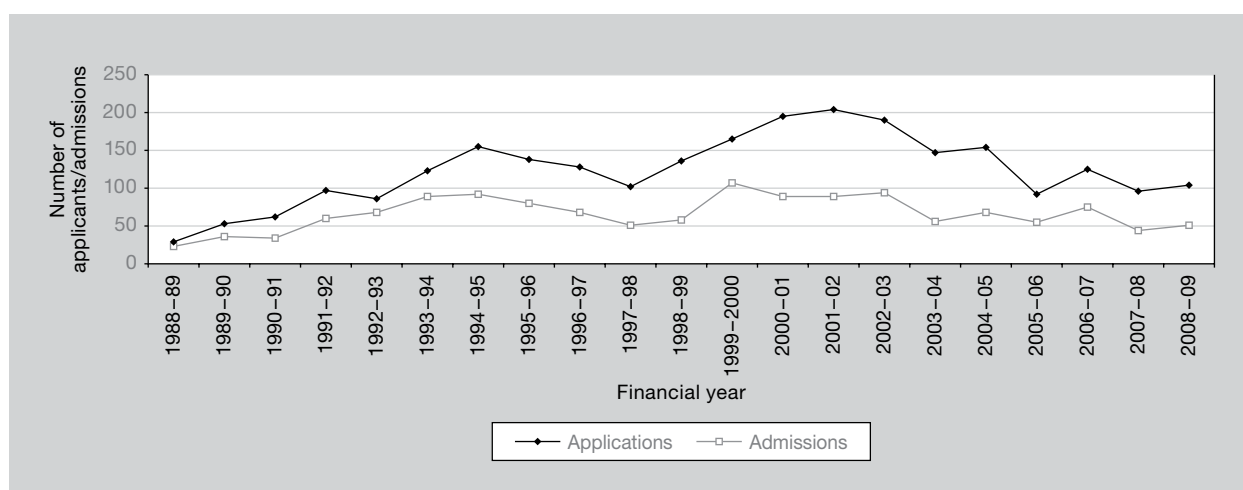
a Service Delivery Statement measure.

b 'Applications' refers to all persons referred for witness protection by law enforcement agencies. While offers of protection are made to all assessed as eligible for the program, some persons may not accept the offer. Thus, 'admissions' refers to persons who are both eligible and accept the offer of protection.

c This indicator was introduced as a Service Delivery Statement measure in 2008–09.

d Strategic Plan performance indicator since 2008–09.

Figure 15. Applications for witness protection compared to final admissions 1988–89 to 2008–09



Witness protection: key activity areas

Protecting witnesses

Through our witness protection program, we protect eligible people who are in danger as a result of assisting a law enforcement agency such as the QPS. The protection provided may include securing witnesses in a safe location on a temporary or permanent basis and providing court security or close personal protection.

The evidence given by our protected witnesses assisted prosecutors in securing convictions in cases that included drug trafficking, production and possession of drugs, robbery, fraud, and serious assault and property offences.

In addition to providing protection to individuals, the CMC also ensures that they receive any necessary professional assistance and guidance. This enables people who enter the program with drug or alcohol addictions or other mental or physical afflictions to address these issues. Many witnesses have been rehabilitated as a direct result of being included in our program.

- This year we received 104 applications for witness protection, exceeding both our estimate for this year and the number of applications received last year.
- Fifty-one persons were admitted into the program, fewer than our estimate for this year but exceeding the number admitted last year.
- All eligible applicants were offered interim protection within two days, exceeding both our estimate for this year and the percentage achieved last year.
- Figure 15 shows the fluctuations in witness protection numbers since 1988–89. Admissions were highest in 2000–01 with applications peaking two years later. Since then, numbers have levelled out to be similar to those in the early 1990s.
- Since use of the witness protection program depends on requests from law enforcement agencies, the CMC has no influence over the number of applications received. However, witness protection staff place a high priority on bringing the program and its potential benefits to the attention of law enforcement agencies.

- Figure 15 also illustrates the typical discrepancy between numbers of applications received and final admissions. This reflects the decisions of individual protectees, since witness protection is undertaken voluntarily. Typically, only about half of those offered protection decide to enter the program.
- We prepared 59 threat assessments for various aspects of witness protection, slightly down from last year.
- We also provided court security in a number of trials where the evidence of a protected witness was considered crucial. Twenty-one protected persons were given court security, directly contributing to successful prosecutions for a number of serious criminal matters.
- In total, 70 persons were protected in 2008–09 (comprising the 51 persons admitted plus those already on the program at the beginning of the year).

Developing witness protection methods

The CMC places a high priority on developing witness protection methods, by providing specialist training, monitoring emerging threats, and liaising with peer organisations in Australasia.

The CMC leads witness protection training in Australasia through our nationally accredited witness protection course, the Advanced Diploma of Public Safety (Police Witness Protection) (the Advanced Diploma). This year, tools to assess workplace competencies were further developed for all Australasian jurisdictions. We secured Western Australia's agreement to the memorandum of understanding (MOU) for recognising prior learning for the Advanced Diploma, and anticipate that other agencies, including Victoria Police, South Australia Police and New South Wales Police, will ratify the MOU in the near future. Achieving uniform competency standards across agencies will increase our capacity to meet cross-jurisdictional threats.

This year our officer in charge of witness protection chaired the Australasian Witness Protection Forum in Brisbane in May. The forum examined trends in advanced technologies and their potential impact on witness protection, and was attended by senior witness protection officers from around the country. Through involvement with the Australia and New Zealand Policing Advisory Agency and key external agencies in Australia and overseas, participants helped to develop responses to the issues and methodologies identified as significant.

Liaison with client law enforcement agencies

We actively marketed our capability and services to senior management and staff of client law enforcement agencies throughout Queensland. This included delivering training in accessing and utilising protection services to QPS detectives and police prosecutors, and making presentations to criminal investigators and regional police commands.

Witness protection: outlook 2009–10

In 2009–10, we expect to:

- offer interim protection to 95 per cent of eligible people within two days, assess 100 applications, and admit 78 new people to the program
- continue to deliver education and marketing presentations to promote witness protection services to client agencies throughout Queensland
- continue to develop MOUs and working relationships with government departments to assist in implementing the *Witness Protection Act 2000*
- liaise with other Australasian witness protection agencies to share information on the methodologies, trends, technologies, legislative developments and other issues likely to impact on managing witnesses.

Be an effective, respected and productive organisation serving all Queenslanders

Our performance in 2008–09

We report first on our priorities and challenges in organisational effectiveness, our key achievements and our results against performance indicators. We then report in more detail on our activities in governance, human resources and communication, and conclude with our outlook for 2009–10.

Priorities and challenges

As described in our *Strategic Plan 2008–12*, in 2008–09 we placed specific emphasis on:

- attracting and retaining skilled employees
- establishing an optimum working environment.

We addressed these by completing projects contributing towards the six major initiatives identified in our 2007–09 workforce management plan. The following lists examples of the projects completed towards each initiative:

1. **Employee attraction:** streamlining external recruitment processes and introducing an inter-agency mentoring program.
2. **Employee retention:** improving the employee assistance service offering, and introducing payments for professional memberships.
3. **Employee engagement:** introducing new performance management and recognition programs.
4. **Organisational renewal and capability:** identifying high-performing employees and establishing a resource pool of casual staff.
5. **Managing a multi-generational workforce:** reviewing phased retirement options.
6. **Strengthening management and supervisory practice:** developing a leadership development framework.

Key achievements

- A major review of the CMC's functions and strategic direction, supported by an independent facilitator, was concluded in the latter half of 2008 after wide consultation with the QPS, a selection of public sector agencies in Queensland, partner law enforcement agencies in other jurisdictions, community and civil liberties groups, and CMC staff. While it confirmed the value of our core business as defined in our empowering legislation, it also identified social trends and technology challenges relevant to our strategic direction; for example, changes in the frontline policing environment; rapidly evolving technologies and their implications for crime and corruption detection, prevention and investigation; legislation relating to local government and public interest disclosures (whistleblowing); and attraction and retention of skilled specialist staff. These are detailed in our *Strategic Plan 2009–13* and will be reported on in our next annual report.
- A range of workforce capability strategies was implemented, including introducing internal and external mentoring programs, a revamped performance management system, a recognition and reward program, and improved professional development options for staff.
- Significant effort was devoted to facilitating the CMC's move to new premises in August 2008. The relocation to Green Square North Tower, the first building in Queensland to attract a 6-star Green rating (the highest for environmental sustainability), was completed months ahead of the original schedule with very little interruption to CMC operations.

Results against performance indicators

The data provided in Table 6 enable our performance for 2008–09 to be reviewed in the context of our major targets and estimates for this year, our results over the previous four years, and our expected performance for 2009–10.

- We exceeded both our target for this year and our result last year in relation to publications produced to support the CMC's public sector initiatives. (This indicator has been discontinued; in future, publications will be included in project finalisation measures.)
- The number of presentations made to external stakeholder groups and members of the public was less than our estimate for this year, and the lowest over the five-year span presented. This may be attributable to the growing knowledge of the CMC within the general community, requiring fewer presentations of general information about the organisation to community groups.
- Partnerships initiated to fulfil objectives within the Crime function are down on our estimate and our result last year. However, those initiated or maintained within our research and prevention area met our estimate for this year. Partnerships in respect of our Crime function will not be measured in future years as partnerships are embedded in Crime activities, rather than engaged in as separate projects.

Table 6. Performance 2004–05 to 2008–09

Key performance indicators ^a	2004–05	2005–06	2006–07	2007–08	2008–09		2009–10 (estimate)
					(target or estimate)	(actual)	
Relevant material produced to support public sector initiatives	25	25	17	12	12	16	Discontinued indicator
External presentations by CMC staff	118	92	73	58	60	44	60
Partnerships initiated and fostered to fulfil our objectives – Crime ^b	n/a	n/a	12	26	20	15	Discontinued indicator
Partnerships initiated and fostered to fulfil our objectives – Research and prevention ^c	n/a	n/a	n/a	n/a	11	11	8

a All indicators are Strategic Plan performance indicators as no Service Delivery Statement measures apply to this section.

b This indicator was introduced in 2006–07.

c This indicator was introduced in 2008–09.

Governance

The CMC's governance framework provides mechanisms to assist us to achieve our strategic goals, operational objectives and deliver on government ambitions. The framework ensures that the CMC effectively adheres to its obligations in the areas of legislation, strategic plans, accountability, corporate performance and risk management.

Internal governance arrangements

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 also the Chairperson and four part-time Commissioners who are community representatives. The CMC's Commissioners during 2008–09 were Mr Robert Needham (Chairperson), Dr David Gow, Ms Ann Gummow, Mrs Judith Bell and Mr Philip Nase. See Appendix A for information about the appointment conditions of the Commissioners.

Robert Needham (Chairperson since January 2005)

Mr Robert Needham was appointed Chairperson of the CMC in January 2005. Prior to his appointment Mr Needham 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.

Mr Needham was later 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), as well as 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.



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.

In addition to his duties on the Commission, Dr Gow served on the Audit Committee, the Finance Committee and the Information Steering Committee during 2008–09.



**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.

Since 1990 Ms Gummow has worked part-time at Women's Legal Service, a community legal service specialising in the areas of domestic violence and family law. She works directly

with women, undertakes community legal education and community development, and contributes to legal reform. She was previously a solicitor in private practice, and at various times has taught at the School of Social Work and Social Policy at UQ, Griffith University's Law School and QUT. From 1992 until 2006 she was a member of UQ's Behavioural and Social Sciences Ethics Review Committee.

In addition to her duties on the Commission, Ms Gummow chaired the Equal Employment Opportunity Consultative Committee and served on the Workforce Management Committee in 2008-09.



**Judith Bell
(from May 2008)**

Mrs Judith Bell has a Bachelor of Education, a Bachelor of Arts (Aboriginal and Torres Strait Islander Studies) and a Diploma of Teaching. She has more than 30 years' experience as a teacher in Queensland and the United Kingdom, extensive experience and knowledge of the public sector and, as a former member of the CMC's Crime Reference Committee, specific experience of the CMC. She is on the Board of Trustees for the Brisbane Grammar School and

is a member of the University of Queensland's Senate. In 2003 she was one of the recipients of the Centenary Medal which commemorated 100 years of Federation and was awarded to people who had made a contribution to Australian society or government.

In addition to her duties on the Commission, Mrs Bell served on the Crime Management and Administration Committee, the Crime Operations Review Committee, the Commission Consultative Committee and the Workplace Health and Safety Committee in 2008-09.



**Philip Nase
(from November 2008)**

Mr Phillip Nase has a Bachelor of Laws and a Bachelor of Arts from the University of Queensland and a Masters Degree in Law from London University.

His legal experience spans almost four decades, including 17 years as a Crown Prosecutor during which he appeared for the Crown in criminal appeals and special leave applications before the High Court of Australia. For approximately 10 years he was president of the Queensland Crown Prosecutors Association.

After being in private practice between 1989 and 1994, he was appointed to the District Court where he served as a judge for almost 15 years. For the last six or seven years he regularly sat in the remote communities of Mornington Island, Doomadgee and Normanton, taking a special interest in justice issues in those communities.

In addition to his duties on the Commission, Mr Nase serves on the Misconduct Operational and Review Committee, the Misconduct Activities and Projects Committee and the Policing Indigenous Communities Steering Committee.



The Commission meets on a fortnightly basis to guide and maintain the strategic focus of the organisation. This includes considering matters that affect all areas of the CMC, including its finances, staffing, risk management, and projects involving research, prevention, intelligence and other resources.

The CMC's two full-time Assistant Commissioners (the Assistant Commissioner, Crime and the Assistant Commissioner, Misconduct), the Director, Witness Protection and Operations Support, and the Executive Director also participate at Commission meetings, although they have no voting rights.

Each part-time Commissioner also chairs significant internal committees (see pages 45–47), participates in others, and represents the CMC on external bodies.

During 2008–09, the Commission met with the Parliamentary Crime and Misconduct Committee five times and convened 23 Commission meetings and one special meeting. As well as meeting its normal statutory duties, the Commission took significant initiatives to:

- complete the review of its financial, human resources and Crime and Misconduct Act delegations
- undertake the review of the CMC's functions and strategic direction
- oversight the CMC's relocation to new premises.

Table 7. Attendance of Commissioners, Assistant Commissioners and Executive Director at Commission meetings 2008–09

Name	Position	Ordinary meetings (n = 23)	Special meetings (n = 1)	With PCMC (n = 5)
Robert Needham	Chairperson	19	1	4
David Gow	Part-time Commissioner	22	1	5
Judith Bell	Part-time Commissioner	22	1	5
Ann Gummow	Part-time Commissioner	21	1	3
Philip Nase ^a	Part-time Commissioner	15	–	3
John Callanan	Assistant Commissioner Crime	20	–	5
Stephen Lambrides ^b	Assistant Commissioner Misconduct	14	–	4
Peter Scanlan	Executive Director	21	1	4
Assistant Commissioner Felix Grayson	Director, Witness Protection and Operations Support	14	–	1
Russell Pearce	Acting Assistant Commissioner Misconduct from 3 April 2009	6	–	1

a Commenced duties on 6 November 2008.

b Last meeting attended was 17 April 2009. Mr Lambrides commenced leave prior to his retirement after this time.

The Executive Committee – as at 30 June 2009



Chairperson
Robert Needham



Assistant
Commissioner, Crime
John Callanan



Assistant
Commissioner,
Misconduct
Stephen Lambrides



Executive Director
Peter Scanlan



Director, Complaints
Services
Helen Couper



Director, Witness
Protection and
Operations Support
Felix Grayson

Note: Mr Lambrides, Assistant Commissioner, Misconduct, commenced leave in April 2009 prior to his retirement.

Internal committees

The CMC has a comprehensive internal committee structure to facilitate effective governance and ensure that the Commission is fully informed of all significant matters and enabled to perform its functions.

The internal committees are classified as either governance committees (committees having Commissioner representation and performing functions that affect the CMC as a whole), or operational committees (committees having a focus on specific areas of work). Each committee has a charter and the performance of each is evaluated annually.

Governance committees

Executive Committee

Chair: Robert Needham, Chairperson

The Executive Committee's membership comprises the organisation's executive management, whose key role is to assist the Commission to advance corporate initiatives, manage strategic issues, overview major business improvements and monitor significant operational initiatives. In addition to its usual corporate responsibilities, the committee in 2008–09 focused on:

- monitoring the CMC's relocation project
- implementing decisions of the Workforce Management Committee
- facilitating the implementation of telecommunications interception powers approved by government and establishing the necessary controls to protect the public interest.

Audit Committee

Chair: Phil Procopis (external member)

Commissioner member: Dr David Gow

To ensure its independence, the Audit Committee is structured and operated in accordance with the Queensland Treasury's *Audit Committee Guidelines (2008)* and the various guidance publications from the Institute of Internal Auditors Australia. As shown in Table 8, the committee has a membership of five, including two external members, and is chaired by one of these external members. No remuneration was paid to any person for being a member of the Audit Committee in this year.

Table 8. Audit Committee membership

Name	Year first appointed	Internal/external appointee	Current position
Mr Phil Procopis	2003	External	Director, Assurance and Risk Management Services, University of Queensland
Mr Len Scanlan	2005	External	Scanlan Consulting Solutions (former Auditor-General of Queensland)
Dr David Gow	2005	External (Dr Gow's primary employer is the University of Queensland)	Part-time Commissioner
Mr David Goody	2008	Internal	Manager, Proceeds of Crime
Mr David Honeyman	2008	Internal	Principal Adviser, Misconduct Prevention

The Executive Committee (continued)



Director, Intelligence
Chris Keen



Director, Research and Prevention
Dr Margot Legosz



Director, Misconduct Investigations
Russell Pearce



Director, Crime Operations
Len Potts



Director, Financial Investigations
John Richardson



Director, Information Management
Greg Rigby

Whilst the CMC Chairperson and the Executive Director are not members, they attend meetings to brief the committee on upcoming issues and any potential risks facing the organisation as a result of these issues.

The Audit Committee independently advises the Commission to help it maintain effective financial management, internal control systems, audit processes and compliance with governance requirements. The committee reviews the reports of the internal auditor and acts as a conduit between management and the external and internal auditors. In 2008–09 the committee:

- reviewed and revised its charter for consistency with the Queensland Treasury *Audit Committee Guidelines (2008)*
- reviewed and endorsed the *Strategic Audit Plan 2008–13* and the Annual Audit Program prepared by the Internal Auditor
- ensured that the format and notes of the CMC financial statements conformed with Treasury guidelines and the appropriate accounting standards
- fulfilled the responsibilities specified in its charter.

Risk Management Committee

Chair: Robert Needham, Chairperson

As part of the CMC'S risk management framework, the Executive Committee also acts as the organisation's Risk Management Committee. It is responsible for ensuring robust and effective risk management strategies and related practices. It does this by monitoring and reviewing all risk-related matters, and working with the Commission to address significant risks. In 2008–09 the committee:

- endorsed a revised risk management policy
- approved its revised Strategic Risk Management Register
- considered work area risk management plans
- advised the Commission on the Corporate Risk Management Plan.

Particular attention was given to adequately updating staff with information regarding the H1N1 virus.

Finance Committee

Chair: Robert Needham, Chairperson

Commissioner member: David Gow

The CMC operates a financial management framework where all senior managers are responsible and accountable for achieving corporate goals and objectives within approved budget allocations.

The Finance Committee assists the Commission to meet its financial management responsibilities by providing independent advice and monitoring. The committee ensures that the CMC's practices are effective and comply with statutory requirements by overseeing the preparation, implementation and analysis of the CMC's budget, financial statements, Service Delivery Statement and submissions to the Parliamentary Estimates Committee hearings, and addressing other significant financial matters.

During the year, along with its other activities, the committee advised the Commission on strategies to address a number of major issues impacting on the budget and the emerging priorities in Crime hearings and proceeds of crime activities.

Information Steering Committee

Chair: Robert Needham, Chairperson

Commissioner member: David Gow

The Information Steering Committee monitors and reviews the information and communication technology (ICT) program of work and provides business advice to support the development of the CMC's four-year Information and Communication Technology Resources Strategic Plan in alignment with the Government Enterprise Architecture. In 2008–09 this included:

- monitoring progress on major information management projects such as the Green Square relocation
- endorsing the Information Management Risk Assessment
- prioritising major information management projects for 2009–10 including eDRMS (electronic document and records management system) and digital migration.

Commission Consultative Committee

Chair: Craig Doran (1 July 2008 to March 2009);

Jenny Forbes (from March 2009)

Commissioner member: Judith Bell

The Commission Consultative Committee contributes to the quality of work life at the CMC by providing a forum for employees and contributing to management decision-making on important issues. Employees are able to make suggestions and raise issues of concern for discussion through staff representatives so that the committee can consult with staff and make recommendations to management. A wide range of topics of interest to both management and staff were addressed during the 2008–09 year, including the use of building facilities and the internet, staff safety, staff training and the administration of staff-funded corporate wardrobe orders.

Workforce Management Committee

Chair: Robert Needham, Chairperson

Commissioner member: Ann Gummow

The Workforce Management Committee assists the Commission to ensure that the CMC's human resources operate at an optimum level of performance, and that appropriate policy and planning frameworks are in place to meet the strategic human resource management needs of the CMC. During 2008–09, the Workforce Management Committee provided direction to a project team that implemented a range of workforce capability strategies, including the introduction of internal and external mentoring programs, a revamped performance management system, a recognition and reward program, and improved professional development options for staff.

Equal Employment Opportunity Consultative Committee

Chair: Ann Gummow, Commissioner

The Equal Employment Opportunity Consultative Committee ensures that equal employment opportunity (EEO) principles underpin all employment decisions, so that merit is the only basis for employment selection. The committee promotes EEO within the organisation, and advocates for a workplace that is more representative of the broader community. The major achievement of the Equal Employment Opportunity Consultative Committee was conducting a workplace harassment survey of CMC employees. The committee prepared a report to the Commission and the Executive Committee detailing a proposed response to the findings of the survey.

The committee also had oversight of the development of a new EEO Management Plan for 2009–11. The plan details the CMC's medium term priorities for its EEO program.

Workplace Health and Safety Committee

Chair: Peter Scanlan, Executive Director

Commissioner member: Judith Bell

The Workplace Health and Safety Committee monitors the workplace to ensure that the CMC complies with legislative requirements to safeguard employee safety and provides advice concerning relevant issues such as training and relevant standards. The committee also considers individual incidents and resolves systemic issues. During the year the committee engaged the National Safety Council of Australia to conduct a workplace health and safety compliance audit as well as an audit of light readings of all offices within the core of our premises.

Operational committees

The operational committees monitor and review the work of their respective functional areas:

- Misconduct Assessment Committee
- Misconduct Activities and Projects Committee
- Misconduct Operations Review Committee
- Crime Intelligence and Research Review Committee
- Crime Operations Review Committee
- Witness Protection Advisory Committee
- Business Continuity Committee.

Other accountabilities

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.

With due regard to section 4.5 of the Queensland Treasury's *Audit Committee Guidelines (2008)*, the internal audit function is staffed by a permanent, professionally qualified officer. This officer reports directly to the CMC Chairperson.

The Internal Auditor acts independently of, but works cooperatively with, the Audit Committee, and has a standing invitation to attend committee meetings. The Internal Auditor also liaises regularly with the Queensland Audit Office (QAO) to ensure that there is adequate audit coverage across the organisation.

A risk-based approach is adopted when allocating resources and when planning, the internal audit program requiring consideration of the corporate risk profile and our audit environment. Also, through consultation with management, the strategic audit plan is based on the corporate risks in each potential auditable area to ensure greater attention is directed at areas of higher risk. The plan is reviewed, modified and updated annually before it is endorsed by the Audit Committee.

In 2008–09:

- The 2008–09 Audit Program was completed, which included audits of:
 - budget processes
 - assets management
 - operational expenditure
 - staff travel claims
 - bank accounts reconciliations
 - petty cash balances (by spot checks)
 - review of annual financial statements under section 78 of the Financial Management Standard.

- The Internal Auditor:

- attended the QAO client information briefing session, the briefing on the annual financial statements update and met with QAO auditors for discussions on contemporary audit issues
- managed and participated in the workplace health and safety audit and the external intrusion network review performed by external consultants.

Risk management

The responsibility for maintaining the risk management framework and monitoring high-order corporate risk rests with the Commission. The Executive Committee (convening as the Risk Management Committee) develops strategies and monitors risk at the management level. Work areas annually develop risk registers for their units and operations and have all staff obligated to identifying and managing risks as they arise at the operational level.

Significant risk events requiring management attention or oversight are reported to the Risk Management Committee and the Commission as they occur. The CMC's risk management approach is in accordance with the Australian and New Zealand Standard AS/NZS 4360:2004.

Because of the CMC's commitment to maintaining business continuity it continually reviews its strategies and policies to ensure that it is able to carry out its functions in the event of any unplanned business interruptions. The Business Continuity Committee is chaired by the Executive Director with membership consisting of staff from key areas of the Commission. A new framework was developed in 2008–09 as part of the CMC's relocation to our new premises in Fortitude Valley.

Code of conduct

The CMC's Code of Conduct was reviewed during 2008–2009 to take account of new emphases and to provide staff and managers with improved guidance on acceptable conduct. The updated code will be released during 2009–10. For more detail, see the section on the *Public Sector Ethics Act 1994* on page 62.

Policies, procedures, protocols and standards

The CMC has an extensive range of written policies and procedures available to all staff through the intranet. These documents are subject to regular review and to approval by the Commission and managers as appropriate.

Supporting these policies and procedures are protocols with various external agencies. There are, for example, protocols with the Office of the Director of Public Prosecutions on matters referred for the considering of prosecution proceedings and with the PCMC on the handling of complaints against CMC staff. There are also a number of written directions and arrangements with client agencies to assist them in handling complaints.

Corporately, a Service Level Agreement is negotiated annually between Corporate Support and work areas to define the standards of internal services to be provided to work areas. For external complainants, the Client Service Charter describes how complaints will be managed and the standards of service to be provided by the CMC in managing any complaint.

Sustainability reporting

The CMC places a high priority on improving all aspects of its sustainability and provides the following information on its economic, environmental and social sustainability.

Economic sustainability

The CMC relies on government grants as its primary source of revenue and, as such, is sensitive to potential changes in government policy and funding as they affect the CMC.

Indicators of the CMC's financial sustainability are revealed in its Balance Sheet which shows that the CMC has cash sufficient to cover all employee provisions and creditors. Further, the CMC sets aside monthly sufficient cash to fund the future replacement of its assets, achieved by way of a depreciation charge over its existing assets. This latter procedure results in the ongoing provision of up-to-date assets, which allow the CMC to continue to discharge its functions.

Environmental sustainability

The CMC's environmental sustainability has been improved with its relocation in August 2008 to Green Square North Tower, Fortitude Valley. Its new premises have a world leadership Six Star Green Star – Office Design v2 rating, the first building of this rating to be completed in Queensland. Water and energy efficiency is achieved by all water fittings being AAAA-rated, and onsite co-generation providing efficient air-conditioning and a 71 per cent reduction in carbon dioxide emissions. For more detail, see Appendix D.

Social sustainability

The CMC continues to provide value to the community by meeting its operational and Service Delivery Statement targets that contribute to the government's ambition for a fair Queensland that supports a safe and caring community.

The CMC's value to the community is evidenced by recommendations in the PCMC's *Report no. 79, Three yearly review of the Crime and Misconduct Commission*, April 2009 into the operations of the CMC. The report suggested that the CMC was adequately performing its functions, even suggesting its jurisdiction be increased to further protect the community. For more detail, see page 50.

Further evidence of the ongoing need for the CMC is reflected in government initiatives which have, over time, seen the organisation provided with additional funding to allow it to expand its proceeds of crime function. As well, during 2008–09, the legislative basis and necessary funding were put in place for developing a telecommunications interception capability to assist with our investigations.

External governance arrangements

Parliamentary Crime and Misconduct Committee

In performing its functions the Parliamentary Crime and Misconduct Committee (PCMC):

- monitors and reviews the performance of the CMC
- requests reports on matters that have come to the PCMC's attention through the media or by other means
- receives and considers complaints against the CMC and deals with issues concerning the CMC
- consults with the Attorney-General on the appointment of the CMC Chairperson and Commissioners.

In 2008–09, the Commission formally met with the PCMC about every two months to discuss current activities and performance. For PCMC membership during this reporting period, see page 7.

The Crime and Misconduct Act (section 329) requires the Chairperson to report to the PCMC any conduct of a CMC officer that the Chairperson suspects involves, or may involve, improper conduct. 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 staff.

Three-yearly review

In September 2008, the PCMC began its three-yearly public review of the CMC. The committee invited and received submissions from interested organisations (including the CMC) and members of the public and held public hearings on 19 and 20 November 2008.

This review is the third such three-yearly review conducted since the *Crime and Misconduct Act 2001* commenced.

In April 2009, the PCMC published *Report no. 79, Three yearly review of the Crime and Misconduct Commission*, in accordance with its statutory requirements. The report adopted many of the suggestions made in the CMC's submission of October 2008 and made 29 recommendations. Recommendations addressed such matters as the expansion of the CMC's jurisdiction to cover government-owned corporations, the amendment of legislation to address some legal technicalities or improve efficiency, and the CMC operating telecommunications interception facility independent of the QPS.

The 29 recommendations made by the committee are currently being considered by government. Both the CMC submission and the committee's report are available at <www.parliament.qld.gov.au/view/committees/introduction.asp>.

Parliamentary Crime and Misconduct Commissioner

The current Parliamentary Crime and Misconduct Commissioner (Parliamentary Commissioner) is Mr Alan MacSporran SC. He assists the PCMC in its role of monitoring and reviewing the CMC by conducting audits of the CMC, and is authorised to investigate complaints against the CMC or its officers.

During 2008–09 the Parliamentary Commissioner:

- reviewed the CMC's management of several complaints matters, acting on referrals from the PCMC
- audited the CMC's compliance with legislation governing covert instruments and the use of surveillance devices and assumed identities
- inspected selected registers that the CMC is required to maintain
- audited the CMC's intelligence holdings.

As in 2007–08, no instance was found in which the CMC had acted outside legislation. Suggestions by the Parliamentary Commissioner about possible improvements to process or procedure were either accepted by the CMC or, where the change was not possible, the reasons for existing arrangements were explained.

The minister

The CMC's minister is the Honourable Cameron Dick MP, Attorney-General and Minister for Industrial Relations.

The minister participates in the selection of the Chairperson, Commissioners and Assistant Commissioners, approves staff remuneration conditions, and approves the CMC's budget. In keeping with our legislation, the minister must ensure that the CMC operates in accordance with best practice standards. To assist the minister in this regard, the CMC provides written reports on the efficiency, effectiveness, economy and timeliness of its operations and processes.

Specialised monitoring of CMC activities

Public Interest Monitor

The Public Interest Monitor must ensure that the CMC complies with our Act and the *Police Powers and Responsibilities Act 2000* when making application for, and using, surveillance warrants and covert search warrants. Non-compliance is reported to the Commission and PCMC.

Supreme Court

Many of the CMC's coercive powers may be exercised only with the approval of a Supreme Court judge. The approval of a Supreme Court judge must also be sought when the CMC wishes to serve compulsory process on interstate residents.

Some decisions of the CMC may be reviewed by a Supreme Court judge under the *Judicial Review Act 1991* or a specific provision in the Crime and Misconduct Act. There were five such applications during the year. The Supreme Court may also be asked by people involved in matters before the court to make declaratory orders about decisions or action taken by the CMC; there are currently two such matters before the courts.

The Supreme Court may also review actions of the CMC in other matters before it. The court did this in the contempt application the CMC brought against Witness C when the court considered the powers of the Crime Reference Committee to make major crime referrals (discussed in more detail on page 10).

Crime Reference Committee

As discussed on page 10, the Crime Reference Committee, established under section 274 of the Crime and Misconduct Act, has a significant role in referring suspected major crime to the CMC for investigation. It can also place a limitation on the powers exercised by our Crime area in regards to referrals it makes.

Controlled Operations Committee

The Controlled Operations Committee was established under the *Police Powers and Responsibilities Act 2000* 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 which may involve authorised police officers and others engaging in activities that may be unlawful – e.g. it may involve undercover officers, in order to maintain their cover, being authorised to buy illicit drugs from an investigation target.)

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

In the case of any controlled operation by the CMC that involves investigating 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.

External audit

Since its inception, the CMC's annual financial statements have been approved without qualification by the Queensland Audit Office.

Other reporting obligations

See Appendix B for a brief outline of our other reporting requirements.

Our people

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.

We offer working conditions that are comparable to the Queensland public service 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, training opportunities, avenues for regular internal communication, and a mechanism for staff to have their concerns heard by senior management.

During 2008–09, the number of established positions remained largely the same at 319 (see Tables 9 and 10). The number of actual staff in June 2009 was 293.5, expressed as full-time equivalents.

Of those permanent civilian and police employees working with the CMC at the commencement of 2008–09 period, 86 per cent have been retained while 14 per cent have concluded their employment. This represents a significant reduction in turnover from last year.

Table 9. Staff establishment as at 30 June 2009

	Approved establishment	Actual staff (including temporary staff)
Executive and Office of the Commission	21	18
Crime	49	50
Misconduct	90	74
Witness Protection and Operations Support	55	50
Research and Prevention	30	29.8
Intelligence	24	21.1
Corporate Services	50	50.6
Total	319	293.5

Table 10. Number of established positions within each discipline as at 30 June 2009

Discipline	Number
Executive management	14
Legal officers	21
Financial investigators	21
Complaints officers	12
Investigators	10
Technical officers	2
Research officers	16
Misconduct prevention officers	6
Indigenous liaison officers	2
Librarians	2
Intelligence analysts	22
Computer systems officers	13
Operational support officers	25
Registry officers	16
Administrative officers	55
Police officers	82
Total	319

Workforce management planning

Workforce management planning remained a key focus for the CMC in 2008–09 as a means to achieve our priorities of attracting and retaining skilled employees, and establishing an optimum working environment. Under the direction of the Workforce Management Committee, a project team was established to assess, and execute against, the initiatives outlined in our workforce management plan. In 2008–09, key achievements included:

- rolling out a revamped performance management system based on personal performance objectives and accountability
- reviewing the CMC's Code of Conduct
- completing a pilot internal mentoring program, and participating in an interagency mentoring program
- introducing improved learning and development opportunities, including initiatives focused on study assistance, professional memberships and leadership development

- establishing an improved range of services accessible under the employee assistance program
- introducing a recognition and rewards program
- undertaking a comprehensive assessment of workplace harassment
- systematically reviewing human resource policies.

Strategies targeting succession planning, staff rotations, innovation, and knowledge management will be implemented in 2009–10.

Human resources data management

Procuring and implementing a new human resource information system (HRIS) for the CMC has been a significant achievement this year. This cost-effective integrated solution offers superior payroll, human resources data management and reporting functionality for the CMC, and will provide us with a far more accurate and comprehensive picture of our workforce capability across a range of people-related metrics. Payroll functionality will be rolled out early in the new financial year, with the remainder of the product being implemented in a phased approach throughout 2009–10.

Work, family and life balance program

The CMC continues to offer flexible working arrangements aimed at supporting employees in balancing their work and family and other responsibilities. In addition to staff consultation around current working hours arrangements, proposals regarding phased retirement options and a corporate health and well-being program will translate into initiatives to be implemented under the workforce management plan in 2009–10.

Employee relations

Enterprise bargaining

During 2008–09 staff received a wage increase in accordance with the Crime and Misconduct Commission Certified Agreement 2006. This expires on 31 July 2009 and negotiations are underway for a replacement agreement to cover the next three-year period.

Staff development

The Crime and Misconduct Commission Certified Agreement 2006 provides an opportunity for staff at the A02, A03 and A04 levels to study towards accredited qualifications at the

Certificate IV (A02), Diploma (A03) or Advanced Diploma (A04) level at no cost to the employee.

This year ten staff members at these levels completed a series of competency-based and assessment workshops during normal working hours on CMC premises. This program provides participants with an opportunity to attain a Certificate IV in Government, and it is expected that all participants will have received their certificate by the end of 2009.

Other significant staff development initiatives included the April 2009 launch of the Certificate IV in Government (Investigations), aimed primarily at financial investigators and designed to improve the skillsets in investigation for our financial analysis.

Equal employment opportunity program

The 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 about half of the CMC workforce. The continuing use of exit interviews highlights any systemic issues that require attention from a staff retention perspective.

Following a workplace harassment survey early in 2008–09, a comprehensive action plan, including staff training initiatives and enhancements to the existing Peer Support Officer network, was approved. Implementation of this action plan will be a focus for 2009–10.

See Appendix C for EEO statistics for CMC staff this year.

Workplace health and safety program

The CMC's workplace health and safety program is based on comprehensive policies and procedures, and our Workplace Health and Safety Committee met regularly to assess the implementation of annual action plans. An independent audit of our occupational health and safety systems, conducted by the National Safety Council of Australia, was completed in 2008–09 and action is underway to implement necessary action arising from the audit.

Voluntary retirements and retrenchments

No employees of the CMC were retrenched or requested to take voluntary early retirement during this period.

Departures and appointments

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

Departures

- July 2008: Ann Hayward (Information Retrieval Officer) had been with the organisation since August 1990.
- Lisa Watson (Indigenous Complaints Services Officer) had been with the organisation since July 2002. Lisa retired on medical grounds.
- October 2008: Brooke Seymour (Senior Human Resources Officer) had been with the organisation since September 2002. Brooke retired on medical grounds.
- Don Jeppesen (Administration Manager) had been with the organisation since January 1994.
- November 2008: Margaret Bourne (Switchboard Operator) had been with the organisation since July 1990.
- January 2009: Danny Boyle (Deputy Director, Misconduct) had been with the organisation since December 2001.
- Peter Jones (Senior Investigator) had been with the organisation since July 1990.

Appointments

- September 2008: Narelle Dawson (Deputy Director, Research and Prevention)
- November 2008: Philip Nase (part-time Commissioner)

Staff recognition

In December 2008, two groups of staff were presented with work achievement awards:

- the Green Square Project Team (10 officers) for its contribution to the relocation of the organisation to its new premises in August 2008
- the e-brief development team (six officers) for its case management system (see case study on page 17).

Prior to this year, awards were presented to staff who had been with the organisation for 10 years. As part of our review of our reward and recognition program, the program was expanded to recognise length of service at each five-year milestone. In December 2008 meritorious service awards were presented to the following groups of staff who had reached a length-of-service milestone with the organisation:

- 5 years: 65 officers
- 10 years: 17 officers
- 15 years: 22 officers
- 20 years: 8 officers.

CMC contribution to 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.

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.

Secretariat support is provided to the Commissioners to manage the day to day activities of the office.

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

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.

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.

Tables 11–13 provide detailed statistics on the matters handled in 2008–09.

Table 11. Types of applications lodged, 2007–08 and 2008–09

Type	2007–08	2008–09
Promotion	133	44
Transfer	1	5
Lateral transfer	4	3
Stand-down	-	1
Suspension	1	5
Disciplinary	-	-
Dismissal	-	-
Total	139	58

Table 12. Status of applications lodged, 2007–08 and 2008–09

Status	2007–08	2008–09
Matters lodged	139	58
Matters withdrawn before hearing	13	37
Matters out of jurisdiction	8	3
Matters awaiting hearing at 30 June	99	7
Matters heard	19	11

Table 13. Results of matters heard by Review Commissioners, 2008–09

Type	Affirmed	Varied	Set aside	Total
Promotion	20	-	-	20
Transfer	1	-	-	1
Lateral transfer	3	-	-	3
Suspension	1	-	-	1
Total	25			25*

* The total of 25 matters heard includes applications lodged in 2008–09 (11) and in previous years.

Communicating with our stakeholders

External communications

The work of the CMC attracts considerable interest from government and other stakeholders, the media and the public. We provide information in a range of different formats to meet the needs of these groups.

Information is made available as hard copy and electronic publications and includes reports, advisory bulletins, brochures and media releases. Information is also provided in interviews, conferences and public presentations. Our publicly available documents can be accessed on our website at <www.cmc.qld.gov.au>.

Key publications

We produce a range of publications including investigation reports, intelligence and parliamentary reports, misconduct prevention advice, research into the criminal justice system and information brochures for the public. Key publications of 2008–09 include:

- *Public duty, private interests: issues in pre-separation conduct and post-separation employment for the Queensland public sector. A report arising from the investigation into the conduct of former Director-General Scott Flavell*
- *Organised property crime markets in Queensland: a strategic assessment* (crime bulletin)
- *Blowing the whistle in Queensland* (flyer outlining key elements of public interest disclosure)
- *Public perceptions of the Queensland Police Service: findings from the 2008 public attitudes survey.*

See Appendix E for a full list of our publications.

Media contact

During the reporting period, we received 542 media queries. We published 37 media releases, gave 34 media interviews and the Chairperson held one media conference.

Stakeholder contact and community engagement

To raise awareness of the role of the CMC, our officers take part in a range of presentations to government agencies and other stakeholders. In 2008–09, CMC officers made presentations to crime conferences, state and local government departments, the QPS and training academies, Indigenous justice groups, members of parliament and communications specialists in integrity fields.

We have been involved in informative community activities, delivering presentations to universities and community groups, and participated in NAIDOC week events held in Brisbane and Cherbourg.

Organisational capability: outlook 2009–10

In 2009–10, we will:

- broaden recruitment and management strategies to ensure the ongoing renewal our human resources
- enter into more partnership, secondment and joint project work with agencies within the public sector, including the police service
- introduce more flexibility in our education, training and leadership development programs to ensure personnel have opportunities for experience in different parts of the organisation
- establish appropriate recruitment, retention, tenure and separation policies to allow public servants and police officers to serve at the CMC for appropriate periods and to readily relocate at the conclusion of their tenure.

Engage in public policy

Inquiry into policing in Indigenous communities

This matter was referred to the CMC by the Attorney-General under section 52(1)(c) of the Crime and Misconduct Act. As part of the inquiry process we conducted numerous stakeholder consultations, reviewed relevant research, crime data and other material, and held a public forum in Cairns. In finalising the report, we undertook a further round of consultations with representatives from the communities, government departments and the Queensland Police Service to ensure that our proposed recommendations would be practicable. The report will be released in the next reporting period.

Review of motorbike excessive noise

We were required to review the effectiveness of the motorbike noise provisions of the *Police Powers and Responsibilities (Motorbike Noise) Amendment Act 2005*. Our review commenced in July 2007, with an issues paper and invitation for public submission released in June 2008. This review generated substantial media and community interest. Although the call for public submissions closed in August 2008, we continued to receive submissions well after that time. In all, the CMC received more than 400 submissions. The report will be released in the next reporting period.

Review of police 'move-on' powers

The CMC is currently reviewing the use by police of move-on powers under section 48 of the *Police Powers and Responsibilities Act 2000* (PPRA). In 1997, provisions were introduced into the PPRA to provide police with the power to direct a person or group of people to move on from designated public areas if their behaviour or presence is: causing anxiety; interfering with trade or business; disorderly, indecent, offensive or threatening; or disrupting the peaceable and orderly conduct of an event. To determine whether the Act has achieved its objectives, we are examining where, when and how police use move-on powers, whether any particular groups or individuals are more likely to be moved on than others, and whether there have been any positive, negative or unintended consequences of the use of these powers. Our review, to be released in the next reporting period, will inform both the public and police about the effectiveness of the legislation.

Apart from our defined strategic goals, the CMC is also sometimes required to explore and report on complex public policy issues that can arise from a special referral, or as a consequence of provisions of legislation. Our engagement in public policy issues demonstrates the CMC's independence, its commitment to rigorous, non-partisan analysis and its capacity to develop practical recommendations.

Review of the 'evade police' offence

Chapter 22 of the *Police Powers and Responsibilities Act 2000*, which commenced in 2006, introduced a new offence called 'evade police'. The aim of the legislation is to reduce high speed pursuits by providing police with new powers to investigate and prosecute people who fail to stop a vehicle when directed to do so by a police officer in a police vehicle. Section 789 of the Act requires the CMC to commence a review of the use of the 'evade police' offence by police as soon as practicable after 30 June 2009. The review will be conducted with the assistance of the Queensland Police Service and the report provided to the Speaker for tabling in the Legislative Assembly in 2010.

CMC public policy recommendations endorsed by government

In August 2008, the Queensland Government announced its intention to implement the recommendations of the CMC report *Policing public order: a review of the public nuisance offence* published earlier that year. Action has been taken, for example:

- a new stand-alone offence of public urination commenced in 2009 (section 7, *Summary Offences Act 2005*)
- a 12-month trial of on-the-spot fines (that is, ticketing) for public nuisance offences commenced in Townsville and South Brisbane on 1 January 2009 and an independent evaluation is being conducted by Griffith University
- in June 2009 the QPS conducted a themed operational performance review on public order policing, focusing on de-escalation.

Similarly, in response to the 2006 CMC report, *Regulating outcall prostitution: should legal outcall prostitution services be extended to licensed brothels and independent escort agencies*, the government this year signalled its intention to introduce the changes we recommended to the *Prostitution Act 1999*.

Appendix A

Appointment conditions for Commissioners

Appointment of Commissioners

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. Other Commissioners can qualify through qualifications or expertise in public sector management and review, criminology, sociology, crime research or crime prevention. At least one Commissioner must also be a female.

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 PCMC 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. It 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.

Appendix B

Compliance reporting

Public interest disclosures

In 2008–09, 162 complaints were received that comprised of 456 allegations. This table details the status of the allegations.

Analysis of public interest disclosures received by the CMC in 2008–09

<i>Section of Whistleblowers Protection Act 1994</i>	Verified (by CMC)	Not verified (by CMC)	Referred to other agency	Under consideration (by CMC)	Total referred and not verified	Total referred and verified	Totals
15: Public officer complaining of official misconduct		81	202*	13	96	32	424
16: Public officer complaining of maladministration			2*		2		4
17: Public officer complaining of improper management			2*				2
18: Public officer complaining re health/environment matter							0
19: Any person complaining re public health or safety matter							0
20: Any person complaining re reprisal		5	18*		3		26
Totals		86	224*	13	101	32	456

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

Consultancies

In 2008–09, the CMC spent a total of \$92 852.50 on consultancy services. The following table is a summary of the CMC consultancy register that lists suppliers paid by the CMC for providing consulting services during the period.

Name of consultant	Project	Invoiced 2008–09 \$ (excl GST)
Human Resources		
Mercer Consulting	Work Value Assessments of Finance Manager, Senior Finance Officer and Legal Officer positions	5932.50
Management		
The Consultancy Bureau	CMC Strategic Project Review and Planning	68 100.00
Professional/technical		
Arup Pty Ltd	Fire Emergency Exits Reports for Telephone Interception Area, Level 2	6 160.00
Cox Rayner	Architectural and Interior Designs for Telephone Interception Area	8 240.00
Philip Chun and Associates	Building Certification for Telephone Interception Area	2 080.00
Aecom Australia	Acoustic Walls Consulting Report for Telephone Interception Area	2 340.00
Total expenditure		92 852.50

Overseas travel

In 2008–09, the CMC spent a total of \$6101.56 on overseas travel.

Date of travel	Name/position of officer	Destination	Reason for travel	Invoiced 2008–09 \$ (excl GST)
8–19 August 2008	Angela Carr Principal Adviser (Research Methods)	Bangkok, Thailand	Guest speaker at Thematic meeting on Combating Child Sexual Exploitation	Nil*
22–26 September 2008	John Boyd Principal Project Officer (Prevention)	Port Moresby, Papua New Guinea	Guest speaker at Papua New Guinea Annual Public Sector Internal Audit Conference	Nil*
24–27 November 2008	Robbie Crease Intelligence Analyst	Wellington, New Zealand	Attend 12th National Chemical Diversion Congress	2108.34
24–27 November 2008	Detective Senior Sergeant Charlie Kohn	Wellington, New Zealand	As above	2332.64
5–8 April 2009	Angela Carr Principal Adviser (Research Methods)	North Carolina, USA	Guest speaker at Global Symposium to Develop a research agenda for Preventing the online Sexual Exploitation of Children	Nil*
12–16 May 2009	Detective Sergeant Gary Pan	San Jose California, USA	Attend 5th Annual Silicon Valley Internet Crimes Against Children National Conference	1660.58†
13–15 May 2009	Detective Sergeant Craig Doran	San Jose California, USA	As above	Nil‡
13–15 May 2009	Daniel Bartlett Senior Legal Officer	San Jose California, USA	As above	Nil‡
19–20 May 2009	Helene Wells Research Officer	Singapore	Guest speaker at 3rd Annual Future CCTV Forum	Nil*
Total expenditure				6101.56

* Costs paid by external agency.

† Due to a delay in invoicing of this travel, the balance of \$1929.47 will be paid in the 2009–10 financial year.

‡ These officers travelled to the USA at their own costs and were recalled to duty for the duration of the conference.

Recordkeeping

Consistent with the compliance requirements under the *Public Records Act 2002*, significant improvements in recordkeeping continued throughout 2008–09.

Major achievements included:

- development of the 2009–11 Strategic Recordkeeping Implementation Plan and the 2009–10 Operational Recordkeeping Implementation Plan
- annual review of compliance with Information Standards IS40: *Recordkeeping*, IS31: *Retention and disposal of public records*, and IS42: *Information privacy*
- ongoing review and revision of all records management policies, procedures and associated documents
- refinement of the archival services program which ensures the timely disposal of CMC records and improve the transfer of inactive records to secondary storage

- determination of electronic document and records management system (eDRMS) software direction and approval for the required 2009–10 implementation project
- review of the increasing recordkeeping implications associated with digital product.

Information systems

The CMC has a range of highly specialised and secure electronic information systems and databases it uses to conduct its business. However, some financial and human resources functions require the CMC to lodge data on systems maintained by external agencies including the Queensland Treasury. These various systems were interrogated to access the performance information provided in this report.

Privacy

Under Information Standard 42 – *Information privacy* (IS42), agencies are required to review the way they handle 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. In addition, 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, are exempt. As a result, most of the CMC's core activities are excluded from the privacy scheme.

There were no complaints of breaches of privacy in the reporting period. IS42 is to be replaced by the *Information Privacy Act 2009* on 1 July 2009.

Freedom of information

The CMC is subject to the *Freedom of Information Act 1992* (FOI Act) which means that members of the public are entitled to apply for access to our documents under that Act.

However, section 42(3A) of the *Freedom of Information and Other Legislation Amendment Act 2005* exempts information obtained, used or prepared for an investigation by the CMC or another agency where the investigation is carried out as part of the CMC's crime and misconduct functions. The exemption also applies to such information obtained, used or prepared by its predecessors, the CJC and the QCC, in performing the equivalent functions. The exemption does not apply if a person is seeking information about themselves and the investigation has been finalised.

The exemption provision is considered necessary to ensure that the CMC can protect from disclosure information it receives from public sector employees who voluntarily assist it in the course of an investigation. It ensures that the CMC remains effective and 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.

The *Right to Information Act 2009*, which repeals the FOI Act and is due to commence on 1 July 2009, retains this provision.

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

The number of applications received was substantially more than in the previous year.

FOI applications and reviews 2008–09	
On hand at 1 July 2008	1
Applications for access	
Personal applications received	39
Non-personal applications received	19
Total applications	59
Access	
Full access granted (personal)	25
Full access granted (non-personal)	2
Partial access granted (personal)	6
Partial access (non-personal)	3
Access refused (all matter exempt)	6
No documents located	6
Withdrawn/lapsed (fee not paid)	7
Transferred to another agency	2
Outstanding at 30 June 2009	2
Reviews	
Internal	3
External (to Information Commissioner)	1

Other reporting obligations

Information Standard 38 – Use of ICT facilities and devices (IS38)

This standard requires all government agencies to annually report any significant breaches of policy governing the use of internet and email facilities to the Public Service Commission. The report is to advise on the nature of the breach and the disciplinary action taken. No matters were reported by the CMC during the 2008–09 year.

Crime and Misconduct Act 2001

Section 260 of this Act requires the CMC to report to the minister on the efficiency, effectiveness, economy and timeliness of its activities. In compliance with this provision, the CMC reported to the minister on three occasions during the year – for the periods 1 April to 30 September 2008, 1 October 2008 to 30 March 2009, and 1 April 2009 to 30 June 2009.

Evidence Act 1977

Section 21KG(1) of the *Evidence Act 1977* requires the CMC to include in its annual report information about witness identity protection certificates given by the Chairperson of the CMC and the Commissioner of the Police Service.

No witness identity protection certificates were given by the Chairperson.

The Commissioner of Police issued one certificate. In issuing the certificate, the delegated deputy commissioner was satisfied that disclosure of the operative's identity was likely to endanger the law enforcement officer's safety while performing covert duties. The certificate was issued to ensure the welfare of the officer and his family.

No leave was given to disclose or potentially disclose the operative's identity. The witness identity protection certificate was not cancelled and no permission was given to supply information, otherwise than in the court proceedings, to disclose the operative's identity.

Public Sector Ethics Act 1994

Section 23 requires public sector agencies to ensure that each annual report includes details of the action taken during the reporting period to comply with various requirements regarding its code of conduct.

The CMC reviewed its Code of Conduct during the 2008–09 year and proposes to release a revised Code of Conduct during 2009–10. Training will be provided for all staff on the revised code and included as part of the induction package for new staff.

The Code of Conduct is available to all staff in electronic and hard copy form and is available for inspection by any person on the internet or in hard copy. Policies and procedures in support of our Code of Conduct are similarly available to staff on the intranet and to the public via the internet.

Whistleblowers Protection Act 1994

Section 30(1) requires agencies to include statistical information about the number of public interest disclosures it received and the number of disclosures substantially verified. In the 2008–09 year no public interest disclosures were made by CMC staff.

Telecommunications (Interception and Access) Act 1979 (Cth)

The CMC is required to report annually to the Commonwealth Attorney-General under the above Act for the following:

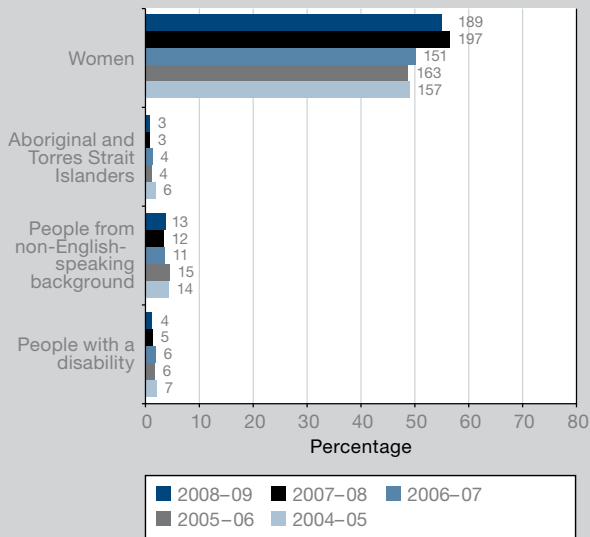
- access to stored telecommunications for investigation purposes made under stored communications warrants, the effectiveness of those warrants and the ultimate destruction of records of stored communications after no longer required for a CMC purpose (ss. 162, 163 and 150)
- access to telecommunications data for investigation purposes (ss. 178–180).

This information is included in the Commonwealth Attorney-General's *Telecommunications (Interception and Access) Act 1979 – Annual Report*. The report is tabled in the Commonwealth Parliament and is available at <www.ag.gov.au/www/agd/agd.nsf/Page/Telecommunicationsinterceptionandsurveillance_Annualreports>.

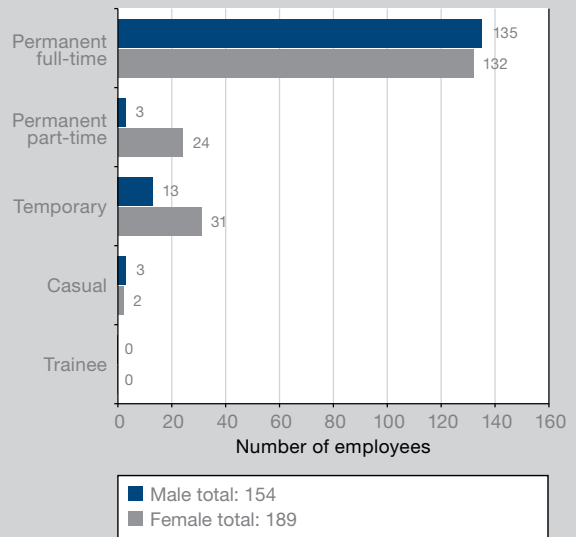
Appendix C

EEO statistics

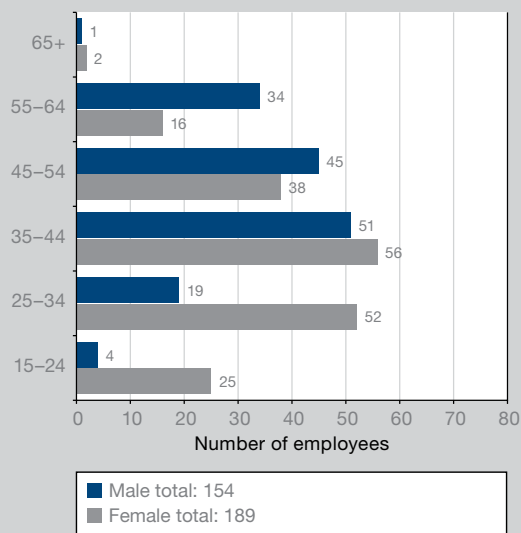
Membership of EEO target groups 2004–05 to 2008–09



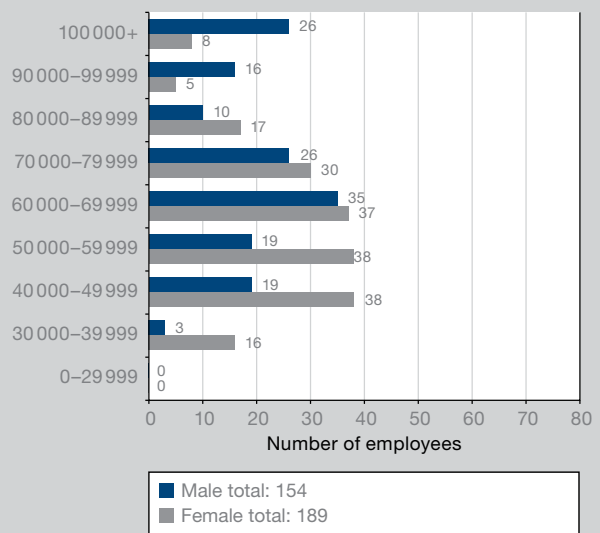
Employees by gender and employment status as at 30 June 2009



Employees by gender and age as at 30 June 2009



Employees by gender and annual salary as at 30 June 2009



Appendix D

Sustainability and waste management

Green Square North Tower

In August 2008 the CMC relocated to Green Square North Tower Complex, Fortitude Valley, the first office development in Queensland to achieve a 6-star Greenstar Office Design rating from the Green Building Council of Australia (GBCA).

In October 2008 it won the Queensland Environmental Protection Agency's Award for Sustainability in the Built Environment.

Green Square North Tower was built using recycled steel and plantation timber, and its overall environmental impact has been reduced through its optimised building orientation and energy-saving technology.

- It has its own gas-driven co-generator system that produces the majority of the building's power requirements and, in conjunction with other sustainability measures, is targeted to reduce its greenhouse emissions by 71 per cent in comparison to existing buildings.
- It has a high-performance double-glazed façade system and shallow floor plates which provide good daylight penetration and significantly reduce energy consumption within the building.
- Its airconditioning system was designed to respond to the environmental performance of the faces of the building in order to maximise thermal comfort, reduce energy costs and provide high indoor air quality.
- Lights are installed on a 300 x 2400 grid, rather than the traditional 2400 x 2400 grid, and provide illumination and glare control above the Australian Standard requirements. A C-bus lighting management system allows only areas in use to be illuminated. After-hours carpark lighting is operated by movement sensors.
- Two water tanks (50 000 and 30 000 litres) under the building harvest rainwater and help reduce our water use. A dual plumbing system allows rainwater to be reused for toilet flushing and landscape irrigation. It is estimated that it will save 1.7 million litres of water a year. All water fittings have a rating of AAAA.
- Most office developments emit more than 100 kilograms of carbon dioxide annually per square metre; it is estimated that North Tower will produce around 29.

Waste management

Since the inception of the Committee, the tenants of Green Square North Tower are estimated to have saved on average:

- 158 trees
- 30 barrels of oil
- 49 405 kW.h of electricity
- 48 m³ of landfill
- 383 949 kL of water.

Recycling out of all waste: 22 per cent.

Waste to landfill: 44.18 tonnes.

Amount recycled: 12.05 tonnes.

CMC energy consumption

The energy consumption for the CMC for the last six months of 2008–09 has been steadily decreasing in line with the commission of the co-generator and other energy-saving devices and technology.

Month	kW.h
January	90 258
February	83 094
March	64 461
April	62 958
May	65 003
June	63 993

Carbon emissions

In 2008–09, the CMC produced a total of 917.6 tonnes of carbon emissions.

Source	Carbon emissions (tonnes)
Motor vehicles ^a	307.8
Electricity ^b	
Terrica Place (1/06/08 – 14/09/08)	137.0
Green Square (4/7/08 – 30/06/09)	402.0
Total electricity	539.0
Travel ^{bc}	
Domestic air travel	63.0
International travel	4.7
Motor vehicle rental	3.1
Total travel	70.8
Total	917.6

a As advised by QFleet, the carbon emissions figure was estimated from actual kilometres driven by CMC's motor vehicles multiplied by grams of CO₂ emitted per kilometre, plus allowance for methane and nitrous oxide emissions in proportion to the emissions factors published by the National Greenhouse Accounts (NGA) for post-2004 vehicles. This is a more accurate figure than applying the NGA's formula for calculating carbon emissions from fuel used, because of the non-availability of fuel data.

b Information provided by the Department of Public Works.

c Figures exclude air charter.

CMC commitment to environmental responsibilities

The CMC is committed to managing and continuously improving our environmental performance; to this end we have integrated new considerations into our policies and procedures.

Draft Corporate Sustainable Procurement Policy and Implementation Guidelines are currently being finalised and will be issued by December 2009.

The CMC will also assess its first waste management and emissions results data and develop action plans to proactively minimise our impact on the environment.

The CMC has already put initiatives into practice to enhance sustainability and reduce greenhouse emissions:

- Our car fleet has been reduced by four vehicles; cars are washed by an environment-friendly, waterless process.
- All printers have their default setting as double-sided printing; an internal paper recycling and commingled recycling system has been operational since our move to Green Square.
- We have arrangements in place to recycle empty printers and copier cartridges.

The CMC will continue to incorporate sustainable practices into its procurement of goods and services and its work practices to reduce wastage and increase recycling. For that reason it is an active member of the Green Square North Tower Environmental Management Committee, whose brief is to manage waste produce in the building; report on energy, waste and water consumption; and implement initiatives to minimise production of waste and improve current outcomes.

Appendix E

Publications

The following lists significant publications published by the CMC during 2008–09.

Corporate

Annual Report 2007–08, October 2008

Strategic Plan 2009–13, June 2009

Crime Bulletin

Organised property crime markets in Queensland: a strategic assessment, no. 9, June 2009

Discussion/interim papers

Review of Queensland's police move-on powers, December 2008

Investigative reports

Public duty, private interests: issues in pre-separation conduct and post-separation employment for the Queensland public sector. A report arising from the investigation into the conduct of former Director-General Scott Flavell, December 2008

Misconduct prevention material

Receiving gifts and benefits: managing the risks, Building Capacity series, no. 8, revised edition, July 2008

Managing public records responsibly, revised edition, March 2009

Blowing the whistle in Queensland, May 2009

Handling a public interest disclosure: a guide for public sector managers and supervisors, May 2009

Making a public interest disclosure: a guide for individuals working in the public sector, May 2009

Research and Issues series

Mandatory treatment and perceptions of treatment effectiveness: a Queensland study of non-custodial offenders with drug and/or alcohol abuse problems, no. 7, October 2008

Tasers: a brief overview of the research literature, no. 8, November 2008

Research reports

Exploring drug use II: drug use by hospital emergency department patients, August 2008

Interactions between police and young people, April 2009

Public perceptions of the Queensland Police Service: findings from the 2008 public attitudes survey, April 2009

Perceptions of misconduct in Queensland correctional institutions: a survey of custodial officers, June 2009

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About the financial statements

Note: About the financial statements on pages 71–72 does not form part of the audited financial statements.

Income Statement

The Income Statement compares revenues to expenses for the year.

Approximately 98 per cent of the CMC's revenue is derived from government grants. For the year ended 30 June 2009, the CMC's expenses slightly exceeded its revenue, resulting in an operating deficit.

Balance Sheet

The Balance Sheet depicts the financial health of an entity at the end of the reporting period. It shows the value of assets held, amounts owing (liabilities), and the equity of the entity.

Assets

Assets are items of value controlled by an entity, and are classed as '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. The CMC's current assets include cash, receivables/debtors and prepayments.

Non-current assets are those assets that an entity does not expect to convert into cash within the next 12 months. At 30 June 2009, the CMC's non-current assets of \$15.189m included property, plant and equipment, and leasehold improvements.

Liabilities

Liabilities are the amounts owed by the entity. They are divided into 'current' and 'non-current' liabilities, depending on how soon the debt is to be settled.

Current liabilities are amounts owing that an entity plans to pay within the next 12 months. For the CMC, current liabilities include payables (creditors), provision for current employee leave entitlements, and the current portion of the lease incentive liability (for the Green Square premises).

Non-current liabilities are those liabilities where an entity has no legal requirement to settle the debt within the next 12 months. The CMC's non-current liabilities relate to non-current employee leave provisions and the non-current portion of the lease incentive liability.

Net assets

This figure is calculated as the difference between total assets and total liabilities, and equals the equity of the entity.

Equity

Equity is the net worth of an entity and is represented by total assets less total liabilities in the Balance Sheet. An entity's equity balance is made up of initial capital (contributions), prior years' surpluses/deficits and reserves.

The CMC's capital contribution of \$13.944m comprises the closing equity balances of the former Criminal Justice Commission and the former Queensland Crime Commission as at 31 December 2001 (\$4.237m), and the equity injection from government for the Green Square leasehold fitout (\$9.707m).

The accumulated surplus of \$0.501m at 30 June 2009 is derived from the current and prior years' operating results.

Statement of Changes in Equity

The Statement of Changes in Equity details movements in the equity of the agency during the reporting period. The equity balance is affected by the operating result (surplus or deficit) for the period, equity injections or withdrawals, and asset revaluations. For 2008–09, the CMC's equity movement was due to the operating deficit.

Cash Flow Statement

This statement shows the actual movements of cash during the financial year. The cash at the end of the reporting period, as shown in the Cash Flow Statement, equals the cash figure in the Balance Sheet.

Notes to and forming part of the financial statements

The notes explain in more detail particular line items presented in the financial statements. They also disclose other matters such as accounting policies, outstanding commitments at the end of the reporting period, and other financial disclosures. The financial statements should be read in conjunction with the accompanying notes.

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Income Statement

for the year ended 30 June 2009

	Notes	2009 \$'000	2008 \$'000
Income			
Revenue			
Grants and contributions	2(a)	41,654	36,688
Interest		540	1,021
Services received below fair value		77	62
Other revenue		74	9
Gains			
Gains from sale of property, plant and equipment		2	16
Total Income		42 347	37 796
Expenses			
Depreciation and amortisation	2(b)	1 640	1 030
Employee expenses	2(d)	30 191	27 750
Supplies and services	2(c)	10 605	8 998
Loss from sale of assets		105	18
Total Expenses		42 541	37 796
Operating surplus/(deficit)		(194)	-

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

Balance Sheet

as at 30 June 2009

	Notes	2009 \$'000	2008 \$'000
Assets			
Current assets			
Cash and cash equivalents	3, 11(a)	4 750	8 922
Receivables	4, 11(a)	378	672
Other assets	5	685	359
Total current assets		5 813	9 953
Non-current assets			
Property, plant and equipment	6	15 189	12 316
Total non-current assets		15 189	12 316
Total Assets		21 002	22 269
Liabilities			
Current liabilities			
Payables	7	834	839
Accrued employee benefits	8	1 763	1 959
Other	9	300	910
Total current liabilities		2 897	3 708
Non-current liabilities			
Accrued employee benefits	8	363	345
Other	9	3 297	3 577
Total non-current liabilities		3 660	3 922
Total Liabilities		6 557	7 630
Net Assets		14 445	14 639
Equity			
Contributed capital		13 944	13 944
Retained surpluses		501	695
Total Equity		14 445	14 639

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

Statement of Changes in Equity

for the year ended 30 June 2009

	Note	Retained surpluses		Contributed capital	
		2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Balance 1 July		695	695	13 944	4 237
Equity injection	1(c)				9 707*
Surplus/(deficit) for the period		(194)	-		-
Balance 30 June		501	695	13 944	13 944

* Government grant for relocation to Green Square

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

Cash Flow Statement

for the year ended 30 June 2009

	Notes	2009 \$'000	2008 \$'000
Cash flows from operating activities			
Inflows			
LSL reimbursement received		(60)	21
Government contributions and grants		41 040	37 303
Interest receipts		578	989
GST collected		29	30
GST input tax credits from ATO		2 823	2 130
Other		(14)	37
		44 396	40 510
Outflows			
Employee expenses		(30 645)	(27 555)
Supplies and services		(10 861)	(8 373)
GST paid to suppliers		(2 371)	(2 472)
GST remitted to ATO		(75)	(79)
Other		-	-
		(43 952)	(38 479)
Net cash provided by (used in) operating activities	10(b)	444	2 031
Cash flows from investing activities			
Inflows			
Proceeds from sale of plant and equipment		156	222
Outflows			
Payments for purchases of property, plant and equipment		(4 772)	(7 986)
Net cash provided by (used in) investing activities		(4 616)	(7 764)
Cash flows from financing activities			
Inflows			
Non-appropriated equity injection		0	9 707
Net cash provided by (used in) financing activities		0	9 707
Net increase (decrease) in cash held		(4 172)	3 974
Cash at beginning of financial year		8 922	4 948
Cash at end of financial year	10(a)	4 750	8 922

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

Notes to and forming part of the financial statements for the year ended 30 June 2009

Objectives and principal activities of the Crime and Misconduct Commission

The objectives of the Commission are threefold:

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 Commission 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 Commission'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

The financial statements have been prepared in accordance with Australian Accounting Standards. In addition, the financial statements comply with the Treasurer's Minimum Reporting Requirements for the year ending 30 June 2009, and other authoritative pronouncements.

These financial statements constitute a general purpose financial report.

Except where stated, the historical cost convention is used.

Accounting policies

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

Notes to and forming part of the financial statements for the year ended 30 June 2009

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.

Rounding

Unless otherwise stated, amounts in the report have been rounded to the nearest thousand dollars.

(b) Revenue recognition

Grants and Contributions

Government grants and contributions are non-reciprocal in nature and are recognised as revenue when received.

Services received below fair value

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.

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 and is recognised when earned.

(c) Property, plant and equipment

Acquisition

Actual cost is used for the initial recording of all acquisitions of non-current physical assets. 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, in accordance with AASB 116 *Property, Plant and Equipment*.

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.

Notes to and forming part of the financial statements for the year ended 30 June 2009

Note 1(c) continued

Repairs and maintenance

Routine maintenance, repair costs and minor renewal costs are expensed as incurred. Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold, the cost is capitalised and depreciated.

Leasehold improvements

Leasehold improvements are recognised at cost and are depreciated over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter. Work in progress related to leasehold improvements is also recorded at cost.

Terrica Place

Costs relating to the fit-out of leasehold premises at Terrica Place were capitalised as leasehold improvements and, in accordance with AASB 116 *Property, Plant and Equipment*, were depreciated over the term of the lease. The Terrica Place lease was due to expire in March 2008 but the Commission's new premises at Green Square were not available until August 2008. Consequently it was necessary to negotiate an extension of the Terrica Place lease on a month to month basis until the new premises were available. The leasehold improvements at Terrica Place were fully depreciated at the end of the lease.

Green Square

The initial leasehold improvements at Green Square had a value of \$13.579m. The funding for this was provided by an equity injection of \$9.707m from Queensland Treasury and an incentive of \$3.872m provided by the developers, Leighton Holdings. The lease will be treated according to AASB 117 Leases and the leasehold improvements will be depreciated over the life of the lease (13 years) as prescribed by AASB 116 *Property, Plant and Equipment*.

The leasehold incentive has been recognised as a liability and will be amortised over the period of the lease as prescribed by UIG Interpretation 115 *Operating Leases - Incentives*.

The certificate of practical completion for Green Square was provided by the developer on 4 July 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 Commission 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.

Notes to and forming part of the financial statements for the year ended 30 June 2009

Note 1 continued

(d) Depreciation and amortisation of property, plant and equipment

Depreciation is calculated on a straight-line basis in order to allocate the net cost of each depreciable asset, less its estimated residual value, progressively over its estimated useful life to the Commission.

Where assets have separately identifiable components, these components are assigned useful lives distinct from the asset to which they relate. Any expenditure that increases the original assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset to the Commission.

Major depreciation periods used are listed below and are consistent with that of the prior year unless otherwise stated. Cultural and art assets are not depreciated.

Class	Rate %	Useful life
General and technical equipment		
General	14.3	7 years
Technical	20	5 years
Computer equipment	20–33.3	3–5 years
Motor vehicles	20	5 years
Leasehold improvements – Green Square	7.7	13 years

(e) Cash and cash equivalents

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

(f) Receivables

Trade debtors are recognised at the nominal amounts due at the time of 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 impairment if required.

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

(g) Prepayments

The Commission has determined that only prepayments on invoices greater than and 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.

Notes to and forming part of the financial statements for the year ended 30 June 2009

Note 1 continued

(i) Payables

Trade creditors are recognised for amounts payable in the future for goods and services received, whether or not invoiced to the Commission at balance date.

Amounts owing are generally unsecured, not subject to interest charges and are normally settled on 30 day terms.

(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, but 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, annual leave loading 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 on costs.

The value of the first twenty days of annual leave benefits accrued by employees has been treated as a current liability. The value of any annual leave benefits in excess of twenty days has been treated as a non-current liability. The provision for annual leave has been made at rates expected to apply at settlement date, as required by AASB 119 *Employee Benefits*.

Sick leave

Sick leave is expensed as incurred.

Long service leave

Under the State Government's long service leave scheme a levy is made on the Crime and Misconduct Commission to cover this expense. Levies are expensed in the period in which they are payable. Amounts paid to employees for long service leave are claimed from the scheme quarterly in arrears.

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 statements, pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Superannuation

Employees of the Crime and Misconduct Commission are members of QSuper, the superannuation plan for Queensland Government employees, and employer contributions are made at rates determined by the Treasurer on the advice of the State Actuary. Contributions to employee superannuation plans are expensed when contributions are payable.

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

Notes to and forming part of the financial statements for the year ended 30 June 2009

Note 1(j) continued

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 AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

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 whose remuneration for the financial year is \$100000 or more; and
- the number of senior executives whose total remuneration for the financial year falls within each successive \$20000 band, commencing at \$100000.

Remuneration received or receivable by Commissioners and specified Executives of the Crime and Misconduct Commission in connection with the management of the Commission, includes salary and allowances, employer superannuation contributions, accrued leave, motor vehicle costs and fringe benefits tax.

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 Commission 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) Insurance

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

(m) Operating leases

Lease payments for operating leases are recognised as an expense in the years in which they are incurred as this reflects the pattern of benefits derived by the Commission.

(n) New and revised accounting standards

No Australian accounting standards and interpretations issued or amended and applicable for the first time in the 2008–09 financial year have an effect on the Crime and Misconduct Commission. Also, the Commission has followed changes and suggestions of Queensland Treasury in regards to its accounting policies.

The Commission is not permitted to early adopt a new accounting standard ahead of the specified commencement date unless approval is obtained from Queensland Treasury. Consequently, the Commission has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective. The Commission will apply these standards and interpretations in accordance with their respective commencement dates.

Notes to and forming part of the financial statements for the year ended 30 June 2009

Note 2: Income Statement Disclosures

	2009 \$'000	2008 \$'000
(a) Grants and contributions		
Queensland Government	41 652	36 688
Other	2	-
	41 654	36 688
(b) Depreciation and amortisation		
Motor vehicles	205	191
Computer equipment	268	158
General and technical equipment	141	176
Leasehold improvements	1 026	505
	1 640	1 030
(c) Supplies and services		
Rental expense – operating lease	4 749	3 684
Auditors remuneration – Queensland Audit Office*	53	56
Books and publications	178	225
Computer software/services	327	319
Consultants	70	120
Contractors	196	35
Contract support	38	219
Electricity	160	118
Employment agency staff	151	141
Equipment	417	532
Furniture supplies and repairs	418	36
Information retrieval and access	284	284
Legal fees	245	312
Maintenance	283	299
Motor vehicles	319	297
Operational expenses	572	446
Other supplies and services	500	436
Other supplies & services (goods provided below fair value)	77	62
Project costs	59	79
Security	327	304
Service provider – payroll and finance systems	199	167
Stationery	171	182
Telecommunications	366	305
Travel	419	314
Other Expenses	27	26
	10 605	8 998

* Total external audit fees relating to the 2008–09 financial year were estimated to be \$62 500 (2007–08: \$45 100) excluding GST. There were no non audit services included in this amount.

Notes to and forming part of the financial statements for the year ended 30 June 2009

Note 2 continued

	2009 \$'000	2008 \$'000
(d) Employee expenses		
Employee benefits		
Salaries and wages	21 884	20 058
Annual leave	1 582	1 462
Employer superannuation contributions*	3 050	2 793
Long service leave*	418	381
Other employee benefits	966	812
Employee related expenses		
Worker's compensation premium*	207	188
Payroll Tax*	1 315	1 203
Other employee related expenses	769	853
	30 191	27 750

* Costs of workers' compensation insurance and payroll tax are a consequence of employing employees, but are not counted in employee's 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 Commission had 293.5 full time equivalent employees at 30 June 2009 (305.3 full time equivalent at 30 June 2008).

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.

Robert Needham held the position of Chairperson for both financial years ending 30 June 2008 and 30 June 2009. The Chairperson's total remuneration for the 2008-09 year was \$413 549 (\$420 680 for the 2007-08 year).

(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.

	2009 \$	2008 \$
David Gow	45 731	46 078
Ann Gummow	46 850	46 078
Judith Bell (Commenced May 2008)	46 850	3 964
Philip Nase (Commenced November 2008)	29 191	-
Hon. Douglas Drummond QC (Ceased April 2008)	-	37 609
Julie Cork (Ceased November 2007)	-	17 247
Total	168 622	150 976

Notes to and forming part of the financial statements for the year ended 30 June 2009

Note 2(d) continued

(iii) Executives' remuneration

The executives' remuneration covers senior executives (SES1 or above) who are employed under contract by the Commission.

The number of senior executives who received or were due to receive total remuneration of \$100000 or more:

	2009	2008
\$100000 to \$119000	1	1
\$120000 to \$139999		1
\$140000 to \$159999	1	5
\$160000 to \$179999	4	2
\$180000 to \$199999	3	1
\$200000 to \$219999		
\$220000 to \$239999	1	1
\$240000 to \$259999		1
\$260000 to \$279999	1	
Total	11	12

The total remuneration of executives shown above for 2008-09 was \$2014404 (\$2007399 for 2007-08).

The amount calculated as executive remuneration in these financial statements includes direct remuneration received, as well as items not directly received by senior executives, such as the movement in leave accruals, motor vehicle costs and fringe benefits tax. This amount will therefore differ from the advertised executive remuneration packages which do not include the latter items.

Note 3: Cash and cash equivalents

	2009	2008
	\$'000	\$'000
Cash on hand	40	40
Cash at bank	2349	2443
Deposits on call	2361	6439
	4750	8922

Included in the deposits on call above is a \$0.300m bank guarantee pursuant to a lease agreement.

Notes to and forming part of the financial statements for the year ended 30 June 2009

2009	2008
\$'000	\$'000

Note 4: Receivables

GST receivable	179	585
Long service leave reimbursement	93	32
Interest receivable	2	41
Other receivables	104	14
	378	672

As at balance date, there were no debtors past due nor impaired.

Note 5: Other assets

Prepayments – salaries	272	-
Prepayments – other	413	359
	685	359

Note 6: Property, plant and equipment

Motor vehicles at cost	1 079	1 021
Less: Accumulated depreciation	(268)	(208)
	811	813
Computer equipment at cost	919	546
Less: Accumulated depreciation	(398)	(397)
	521	149
General and technical equipment at cost	1 453	1 279
Less: Accumulated depreciation	(411)	(697)
	1 042	582
Leasehold improvements at cost	13 995	5 155
Less: Accumulated depreciation	(1 289)	(5 033)
	12 706	122
Work in progress	84	10 650
Cultural and art assets	25	-
Total	15 189	12 316

The Commission had 10 assets with a written down value of zero which were still in use at 30 June 2009. The original cost of these assets totalled \$123 288.

Notes to and forming part of the financial statements

for the year ended 30 June 2009

Note 6 continued

Movements during the reporting period

	Motor vehicles		Computer equipment		General and technical equipment		Cultural and art assets		Leasehold improvements		Work in progress		Total	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Carrying amount at 1 July	813	759	149	225	582	471	0	0	122	627	10650	0	12316	2082
Acquisitions	420	482	373	82	909	247	25	0	2960	0	84	10650	4771	11488
Disposals	(217)	(237)	19	0	(60)	13	0	0	0	0	0	0	(258)	(224)
Transfers	0	0	248	0	(248)	0	0	0	10650	0	(10650)	0	0	0
Depreciation	(205)	(191)	(268)	(158)	(141)	(176)	0	0	(1026)	(505)	0	0	(1640)	(1030)
Carrying amount at 30 June	811	813	521	149	1042	471	25	0	12706	122	84	10650	15189	12316

Notes to and forming part of the financial statements

for the year ended 30 June 2009

2009	2008
\$'000	\$'000

Note 7: Payables

Current:		
Trade creditors	834	839
	834	839

Note 8: Accrued employee benefits

Current:		
Accrued salaries and wages	170	500
Accrued long service leave levy	68	71
Annual leave	1 381	1 225
Other employee related expenses	144	163
	1 763	1 959
Non-current:		
Annual leave	363	345
	363	345

Note 9: Other liabilities

Current:		
Unearned revenue – grants	-	615
Lease incentive	300	295
	300	910
Non-current:		
Lease incentive	3 297	3 577
	3 297	3 577

Notes to and forming part of the financial statements for the year ended 30 June 2009

Note 10: Cash Flow Statement – disclosures

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

	2009 \$'000	2008 \$'000
Cash on hand	40	40
Cash at bank	2 349	2 443
Deposits on call	2 361	6 439
	4 750	8 922

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

Operating surplus/(deficit)	(194)	-
Non-cash items		
Depreciation expense	1 640	1 030
Gain on sale of property, plant and equipment	(2)	(16)
Loss on sale of property, plant and equipment	105	18
Change in assets and liabilities:		
(Increase) Decrease in GST input tax credits receivable	406	(391)
(Increase) Decrease in LSL reimbursement receivable	(61)	21
(Increase) Decrease in interest receivable	39	(33)
(Increase) Decrease in other receivable	(90)	29
(Increase) Decrease in prepayments	(326)	18
(Decrease) Increase in accounts payable	(5)	546
(Decrease) Increase in salaries payable	(330)	93
(Decrease) Increase in LSL payable	(3)	14
(Decrease) Increase in provision for annual leave	174	120
(Decrease) Increase in other employee related expenses	(19)	(33)
(Decrease) Increase in lease incentive liability	(275)	-
(Decrease) Increase in unearned revenue – grants	(615)	615
Net cash provided by operating activities	444	2 031

Notes to and forming part of the financial statements for the year ended 30 June 2009

Note 11: Financial instruments

(a) Categorisation of financial instruments

	Notes	2009 \$'000	2008 \$'000
Financial assets			
Cash and cash equivalents	3	4 750	8 922
Receivables	4	378	672
Total		5 128	9 594
Financial liabilities			
Payables	7	834	839
Lease incentive	9	3 597	3 872
Total		4 431	4 711

The fair value of financial assets and financial liabilities approximate their nominal value.

(b) Credit risk exposure

The maximum exposure to credit risk at balance date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment.

The following table represents the Commission's maximum exposure to credit risk based on contractual amounts net of any allowances.

Maximum exposure to credit risk

Financial assets			
Cash and cash equivalents	3	4 750	8 922
Receivables	4	378	672
Total		5 128	9 594

The Commission manages credit risk through the use of a credit management strategy. This strategy aims to reduce the exposure to credit default by ensuring that the Commission invests in secure assets and monitors all funds owed on a timely basis. Exposure to credit risk is monitored on an ongoing basis.

(c) Liquidity risk

The Commission manages liquidity risk through the use of a liquidity management strategy. This strategy aims to reduce the exposure to liquidity risk by ensuring the Commission has sufficient funds available to meet employee and supplier obligations as they fall due. This is achieved by ensuring that minimum levels of cash are held within the various bank accounts so as to match the expected duration of the various employee and supplier liabilities.

The following table sets out the liquidity risk of financial liabilities held by the Commission. It represents the contractual maturity of financial liabilities, calculated on the basis of cash flows relating to the repayment of the principal amount outstanding at balance date.

Notes to and forming part of the financial statements for the year ended 30 June 2009

Note 11(c) continued

		Payable at 30 June 2009			Total
Notes		< 1 year	1-5 years	> 5 years	
Financial liabilities					
Payables	7	834	-	-	834
Lease incentive	9	300	1 199	2 098	3 597
		1 134	1 199	2 098	4 431

		Payable at 30 June 2008			Total
Notes		< 1 year	1-5 years	> 5 years	
Financial liabilities					
Payables	7	839	-	-	839
Lease incentive	9	295	1 192	2 385	3 872
		1 134	1 192	2 385	4 711

(d) Market risk

The Commission does not trade in foreign currency and is not exposed to commodity price changes. The Commission is exposed to interest rate risk through cash deposited in interest bearing accounts. The Commission does not undertake any hedging in relation to interest risk and manages its risk as per the liquidity risk management strategy.

Interest rate sensitivity analysis

The following interest rate sensitivity analysis is based on a report similar to that which would be provided to management, depicting the outcome to profit and loss if interest rates would change by +/- 1% from the year-end rates applicable to the Commission's financial assets and liabilities. With all other variables held constant, the Commission would have a surplus and equity increase/ (decrease) of \$47 100 (2008: \$88 820).

Financial instruments	Carrying amount (\$'000)	2009 Interest rate risk			
		-1%		+1%	
		Profit (\$'000)	Equity (\$'000)	Profit (\$'000)	Equity (\$'000)
Cash	4 710	(47)	(47)	47	47

Financial instruments	Carrying amount (\$'000)	2008 Interest rate risk			
		-1%		+1%	
		Profit (\$'000)	Equity (\$'000)	Profit (\$'000)	Equity (\$'000)
Cash	8 882	(89)	(89)	89	89

Notes to and forming part of the financial statements for the year ended 30 June 2009

Note 12: Commitments for expenditure

(a) Capital expenditure commitments

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

	2009 \$'000	2008 \$'000
Capital Expenditure		
Not later than one year	321	2 901
Later than one year and not later than five years	-	-
	<u>321</u>	<u>2 901</u>

(b) Operating commitments

At 30 June the Commission had the following operating commitments inclusive of GST:

Lease commitments

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

Not later than one year	3 559	4 548
Later than one year and not later than five years	14 609	13 949
Later than five years	8 210	11 785
	<u>26 378</u>	<u>30 282</u>

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

Not later than one year	237	254
Later than one year and not later than five years	195	199
	<u>432</u>	<u>453</u>

Other commitments

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

Not later than one year	108	609
	<u>108</u>	<u>609</u>

Note 13: Contingent liabilities

As at 30 June 2009, the Commission did not have any contingent liabilities.

Notes to and forming part of the financial statements for the year ended 30 June 2009

Note 14: Money held in trust

At 30 June 2009, the Crime and Misconduct Commission held \$6 111 (2008: \$25 606) in trust for a number of people as a result of operational activities. As the Commission performed only a custodial role in respect of the balances, they are not recognised in the financial statements but are disclosed here for information purposes.

The Queensland Auditor-General performed the audit of the Commission's trust transactions in 2008-09.

Note 15: Special payments

Two ex-gratia special payments of \$5 000 each were made by the Crime and Misconduct Commission during the 2008-09 year.

Note 16: Australian Public Sector Anti-Corruption Conference (APSACC)

The Crime and Misconduct Commission hosted the second Australian Public Sector Anti-Corruption Conference (APSACC) which was held in Brisbane during the period 28-31 July 2009. The conference was jointly organised by the Commission, the NSW Independent Commission Against Corruption (ICAC) and the WA Corruption and Crime Commission (CCC). The three agencies entered into a formal agreement for the management and delivery of the conference.

As part of the agreement, a joint account was opened in Brisbane and, at 30 June 2009, there was \$150 341 in the account. Also, at 30 June 2009, a further \$47 500 was held by the Commission in its operating account on behalf of the conference organising committee and, at balance date, this amount was recorded in the Commission's balance sheet as a payable. These funds have since been transferred to the APSACC joint account. The joint agreement requires that a minimum of \$150 000 be held in the joint account for the delivery of the next APSACC to be held in Perth.

An events management firm was engaged by the conference organising committee to manage conference registrations, to accept registration fees and to organise delegates' accommodation, venue hire and other administrative and financial tasks. The events management company provided financial updates to the conference organising committee.

The Commission incurred salary and other costs associated with organising and hosting the conference and will seek to recoup at least some of these costs, depending on the financial outcome of the APSACC.

As at 30 June 2009, the Commission's expected share of revenue, expenses and commitments at the end of the conference could not be accurately estimated. Although indications pointed to a small surplus, it is likely that, if this is the case, the three agencies will agree to retain further funds from the joint venture to defray additional travel and other costs for the next conference in Western Australia, with the purpose of encouraging as many delegates as possible to attend that conference.

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 2009 and of the financial position of the Commission at the end of that year.



Helen Bennett
Financial Manager



Robert Needham
Chairperson

Date: 27 August 2009

Date: 27 August 2009

Independent Auditor's Report

To the Commission of the Crime and Misconduct Commission

Matters Relating to the Electronic Presentation of the Audited Financial Report

The auditor's report relates to the financial report of the Crime and Misconduct Commission for the financial year ended 30 June 2009 included on the Crime and Misconduct Commission's website. The Commission is responsible for the integrity of the Crime and Misconduct Commission's website. I have not been engaged to report on the integrity of the Crime and Misconduct Commission's website. The auditor's report refers only to the statements named below. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report, available from the Crime and Misconduct Commission, to confirm the information included in the audited financial report presented on this website.

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

Report on the Financial Report

I have audited the accompanying financial report of Crime and Misconduct Commission which comprises the balance sheet as at 30 June 2009, 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 to express an opinion on the financial report based on the audit is prescribed in the *Auditor-General Act 2009*. This Act, including transitional provisions, came into operation on 1 July 2009 and replaces the previous requirements contained in the *Financial Administration and Audit Act 1977*.

The audit was conducted in accordance with the *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 judgement, 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 *Auditor-General Act 2009* 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.40 of the *Auditor-General Act 2009* –

- (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 2008 to 30 June 2009 and of the financial position as at the end of that year.



J P BEH FCPA
(as Delegate of the Auditor-General of Queensland)



Brisbane
Queensland Audit Office

