

Crime and Misconduct Commission

Annual report

2010–11

CRIME AND
MISCONDUCT
COMMISSION



The CMC fights crime and promotes integrity in Queensland

QUEENSLAND

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The Queensland Government is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you have difficulty in

understanding the annual report, you can contact the CMC on either 07 3360 6060 or freecall 1800 061 611 and we will arrange an interpreter to effectively communicate the report to use.

How to read this report

We recommend that you read this report in conjunction with the information on our website. We have provided many links throughout the document to allow you to explore in more detail the content that interests you or concerns developments since 30 June 2011.

We work with a wide range of agencies in Queensland and beyond, which are included in the following list.

Abbreviations

AASB	Australian Accounting Standards Board
ACC	Australian Crime Commission
AFP	Australian Federal Police
APSACC	Australian Public Sector Anti-Corruption Conference
ATO	Australian Taxation Office
AWPF	Australasian Witness Protection Forum
CCC	Corruption and Crime Commission
CEO	chief executive officer
CJC	Criminal Justice Commission
CMC	Crime and Misconduct Commission
DEEDI	Department of Employment, Economic Development and Innovation
DTMR	Department of Transport and Main Roads
eDRMS	Electronic Document and Records Management System
EEO	equal employment opportunity
EGM	Executive General Manager
ELG	Executive Leadership Group
FBT	Fringe Benefits Tax
FTE	full-time equivalent
GHB	gamma hydroxybutyrate
GOC	government-owned corporation
GST	Goods and Services Tax
ICAC	Independent Commission Against Corruption
IPP	Information Privacy Principles
OPI	Office of Police Integrity (Victoria)
NAIDOC	National Aborigines and Islanders Day Observance Committee
PCMC	Parliamentary Crime and Misconduct Committee
PID	public interest disclosure
PPRA	<i>Police Powers and Responsibilities Act 2000</i>
PSAA	<i>Police Service Administration Act 1990</i>
PSC	Public Service Commission
QCAT	Queensland Civil and Administrative Tribunal
QCC	Queensland Crime Commission
QPS	Queensland Police Service
SDPC	Service Delivery and Performance Commission
SDS	Service Delivery Statement
SOE	standard operating environment
TI	telecommunications interception

September 2011

The Honourable Paul Lucas MP
Deputy Premier, Attorney-General,
Minister for Local Government and
Special Minister of State
Parliament House
George Street
Brisbane Qld 4000

Dear Minister,

We are pleased to present the *Annual Report 2010–11* for the
Crime and Misconduct Commission.

We certify that this Annual Report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, and
- the detailed requirements set out in the *Annual Report Requirements for Queensland Government Agencies*.

A [checklist](http://www.cmc.qld.gov.au) outlining the annual reporting requirements can be accessed at
<www.cmc.qld.gov.au>.

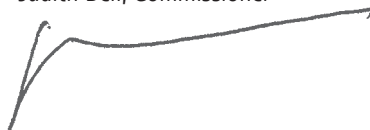
Yours sincerely



Martin Moynihan, Chairperson



Judith Bell, Commissioner



Philip Nase, Commissioner



Professor Marilyn McMeniman, Commissioner

The Crime and Misconduct

We are an independent law enforcement and integrity agency established under the *Crime and Misconduct Act 2001*

Our vision

That the CMC make a unique contribution to protecting Queenslanders from major crime and promoting a trustworthy public sector

Our history is an important part of Queensland's history

The CMC came into existence on 1 January 2002 with the merger of the Criminal Justice Commission (CJC) and the Queensland Crime Commission (QCC).

The CJC had been established to help restore confidence in our public institutions after the revelations of the 1987–89 Fitzgerald Inquiry into police corruption. The inquiry also led to the creation of the Queensland witness protection service within the CJC.

For several years, in addition to investigating police and public sector misconduct, the CJC worked with the police to investigate organised and major crime. In 1997 this crime function was taken over by the newly formed QCC, which was also tasked with investigating paedophilia. In 2001 the Queensland Government decided to form a single body to fight crime and public sector misconduct — the Crime and Misconduct Commission, a statutory body created under the *Crime and Misconduct Act 2001*.

Our peer agencies

Today, our peer agencies are the Independent Commission against Corruption (New South Wales), the Police Integrity Commission (New South Wales), the Office of Police Integrity (Victoria), the Corruption and Crime Commission (Western Australia) and the Integrity Commission (Tasmania). However, there is no other agency in Australia with the same breadth of functions in one organisation.

Our objectives are to:

- Prevent and combat major crime
- Promote a trustworthy public sector
- Provide an effective witness protection service
- Demonstrate organisational excellence using a skilled, committed workforce.

We help keep Queenslanders safe by investigating crime and misconduct

We investigate organised crime, drugs and firearms, networked paedophilia, and public sector and police misconduct. To do this we have been granted special powers to hold public and closed investigative hearings, compel people to give testimony, and use telecommunications interception powers.

We oversee a Queensland public sector of 183 000 employees, as well as 15 000 members of the Queensland Police Service. We protect people who give evidence against criminals. We may also conduct independent reviews of legislation or matters of public interest at the request of government.

Our leadership is accountable to parliament and the people

The CMC is headed by a five-member group referred to as 'the Commission'; it comprises the Chairperson/CEO and four part-time Commissioners. The current Chairperson is the Honourable Martin Moynihan AO QC who was appointed to the position in February 2010.

We are accountable to parliament through the Parliamentary Crime and Misconduct Committee (PCMC). We also report to the Attorney-General as we operate within Queensland's justice portfolio.

Commission

Our values

Integrity | Accountability

Excellence | Innovation

Respect | Collaboration

The CMC plays an important role in Queensland public life. Our continued existence ensures there is an independent body striving to keep our children safe; our institutions, politicians and public officials ethical and accountable; our police honest; and our communities as free as possible of corruption and organised crime.

The CMC incorporates a breadth of specialist expertise and experience

The CMC employs lawyers, investigators, sworn police officers, social scientists, financial investigators, intelligence analysts, information technology and surveillance specialists, administrators and support officers. See pages [51–55](#).

Our communication objective

The Crime and Misconduct Commission depends on the confidence of the people of Queensland. Our annual report details the work we undertook on their behalf in 2010–11, what we did and why, and how we spent our budget. It 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 Accountability Act 2009*.

We welcome your [feedback](#) on this report. See the front and back inside covers for information concerning interpreter services and our contact details, or go to www.cmc.qld.gov.au.

Created	2001
Total budget	\$48.56 million in 2010–11
No. of employees (FTEs)	325 as at 30 June 2011
Governing legislation	<i>Crime and Misconduct Act 2001</i>
Complaints received in 2011	5124
Investigations undertaken	
Crime	28
Misconduct	118
Hearing days in 2010–11	
Crime	114
Misconduct	10

Read more

- » Preventing and combating major crime: pages [18–25](#)
- » Promoting a trustworthy public sector: pages [26–44](#)
- » Providing an effective witness protection service: pages [45–48](#)
- » Demonstrating organisation excellence using a skilled committed workforce: pages [51–72](#)
- » Read [our history](#), including the [Fitzgerald report](#), on our website under 'About us' at www.cmc.qld.gov.au.

Year in review

Chairperson's report

Since my appointment as CMC Chairperson much has changed in the organisation. The Greek philosopher Heraclitus observed that 'the only constant is change'. This has certainly been evident during 2010–11, and I commend my fellow Commissioners and all staff on their commitment and efforts over the past 12 months. It is with pleasure that I present this year's annual report, which details the breadth and value of the work we undertake on behalf of the Queensland community.

New executive arrangements in place

New management arrangements were introduced in November last year after a major review of our governance systems and structures. They were put in place to enhance the CMC's effectiveness, and we are beginning to feel the impact of these changes.

Among the most significant was establishing the role of Executive General Manager (EGM); in April this year the Commission appointed Ms Edith Mendelle to this new position. Her role will be to define and deliver organisational excellence, review and renegotiate performance indicators and targets, and oversee corporate and performance management.

The appointment of the EGM consolidates our new Executive Leadership Group (ELG) which replaces the 13-person Executive Committee detailed in last year's report. The ELG currently comprises the four most senior officers of the organisation: the Chairperson/CEO, the Assistant Commissioners of Crime and Misconduct (Mr John Callanan and Mr Warren Strange respectively) and the EGM. This group brings together a strategic mix of highly experienced specialist legal and

investigative skills and broad management capability.

This streamlining of our executive management structure is a significant change for the CMC, one I expect to deliver better performance outcomes across the organisation. I encourage you to read more about our governance arrangements, which are detailed on pages [60–72](#) of the report.

New initiatives in financial management

This year's report features a more extended financial summary, highlighting our prudent financial management and compliance with relevant legislation, directives and policies. To improve our financial accountability we also decided to trial activity-based costing of our core business services; this will help us better manage operational performance, sustainability and resources. It will be evaluated in the next reporting period.

Fresh perspectives

These changes to our management, financial and governance arrangements are about organisational renewal. I believe it is important for the CMC to regularly review its own practices and performance. To that end, a communication forum for managers is now convened once a month to stimulate debate, encourage innovation and generally improve communication across the agency.

Over the past year I have asked my managers at all levels to consider their work not just in terms of their particular operational area but also in terms of what unifies us as an organisation. That is why in this report we have presented our highlights around common themes — safer communities, public confidence in our institutions, and an honest and corruption-free society.

Significant body of work this year

In operational terms the CMC has accomplished significant outcomes in investigating and fighting both crime and misconduct, and in its oversight of a large and increasingly complex public sector.

Our major investigations obtained solid results in criminal prosecutions and disciplinary outcomes. We continued to adapt and strengthen our investigative methods, greatly enhanced by our telecommunications interception capabilities. Our witness protection officers ensured that witnesses got safely to court to give evidence in criminal trials, maintaining their 100 per cent success rate in doing so since 1987.

Our Crime year was dominated by the preparation of court material for the prosecution phase of Operation Warrior, our landmark organised crime investigation. A record 42 full briefs of evidence were produced, comprising 8000 transcripts and hundreds of witness statements.

Despite staffing difficulties, this year our proceeds of crime area gave priority to finalising confiscation matters. Our team is presently litigating 99 matters involving restrained property valued at \$53m.

An important focus in our investigative work was the alleged involvement of a small number of police in off-duty or so-called recreational use of unlawful drugs. To protect the public interest, we will continue to give allegations of this type our close attention.

Our responsibilities as the police oversight body continued to be a major focus. In December 2010 we published *Setting the standard*, a report on our review of the QPS disciplinary system and in March 2011, the Queensland Government appointed an independent review panel to develop a revised disciplinary model.

The panel's recommendations and the government's response are now available.

That same month saw the formal conclusion of the investigations and reviews that followed the death of Mulrunji in police custody on Palm Island in November 2004. It showed us the limits of our legislated powers. (This is discussed in more detail on page 36.) However, the government has now moved to rectify that anomaly by recommending, among other things, legislative change to ensure that all QPS disciplinary decisions are potentially subject to an independent review so that officers can be held accountable for their actions.

The CMC remains committed to working with the government and the police service to implement these much needed reforms. The disciplinary system must be robust and fair to all concerned if community confidence in the QPS is to be maintained.

A significant body of work was completed this year around the proper exercise of police powers. We conducted a major 'use of force' audit; reviewed the legislation, policies and procedures relating to the detention of juveniles, high-speed police pursuits, move-on powers and the use of Tasers. We are also finalising a memorandum of understanding with the QPS and the State Coroner to ensure the utmost probity in the investigation of police-related deaths.

This year has also seen us working closely with local government. In May 2011 we launched the *Councillor conduct guide*, which provides guidance to new and prospective councillors on their obligations as elected officials under the Local Government Act. Our misconduct prevention officers provided outreach services to the local government sector, presenting workshops in regional areas

for councillors and council officers, and providing information and advice on specific topics.

As part of our outreach services, in May Mrs Judith Bell, one of our part-time Commissioners, and I went to Yarrabah, Cairns and Townsville with several of our misconduct prevention officers. Our prevention forums there were attended by over 80 local government representatives, including representatives from local Indigenous councils. These forums enable direct engagement with our constituents and help to sustain productive relationships.

This past year we continued to host a number of national and international delegations from countries such as Bhutan, Papua New Guinea and New Zealand as well as those from interstate who met with CMC officers to view the way we operate and deliver services to the people of Queensland. I am proud that the CMC provides a model that is of interest to similar agencies in other jurisdictions.

Looking ahead

When I accepted the position of Chairperson and Chief Executive Officer of the CMC I came to work for an organisation that plays an important role in Queensland public life. It has a significant history arising out of its origins in the Fitzgerald Inquiry and in the fine work done by its predecessor organisations. Nonetheless, it is also important that the organisation change with the times and learn from experience.

From the outset, one of my key priorities has been for us to engage more with stakeholders and work more flexibly. This year we made major financial investments in technology-based projects. Over the next 12 months we will totally



Martin Moynihan

redevelop both our public website and our intranet, and consider the implications of social media. We are also working to enable data-sharing and real-time monitoring of complaints management across public service agencies.

These are inherently dynamic initiatives which will be significant catalysts for change and transformation within the CMC over the long term. Together with our intelligence and research functions, they will help ensure that we keep abreast of issues impacting on the safety and integrity of our communities and institutions, and continue to make a significant contribution to the Queensland community.

A handwritten signature in dark ink, appearing to read 'Martin Moynihan'.

Martin Moynihan AO QC
September 2011

Highlights

Keeping Queensland's institutions ethical and accountable

- We received a record 5124 complaints, containing 11 909 separate allegations of misconduct.
- We conducted 118 misconduct investigations relating to police, the public sector and local government.
- We held public hearings into allegations of misconduct by police officers on the Gold Coast as part of Operation Tesco.
- We surveyed members of the public about their experiences with and perceptions of the Queensland public sector, local government, the QPS and the CMC.

Contributing to a fair society

- The CMC has taken an active role in the major government and public review of the police discipline system, to ensure that officers and citizens alike are treated fairly, consistently and swiftly in the resolution of complaints and disciplinary matters.
- Under proceeds of crime legislation, a former minister of the Crown will have to forfeit \$595 980 to the state, and we obtained a proceeds assessment order to the value of \$4.2m against a convicted outlaw motorcycle gang member.
- We initiated six reviews by QCAT for an independent assessment of decisions in police disciplinary matters.

Ensuring greater safety for citizens and children

- Our investigations into networked paedophilia resulted in 12 persons being charged with 122 offences relating to possession, distribution and production of child exploitation material.
- We maintained our 100 per cent success rate in protecting witnesses giving evidence in criminal trials.
- We seized drugs to an estimated street value of \$1.6m, preventing them reaching our communities.
- Our report into the use of Tasers by Queensland police officers was tabled in parliament.
- We audited how the QPS dealt with allegations of inappropriate use of force in police–citizen interactions.
- We examined alternatives to high-speed police pursuits and the effectiveness of the 'evade police' offence.
- We monitored police understanding of legislation relating to the detention of juveniles.
- A review of the *Prostitution Act 1999* found no connections between the licensed industry and organised crime.

Working smarter to deliver better, more responsive outcomes

- Operation Tesco, our investigation into police misconduct on the Gold Coast, created a new blueprint for investigations. A swift, constructive response from the Commissioner of Police enabled timely remedial action to be taken without waiting to formally close the investigation.
- Our cross-border collaboration and contribution to national networks in crime fighting, misconduct investigation and prevention, and witness protection saw us working smarter, not harder, for our outcomes.
- We took our work out into Queensland's regions by holding misconduct workshops, closed crime hearings and presentations to regional investigators on witness protection. (See map on page [17](#).)
- Improvements to our website resulted in a total of 727 517 downloads in 2010–11, an increase of 78 per cent in our public accessibility.

Outcomes of major investigations

Important investigations in crime and misconduct moved into prosecution phase and resulted in significant numbers and types of charges. Operation Warrior, a landmark organised crime operation, has resulted in eight persons imprisoned for serious drug offences, 14 people committed for trial and 13 listed for committal hearing. A total of 89 criminal charges and 81 recommendations for disciplinary action have arisen out of our operations – mostly Tesco, Nighthawk and Adventure, which were all investigations of police misconduct targeting involvement with illegal drugs.

Significant reforms to policing on the Gold Coast and throughout the state followed in the wake of Operation Tesco. The QPS announced its intention to bring in new policies on potentially compromising associations; the acceptance of gifts and benefits, including food and alcohol, by police officers; and random drug testing of sworn police officers.

Toward Q2: Tomorrow's Queensland

Our achievements in 2010–11 constitute an important contribution to the Queensland Government's ambition of *Fair – Supporting safe and caring communities*.

Challenges

Many people felt let down by the outcome of the reviews and investigations into the events on Palm Island in November 2004. The government has advised that the CMC will be granted new powers to prevent such a situation happening again, and we are working to strengthen our relationships with Indigenous communities.

The Queensland Government is currently reviewing the state's police discipline system, which will have significant implications for how the CMC deals with complaints about police.

The CMC has a breadth of responsibilities and a finite resource allocation. The challenge is to strike the right balance in resourcing identified priorities, emerging risk areas and growing demands for our assistance from external agencies.

Performance summary against

Objective: Prevent and combat major crime

Effectiveness of our contribution to Queensland's law enforcement effort

- We undertook 28 tactical operations, 96 per cent of which resulted in charges, restraints or seizures.
- Investigative hearings held over 114 days in Brisbane, Maroochydore, Bundaberg, Gladstone and Cairns saw 106 witnesses called to give evidence in 23 major crime investigations.
- We concluded 12 criminal paedophilia investigations resulting in 122 charges.
- Investigation of a south-east Queensland network suspected of selling methamphetamine and 'fantasy' to criminal associates and juveniles for on-sale at 'Schoolies' celebrations led to four people being charged with 49 drug and property-related offences.
- We contributed to criminal intelligence by reporting on illicit commodities and prices (a guide for law enforcement agencies) and drug use by young adults.
- We reviewed the effectiveness of the *Prostitution Act 1999* and reported that the licensed industry appears free of organised crime.

Extent to which our proceeds of crime capability disrupts organised crime networks

- We concluded 48 matters resulting in assets worth over \$9.3m being forfeited to the state, and restrained assets worth \$14.1m.
- We obtained proceeds of crime assessment orders to a total value of \$4.96m, including one of \$4.2m.
- Phase 1 of the project evaluating the effectiveness of our proceeds of crime capacity was completed by 30 June 2011. The final report is planned for August 2011.

Objective: Promote a trustworthy public sector

Enhanced public sector integrity through complaints management, investigations, prevention and other capacity building

- A record 5124 complaints were received, containing 11 909 separate allegations of misconduct; 93 per cent of these complaints were assessed within four weeks.
- We undertook a detailed review of 195 police matters that had been referred to the QPS to investigate, and were satisfied with how they had been handled in 166 (85%) of the cases.
- Similarly, we reviewed 118 public sector matters that had been referred to their respective agencies to investigate, and were satisfied with how they had been handled in 101 (86%) of the cases.
- Queensland Health was supported in developing secure online and site-specific access to the CMC's complaints management system, to ensure a common system and enable real-time monitoring by the CMC. Two more agencies are being readied for similar access.
- We released misconduct prevention material including the *Councillor conduct guide* and public interest disclosure guides.
- Public reports were released on the police discipline system, the ethical perceptions of recruits and constables, police move-on powers, and the evade police provisions.
- The project to scope the use of a centralised electronic complaints support system across core public service agencies was initiated and will be completed in late 2011.
- Four major public sector agencies were endorsed as having effective integrity systems.

Investigations

- We retained 77 new matters for investigation and completed 118 investigations during the year.
- Of the investigations we finalised, 25 per cent resulted in prosecution, or recommendations for criminal, disciplinary or managerial action.

Continued opposite

our Strategic Plan 2010–14

Objective: Promote a trustworthy public sector

Investigations (continued)

- On 11 occasions the CMC attended to police-related deaths, in accordance with the responsibility given to the CMC in 2009–10 under revised arrangements for the investigation of these incidents.
- Mr Gordon Nuttall, a former minister, was found guilty on 36 charges of accepting corrupt payments and sentenced to a total term of seven years imprisonment. In December 2010 he was sentenced to a further term of imprisonment for five offences of official corruption and five of perjury.
- We released a public report on the outcome of an investigation into the conduct of a former ministerial adviser.
- We completed our investigation into allegations of police misconduct on the Gold Coast (Operation Tesco) by holding public hearings and tabling a public report.

Objective: Provide an effective witness protection service

Protected persons are safe

- We maintained the safety of all protected witnesses.
- We received 114 applications for witness protection, and admitted 51 people to the program.
- We provided 30 persons with court security and undertook 52 threat assessments.

Objective: Demonstrate organisational excellence using a skilled, committed workforce

Enhanced productivity

- We established a program of continuous improvement following a major review of our governance.
- As a result of the governance review, reviews of the management structures and organisational arrangements occurred in the Misconduct, Crime and Information Management work areas to facilitate change and more efficient work practices.
- As part of actioning continuous improvement, a small Executive Leadership Group comprising the Chairperson and our most senior executive staff was established to drive enhanced decision making, individual responsibility and corporate ownership.
- Six of our seven significant publications were produced on time.

Adopting the internet as our main channel for communicating with the public

- Downloads from our website have increased by 78 per cent compared with last year.
- A web redevelopment project was initiated; significant enhancements were made to the website in April 2011 including the addition of an online complaints lodgement form.

Recruiting, retaining and developing our staff

- We implemented a wide range of professional development opportunities for staff across the organisation.
- Forty-five managers participated in a management development program to allow them to assess the impact of their work style on the way they manage their people and allocate work.
- We completed a full review of our internal communications arrangements and have begun to implement its recommendations.

Year in review

Financial summary

Revenue

Our main source of revenue each year is the operating grant received from the state government (\$48.288m compared with \$43.752m in the 2009–10 financial year). Table 1 summarises a breakup of the revenue by category.

Table 1. Revenue by category

Category	2009–10		2010–11	
	\$'000	% of Revenue	\$'000	% of Revenue
Queensland Government Grant	43 752	96%	48 288	97%
Other Grants and Contributions	1 081	2%	370	1%
Interest Revenue	505	1%	801	2%
Other Revenue and Gains	446	1%	103	0%
Total Revenue	45 784	100%	49 562	100%

Expenses

The CMC's major expenditure consists of employee costs (\$34.354m compared with \$31.100m in the 2009–10 financial year). Table 2 summarises a breakup of expenses by category.

Total expenditure rose by almost 12 per cent since the previous year. This was largely due to increases in employee costs of 10 per cent, and in supplies and services expenditure of almost 22 per cent – a result of the four-yearly computer replacement program, and increased lease costs.

Table 2. Expenses by category

Category	2009–10		2010–11	
	\$'000	% of Expense	\$'000	% of Expense
Employee Expenses	31 100	70%	34 354	70%
Supplies and Services	10 071	23%	12 664	25%
Depreciation and Amortisation	1 751	4%	2 158	4%
Finance Costs	–	0%	66	0%
Other Expenses	1 228	3%	556	1%
Total Expenses	44 150	100%	49 798	100%

Expenditure by activity

Figure 1 shows the allocation of expenditure across service areas. These service areas contribute directly and indirectly to the CMC's major outputs as indicated in Figure 2.

Figure 1. Expense allocation by service areas, 2010–11

Misconduct and Prevention	20.42%
Witness Protection and Operations Support	16.03%
Crime	12.28%
Intelligence Unit	9.11%
Research	5.64%
Corporate Services	18.14%
CMC Corporate Costs	18.37%

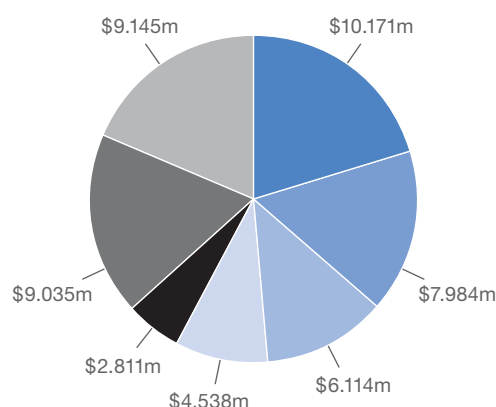
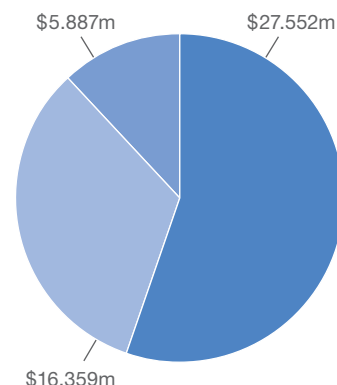


Figure 2. Expense allocation by output, 2010–11

Misconduct and Prevention	55.33%
Crime	32.85%
Witness Protection	11.82%



Operating result

The CMC's financial result for 2010–11 was that expenses exceeded revenue, resulting in an operating deficit of \$0.236m (2009–10: \$1.634m operating surplus) as detailed in Table 3.

Table 3. Operating result

For the year ended 30 June	2009–10	2010–11
	\$'000	\$'000
Total Revenue	45 784	49 562
Total Expenses	44 150	49 798
Operating Surplus/(Deficit)	1 634	(236)

Assets

As at 30 June 2011, the CMC held \$26.770m worth of assets. This is comprised of current assets, including cash and cash equivalents of \$10.897m, and non-current assets of \$15.873m.

Non-current assets include property, plant and equipment and intangible assets comprising TRIM software purchased for the Electronic Document and Records Management System, which was rolled out across the CMC during July and August 2010. In addition, \$0.872m was spent during the financial year to fit out the new offsite premises.

Liabilities

As at 30 June 2011, the CMC's liabilities totalled \$10.927m, made up of \$6.944m in payables and lease liabilities, \$2.416m in accrued employee benefits and \$1.567m in provisions and other liabilities.

Equity

As at 30 June 2011, the CMC's net worth was \$15.843m (2009–10: \$16.079m). The decrease in equity of \$0.236m is mainly due to an increase in deferred lease liabilities as a result of recognising lease expenditure on a straight-line basis.

Table 4. Equity

For the year ended 30 June	2009–10	2010–11
	\$'000	\$'000
Total Assets	23 697	26 770
Total Liabilities	7 618	10 927
Equity	16 079	15 843

A comparison of actual results with the CMC's 2010–11 budget appears at pages [71–72](#). The audited financial statements are attached to this report.

Looking ahead

In accordance with the CMC's strategic priority to foster innovation in governance and systems processes, a number of new projects were initiated during the 2010–11 financial year and will be implemented during 2011–12. These include the following:

- Capital and expenditure funding of \$0.602m has been approved to redevelop the website and intranet in order to improve internal and external communication.
- \$0.12m has been allocated to the research phase of the Queensland Public Sector Complaints Management System project. The aim of this project is to develop a centralised complaints management system for Queensland public sector agencies.
- An activity-based costing system to determine the actual cost of services and operations. This new system will assist in implementing process improvements and operational efficiency, improved performance measures and enhanced financial reporting.

About us

Our leadership



Our Commissioners, from left to right: Judith Bell, Chairperson Martin Moynihan AO QC, Philip Nase, Marilyn McMeniman and Ann Gummow

Our Commissioners

Mr Martin Moynihan AO QC

(Appointed February 2010)

The Honourable Martin Moynihan brings a strong legal background and a keen interest in public integrity and anti-corruption initiatives to his role as Chairperson. He has a Bachelor of Laws from the University of Queensland and was admitted as a barrister in 1965. He worked in private practice for almost 20 years, including as Queen's Counsel from 1980, and was appointed as a judge of the Supreme Court of Queensland in 1984.

Mr Moynihan has worked on numerous Royal Commissions. From 1986 to 1989 he conducted a Reference from the High Court of Australia, to determine factual issues in a land title claim by Eddie Mabo and others regarding Murray Island (Mabo case).

Mr Moynihan received the Centenary of Federation Medal for services to the law in 2001, and in 2003 was appointed as an Officer of the Order of Australia for services to the law and to the Mater Hospital.

Dr David Gow

(Appointed October 2005)

Dr Gow's term as a Commissioner expired in October 2010. His primary expertise was in public administration and political science. He also had considerable experience in research methodology having worked as a consultant to the Queensland Government, and to the Criminal Justice Commission in 1991 and 2000.

Ms Ann Gummow

(Appointed August 2006)

Ms Gummow fulfils the requirement that one of the CMC's part-time Commissioners must be a practising lawyer with a proven commitment to civil liberties. She has a Bachelor of Laws from the University of Queensland and a Graduate Diploma in Legal Practice from the Queensland University of Technology.

In addition to experience as a solicitor in private practice, Ms Gummow has worked since 1990 at the Women's Legal Service in community legal education and community development, and contributed to legal reform. She has also contributed in teaching teams at various Queensland universities in the fields of social work, social policy, justice studies and law.

Mrs Judith Bell

(Appointed May 2008)

Mrs Bell is a Commissioner representing the community. Mrs Bell has extensive experience and knowledge of the public sector and child welfare, with more than 30 years experience as a teacher in Queensland and the United Kingdom. As well as tertiary degrees in teaching and education studies, she has a Bachelor of Arts majoring in Aboriginal and Torres Strait Islander Studies.

Mrs Bell is on the Board of Trustees for the Brisbane Grammar School, and is a member of the University of Queensland's Senate. She is also a former member of the CMC's Crime Reference Committee.

Mr Philip Nase

(Appointed November 2008)

Mr Nase has bachelor degrees in arts and law from the University of Queensland, and a master's degree in law from London University. His legal experience spans almost four decades, including 17 years as a Crown Prosecutor, during which time 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.

Mr Nase was appointed to the District Court in 1994, and served as a judge of the court for almost 15 years. For several years he regularly sat in the remote communities of Mornington Island, Doomadgee and Normanton, taking a special interest in justice issues in these communities.

Professor Marilyn McMeniman

(Appointed April 2011)

Professor McMeniman brings a strong academic and research background to her role as CMC Commissioner. She has a Bachelor of Arts, Diploma of Education and a Doctor of Philosophy from the University of Queensland, and a Master of Arts from the University of London. She has held academic positions at both the University of Queensland and Griffith University. At the latter, she was the foundation Head of the School of Languages and Applied Linguistics in 1994–95, Dean of Education from 1996 to 2001, and Pro Vice Chancellor (Arts, Education and Law) from 2002 to 2009.

In 1997, she was made a Member of the Order of Australia for services to education, and in 2007 she received the Zonta Woman of Achievement Award.

Executive Leadership Group

As both Chairperson and CEO, Mr Moynihan is a member of both the Commission and the Executive Leadership Group (ELG). The ELG was established this year to provide advice to the Commission, support to the Chairperson/CEO and guidance to senior managers (for more detail, see page 61). The other current members are:

Ms Edith Mendelle, Executive General Manager

Ms Mendelle's background includes general management experience with the international biotechnology company ForBio Limited and senior management roles with Freehills, KPMG and ANZ. More recently, she led reforms in the justice and human service systems in Victoria and Queensland. Ms Mendelle has a Bachelor of Arts degree and a Master of Business Administration. She was appointed on 27 April 2011.

Mr John Callanan, Assistant Commissioner, Crime

Mr Callanan has held this position both in the CMC from its inception in 2002 and in its predecessor, the Queensland Crime Commission. In these roles his major focus has been on investigating major crime including organised crime and paedophilia.

Mr Callanan was a Crown Prosecutor for ten years before working with the Fitzgerald Inquiry and later the Office of the Special Prosecutor. He also spent five years in private practice at the Bar.

Mr Warren Strange, Assistant Commissioner, Misconduct

Mr Strange was admitted as a solicitor in Queensland in 1988. He held a variety of roles with the CMC and its predecessor, the Criminal Justice Commission, between 1992 and 2004. From 2004 until his re-appointment with the CMC last year, Mr Strange was the Director of Criminal Law Services with Legal Aid Queensland. He holds degrees in law (masters) and science, and is a member of the Queensland Law Society's Criminal Law Specialist Accreditation Committee. He was appointed 14 June 2010.

About us

Our operating environment

The CMC is tasked with fighting crime and promoting a trustworthy public sector. As such, we work with like organisations in other jurisdictions, both interstate and overseas. These relationships enable us to avoid duplication, maximise efficiency, bring practical results and build the capacity of all involved. (See [‘Our partnerships’](#) on the following pages.)

In combating crime we face an increasingly sophisticated criminal presence, a destructive persistence of illegal drugs and ongoing engagement of individuals and networks in criminal paedophilia. We strive to counteract these influences through the lawful interception of telecommunications, multidisciplinary investigations, the targeted use of our coercive powers to secure key evidence, and by applying our proceeds of crime powers to reduce the profitability of criminal activity. See ‘Crime’ (pages [18–25](#)).

Our work to improve the integrity of agencies and to maintain public confidence in the institutions of the state has particularly focused on the QPS, and during the year the government considered ways to improve the regime surrounding police discipline. At the same time, the CMC is working with other integrity organisations to establish oversight mechanisms in new areas of our jurisdiction such as government-owned corporations (GOCs). See ‘Misconduct’ (pages [26–44](#)).

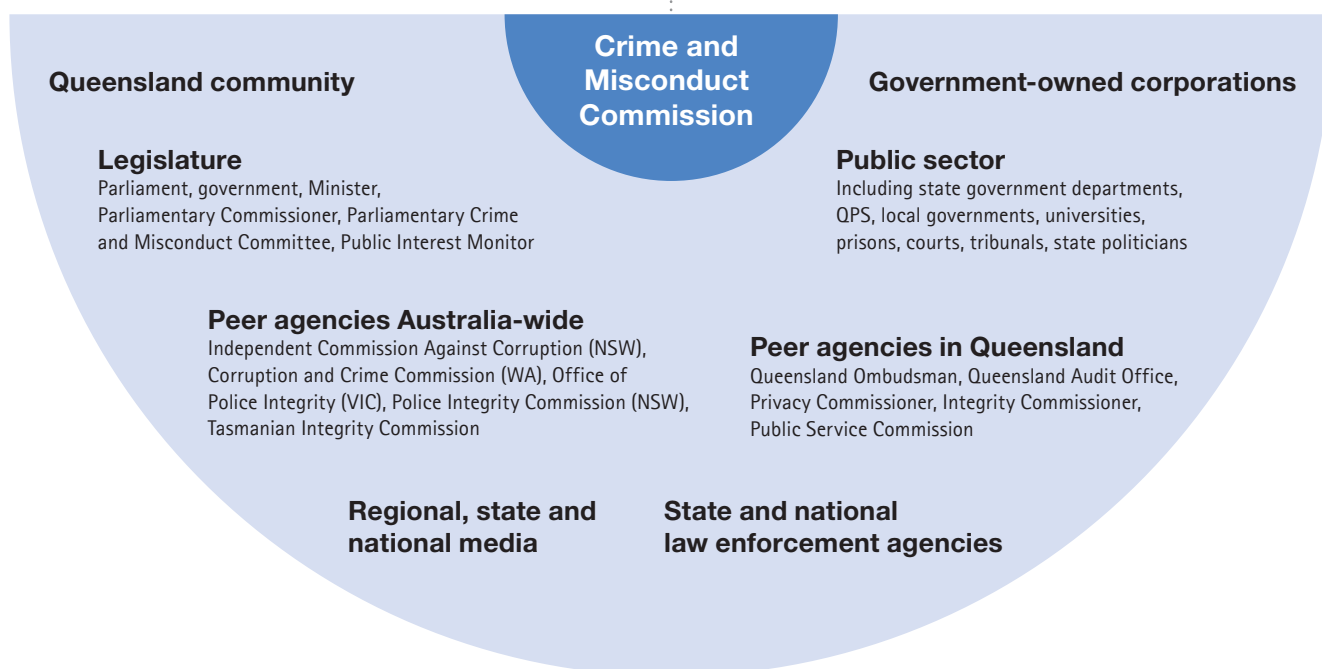
The CMC also undertook an independent review of its own governance. In November 2010 the five-person Commission developed a set of guiding governance principles and committed to embedding a culture of sustainable continuous improvement across the organisation.

Improvements already implemented include reorganising the Commission’s committee structure, establishing the role of the Executive General Manager, strengthening and developing internal communications, and reviewing the structures of functional areas to better align them with key organisational priorities. See ‘Our leadership’ (pages [12–13](#)) and ‘Our governance’ (pages [60–70](#)).

In May 2011 the Parliamentary Crime and Misconduct Committee initiated its three-yearly review of the CMC.

» Details of the three-yearly review can be found [here](#).

Our stakeholders



The CMC's powers

The Crime and Misconduct Commission has powers available to no other law enforcement agency in Queensland, which help us acquire evidence to combat crime and misconduct falling within our jurisdiction. These include the power to hold public inquiries and to conduct coercive hearings. The CMC may also undertake a range of searches, surveillance activities, seizures and telecommunications interceptions in prescribed circumstances.

Telecommunications interception developments

The CMC was provided with telecommunications interception (TI) powers in 2009 which have allowed the CMC's investigative teams to:

- more efficiently target other investigative resources, including physical surveillance and surveillance devices
- increase their understanding of the criminal networks being investigated and identify those involved in serious criminality
- identify and seize opportunities to obtain physical evidence (for example, the interception of illicit goods or money being moved by criminals)
- identify the proceeds of criminal activities more effectively and consider investigative options beyond the use of covert surveillance devices, which are often resource intensive and high risk
- obtain evidence which is more easily presented to the courts, especially by using electronic briefs of evidence.

While our TI capabilities are now critical to ongoing successful investigations of serious crime and misconduct, the capability has presented some challenges in, for example, overcoming the sophisticated precautions being taken by criminal elements, and managing a greatly increased volume of data.

The CMC is finalising an agreement with the Australian Crime Commission (ACC) to ensure a long-term telecommunications interception capability for the CMC.

Use of our powers in 2010–11

- We have used our powers to undertake Crime investigative hearings and have restructured our Crime area, in part to ensure this activity is appropriately supported.
- Proceeds of Crime activities were again focused on bringing matters to conclusion.
- As part of Operation Tesco, public hearings were used to explore issues relating to the problem behaviours of a number of police officers and to highlight positive initiatives taken by the QPS to manage misconduct.
- The CMC has relied on the new provisions effected by the *Criminal Code and Other Legislation (Misconduct and Breaches of Discipline and Public Sector Ethics) Amendment Act 2009* in relation to serious allegations of misconduct in the public sector. This has allowed, for example, the making of post-separation disciplinary declarations in cases where employees have resigned before disciplinary action could be taken.

Read more

- » Operation Tesco, page [35](#)
- » Crime hearings, pages [20](#) and [23](#)
- » TI oversight, page [69](#)
- » Disciplinary declarations, page [35](#)

About us

Our partnerships

Collaborating with our peer agencies is vital to every aspect of our work. Here we present some of the highlights of our year in terms of partnering opportunities and outcomes.

Cross-border collaboration to fight crime

Criminal activity, especially modern organised crime and paedophilia, knows no borders and takes no account of legal jurisdictions. At the CMC we work to ensure the greatest effectiveness of our law enforcement operations and to add value to the work of others. The relationships we have developed at both strategic and operational levels mean we can quickly and effectively engage with a wide range of cross-border agencies to share intelligence and fight organised crime.

We are members of more than a dozen multi-agency standing committees and groups at the highest level of government, including the Queensland Joint Management Group which brings together seven key state and Commonwealth agencies.

We build and maintain strategic partnerships with all Australian state and national law enforcement agencies

as well as the Australian Taxation Office, AUSTRAC and the Western Australia Corruption and Crime Commission (CCC).

Our proceeds of crime work takes us beyond state and national borders and into investigative partnerships with a range of interstate, Commonwealth and international bodies. This year we progressed confiscation investigations in Israel through the Commonwealth Attorney-General's Department, and in Vietnam through the Australian Federal Police (AFP). We provided assistance to, and received assistance from, the New South Wales Crime Commission, Victorian, New South Wales and South Australian police and the AFP in a range of confiscation-related activities.

The CMC was represented by the Chairperson and senior officers at the inaugural International Serious and Organised Crime Conference held in Melbourne in October 2010. Hosted by the Australian Crime Commission, Victoria Police, the Australian Institute of Criminology, the Australian Federal Police and CRIMTRAC, it attracted representatives from international law enforcement bodies and officers from a wide range of Australian law enforcement agencies. It gave us a valuable opportunity

to engage with partner agencies and explore challenges and opportunities in combating organised crime.

Australasian cooperation for witness protection

The CMC is an active member of the Australasian Witness Protection Forum (AWPF), through which emerging issues and technologies are considered by senior members of the Australian and New Zealand Policing Advisory Agency. Our witness protection staff also continue to take a lead role in witness protection training in Australasia.

Australian Public Sector Anti-Corruption Conference

The CMC, CCC and ICAC are currently preparing the agenda for the 2011 APSAC Conference, to be held in Perth in November 2011. Held every two years, the conference welcomes national and international delegates, researchers, media, and integrity and anti-corruption specialists.



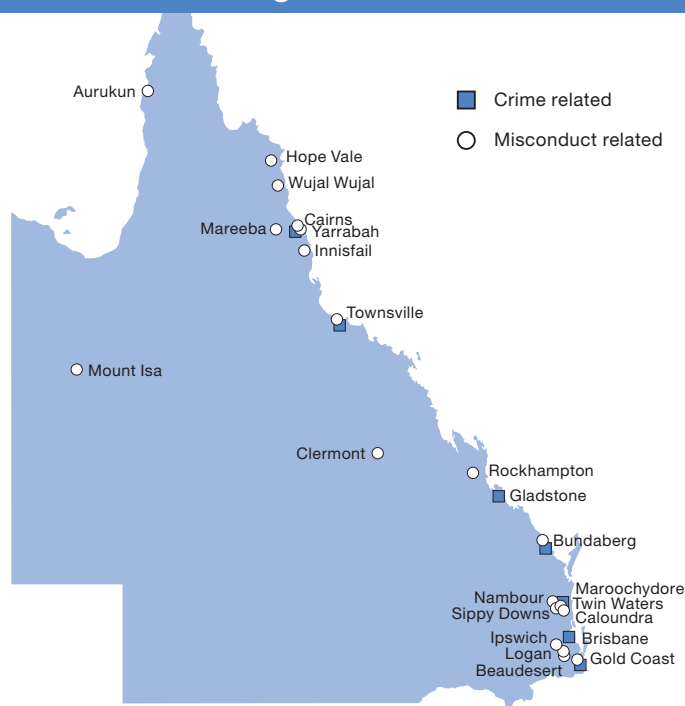
Members of the Royal Government of Bhutan's Anti-corruption Commission, Chairperson Ms Neten Zangmo and Commissioner Mr Kezang Jamtsho meet with Chairperson Martin Moynihan and Commissioner Philip Nase in April 2011.

Working around Australia



Operation Warrior, which closed last year and is now in prosecution phase, resulted in arrests, drug seizures and assets restraints along the entire eastern seaboard of Australia. It highlighted the multi-jurisdictional, multi-agency approach we take to complex, protracted investigations. Warrior was a joint operation between the CMC, NSW Police, Victorian Police, the Australian Crime Commission, Australian Federal Police and the Australian Customs and Border Protection Service.

Working in Queensland



We took our work out into Queensland's regions by holding misconduct workshops, closed crime hearings and presentations to regional investigators on witness protection. The map details some locations we visited.

Interstate and national work in police oversight

The Chairperson and Deputy Director, Research recently met with the Australian Crime Commission's (ACC) National Indigenous Intelligence Task Force to discuss strategic issues that will inform our ongoing program of work on policing in Indigenous communities.

We participated in two forums convened by the Victorian Office of Police Integrity (OPI) on investigations of deaths associated with police contact. These brought together representatives from police services, oversight agencies, coroners' offices, and community and legal groups within Australia and overseas and enabled us to learn more about the experiences and models used in national and international jurisdictions.

In November 2010 our Assistant Commissioner Misconduct, Mr Warren Strange, represented the CMC at the 2nd Australian and New Zealand Police Integrity Leadership forum in Wellington, New Zealand. This biannual forum sees the heads of the Australian and New Zealand police integrity agencies meet to discuss matters of mutual interest and potential collaboration.

Interstate comparison of misconduct management

Mr Strange delivered a presentation in March 2011 at a WA Corruption and Crime Commission Misconduct Resistance Practitioner forum, on issues and investigations concerning confidential information.

The CMC hosted a visit from staff of the OPI's Professional Standards Assurance Unit to discuss complaint assessment processes.

In January and February 2011 our Misconduct Prevention team hosted visits from the Independent Commission Against Corruption (ICAC) and Tasmania's Integrity Commission to discuss misconduct prevention issues.

We also visited the New South Wales Police Integrity Commission (PIC) and ICAC to examine their case management systems to inform the redevelopment of our own case management system.

Read more

- » Read [more](#) on our crime and law enforcement partnerships.
- » To read about CMC staff secondments to interstate agencies, see page [54](#).

Objective:

Prevent and combat major crime

Our guiding philosophy in our work against major crime is to add value to the overall law enforcement effort in Queensland. We do this by using our special powers and our specialist resources in investigations, strategic intelligence and research, as well as by sharing information and resources with our law enforcement partners in Australian jurisdictions and overseas.

Overall, 2010–11 was a period of consolidation in our efforts in relation to organised crime and proceeds of crime. The multi-jurisdictional investigation code-named Operation Warrior, which targeted interconnected drug networks operating from Melbourne to Cairns, moved into prosecution phase. Concurrently, we began new investigations of other identified criminal networks assessed as being high-risk crime groups.

In administering Queensland's scheme for civil confiscation of proceeds of crime, we gave priority to finalising matters. A particular highlight was obtaining a proceeds assessment order of \$4.2m against a convicted outlaw motorcycle gang member after long-running and highly contested legal proceedings. However, our longstanding achievements in proceeds of crime faced a new challenge in that many of our specialist financial investigators were recruited by other agencies, leaving us with a temporary shortfall of experienced staff. Steps to restore staffing levels are now well advanced.

Our research and intelligence units collaborated to publish an intelligence digest examining past and current use of the drugs amphetamine and ecstasy by young adults in Queensland. Its findings supported those of our 2009 strategic assessment of illicit drug markets in Queensland, confirming our strategic focus in organised crime remains on the commodities that are most harmful to the community.

We have continued to invest in the skills and expertise of our specialist staff in criminal paedophilia, with direct benefit to our investigations. We also disseminated evidence to agencies in interstate and foreign jurisdictions.

We continued to conduct coercive hearings in support of both our own and external major crime investigations. Although there was some reduction in demand for hearings from the Queensland Police Service (QPS) in the second half of the year, this was a temporary phenomenon associated with the diversion of QPS investigative resources to cope with Queensland's recent natural disasters.

Importantly, a number of our major crime investigations were significantly advanced by the further development of our telecommunications interception capabilities, in accord with our strategic priorities for 2010–11.

How crime matters come to the CMC

Under the Crime and Misconduct Act, major crime encompasses organised crime, criminal paedophilia, serious crime and terrorism.

Crime matters come to the CMC through referral by the Crime Reference Committee, which includes community representatives as well as the Assistant Commissioner, Crime (the Chair), the CMC Chairperson, the Commissioner of Police, and the Commissioner for Children and Young People and Child Guardian.

As well as referring specific matters, the committee has referred several general areas of major crime, which allows us to investigate particular incidents of suspected criminal activity without a specific committee referral. This enables us to investigate matters at the request of other agencies as well as those identified through our own target development.

Performance snapshot

Table 5 shows our performance in preventing and combating major crime in 2010–11, assessed against the service standards and targets outlined in the 2010–11 Service Delivery Statements.

» See the Service Delivery Statements [here](#).

Explanatory notes are provided for any significant variations between our targets and our actual performance. For a comparison with our performance over the last four years, see [Table 18](#) in Appendix B.

Table 5. Crime fighting and prevention services: 2010–11 performance

Service standards (SDS)	2010–11		
	Target/ estimate	Estimated actual*	Actual
Tactical operations undertaken ¹	25	25	28
Research, prevention and intelligence projects undertaken	15	15	15
Number of criminal proceeds restraining orders obtained ²	60	45	44
Number of civil confiscation matters finalised ³	30	50	48
Percentage of operations resulting in charges, restraints or seizures	95	96	96
Net value of criminal proceeds restrained (\$'000) ²	15 000	15 000	14 116
Net value of assets forfeited (\$'000) ³	5 000	10 000	9 325
Expenses to achieve strategic objective to 'prevent and combat major crime'	\$16.0m	\$16.2m	\$16.4m

* 'Estimated actual' figures are a provisional estimate as at 31 March 2011.

Notes:

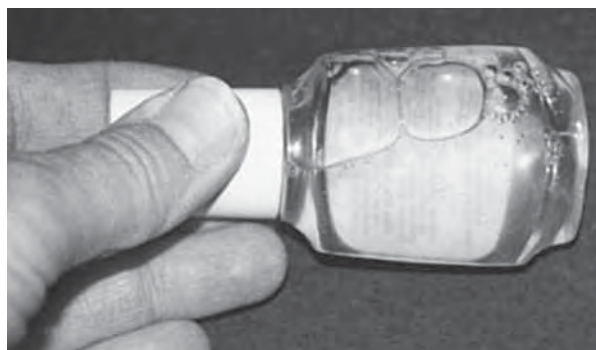
1. Increases in internet-based paedophilia investigations using new technology, and the referral of serious and organised crime investigations by police for the conduct of coercive hearings, have led to this target being exceeded in 2010–11.
2. As a result of fewer referrals and resource constraints, these annual targets were not achieved.
3. In 2010–11, to achieve the best use of limited resources, our proceeds of crime team continued to focus on finalising matters through negotiated settlement. Both the number of civil confiscation matters finalised and the net value of assets forfeited were above target.

Organised crime

In combating organised crime we focus on the kinds of criminal activity that are most harmful to our communities, as identified by our research and strategic intelligence capabilities. In particular, we focus on identifying and disrupting the importation, manufacture and distribution of illegal drugs, especially by groups or syndicates.

- The year was dominated by the closure of our landmark organised crime investigation, Operation Warrior (described in the last reporting period), and the preparation of associated court material. A record 42 full briefs of evidence were produced, comprising approximately 8000 transcripts, hundreds of witness statements, and thousands of hours of physical and electronic surveillance product and forensic analyses. To date, eight persons have been sentenced to terms of imprisonment for serious drug offences, 14 persons have been committed to trial in the Supreme Court and 13 persons listed for committal hearing. A further 5 persons in Queensland and other states are to be charged with trafficking in dangerous drugs. The compilation of voluminous briefs of evidence and innovations to the CMC e-brief have set new benchmarks for the production of evidence in courts.
- We undertook 28 tactical operations last year, exceeding our target of 25 (Table 5). From our operations across all areas of major crime, 38 persons were charged with 330 offences resulting from investigations commencing either in the 2010–11 year or in previous years. These lower-than-trend figures reflect the unprecedented workload associated with closing Operation Warrior. Nevertheless, drugs were seized to an estimated street value of \$1.6m (see Table 6).

- We produced an inaugural drug commodities and prices guide in 2010–11. The guide includes an overview of illicit substances considered to be available and commonly used among illicit drug users in Queensland. Designed to assist police and law enforcement officers involved in drug investigations, the guide will be updated annually to reflect changes in the market and the introduction of new substances of concern.
- Our strategic intelligence and research areas worked together to publish an intelligence digest, *Ecstasy and amphetamine: young people and social networks*. The study, undertaken in partnership with Queensland Health and the Queensland Alcohol and Drug Research and Education Centre (QADREC) of the University of Queensland, followed a random sample of 'ordinary young adults' over time to examine their drug use history, including their past and current ecstasy and amphetamine use.
- We are also finalising an intelligence digest for the use of law enforcement agencies that examines developments in the illicit market for gamma hydroxybutyrate, colloquially known as GHB or 'fantasy'. This will be published early in the next reporting year.



GHB concealed in a mouthwash bottle

Table 6. Use of CMC powers and results of investigations, 2006–07 to 2010–11

Description	2006–07	2007–08	2008–09	2009–10	2010–11
Use of CMC powers					
Investigative hearing days	81	151	157	162	114
Witnesses attending on summons	66	163	174	157	106
Surveillance warrants	28	10	21	10	4
Results of investigations					
Arrests	109	114	120	101	38
Charges laid	433	561	544	455	330
Drugs seized — estimated street value	\$0.318m	\$0.284m	\$0.456m	\$4.5m	\$1.6m

Organised criminal group disrupted

We investigated the activities of an organised crime network operating throughout the southern areas of Brisbane and extending to the Gold Coast. This group was supplying methamphetamine ('speed' or 'ice') and GHB ('fantasy') to criminal associates and juveniles, with the apparent intention that these juveniles would sell the drugs during 'Schoolies' celebrations on the Gold Coast.

As a result, prosecution action was commenced against four persons on 49 drug and property related offences, including trafficking, supply and possession of dangerous drugs, the possession of weapons, and the receipt and destruction of a stolen motorcycle valued in excess of \$12 000. Assets to the value of \$49 630 were restrained.



Bags of cannabis, part of the \$5m worth of drugs seized during Operation Warrior

Contributing to Australia-wide strategic intelligence

- We provided detailed submissions to the Australian Crime Commission (ACC) for a series of strategic reports presenting a current picture of criminality in Australia.
- We contributed to a joint intelligence assessment produced by analysts from a range of agencies, including the ACC, the Australian Federal Police, the Australian Customs and Border Protection Service and the QPS. The assessment looked at the involvement of a particular ethnic group in organised crime activity and made recommendations for detecting and deterring that criminal activity.
- A number of crime matters were referred to the ACC, the QPS and other agencies as a result of our target development work.
- We cooperated with the ACC in providing specialised training on recruiting and managing confidential human intelligence sources to CMC, QPS and ACC staff. We also developed and implemented a specialised database allowing for the secure registration and management of information from confidential human intelligence sources.
- We also uploaded documents 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 integrity agencies.



A .357 hand gun seized during Operation Warrior

Criminal paedophilia

Although our jurisdiction relates to all child sex offending, our multidisciplinary team dedicated to the investigation of criminal paedophilia focuses on internet-based offending and networked, recidivist offending. This ensures that our work complements, rather than duplicates, the work of the Queensland Police Service.

- Our investigators continued to develop their knowledge and technical skills, attending training courses in South Australia and conferences in Sydney and the United States. The application of these skills saw 12 persons charged with 122 offences relating to possessing, distributing and producing child exploitation material.
- Our investigation of allegations of networked child sex offending by a small group based in North Queensland concluded because of the death of a person of interest and a lack of sufficient evidence in relation to other persons of interest. Nevertheless, there were valuable outcomes in terms of community support and crime prevention.
- We continued to expand our operational capability within Australia and internationally through our active partnerships with other law enforcement agencies. These include Queensland Corrective Services, the Office of the Commonwealth Director of Public Prosecutions and the Australian Federal Police (AFP); and the Federal Bureau of Investigation and the United States Immigration and Customs Enforcement Agency.
- Our Probe Asia, which seeks to identify local offending by Queensland-based residents suspected of engaging in child sex tourism, remains an important portal through which intelligence is shared between the AFP and the CMC. Probe Agitate targets high-risk networked paedophiles released from correctional institutions.
- The Research team is producing a series of internal information papers on a range of topics relating to criminal paedophilia, which are intended to inform the CMC's Crime function. Some of these papers may be disseminated to other appropriate agencies and government departments.



Rapid identification and arrest of alleged recidivist offender

CMC investigators, using skills and software programs obtained during recent training in South Australia, discovered a suspect sharing child exploitation material online. They identified that the suspect was using free Wi-Fi connectivity in the precincts of a Brisbane library.

The offender was arrested almost immediately, and was found to have a number of USB storage devices with more than 15 GB of data containing child exploitation material. He had only recently been released from imprisonment for child sex offences, and admitted to portraying himself as an 11-year-old boy in order to actively groom young girls in various chatrooms. To date, it has been established that his paedophile network and victims extended to various states in Australia, the United States, the United Kingdom and Namibia.

The person has been remanded in custody and charged with possessing and distributing child exploitation material and using a carriage service to access child pornography material.

Hearings in support of partner agencies

In addition to the investigations undertaken by our organised crime and criminal paedophilia teams, a substantial portion of our work is conducted in support of investigations referred from partner agencies — predominantly the Queensland Police Service but also other agencies such as the Australian Federal Police and the Australian Crime Commission.

Why our hearings are requested

These requests for assistance are made to use our special investigative powers — and, in particular, our coercive hearings power — to gather information and evidence. The investigations can relate to any category of major crime, but are most often employed in relation to serious crime or organised crime offences such as murder, drug trafficking and fraud.

A matter that does not fall within one of our existing general referrals (which relate to organised crime, money laundering and criminal paedophilia) may be referred by our Crime Reference Committee, provided that a police investigation has not been, and is not likely to be, effective using powers ordinarily available to police officers, and that it is in the public interest to do so.

We attribute the reduction in requests by the QPS for assistance in the second half of the year to the natural disasters of the 2010–11 summer and the diversion of police resources in response.

Overall, we conducted investigative hearings over 114 days in Brisbane, Maroochydore, Bundaberg, Gladstone and Cairns (Table 6); 106 witnesses were called to give evidence in relation to 23 major crime investigations, including murders, drug trafficking, money laundering and child sex offending. Examples of our involvement in partner agencies include:

- the disappearance and suspected murder of a woman in Innisfail in 2010
- a \$10m fraudulent investment scheme operating on the Gold Coast from 2006 to 2009
- a major amphetamine trafficking network operating from the Gold Coast into New South Wales and Victoria
- ongoing investigations in relation to organised paedophilia in North Queensland
- the suspected murder of a 15-year-old girl in Brisbane in 2006
- the strangulation murder of a woman in Brisbane in 2010
- the murder of a Brisbane man in 2010.

Vital evidence secured in hearing

At the request of the QPS we became involved in an investigation into an organised property offending group responsible for the systematic theft of copper wire from power substations in south-east Queensland in early 2010.

Over a period of about two months, 13 power substation break-ins took place and over two tonnes of copper wiring was stolen and on-sold to scrap metal yards — at an estimated total cost of \$500 000.

The hearings program yielded significant information that assisted in identifying specific offenders. As a result, seven persons were charged with a total of 82 offences in relation to the thefts. Charges were also laid for perjury offences arising out of the evidence of two witnesses given during the course of the hearings.

Financial investigation revealed the network

In response to a request by the QPS, we also conducted a series of hearings in relation to a major drug trafficking operation in Bundaberg. The network was distributing substantial quantities of amphetamines, cocaine, heroin and ecstasy along the eastern seaboard of Australia and into the Northern Territory.

The hearings were conducted in parallel with Australian Crime Commission hearings, with the CMC hearings focusing on financial aspects of the trafficking network and alleged money laundering by the principal target. Identifying and quantifying assets helped to define the size and scope of the network and was a vital step in the investigation.

The evidence gathered through hearings also provided substantial information for confiscation proceedings brought against the principal target; well over \$1.7m is currently under restraint.

Proceeds of crime

Confiscation of the proceeds of crime deters crime by attacking its profitability and removing funding for further criminal activity. Successful proceeds of crime work means that illegal gains by criminals can be recouped for the people of Queensland.

Our proceeds of crime staff work closely with the Queensland Police Service and the Office of the Director of Public Prosecutions in identifying and litigating proceeds of crime matters, as well as with the Public Trustee of Queensland, who is responsible for the property restrained and held by the state.

- Our proceeds of crime team is presently litigating 99 matters involving restrained property valued at \$53.19m. Since the commencement of the Criminal Proceeds Confiscation Act in 2003, our team has recovered \$31.5m of criminally derived property.
- Last year the CMC indicated that we would focus our proceeds of crime resources on increasing the rate of matters finalised. As a result we concluded 48 matters, resulting in the forfeiture of property valued at \$9.32m (well above our targets of 30 matters finalised and \$5m forfeited, see Figure 3). In addition we obtained five proceeds assessment orders for a total value of \$4.96m, including \$4.2m in relation to a former member of an outlaw motorcycle gang.
- During the year a number of factors beyond our control – including an unusually high staff vacancy rate and the natural disasters affecting Queensland combined with our increased focus on finalising matters – meant we were not able to achieve our targets for the number of restraining orders obtained and the value of restraining orders. We obtained 44 restraining orders (falling short of our target of 60) over property with a net value of \$14.12m (against a target of \$15m, see Figure 4).

Figure 3. Net value of assets forfeited (target compared with actual), 2002–03 to 2010–11

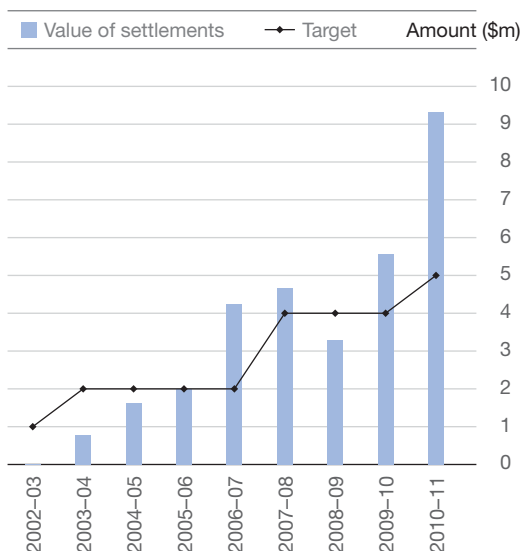
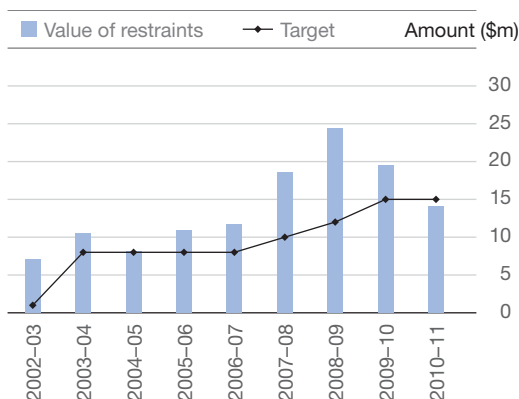


Figure 4. Estimated net value of criminal proceeds restrained (target compared with actual), 2002–03 to 2010–11





2.2 kg of cocaine seized

Civil confiscation — restraint and forfeiture of property acquired illegally or to satisfy proceeds assessment orders

The CMC administers the non-conviction-based 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.

Other crime-related research

In June 2011 the CMC tabled a review of the effectiveness of the *Prostitution Act 1999* pursuant to section 141 of that Act. In so far as one of the underlying principles of the Act is 'to safeguard against corruption and organised crime', the CMC concluded in its review that there is little evidence of corruption or organised crime in the legal prostitution industry. This is discussed in the chapter on our public policy area (pages [49–50](#)).

Looking ahead

In 2011–12 we will pursue our objective of having a telling impact on the incidence of major crime in Queensland, using the strategies outlined in our *Strategic Plan 2011–15*. This will include the following:

- Expand the capacity and scope of our telecommunications interception capability
- Design and implement a stakeholder engagement plan to identify key stakeholders and engage more effectively with law enforcement agencies
- Work closely with partner agencies to identify appropriate hearings matters for the CMC
- Prepare for a legislative review of the *Child Protection (Offender Prohibition Order) Act 2008*, required for 2013.

Objective:

Promote a trustworthy public sector

This year we saw another significant increase in the reporting of alleged misconduct. We received 5124 complaints, a 10 per cent increase compared with 2009–10, and the largest number received since the establishment of the CMC.

How misconduct matters come to the CMC

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, or 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.

We continued our long-term strategy of collaboration with all of the major public sector agencies to implement improved integrity systems. The work we trialled with several 'early adopter' agencies in 2009–10 led this year to four public sector departments being endorsed as having effective systems in place for dealing with misconduct.

We strengthened our oversight of the complaints that were referred back to agencies to investigate, closely monitoring how agencies handled more serious matters and recommending improvements where needed.

An important focus in our investigative and oversight work this year was the alleged involvement of a small number of police in off-duty or so-called recreational use of unlawful drugs. We conducted several operations — including Tesco, Nighthawk and Adventure — that investigated such allegations. We also audited how the Queensland Police Service dealt with allegations of this nature when we referred complaint matters to it. We will continue to give allegations of this type our close attention, to protect the public interest.

Public assurance of police accountability and integrity also depends on a fair, robust and effective police discipline system. In December 2010 we published a report on our review of the QPS disciplinary system, entitled *Setting the standard*. In response, the Queensland Government appointed an independent panel to develop a revised disciplinary model. The panel's report was released for public consultation, with submissions due in July 2011. Working with government and the QPS to achieve much needed reforms to the disciplinary system will be an important focus for next year.

We published research reports on police-related matters such as police 'move-on' powers, Taser policy and training, and the 'evade police' offence.

We gave particular attention to local government, working on new arrangements for reporting misconduct, collaborating with other integrity agencies to identify integrity risks and providing outreach services in regional areas.

Just as we oversee public sector agencies and their performance on integrity matters, we also need to constantly assess our own structures and performance. After the CMC-wide governance review, we conducted a major review of how our Misconduct area is structured and how we undertake our work, to ensure better alignment with the CMC's strategic and operational goals. The changes arising from the review's recommendations will be implemented in 2011–12.

Performance snapshot

Table 7 shows our performance in promoting a trustworthy public sector in 2010–11, assessed against the service standards and targets outlined in the 2010–11 Service Delivery Statements.

» See the Service Delivery Statements [here](#).

Explanatory notes are provided for any significant variations between our targets and our actual performance. For a comparison with our performance over the last four years, see [Table 19](#) in Appendix B.

Table 7. Public sector integrity services: 2010–11 performance

Service standards (SDS)	2010–11		
	Target/ estimate	Estimated actual*	Actual
Percentage of significant agency-managed complaints matters reviewed	15	15	15
Research, intelligence, capacity building, prevention and monitoring projects undertaken	26	26	27
Number of serious matters retained for CMC investigation ¹	50	65	77
Percentage of recommendations to agencies not accepted ²	10	13	12
Percentage of reviewed matters finalised within 4 weeks ³	85	n/a	65
Percentage of investigated matters finalised within 12 months ⁴	80	60	60
Percentage of monitored matters dealt with satisfactorily or better by agencies ⁵	75	n/a	86
Number of agencies endorsed to self-determine appropriate complaints management methods under the updated integrity system ^{**6}	10	n/a	4
Expenses to achieve strategic objective to 'promote a trustworthy public sector'	\$26.9m	\$27.2m	\$27.6m

* 'Estimated actual' figures are a provisional estimate as at 31 March 2011.

** Internal measure only. This measure will be discontinued as a strategic plan performance indicator in 2011–12.

n/a Estimated actual figures were not calculated for these measurements.

Notes:

1. Increases in the number of complaint matters received may impact on the number of matters retained for investigation. In 2010–11, the number of complaints received was 10 per cent higher than in 2009–10. However, our retention of matters for investigation is primarily driven by the public interest in the CMC investigating those matters.
2. The number of recommendations to agencies can be small, and agencies may have a wide range of legitimate reasons for not accepting a recommendation. For example, a policy announcement, subsequent to the CMC recommendation, may affect the action taken by that agency.
3. The achievement of this target has been affected by the significant number of complaints requiring close monitoring, and the high volumes of interim investigation reports and police disciplinary hearing outcomes requiring review. An estimated actual figure was not available for this service standard.
4. The achievement of this target has been affected by the number and complex nature of recent investigations, and by the number of complex investigations carried forward from the previous year. Although this target was not met, in 2010–11 the CMC finalised 118 investigated matters within 12 months, compared with 63 matters in 2009–10.
5. The CMC invests considerable resources in assisting agencies to effectively manage their integrity systems. This target was exceeded in 2010–11.
6. Early in 2011, the CMC received advice from several agencies that activities relating to the Building Integrity Program would be curtailed during the remainder of the financial year because of changed resource priorities after the Queensland floods. This is one factor that has limited the achievement of this target in 2010–11.

Our role and jurisdiction

Our role is to promote a trustworthy public sector in Queensland.

We do this within a wide-ranging jurisdiction that includes all state government departments, the Queensland Police Service, local governments, public sector agencies and statutory bodies, government-owned corporations, universities, prisons, courts, tribunals and elected officials.

We undertake a number of related functions, all of which provide insight into the culture and performance of public sector agencies:

- Assess complaints from public sector agencies and the community
- Investigate the most serious allegations and those with a strong public interest element
- Refer other complaints back to the appropriate agency to investigate and oversee how they manage them
- Work with public agencies to develop and maintain effective integrity systems, using research, intelligence and prevention specialists as appropriate
- Collaborate with peer integrity agencies in Queensland and elsewhere to enhance public sector integrity.

We report on these functions in the following sections.

Public perceptions about misconduct

In June–July 2010, we surveyed 1529 Queenslanders to gauge their perceptions and awareness of public service agencies, including the CMC, the QPS and local government. We wanted to assess what people thought about the behaviour and integrity of those agencies and ascertain the public's willingness to use complaints systems.

We found that respondents were aware of the CMC's investigative role, but mostly unaware of our monitoring, prevention, research and witness protection functions. Nor did they know that we deal with official misconduct in local government councils.

Despite limited awareness that we refer less serious complaints to the relevant agency to investigate, there was public support for this process. People were generally confident that managers within agencies should be responsible for preventing misconduct, and that they had the knowledge and skills to deal with less serious instances of it.

The results of the 2010 surveys relating to the QPS, the public sector and local government will be published in the next reporting period.

- » See previous public perceptions surveys [here](#).
- » Read more about public perceptions of the CMC in 'Communicating with our stakeholders' on pages [58–59](#).

Scope of our jurisdiction

Public agencies	Employees
13 state government departments	183 189
Queensland Police Service	15 256
73 local councils	35 847
13 government-owned corporations	Approximately 20 000
Elected representatives (state)	89
Elected representatives (local)	553 (As of April 2008)
Statutory agencies (e.g. Queensland Urban Utilities, LinkWater)	Unknown

Why we investigate

The CMC investigates serious misconduct and matters where the public interest requires an independent investigation to be conducted by us.

This is particularly so if there is a basis to suspect the alleged misconduct is prevalent or systemic, or where there are serious allegations that have the potential to undermine public confidence in an agency and public administration generally.

Why we refer many complaints to agencies to investigate

According to our legislation, misconduct in a public sector agency should generally be dealt with by the agency itself — as long as the public interest is safeguarded through our oversighting responsibility.

Managing their own complaints also gives agencies the opportunity to identify and address any wider systemic problems such as agency-wide policy or procedural deficiencies, an inappropriate workplace culture, or a failure of standards.

Why we request independent review of some disciplinary decisions

One way in which we protect the public interest is to review all police misconduct disciplinary decisions by the police service, to ensure the decisions are capable of withstanding public scrutiny.

If they are not, applying for an independent review by the Queensland Civil and Administrative Tribunal (QCAT) is currently the only way we can ensure that those police officers whose conduct has seriously diminished or compromised public confidence in the police service are dealt with appropriately.



CMC staff meet Wujal Wujal's Community Justice Group in May 2011. Seated from left: Philip Nase (Commissioner), Kathleen Walker, Lily Yougie and Doreen Ball. Standing from left: Joan Beacroft, Rebecca Denning (Deputy Director, Research) and Martin Moynihan (Chairperson).

Complaints to the CMC

Overall complaints

Figure 5 shows how complaints registered with the CMC have increased from 2001–02 to 2010–11.

Sources of complaints

Complaints about possible misconduct come to the CMC from a number of sources, including the general public and the public sector agencies themselves. Of the 5124 complaints made to the CMC this year:

- 65 per cent were referred by public agencies
- about 33 per cent were made directly to us by members of the public.

See Figure 6.

Who the complaints were about

Complaints often contain more than one allegation, and these 5124 complaints contained a total of 11 909 allegations of misconduct. Of these allegations:

- 54 per cent related to police
- 38 per cent related to public sector agencies (excluding local government)
- 7 per cent related to local government
- 1 per cent related to other agencies (mainly politicians).

See Figure 7.

Assessment outcomes

We assessed 5053 complaints in the year:¹

- 4439 (88%) were referred to the appropriate agency to deal with, subject to our monitoring role
- 77 (1%) were retained for investigation by the CMC
- 537 (11%) were assessed as warranting no further action.

See Figure 8.

We reviewed (or we are reviewing) 7 per cent of the 4439 matters we referred to agencies, to ensure that the respective agencies are dealing with the matter appropriately.

Figure 5. Complaints registered between 2001–02 and 2010–11

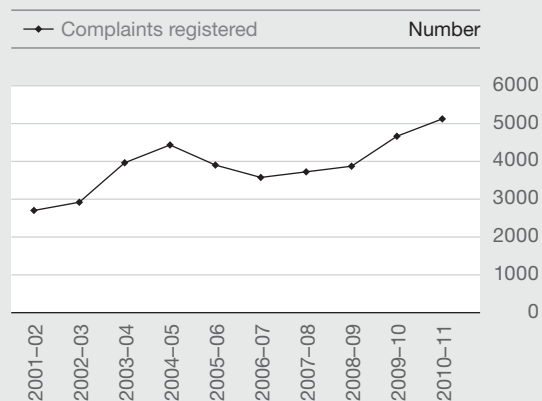
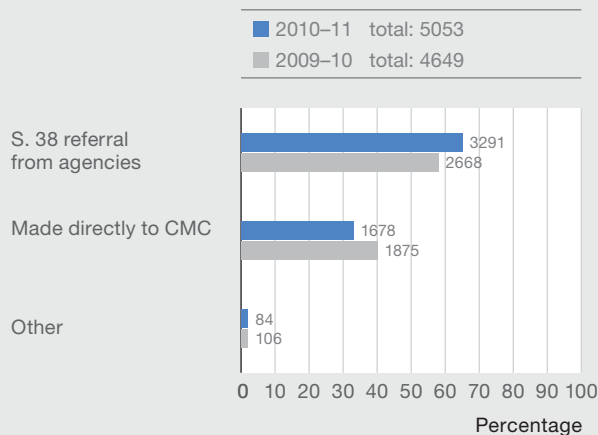


Figure 6. Sources of complaints



¹ The number of complaints assessed differs slightly from the number of complaints received because these categories involve slightly different time periods.

Figure 7. Allegations by agency for 2010–11

■ QPS	6 502
■ Public sector	4 504
■ Local government	824
■ Other	79
Total allegations	11 909

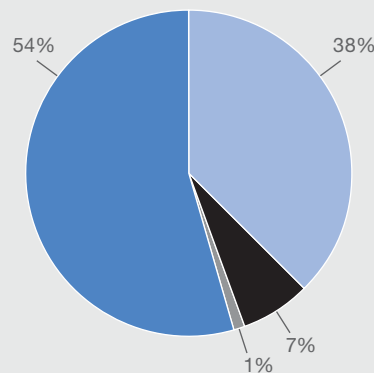
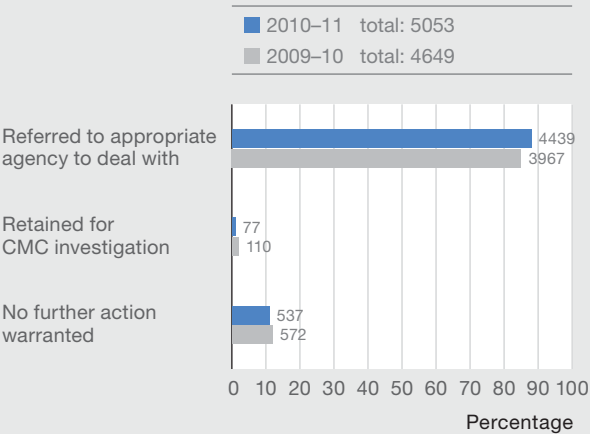


Figure 8. Assessment outcomes



Complaints against the QPS

In 2010–11, we received 6502 allegations against police. This was slightly lower than in 2009–10 (6651) and higher than in 2008–09 (5147). Overall, allegations about police represented about 54 per cent of the total allegations received by the CMC (Figure 7).

Sources of complaints

Where possible, the CMC and the QPS record whether complaints about police involve incidents with Indigenous people. Indigenous complaints data remained steady for the year, comprising 7 per cent of the total complaints made against police.

Figure 9 shows that, in contrast to complaints relating to the rest of the public sector, the majority of complaints against police in 2010–11 were made directly to the CMC by members of the public (54%); 44 per cent were referred to us by the QPS (with 28 per cent of these made by members of the public directly to the QPS). This historically high ratio of complaints being made about police by members of the public is partly due to the fact that police, far more than most other public servants, interact directly with the public.

Types of allegations

Allegations of assault, inappropriate official conduct (such as misuse of powers), inappropriate demeanour or attitude, victimisation or harassment and custody complaints accounted for almost 60 per cent of the total misconduct allegations against police (Figure 10). Although assaults are still the focus of the greatest number of complaints, the number of such allegations is lower than last year, which may be the result of our ongoing work with senior management of the QPS to address this issue (see page 38).

Assessment outcomes

Of the 2382 police complaints assessed, we referred 2128 (89%) to the relevant agency to deal with, subject to monitoring by the CMC. Of the 2128 complaints referred, 205 were subject to close monitoring by individual case review.

Complaints against the public sector (including local government)

In 2010–11, 5407 allegations, or around 45 per cent of allegations made to the CMC, concerned public sector officers, including the public service, local government and politicians. This was a 4 per cent increase over the previous year.

Sources of complaints

The majority of complaints (86%) about public sector agencies came from the agencies themselves (Figure 9). Increasing awareness among agency staff of the need to report official misconduct to the CMC is one reason our complaint numbers continue to increase. Compared to complaints against police, it is also noteworthy that:

- only 21 per cent of complaints about public sector agencies were made by members of the public directly to the agency involved
- only 13 per cent of complaints about public sector agencies (excluding local government) were made directly to the CMC by the general public.

In the local government area:

- only 31 per cent of complaints received in 2010–11 were made directly to the CMC by the general public
- 67 per cent came from the CEOs of councils (although 20 per cent of these originally came from members of the public).

Types of allegations

Misconduct allegations of assault, inappropriate official conduct (such as the misuse of power and authority), victimisation or harassment, misappropriation, control of information, corruption and favouritism accounted for 75 per cent of the allegations made against officers from public sector agencies, excluding local government. This does not reflect any significant change from the types of allegations reported in past years (Figure 11).

In local government, corruption and favouritism, inappropriate official conduct and misappropriation or misuse of government resources accounted for 71 per cent of all allegations received (Figure 12).

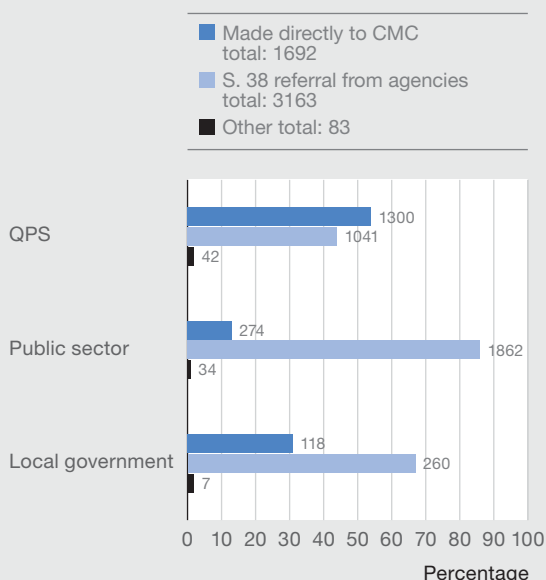
Agencies most mentioned

Four public sector agencies — Queensland Health, Education, Community Safety and Communities — accounted for 85 per cent of all allegations made in the complaints assessed in 2010–11. This is no doubt indicative of the size of their operations, their staff numbers, and the level and nature of their interaction with the public.

Assessment outcomes

Of the 2670 public sector complaints assessed, we referred 2368 (89%) to the relevant agency to deal with, subject to monitoring by the CMC. Of the 2368 complaints referred, 153 were subject to close monitoring by individual case review.

Figure 9. Sources of complaints (by sector) for 2010–11



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.

Figure 10. Types of allegations — QPS

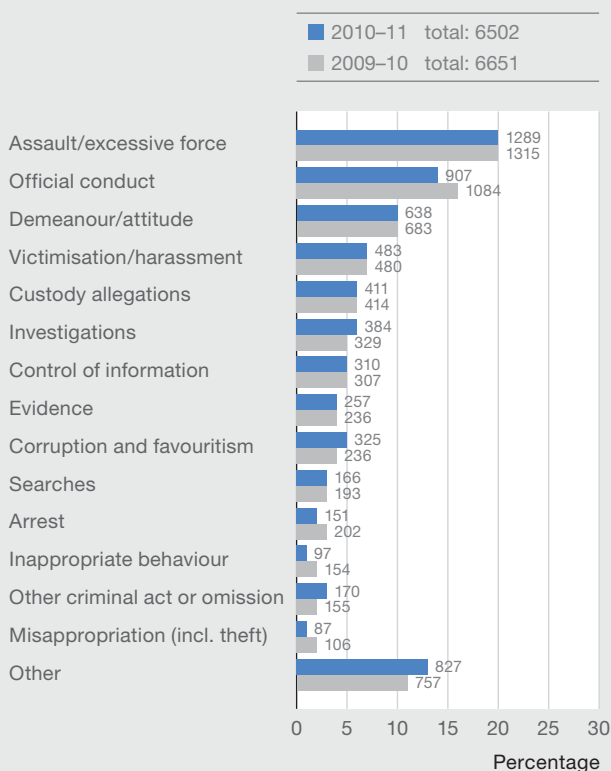


Figure 11. Types of allegations — public sector

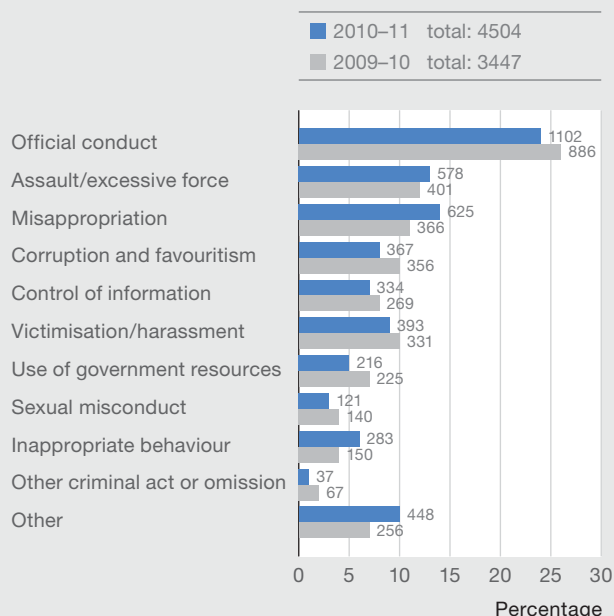
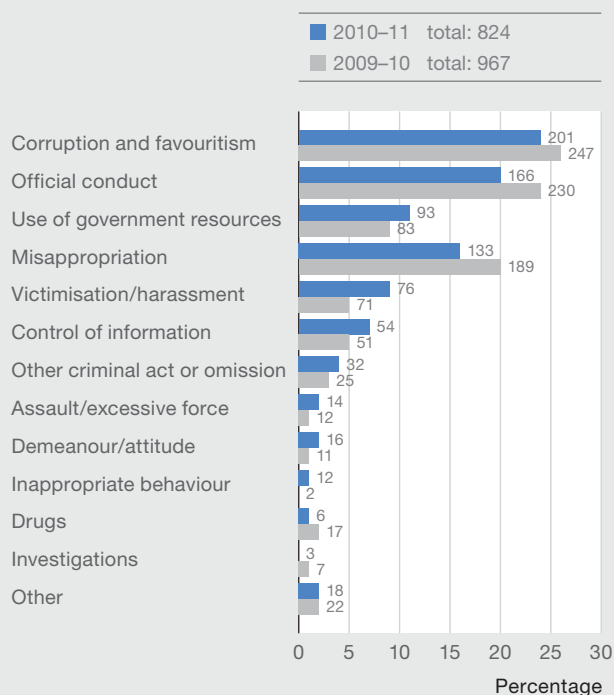


Figure 12. Types of allegations — local government



Misconduct investigations

One of the CMC's key strategies to promote a trustworthy public sector is to itself investigate the most serious public sector misconduct. We also assist public sector agencies to investigate some misconduct complaints by making available the expertise and experience of our investigators, lawyers, forensic accountants and intelligence officers and by using our special investigation and police powers.

A successful conclusion to a CMC misconduct investigation may be the bringing of criminal or disciplinary charges against a person or, just as importantly, the clearing of a person's name and the restoration of public confidence in an agency or an aspect of public administration. Our investigations may also lead to procedural recommendations designed to prevent future misconduct occurring.

Figure 13 shows the finalised investigations by sector, with the majority (96) relating to police, 15 to the rest of the public sector (excluding local government); and 6 to local government. Table 8 shows the use of CMC powers in investigating misconduct in 2010–11 and the preceding four years.

Figure 14 shows the recommended charges by sector, with the majority (164) relating to police, and 6 to the remainder of the public sector excluding local government. The significant difference in both the number of finalised investigations and the number of charges for police for this year primarily results from our completion of Operation Tesco (see page 35).

Investigating police

The CMC conducted 96 investigations into 280 allegations involving official misconduct and/or police misconduct by members of the QPS. The two most common types of allegations investigated were control of information, and corruption and favouritism.

Figure 13. Finalised CMC investigations by sector

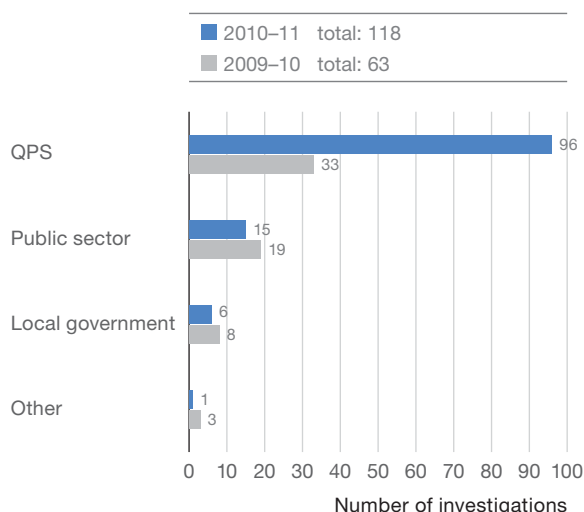


Figure 14. Recommended charges by sector

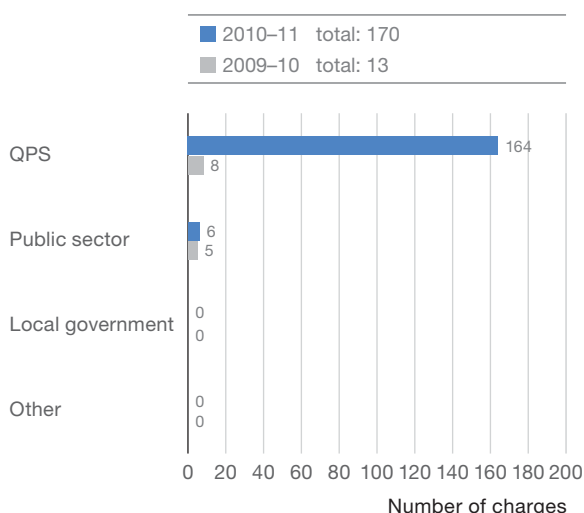


Table 8. Use of CMC powers for investigating misconduct, 2006–07 to 2010–11

Description	2006–07	2007–08	2008–09	2009–10	2010–11
Use of powers:					
Power to enter	3	0	0	7	5
Notices to discover information	198	139	80	141	122
Notices to attend hearing	121	54	44	141	23
Search warrant applications	24	4	8	14	30
Surveillance warrant applications	0	0	0	3	12

As a result of our investigations, we recommended that 85 criminal charges and 79 disciplinary charges be instituted (see Figure 14).

In many of our police investigations we worked cooperatively with the QPS and other law enforcement agencies to detect and deal with misconduct. Our investigations in 2010–11 included the following.

Police misconduct on the Gold Coast (Operation Tesco)

From January 2009 the CMC investigated allegations that certain police officers on the Gold Coast were involved in the use and supply of dangerous drugs, the use and supply of confidential police information to assist criminal associates, and the receipt of benefits in connection with those activities. We were assisted in our investigation by the QPS, who made eight senior officers available to work with us in one phase of the operation.

In August 2010, the Police Commissioner announced a comprehensive package of further measures designed to improve policing on the Gold Coast and address the problems identified in Tesco and earlier CMC investigations. In September 2010, the CMC conducted public hearings to consider the more difficult questions and challenges presented by the evidence. Operation Tesco has now been finalised and a public report was released on 23 June 2011. The main outcomes were:

- The QPS developed a policy for managing the risk of potentially inappropriate associations, and is in the process of developing a policy on the acceptance of gifts and gratuities by QPS members.
- The CMC has recommended to the QPS that disciplinary action for misconduct be considered against five police officers, including an inspector, and that another police officer receive managerial guidance. However, we did not find evidence of widespread corruption and misconduct by Gold Coast police.
- Criminal prosecutions were commenced against members of the public for various drug offences, including the possession and supply of dangerous drugs, which came to attention during our operation. Three of those offenders are presently before the courts.

» Read more about [Operation Tesco](#).

Police involvement with drugs or drug-related matters (Operations Nighthawk and Adventure)

Operation Nighthawk

Operation Nighthawk began in September 2010 through allegations that a police sergeant was supplying ecstasy and amphetamines to others, including police officers. As a result of the investigation:

- The sergeant resigned and has since been charged with drug offences; these matters are presently before the courts.
- Three other police officers and a civilian QPS employee have resigned, and the QPS has been asked to consider making a post-separation disciplinary declaration against them for misconduct relating to alleged drug use, untruthfulness and failing to report misconduct.
- Two other police officers who were allegedly aware of drug use by their colleagues have been referred to the QPS for it to consider disciplinary action for failure to report misconduct.
- QPS Ethical Standards Command is investigating whether officers at the police station that the sergeant was attached to were stealing confiscated alcohol and using it in their social activities. The investigation is currently being finalised.

About disciplinary declarations

Even though a person may have resigned as a public sector officer, we may still decide to investigate the matter if the alleged misconduct occurred while the person was still employed — in particular, where the matter involved allegations of serious criminal conduct. If there is sufficient evidence to support disciplinary action that could have resulted in the person being dismissed or demoted had they not resigned, as a result of legislative amendments enacted in 2009 we may still refer the matter to the public sector agency that employed the person to consider whether it is appropriate to make a disciplinary declaration against the officer. This does not affect the way the person left the organisation or their entitlements. However, the declaration, with its finding of misconduct, will remain on their file, and this will be taken into account should the person seek future re-employment in the public sector.

Detective Inspector Cameron Byram speaking at the second Victorian OPI forum on investigations of deaths associated with police contact. The forums brought together representatives from police services, oversight agencies, coroners' offices, and community and legal groups within Australia and overseas.



Operation Adventure

Operation Adventure began in September 2010 when the CMC received information that a police officer on the Gold Coast was attempting to source a dangerous drug to supply it to another person. As a result of the investigation:

- CMC officers searched and seized cannabis from the home of one of the police officer's associates. The associate was charged with unlawfully possessing that drug and received a drug diversion order and bond.
- During a disciplinary interview, the officer admitted that he had used cannabis frequently, both before becoming a police officer and during his five years with the QPS. He admitted to stealing cannabis for his personal use instead of lodging it as an exhibit. He resigned shortly after this interview.

As these admissions were made during a disciplinary interview, they cannot be used against the subject officer in a criminal prosecution. However, the CMC has referred evidence to the QPS so that consideration can be given to making a post-separation disciplinary declaration against the former officer.

Police-related deaths

Our role in police-related deaths

In May 2010, the Acting Coroner (Deputy Chief Magistrate Hine) delivered his findings in the re-opened inquest into the death in police custody of Mulrunji Doomadgee on Palm Island in 2004. Among other things, Mr Hine made a recommendation about the future investigation of police-related deaths and the role of the CMC in these investigations.

The State Coroner, the Commissioner of Police and the CMC Chairperson reached agreement about the future approach to investigating these matters, and the Queensland Government is currently considering a memorandum of understanding for the proposed arrangements. Detailed protocols are being developed to support the proposed investigative model.

At the present time, the CMC is initially attending all such deaths, providing independent oversight as to the probity and sufficiency of initial investigations, and liaising with family members of the deceased person where necessary, pending determinations as to whether any question of police misconduct is raised and who should lead the further investigation. In 2010–11, the CMC provided oversight of the investigation of 11 police-related deaths.

CMC review of the QPS Palm Island review

As we reported last year, on 17 June 2010 the CMC's review of the Queensland Police Service's Palm Island Review was tabled in the Queensland Parliament.

Our review found that both the initial police investigation and the subsequent internal police review into the death of Mulrunji on Palm Island in November 2004 while in police custody were flawed. The report recommended consideration of disciplinary action against a number of officers and requested that the Commissioner of Police advise the CMC of the action he intended to take.

In January 2011 the CMC received a report from Deputy Commissioner Kathleen Rynders of the QPS, who had been appointed to consider the CMC's recommendations for action. That report stated that the QPS would not be initiating disciplinary proceedings against the officers involved in the Palm Island investigations.

Although the CMC did not accept that decision, under existing legislation it had no power to request a review by the Queensland Civil and Administrative Tribunal.

» Read more about the [Palm Island investigation](#).

As a result of the Palm Island investigations, the CMC determined to seek legislative changes to ensure that all QPS disciplinary decisions are potentially subject to an independent review. The CMC commenced discussions with senior ministerial staff and policy staff at the Department of Justice and Attorney-General about the issues that require changes to the law.

It is anticipated that the government's response to the review of the police discipline system (see the overview at the beginning of this chapter) will be relevant to the changes sought by the CMC, given that the independent panel has made recommendations relevant to the CMC's powers to seek review.

Investigating a Taser-related death in Townsville

On 12 June 2009, Antonio Galeano died at Brandon, North Queensland, after he had allegedly been tasered and detained by a police officer and his partner. The Deputy Coroner was appointed to conduct an inquest into the matter.

The QPS Ethical Standards Command (ESC) took over responsibility for assisting the Deputy Coroner with the investigation. The CMC overviewed that investigation and in August 2010 reported on a number of matters to the Coroner. The inquest into the death of Mr Galeano was commenced by the Deputy Coroner in November 2010 and is continuing.

Investigating other public sector officials

The CMC conducted 15 investigations into 95 allegations involving official misconduct by officers of the public sector (see Figure 13). The two most common types of allegations investigated were corruption and favouritism, and misuse of government resources. As a result of our investigations, 4 criminal charges and 2 disciplinary charges involving 5 officers were recommended (see Figure 14).

Allegations relating to a former ministerial adviser

On 21 December 2010, the CMC published a report on its investigation into a Queensland Government grant of \$4.2 million made in 2008 to the Queensland Rugby Union through the then Department of Local Government, Sport and Recreation. Allegations of misconduct had been made about the role played in the awarding of that grant by Simon Tutt, then an adviser to the Minister for Police, Corrective Services and Sport, the Hon. Judy Spence MP.

Although no criminal or disciplinary action resulted against any person, the investigation highlighted important issues, including the need for procedural reforms to prevent misconduct and to raise standards of integrity in the public sector.

Related reforms were the enactment of the *Ministerial and Other Office Holder Staff Act 2010* (which came into effect on 1 November 2010) and the revision of the Code of Conduct and employment contracts of ministerial staff.

» Read more about the [investigation into the alleged misuse of public monies](#).

Sentencing of former minister Gordon Nuttall

In November 2005, the CMC commenced Operation Moonlight, investigating allegations that a former minister of the Crown, Gordon Nuttall, had accepted corrupt payments from two businessmen, the late Ken Talbot, of McArthur Coal Limited, and Harold Shand. A related operation (Operation Spoke) investigated information that Mr Nuttall had received corrupt payments from Brendan McKennarney, a contractor involved in Queensland Health projects.

In December 2007, Mr Nuttall and Mr Shand were charged with one count of receiving/paying a \$60 000 secret commission. In January 2008, Mr Nuttall and Mr Talbot were charged with 35 counts of receiving/paying secret commissions totalling almost \$300 000. On 20 June 2010, Mr Talbot died in an aircraft crash in the Congo and the charges against him were withdrawn.

Mr Nuttall was found guilty of the 36 charges against him and on 17 July 2009 was sentenced to a total term of seven years imprisonment. On 1 April 2011, Mr Shand was found guilty of the secret commission offence and sentenced to 15 months imprisonment, suspended after serving four months.

Mr McKennarney was granted an indemnity from prosecution and later gave evidence against Mr Nuttall. In August 2009, Mr Nuttall was charged with a further five counts of official corruption in respect of payments of over \$152 000 he had allegedly received from Mr McKennarney, and five counts of perjury relating to alleged false evidence he had given in CMC hearings. Mr Nuttall was found guilty of those charges on 10 December 2010 and sentenced to an additional five years imprisonment.

An appeal by the Attorney-General against the inadequacy of Mr Nuttall's sentences was heard on 10 May 2011. On 7 June 2011 the Court of Appeal upheld the Attorney-General's appeal, the effect of which was to increase Mr Nuttall's head sentence to seven years and extend his non-parole period by 18 months. He will now be eligible for parole on 2 July 2015. Mr Nuttall will have to forfeit \$595 980 to the state and pay costs of \$47 000, as a result of proceeds of crime action taken by the CMC.

Investigating local government officials

The CMC conducted 6 investigations into 31 allegations involving official misconduct by officers of local government authorities (see Figure 13). The two most common types of allegations investigated were corruption and favouritism, and demeanour/attitude.

The CMC's oversight role

The number of complaints we receive means that the CMC cannot itself investigate all matters. Most of them can be dealt with appropriately by the relevant agency investigating the complaint or taking other managerial action, subject to our oversight.

During the year we strengthened our monitoring framework by devoting more resources to the close initial oversight of how more serious matters are being handled, and conducting fewer 'desk-top' reviews of completed matters. We have also planned a restructure that next year will allow us to provide greater investigative support and assistance to agencies during particular investigations.

Oversight of the QPS

Review of the police discipline system

In August 2009, the Queensland Government's discussion paper 'Integrity and Accountability in Queensland' invited public comment on the state's accountability framework. Police discipline was a significant focus of the responses to the discussion paper. In November 2009, the Attorney-General therefore requested the CMC 'to conduct an independent review of current processes for the management of police discipline and misconduct matters'.

In December 2010 we published our report *Setting the Standard*. It contained 11 recommendations aimed at improving the police discipline framework, policies and procedures, and resolving a number of issues and notable deficiencies in the current system.

In response, the government appointed an independent panel to develop a revised disciplinary model. Its report has been released for public consultation, with submissions due in the next reporting period. We will continue to work with government and the Queensland Police Service to achieve much needed reforms to the disciplinary system.

» Read the CMC's [submission](#).

Audits

Conducting audits is a key strategy in our oversight role, enabling us to scrutinise how a class of complaint matters that we regard as high risk have been dealt with by an agency. In 2010–11, we conducted two audits of QPS complaint matters, in areas of particular interest to the CMC.

Use of illicit drugs

Consistent with our investigative focus on police and illegal drugs, we conducted an audit of the way in which the QPS dealt with allegations we referred to it that concerned police using illicit drugs. The audit found that the QPS regards such allegations as very serious in nature and generally dealt with them effectively. However, we found that:

- improvements could be made with respect to appropriately administering drug tests and dealing with public interest disclosures (PIDs); in particular, the QPS needs to implement training in recognising PIDs
- complainants did not receive enough information about why the QPS was taking, or not taking, action on their complaint.

Use of excessive force

An audit was also conducted on how the QPS dealt with allegations of officers using excessive force when dealing with members of the public. (This audit did not consider complaints that were being or had been closely monitored by the CMC.) The audit found that matters were generally dealt with appropriately but, as noted above, QPS officers investigating the complaints had not always communicated well with the complainants.

We strongly recommended that the QPS keep complainants up to date with how their matters are progressing and, on conclusion, fully advise them of what action was taken and the reasons for it.

Reduction in allegations of assault

Complaints data this year showed that there were slightly fewer allegations made that related to assault/excessive force than in 2009–10. There was also a noticeable reduction in allegations that individuals had suffered significant injuries as a result of their interactions with police.

This improvement may be linked with CMC oversight work reported last year in which we instigated discussions with senior QPS management about a number of serious complaint matters involving allegations of excessive force being used by police. Although there is room for improvement, the QPS has taken significant steps in that regard.

Reviews

This year, 195 police matters (compared with 125 last year) were the subject of individual close scrutiny through a case review, reflecting our heightened focus on serious police misconduct. The CMC was satisfied with the way in which the QPS dealt with the matter in 166 (85%) of the cases, slightly lower than the 88 per cent of last year.

In the remaining matters, we identified a range of concerns and raised them with the QPS, including:

- inappropriately downgrading conduct from police misconduct to breach of discipline
- investigators having a conflict of interest
- an investigation report not considering issues of potential criminal prosecution
- poor analysis of legal authority to take action
- unexplained delays in completing inquiries
- insufficient information on file to conduct an informed review
- poor-quality response to complainant.

There were also a number of matters where we identified good quality overviews of other internal investigations conducted by the QPS Ethical Standards Command, in which they clearly identified issues and ensured that relevant and sound reasons were included in the investigation report.

Lack of conformity between QPS policy and relevant legislation

Complaints data indicated that a possible trend was emerging in relation to police not observing statutory guidelines on the arrest and detention of juveniles (in Queensland, the criminal law regards persons under the age of 17 as minors). In one case, a Children's Court magistrate, while dismissing a bail breach matter against an Indigenous juvenile, made substantial adverse comments about two police officers in relation to this issue.

When we looked at this category of complaints collectively, we found that the QPS policy and procedures did not, in our view, conform to the relevant governing legislation.

As a consequence of our recommendations, the QPS is currently reviewing its policies and procedures in these areas. We intend to continue to work collaboratively with the QPS to remedy these apparently systemic problems.

QPS disciplinary decisions referred for independent review

In 2010–11, we examined 102 'reviewable decisions'. These are decisions that the QPS makes in internal disciplinary proceedings against police officers for police misconduct.

Our purpose in reviewing these matters is to consider whether the outcomes decided by the QPS decision maker are appropriate and, where necessary, to bring review proceedings before the Queensland Civil and Administrative Tribunal (QCAT). Of these 102 disciplinary decisions, we sought review by the QCAT for six.

During the reporting period, the three QCAT reviews that commenced in 2009–10 were finalised. We also applied to review a further six cases in the QCAT.

In the finalised matters, the QCAT increased the sanctions imposed on the police officers in two cases — one substantially — and made a disciplinary declaration in the third case (see page [40](#)).

Five of the six cases currently pending in the QCAT relate to three high-speed police pursuits in south-east Queensland. The other pending case relates to the disappearance of a motor vessel and the loss of five lives in the Torres Strait in 2005. These cases will be reported on when the QCAT decisions are finalised.

Why we refer reviewable decisions to the QCAT

We may ask the QCAT to review a reviewable decision if we are not satisfied that the decision properly reflects the purposes of disciplinary proceedings. According to section 219A of the *Crime and Misconduct Act 2001*, the purposes of disciplinary proceedings are to:

- protect the public
- uphold ethical standards within units of public administration and the Police Service
- promote and maintain public confidence in the public sector.

Generally we consider applying for a QCAT review when we believe that the QPS has made an error of law or fact in finding that a disciplinary matter is unsubstantiated, or when we believe that the sanction imposed is inadequate in a disciplinary matter that is serious enough to justify the police officer being dismissed or demoted and in which the police officer has shown little (if any) insight into his or her misconduct.

QCAT finding of excessive force by police officer

A Deputy Police Commissioner concluded disciplinary proceedings for two matters of misconduct against a police officer, in which the officer had allegedly used such excessive force in arresting a juvenile as to rupture his spleen. The officer had also allegedly been untruthful when interviewed about the incident.

The police officer contested both disciplinary matters, and the Deputy Commissioner ultimately found that both matters were unsubstantiated because (a) she preferred the police officer's evidence over the juvenile's evidence, and (b) she speculated that the juvenile had been injured in some way other than through his interaction with the police officer.

We applied to the QCAT for a review of that decision.

The QCAT upheld our application and found that the police officer had used excessive force when arresting the juvenile. Although the officer resigned from the QPS before the QCAT decision was finalised, the QCAT made a disciplinary declaration against the officer, indicating that it would have dismissed him from the QPS had he not resigned.

» See the QCAT decisions 564 and 636 for [liability](#) and [sanction](#).

» Read more on disciplinary declarations on page [35](#).

Department of Communities and Youth Detention Centres

In 2009–10, the CMC and the Commission for Children and Young People and Child Guardian observed an increasing trend in alleged assaults against young people in detention. As a result the CMC decided to increase its monitoring for these complaints dealt with by the Department of Communities.

Our reviews identified key problems to be the difficulty in getting young people to participate effectively in investigation processes, and the group loyalties among staff supervising young people in challenging circumstances. Both of these factors impede the timely and independent reporting and resolution of incidents involving physical contact between the two groups.

Findings from the reviews are being incorporated by our misconduct prevention team into strategies to help the Department of Communities improve integrity and conduct in these centres. These strategies will include CMC officers delivering training for Youth Detention Centre staff about ethical workplace practices.

Oversight of the public sector

Reviews

This year, 118 public sector matters (compared with 179 last year) were the subject of individual close scrutiny through a case review. The CMC was satisfied with the way in which agencies dealt with these matters in 101 (86%) of cases, compared with 93 per cent last year.

In the remaining cases, a range of concerns were identified, such as:

- delays in finalising an investigation
- failure to apply the civil standard of proof
- failure to appropriately deal with associated legal issues.

Government-owned corporations

The return of 13 government-owned corporations (GOCs) to the CMC's jurisdiction in the 2010 calendar year saw a continued focus for the CMC on working cooperatively with these agencies to facilitate transition to the new oversighting arrangements.

As part of this transition, the GOCs had to establish new policies, procedures and processes to enable them to report suspected official misconduct to the CMC, and to comply with the new requirements of the *Public Interest Disclosure Act 2010*.

Although this transition has been generally successful, some complex cross-jurisdictional issues arising from the corporatised nature of the GOCs have been identified. The CMC is working in cooperation with the GOCs and other sector stakeholders such as Queensland Treasury (Office of Government Owned Corporations) to resolve these legal issues.

We have also provided training about official misconduct and the jurisdiction of the CMC to individual GOCs. However, a planned visit to regional centres hosting GOCs was unable to proceed because of disruption caused by the natural disasters in Queensland in early 2011.



The Misconduct Prevention team presented to mayors, councillors, senior officers and staff at the Cairns Regional Council in May, and launched the local government councillors guide. From left to right: Councillor Nancy Lanskey, Paul Collings (CMC Senior Prevention Adviser), Councillor Margaret Cochrane (Deputy Mayor), Val Schier (Mayor), Councillor Sno Bonneau and David Honeyman (CMC Principal Adviser, Misconduct Prevention).

CMC work with local government

One of our areas of emphasis is assessing and investigating areas of risk in the local government sector.

The commencement of the *Local Government Act 2009* on 1 July 2009 brought about significant changes to the way in which the conduct of local government councillors in Queensland is monitored, reported and dealt with.

One outcome of the amended legislation is that allegations of official misconduct about councillors which are not determined to warrant investigation by the CMC, but which are matters of public interest, are now referred to the Department of Local Government and Planning to deal with rather than the CEO of the local government involved.

To facilitate a smooth transition to this new process, we participated in joint complaint assessment meetings – considering complaints of official misconduct against councillors – with representatives of the Department of Local Government and

Planning. As part of this ongoing assessment process we have also provided the department with statistical data about complaints. We also met with the Queensland Audit Office and the Queensland Ombudsman to identify likely integrity risks in local government (for example, regulatory approvals and procurement practices) and common strategies for managing them.

We also conducted a number of investigations into allegations of official misconduct involving the local government sector (see page 37).

In May 2011 we launched the *Councillor conduct guide*, which provides guidance to new and prospective councillors on their obligations as elected officials under the *Local Government Act*.² Next year we will develop an ethics and integrity checklist for sitting and prospective councillors in the lead-up to the local government elections

in March 2012. This checklist will inform all candidates about their legal and ethical obligations during the conduct of the election campaign.

Our misconduct prevention officers also provided outreach services to the local government sector, presenting workshops in regional areas for councillors and council officers, and providing information and advice on specific topics.

The CMC is committed to helping Indigenous communities in a range of ways – for example, by providing education and advice on the obligations of elected officials who serve with Indigenous councils.

In May 2011 Misconduct officers, accompanied by the Chairperson and Mrs Judith Bell, a part-time Commissioner, delivered misconduct prevention forums at Yarrabah, Cairns and Townsville. These events were attended by over 80 local government representatives, including representatives from local Indigenous councils.

² Read the [Councillor conduct guide](#).

Building agency integrity

Our Building Integrity Program

One of the CMC's strategic priorities in the period 2010–13 is to progressively build the capacity and accountability of public sector agencies in managing misconduct, subject to our oversight. As part of this strategy, we are aiming by 30 June 2013 to implement improved integrity systems across all core public sector agencies — departments and other significant agencies such as local governments.

Last year we successfully worked with four 'early adopter' agencies — Queensland Health, Brisbane City Council, the Department of Employment, Economic Development and Innovation (DEEDI) and the Department of Justice and Attorney-General — to implement improved complaints management and integrity systems.

This year we continued to work with the 'early adopter' agencies and also began working with the other departments — the Department of Communities, the Department of Community Safety, the Department of Education and Planning, the Department of Environment and Resource Management, the Department of Local Government and Planning, the Department of the Premier and Cabinet, the Department of Public Works, the Department of Transport and Main Roads (DTMR) and the Treasury Department.

This work involves:

- an integrity index, a tool for rating the integrity frameworks of public sector agencies that examines complaints management, misconduct prevention and institutional integrity
- surveying of agency staff about their knowledge of and trust in these complaints and integrity systems
- overseeing the way each agency has dealt with actual complaints through our monitoring and audit work.

We bring the results together to form a judgment about the agency's overall integrity profile.

Evaluation reports for the early adopters DEEDI, Queensland Health and the Brisbane City Council, along with the interim evaluation report for DTMR, indicate these agencies are rated at least 'competent'. The preliminary draft interim reports for all other departments indicate most departments will be rated at least 'satisfactory' when measured against the integrity index, or that identified areas for improvement are underway.

Another aspect of the program is to ensure that electronic systems support effective complaints management and integrity systems. To this end, we have given Queensland Health electronic access to the CMC's complaints management database, COMPASS, thereby enabling it to directly enter, and case manage, complaints using COMPASS. This enables the CMC to engage in real-time monitoring of the way Queensland Health deals with those matters, as well as improving timeliness in sharing information between agencies. Brisbane City Council and DEEDI are currently developing proposals for electronic access to COMPASS.

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. Our work in 2010–11 included the following.

Move-on powers

In December 2010, the CMC tabled in parliament its report *Police move-on powers: a CMC review of their use* on the application and effectiveness of 'move-on' powers as required by section 48 of the *Police Powers and Responsibilities Act 2000*. This report is discussed further on page [49](#).

» See the report on police 'move-on' powers [here](#).

2010 police ethics survey report

We finalised our analysis of the 2010 annual ethics survey of police recruits and first-year constables. This survey, which has been conducted since 1995, gauges police attitudes to and perceptions of a range of issues related to police ethics and misconduct. This analysis was forwarded to the Commissioner of Police. The yearly results are ultimately publicly reported in a multi-year analysis report (see page [43](#)).

Police ethics surveys analysis 1995–2008

In December 2010, we published *The ethical perceptions and attitudes of Queensland Police Service recruits and first year constables, 1995–2008*, which describes the findings of the CMC's police ethics surveys undertaken between 1995 and 2008. It focuses on the views of Queensland police recruits and first-year constables about police ethics and misconduct, and examines whether these views have changed over time.

» Read the police ethics surveys analysis report [here](#).

We found that there have been some significant positive changes in the ethical attitude of police officers over time. However, it appears that there is still a reluctance to formally report misconduct as well as lenient views about some lower-level ethical scenarios, such as using a police vehicle to run personal errands. We will continue to work with the QPS to deal with these problems.

Taser reform evaluation

In April 2011, the CMC tabled the report *Evaluating Taser reforms: a review of Queensland Police Service policy and practice*. The report documents our evaluation of the QPS implementation of Taser reforms recommended in a joint QPS–CMC review of Taser policy and training in Queensland in 2009.

Overall, the introduction of the revised policy appears to have had some positive effect on how QPS officers are using Tasers. However, there were some concerns, for example, the continued deployment of multiple or prolonged discharges, that potentially 'vulnerable' or 'at-risk' groups are more involved in Taser deployment, and that Indigenous Queenslanders are over-represented as subjects of Taser use.

The report's recommendations include improving aftercare for people subjected to Taser deployment, decreasing Taser use against Indigenous people and individuals from at-risk groups, enhancing decision making by QPS review panels, and ensuring that QPS policy, training and procedures fully reflect best practice.

» Read the Taser review [here](#).



Research officer Lauren Hancock, primary author of the reports *The ethical perceptions and attitudes of Queensland Police Service recruits and first year constables 1995–2008* and *Evaluating Taser reforms: a review of Queensland Police Service policy and practice*

Public perceptions surveys of the Queensland Police Service and the public sector

Every three years, the CMC surveys Queensland residents about their experiences with or perceptions of police and public servants. The aim is to chart public attitudes and willingness to use complaints systems. The surveys have been analysed and the results will be published in the next reporting period.

Working with other integrity agencies to implement the reform agenda

We continue to promote the government's integrity agenda by our involvement in the Queensland Public Sector Ethics Network (QPSEN) and the Public Interest Disclosure (PID) Network. These were established to provide a consultative forum to identify ethical issues, to develop strategies to promote the government's integrity agenda across the sector, and to provide a consultative forum for specialist practitioners to help implement the *Public Interest Disclosure Act 2010* (PIDA).

This year we also met on a quarterly basis to consider local government matters with the Queensland Audit Office and the Office of the Queensland Ombudsman — in particular, to identify emerging risks and consider where the integrity agencies may be able to coordinate resources for better results (see page [41](#)).

Throughout the year the CMC continued its representation on the Service Delivery and Performance Commission (SDPC) Review of the QPS Steering Committee, which will oversee the implementation of the 54 recommendations of the Service Delivery and Performance Commission Review of the QPS. The majority of the recommendations have been finalised and considerable work has been done on the remainder.

Review of the PPRA

During the year, we participated in a review of the *Police Powers and Responsibilities Act 2000* (PPRA). We met with other stakeholders (such as representatives of the Aboriginal and Torres Strait Islander Legal Service Qld Inc., the Queensland Council for Civil Liberties, the Queensland Law Society, the Queensland Police Service and the Queensland Police Union of Employees) to discuss proposals to amend the Act.

In particular, we contributed information about trends and issues identified from complaints we had received about the conduct of members of the QPS, as well as from the perspective of research being undertaken into related topics such as police 'move-on' powers (see page [49](#)).

On 21 April 2011, the Minister for Police released the draft Police Powers and Responsibilities and Other Legislation Amendment Bill 2011 and called for public submissions on the Bill.

Looking ahead

In 2011–12 we will pursue our objective of promoting a trustworthy public sector, using the strategies outlined in our *Strategic Plan 2011–15*. This will include the following:

- Implement government-endorsed reforms arising from the police discipline review
- Restructure our Misconduct teams to better align with our strategic and operational goals
- Engage effectively with our partner agencies by providing individualised support in relation to integrity and investigative issues
- Provide more information, through our website, about our complaint assessment and oversight, and the outcomes of high-profile matters
- Commence implementing our Building Integrity Program in the local government sector
- Review key areas of risk in police use of Taser weapons
- Evaluate the progress of the government's response to our recommendations on policing in Indigenous communities, as contained in our *Restoring order* report. (For more detail, see page [50](#).)

Objective:

Provide an effective witness protection service

The importance of protecting people who are at risk as a result of assisting law enforcement agencies is recognised worldwide. The CMC is the only independent commission in Australasia with this responsibility, as witness protection elsewhere is handled by state or national policing bodies.

In the last year the CMC offered prompt and effective assistance to all those who asked for protection. It again maintained its 100 per cent record in keeping witnesses safe, enabling them to provide evidence in court in a range of cases involving offences such as murder, drug offences, rape and other serious crimes.

Though the number of people entering the program in 2010–11 was somewhat higher than in the previous year, the overall trend has been relatively static for several years. That may reflect a number of factors – for example, applications for protection are mainly initiated by law enforcement agencies, primarily the Queensland Police Service (QPS). As well, participation in the program is voluntary, so witnesses themselves make the final decision about whether or not to enter the program. Since by its nature the full program is restrictive, some people are likely to be unable or unwilling to consider participation.

However, such people are still likely to need assistance with their security. As anticipated in last year's annual report, we adopted additional and more flexible forms of assistance and, where needed, successfully provided these to individuals who were not part of our formal program.

Under the witness protection legislation, we must be ready to provide immediate protection to people under threat anywhere in Queensland, and sometimes beyond. This means maintaining a highly responsive and mobile professional capability at all times.

At the same time, many of the factors that affect resourcing of the service are beyond our control. For example, delays and re-scheduling of court proceedings multiply the effort required to safely produce people at risk on a number of occasions for the same court process. Nevertheless, we met all requests by law enforcement agencies for security for protected witnesses at court.

Witness protection staff maintained their active collaboration with counterpart agencies throughout Australasia to ensure that CMC staff remain at the forefront of best practice in providing protection.

How witness protection matters come to the CMC

People who have assisted a law enforcement agency, and who have thereby placed themselves and their families or associates in danger, 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.

Performance snapshot

Table 9 shows our performance in protecting witnesses in 2010–11, assessed against the service standards and targets outlined in the 2010–11 Service Delivery Statements.

» See the Service Delivery Statements [here](#).

Explanatory notes are provided for any significant variations between our targets and our actual performance. For a comparison with our performance over the last four years, see [Table 20](#) in Appendix B.

Table 9. Witness protection services: 2010–11 performance

Service standards (SDS)	2010–11		
	Target/ estimate	Estimated actual*	Actual
Number of persons admitted to witness protection program ¹	70	55	51
Applications for witness protection assessed (persons) ²	100	110	114
Percentage of protected persons whose safety is not compromised	100	100	100
Percentage of eligible persons offered interim protection within two days ³	95	95	100
Number of threat assessments undertaken** ⁴	120	n/a	52
Expenses to achieve strategic objective to 'provide an effective witness protection service'	\$5.7m	\$5.8m	\$5.9m

* 'Estimated actual' figures are a provisional estimate as at 31 March 2011.

** Internal measure only. This measure will be discontinued as a strategic plan performance indicator in 2011–12.

n/a Estimated actual figures were not calculated for these measurements.

Notes:

1. The witness protection program is a voluntary program. Although 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 eligible and who accept the offer of protection.
2. The number of applications for witness protection is dependent on requests made by law enforcement agencies, principally the QPS.
3. In 2010–11, all eligible persons were offered interim protection within two days of receipt of their application.
4. Threat assessments are compiled for all new applications. In 2010–11, a significant number of applications were withdrawn prior to assessment, because of events outside the control of the CMC.

Protection of witnesses

The CMC ensures the long-term safety of witnesses on its program through the use of strict methodologies and procedures. As well as providing close personal protection that includes court security, secure relocation, and management of individual welfare needs, the CMC also has the legislative capability to change the identity of protected witnesses when it is assessed as necessary and when it is approved by the CMC Chairperson.

This year we received 114 applications for protection, more than our estimate of 100 (see Table 9). Fifty-one people entered the program, somewhat above the number last year, but continuing the relatively static trend of recent years. (See Table 20 in Appendix B.)

The value of the program is evidenced by its 100 per cent success rate in keeping participants safe – including, in some instances, high-profile witnesses. Since the program began in 1987, it has enabled 1659 people to provide vital evidence in safety. This level of protection is also provided almost immediately. For example, this year every application for protection was assessed within 48 hours of its being received, irrespective of where the person was located.

Ensuring professional assistance

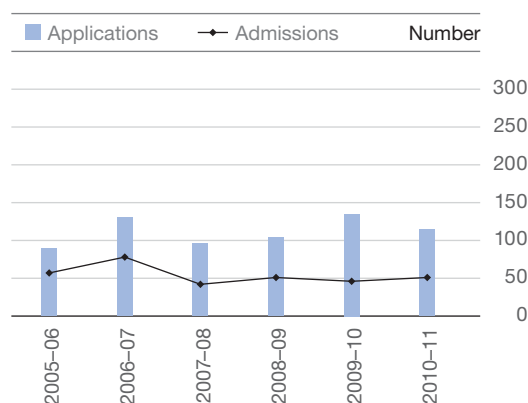
Although security is paramount, the day-to-day needs of people on the program are also given high priority. To meet our responsibility to their overall welfare, the CMC ensures that people on the program receive professional assistance and guidance wherever necessary. This enables people with problems such as drug or alcohol addiction, financial difficulties or family court matters to access appropriate support services. Many witnesses have been rehabilitated as a direct result, and have credited the support provided through the program as being largely responsible for the positive change in their lives.

Outcomes for criminal justice

The value of evidence from informants and eye witnesses to serious and organised crime cannot be overstated – for both successful prosecutions and the suppression of major crime. The evidence provided this year by people within the program was crucial in securing convictions in cases that included murder, importation, trafficking and other drug offences, robbery, rape, serious assault and property offences.

For example, a number of protected witnesses gave evidence against several persons in separate court proceedings for murder; these defendants were committed to stand trial at a later date. In another matter, the crucial evidence of a protected witness against several persons in relation to drug importation led to the convictions of all accused and sentences to terms of imprisonment.

Figure 15. Applications for witness protection compared to final admissions 2005–06 to 2010–11



Collaboration with other jurisdictions and support agencies

The CMC continues to be a member of the Australasian Witness Protection Forum (AWPF). The AWPF reports to the Australia New Zealand Policing Advisory Agency Crime Forum, promoting strategies and policies to ensure the continual improvement of witness protection standards and practices.

This year AWPF discussions focused on topics such as alternative methods of protection, re-identification processes, uniform protection legislation, implications of current telecommunications legislation, impact of new technologies (including biometrics) and the development of agreements with other government agencies.

Liaison with our counterparts also continued through involvement in the National Training Sub Group of the AWPF. This group oversees the national training course for witness protection officers and the continued development of the witness protection qualification, the Advanced Diploma of Public Safety (Police — Witness Protection). This year, three CMC witness protection officers attended the national training course in Western Australia, one as the course facilitator and two as participants.

CMC witness protection staff also liaised closely with units of the QPS, as the primary law enforcement agency accessing our program. Training and marketing sessions were delivered to prosecutors and human source courses, and presentations were given to regional investigators where applicable.

Witness protection staff also maintain regular contact with government agencies that facilitate protection by providing support services. These relationships are essential for accessing vital services on behalf of protected persons and ensuring their safety.

➔ Looking ahead

In 2011–12 we will pursue our objective of having an effective witness protection service, using the strategies outlined in our *Strategic Plan 2011–15*. This will include the following:

- Investigate, research and develop innovative methods of witness protection
- Develop partnerships with national and international witness protection law enforcement and training agencies.

Public policy and legislation reviews

The CMC is sometimes called on by the government to explore and report on complex public policy issues that can arise from a special referral, or as a consequence of legislative provisions.

Review of police ‘move-on’ powers

In December 2010, the CMC tabled its review of the use by police of move-on powers under section 48 of the *Police Powers and Responsibilities Act 2000* (PPRA). These powers were introduced into the PPRA in 1997 to give police a way to deal with behaviour that interfered with trade or business, disrupted the peaceful conduct of an event, or was disorderly, indecent, offensive or threatening. Their introduction in 1997 was controversial, due to the potential for abuse and disadvantage to sections of the community. In July 2006, the powers were broadened, making them available to police statewide in public places.

Our review showed a steady increase in the use of move-on powers. We conclude that in general this increase is likely to be associated with the geographic expansion of the powers across Queensland rather than overzealous policing. Some of our key findings included that young adults aged between 17 and 24 years were more likely than other age groups to be moved on; Indigenous people were significantly more likely to receive a move-on direction than were non-Indigenous people; and that the move-on powers, as put into operation by police, are not an effective diversionary mechanism for Indigenous people or juveniles.

We made 11 recommendations which were directed at providing an effective legislative and operational framework that supports the use of move-on powers; providing an effective policing tool that enables police to maintain community safety and public order, as well as allowing police to divert people away from the criminal justice system; and changing policing practices in the use of move-on powers.

» Read the *Police move-on powers* report [here](#).

Review of the ‘evade police’ offence

The CMC tabled its review of the ‘evade police’ offence provisions in June 2011. The CMC was required to undertake the review pursuant to section 789 of the *Police Powers and Responsibilities Act 2000*. The evade police legislation was introduced by the government in 2006 to support a restrictive police pursuit policy. The provisions aim to reduce police pursuits by giving police powers to assist them to identify and prosecute fleeing drivers they allow to ‘escape’ in order to avoid endangering community safety.

We found that although the provisions will never be effective in a significant proportion of incidents where offenders flee from police, especially those involving stolen vehicles or vehicles with false registration plates, they are a useful operational tool in many other cases. Consequently, most of our 13 recommendations aim to improve the ability of police to identify and prosecute offending drivers. Other recommendations focus on improving the integration of the evade police provisions, as an alternative to pursuit, within the QPS and training to further reduce the number of police pursuits.

» Read *An alternative to pursuit* [here](#).

Review of the *Prostitution Act 1999*

In June 2011, the CMC tabled its review of the effectiveness of the *Prostitution Act 1999* as required by section 141 of that Act. The review reports on the status of the implementation of recommendations from our previous reports (2004 and 2006); examines what changes had occurred in the achievement of the Act's underlying principles since the last review; and identifies any new and emerging issues for the industry in Queensland and in comparable jurisdictions.

We found that overall the Act, and the Prostitution Licensing Authority acting under the Act, are achieving the underlying principles — licensed brothels have minimal impact on community amenity, continue to be free from corruption and organised crime, facilitate access to exit and retraining programs for sex workers who may wish to leave the industry, and provide a healthy and safe environment in which prostitution takes place.

We found an emerging trend of increasing involvement of migrant sex workers in both the illegal sector and the licensed brothel sector; however, there was no evidence of sex trafficking or debt bondage for Queensland sex workers. This trend requires the relevant government agencies to ensure there is effective delivery of health, education and advisory services to these workers.

We were generally satisfied with the implementation of our previous recommendations except for two matters which, because of a continued need, have been reasserted in this review. Those matters are (i) amendments to the advertising provisions to ensure they are flexible to cover prostitution however described, and (ii) the need for an interagency committee to ensure a whole-of-government approach to address prostitution-related operational and emerging issues. In relation to the latter, we have strengthened and broadened its scope, recommending the committee be established under legislation, and have a broader membership and a wider mandate to cover the whole of the prostitution industry. We noted that some of our recommendations to reduce the illegal industry had only recently been implemented and it was too early to assess their impact.

» Read the *Regulating prostitution* report [here](#).

Inquiry into policing in Indigenous communities: the *Restoring order* report

At the request of the Queensland Government, the CMC conducted an independent inquiry into issues relating to policing in Indigenous communities, including:

- the relationship between the police and people in remote Indigenous communities
- how policing services are currently delivered in Indigenous communities
- potential changes to improve the delivery of policing services to the remote Indigenous communities
- practices relating to police custody of Indigenous people, including issues of safety in watch-houses.

The CMC's Inquiry into Policing in Indigenous Communities included public submissions and a public forum in Cairns on 16 October 2007.

The CMC report *Restoring order: crime prevention, policing and local justice in Queensland's Indigenous communities* was published in November 2009 and identified 51 items for action. In June 2010, the Queensland Government released its response, supporting or supporting in principle all of the recommendations.

Following up on those action items, in the latter half of 2011 the CMC will publicly report on how effectively the Queensland Police Service are using, managing and supporting Indigenous people in policing roles, and in 2013 it will audit the implementation of local-level community safety plans.

➔ Looking ahead

In 2013, the CMC is required to conduct a legislative review of the operation of the *Child Protection (Offender Prohibition Order) Act 2008*. We will commence scoping and planning for this project during the next reporting period.

Objective:

Demonstrate organisational excellence using a skilled, committed workforce

Organisational excellence is about achieving and sustaining superior performance that meets stakeholder expectations.

We continued to develop our leadership and management capability during 2010–11 and undertook a major initiative to review and strengthen our governance framework. The review provided a foundation for improved transparency, efficiency and accountability across the organisation.

We also broadened the professional development opportunities available to managers to help them respond effectively to change and engage more fully with staff. We recognise that senior management plays a key role in inspiring a shared vision for the future and fostering a culture of innovation and collaboration.

One challenge we face in developing a skilled and dynamic workforce is attracting suitable applicants to vacant positions. In 2010–11 we had a measure of success by filling three-quarters of advertised vacancies from the pool of available applicants.

To enhance our online communication channels, we have dedicated resources to revitalising our website and intranet pages. As a result of this work, we have seen an unexpectedly high increase in downloads and a more modest increase in the number of visits to our website.

This year we have also focused on strengthening our financial management and decision-making processes, including trialling activity-based costing of our core business services to better manage operational performance, sustainability and resources.



Editor Judith Cheyne and graphic designer Stephen Patch work with Melanie Formosa, project manager (centre), on the website and intranet redevelopment. For more information on CMC communications, see pages 58–59.

Our people

A diverse and talented group of employees — qualified respectively as lawyers, police, accountants, investigators, intelligence analysts, social scientists, computing specialists, support officers and corporate specialists — ensures that the CMC is able to undertake its core business and meet its strategic priorities.

Staff profile

During 2010–11 the number of established permanent positions increased by six to 337 positions as a result of organisational structure reviews of several functional areas. This represented an increase of 11.25 in full-time equivalents (FTEs). Table 10 provides the allocation of these positions across the functional areas compared to last year.

The permanent team comprises full-time employees (87%) and part-time employees (13%).

Workforce planning, attraction and retention

Our workforce management committee was disestablished during the year, and its responsibilities were incorporated within our newly created Human Resources Customer Service Delivery Framework. This was designed, in part, to ensure that workforce planning aligned with the specific needs of each functional area.

This year our permanent employee retention rate was 89 per cent. Our permanent employee separation rate was 14.8 per cent compared to 12.7 per cent last year. We are unable to compare this with the public service annual turnover because the Public Service Commission only provides quarterly figures based on separations from the

public service as a whole and not on separations from individual public sector agencies. By contrast, the CMC counts as a separation any permanent or contracted staff member leaving the agency, whether or not the person moves to another public sector agency.

A number of factors may have contributed to the increase in staff turnover. Our staff often have highly specialised and transferable skills that are valued by other employers offering opportunities and benefits that we cannot always match. To combat this situation, we are developing a range of strategies to ensure we have a pool of employees with the appropriate skills and experience required to compete for more senior vacancies as they arise. Success in this will see us preserve our corporate knowledge and ensure the professional development and progression of our competent staff.

The Act under which we operate also contributes to staff turnover as some senior positions carry statutory limits on the tenure of officeholders. In 2010–11 a number of our senior staff reached their contract-end date; next year others will meet the limits of their tenure and similarly affect the turnover for 2011–12. Further, one senior staff member was subject to suspension and three officers had their employment terminated early.

Despite these difficulties we were successful in filling over 75 per cent of our advertised vacancies from the pool of applicants available. These appointments represented a promotional opportunity for 23 per cent of permanent employees and resulted in 32 new permanent employees joining the CMC to commence or enhance their careers, and 22 internal employees being promoted.

Table 10. Workforce profile

Functional area	Permanent positions		Full-time equivalents*	
	30 June 2010	30 June 2011	30 June 2010	30 June 2011
Crime	49	50	49.4	47.8
Intelligence	32	35	30.4	31.8
Misconduct	90	95	81.3	97.2
Research	30	27	24.1	21.1
Witness Protection and Operations Support	55	53	51.9	53
Corporate Support (including the Executive, Office of the Commission and Corporate Services)	75	77	76.4	73.85
Total	331	337	313.5	324.75

* Full-time equivalents includes all permanent, temporary and casual staff.

We continued to focus on increasing the attractiveness of the CMC as an employer by simplifying the application process and creating a pool of administrative officers available for temporary work. We also offered a wide range of professional development opportunities.

Recognising staff achievements

Our annual corporate awards event recognised 12 employees who achieved significant outcomes that have enhanced the performance or reputation of the CMC, and two employees who displayed exemplary behaviour in line with the CMC Code of Conduct principles.

We also acknowledged 47 employees for their long and meritorious service:

5 years:	25 employees
10 years:	11 employees
15 years:	5 employees
20 years:	6 employees.



Corporate recognition awards, 2010

Andrew Stapleton, Manager Electronic Collections Unit, was presented with a Work Achievement Award in November 2010. Andrew displayed outstanding professionalism and problem-solving skills, and took on an intensive workload to make telecommunications interception a reality for the CMC – on time and within budget.

Advancing careers through professional development

During 2010–11, our employees developed their capacity and talent through a range of development opportunities including training programs and attendance at workshops and conferences. Many also took advantage of work opportunities in other agencies such as Queensland Government departments, the Australian Crime Commission, the Tasmanian Integrity Commission, the Western Australia Corruption and Crime Commission (CCC), and the New South Wales Ombudsman's Office. We supported the professional advancement of our staff in the following ways.

Leadership and management development programs

The Management Development program (March 2011) gave 45 managers the opportunity to assess the impact of their work style on the way they currently manage their teams and their work allocation. Using individual-specific workplace scenarios, they learnt how to successfully apply practical management tools and methods to improve or enhance their approach. A formal review of their progress 60 days later involved self-assessment and peer discussion.

The Organisational Resilience program provided an opportunity for 30 managers to improve their ability to handle and manage change, and to assist their team members to adapt to change in the workplace.

One senior manager undertook an Accelerated Leadership course offered by the Australian School of Business (University of New South Wales), which ran over two months with short intensive face-to-face learning blocks. The program is specifically designed to ready senior managers for roles in higher leadership.

Specialised occupational training

Staff from a wide range of professional areas undertook courses or attended international or national conferences to extend their capability and share experience with other professionals. Courses or conferences attended included:

- The inaugural International Serious and Organised Crime Conference held in October 2010, Melbourne
- 22nd Crimes Against Children Conference in August 2010, United States
- National Business Valuation and Forensic Accounting Conference in March 2011, Sydney
- Expert Evidence Conference in February 2011, Canberra
- Introduction to Law Enforcement Intelligence Program, held in August and September 2010 in Adelaide, under the auspices of the Australian Federal Police

- Certificate in Investigation Report Writing, offered by the Sydney Institute of Professional Studies
- International Association of Computer Information Systems Advanced Internet Forensic Examiner course, held in November 2010 in Brisbane
- National Witness Protection Training course, held in Perth in October 2010.

Staff movements between interstate agencies

To foster working partnerships and skill-building exchanges, a number of CMC staff have taken the opportunity to go on secondment to interstate agencies. These include two investigators — Diana Mulcahy to the Integrity Commission (Tasmania) and Andrew Tunstall to the CCC (Western Australia) — and researcher Jane Olsen, who is currently working with the NSW Ombudsman's Office on public interest disclosures.

Building skills in public sector administration

Staff at varying levels increased their skills in public sector administration through conferences and courses including an Ethical Leadership conference organised by the Queensland Police Service, a Managing Public Sector Budgets and Cost Centres workshop, an Administrative Assistants conference and a Sound Decision Making presentation.

Support for professional memberships and ongoing tertiary study

We allocated \$12 000 towards ongoing professional memberships, reimbursing 28 employees 50 per cent or 100 per cent of professional membership fees.

We supported ongoing tertiary study in the form of paid leave for 21 employees to attend lectures and exams, and through reimbursing 50 or 75 per cent of their fees. Degrees being undertaken by staff include the Certified Practising Accountant (CPA), Bachelor of Criminology and Criminal Justice, and Bachelor of Business.

Performance management

In response to employee feedback, we reviewed our existing employee performance management and development system, and identified elements for improvement such as the process for setting goals and discussing achievements, and the accompanying documentation. The Achievement and Capability Planning (ACP) system will be rolled out in August 2011.

Promoting diversity in our workplace

During the year we finished implementing our two-year *Equal Employment Opportunity (EEO) 2009–11 Plan* and evaluated its effectiveness. In May 2011 it was determined that EEO initiatives could best be implemented by incorporating them within established policies and integrating our EEO efforts within our core business rather than have them as stand-alone endeavours not always connected to the necessary resource stream. This approach will be evaluated at the end of the 2011–12 Human Resources Plan.



Indigenous cadet, Ashleigh Scott

Indigenous cadetship

As part of our commitment to promoting equity and diversity in our workforce, we participated this year in the National Indigenous Cadetship Scheme. This Commonwealth scheme links Indigenous students who are undertaking higher education, such as an undergraduate degree, with employers who can give them work placements and ongoing employment opportunities after they finish their studies. Cadetship employers provide a paid work placement for 12 weeks each year as well as financial support, professional guidance and mentoring.

Improving quality of life for individuals and families

We recognise that flexible working arrangements deliver benefits to our employees and to the organisation.

Our employees benefit from the advantages of flexible work practices including staggered work hours, compressed work weeks, part-time employment and purchased leave. These arrangements enable employees to achieve a variety of objectives including gaining a better work–life balance,

travel during off-peak periods, care for relatives, and transition to retirement. For the organisation, they help us to retain valued skills and corporate knowledge and create a more inclusive workplace.

The CMC recognises the effort and dedication of carers in our community and their provision of a vital service to those they care for and thereby to the community as a whole. All new employees are provided with information on the *Carers (Recognition) Act 2008* and the provisions of the Act relating to grandparent carers that came into effect on 10 December 2010. In 2011, we began a review of our policies and the information available on our intranet to ensure consistency with the Act.

By nature of its functions under the *Crime and Misconduct Act 2001* the CMC is generally not required to provide direct services to carers.

Promoting a fair, ethical and healthy workplace

We foster a supportive environment through a range of initiatives.

- Our employees are represented by the CMC Consultative Forum (formerly the Commission Consultative and Equal Opportunity Committee (CCEOC)). This employee group promotes cross-organisational communication and consultation on issues relating to employment conditions (including equal employment opportunities), the working environment, and the implementation of the CMC Enterprise Agreement 2009. Remuneration realignment, equal employment opportunity and work-life balance were some of the topics discussed in 2010.
- The CMC's Code of Conduct was reviewed to ensure compliance with the legislative amendments to the *Public Sector Ethics Act 1994* that commenced on 1 November 2010. We also updated our corporate induction materials to accord with the revised Code of Conduct. Training sessions on the code were held for all employees in August and September 2010, and all new employees were provided with an overview and copy of the Code of Conduct as part of the corporate induction process.
- Employees trained as peer support officers are available to staff seeking confidential advice and support on matters such as harassment and workplace conflict. All staff also have access to an external Employee Assistance Program that provides confidential

professional counselling services to help with the consequences of relationship difficulties, organisational change, substance misuse and critical incidents.

- We held an organisational climate survey in May 2011. Owing to some technical difficulties, the results will not be available to staff until the new reporting year.

Support to employees on issues of health and wellbeing included corporate arrangements to provide staff access to a nearby gymnasium, circulation of information about health issues such as Type 2 diabetes and provision of influenza-related information and vaccinations.

Early retirement, redundancy and retrenchment

No employees left the CMC this year as a result of voluntary early retirement or retrenchment. Of the three employees whose contracts were terminated early, the circumstances in two cases met the criteria for redundancy; the redundancy packages were \$83 747 and \$34 620 respectively.

Appointments and departures

Staff joining the CMC during the year included:

- Professor Marilyn McMeniman, AM, Commissioner
- Brendan Clarke, Internal Auditor
- Detective Chief Superintendent Brian Codd, Director, Crime Operations
- Dr Rebecca Denning, Deputy Director, Research
- Edith Mendelle, Executive General Manager
- Erica Urselmann, Human Resources Manager.

Those leaving the CMC during the year included:

- Dr David Gow, Commissioner
- Helen Couper, Director, Integrity Services
- Denis Feeney, Human Resources Manager
- Sharon Loder, Assistant Director, Misconduct Investigations
- Dominique Murphy, Official Solicitor
- Russell Pearce, Director, Misconduct Investigations
- Gregory Rigby, Director, Information Management
- Peter Scanlan, Executive Director
- Weng Kwong Yong, Internal Auditor.

Police service reviews

Commissioners for Police Service Reviews arbitrate on any grievances police officers may have about promotions, transfers or disciplinary action. 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.

Review Commissioners are independent of the CMC and the Queensland Police Service (QPS) but are nominated by the CMC Chairperson under the *Police Service Administration Act 1990* (PSAA).

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

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

During the reporting period, the Review Commissioners were Ms Dina Browne, who was recently re-appointed as Review Commissioner and Review Administrator, and practising solicitor Mr Pat Mullins. They stay informed of best practice and emerging trends in other jurisdictions through representation at the annual national Public Sector Appeals Conference. It is proposed that Queensland host the 2012 conference.

Review Commissioners are supported in the management of day-to-day activities by a secretariat provided by the CMC.

In addition to their primary role of arbitrating on grievances, Review Commissioners also monitor any changes to the QPS merit-based policy. In recent years there has been a substantial decline in the number of reviews, which could indicate that best practice is being achieved or that, perhaps, there is a reluctance by officers to seek a review of management decisions. We are monitoring this situation.

Despite there being a decline in the overall number of reviews, a large number of reviews are still received (usually twice yearly) against Inspector appointments. In 2010–11, the QPS altered and improved the manner in which police selection panels shortlist applications for appointment to commissioned rank.

In another development, Review Commissioners worked with the QPS in relation to the implementation of the Service Delivery and Performance Commission (SDPC) recommendation number 36, the aim of which is to develop a merit-based review process with procedures and levels of justification similar to those evident in the Public Service Commission appeals process. In part, this resulted in the introduction of a new process that is now being rolled out throughout the QPS. It allows review applicants to receive sufficient documentation early in the process to allow them to determine whether to continue with a review.

In another matter, legal advice was sought on the interpretation of section 9.3(1) of the PSAA and how it applies to certain applications for review. According to the advice, a police officer has a right to apply for a review when an authorised decision maker decides not to follow the preference of a formally established selection panel and:

- appoints to a police officer position an officer other than the officer who was preferred, or
- does not appoint a person to a police officer position, despite there being a preferred applicant.

Secretariat processes have been adjusted to account for this advice.

Table 11. Types of applications lodged, 2009–10 and 2010–11

Type	2009–10	2010–11
Promotion	31	95
Transfer	2	6
Lateral transfer	5	–
Unapplied transfer	1	5
Stand-down	1	–
Suspension	–	–
Disciplinary	–	–
Dismissal	–	–
Other (matter of jurisdiction)	1	3
Total	41	109

Table 12. Status of applications lodged, 2009–10 and 2010–11

Status	2009–10	2010–11
Matters lodged	41	109
Matters withdrawn before hearing	14	41
Matters out of jurisdiction	5	15
Matters awaiting hearing at 30 June	7	9
Matters heard	13	43

Table 13. Results of matters heard by Review Commissioners, 2010–11

Type	Awaiting outcome	Affirmed	Varied/ set aside	No jurisdiction/ lapsed	Withdrawn	Total
Transfer	–	2	–	1	3	6
Unapplied transfer	1	1	–	2	1	5
Promotion	7	24	16	11	37	95
Stand-down	–	–	–	–	–	–
Other*	1	–	–	2	–	3

* Other includes:

- review for 'unfitness for duty on medical grounds' (s. 9.3(1)(e) and s. 8.3 PSAA)
- review under s. 46 of the *Public Interest Disclosure Act 2010*
- review under s. 9.3(1)(e) PSAA, but where no appointment has been made. The decision not to appoint a particular person is reviewed by that person.

Communicating with our stakeholders

The work of the CMC attracts considerable interest from government and other stakeholders, the media and the Queensland community. To inform, educate and assist the public and our peers, we make our work available through reports, advisory bulletins, brochures and media releases, as well as through our website. Information is also provided in interviews and at conferences and public presentations.

Some of our brochures are available in languages other than English, according to community requirements. *The CMC: who we are and what we do* is available in nine non-English languages, and the brochure *It's ok to complain*, which is a joint venture with other Queensland independent complaints agencies, is available in 16 languages including Torres Strait Creole, Vietnamese and Sudanese.

Key publications

CMC publications include investigation reports, reviews of legislation, intelligence bulletins, misconduct prevention advice and research reports into the criminal justice system. Our 2010–11 publications were:

- *Annual Report 2009–10*, September 2010
- *The ethical perceptions and attitudes of Queensland Police Service recruits and first-year constables, 1995–2008*, November 2010
- *Setting the standard: a review of current processes for the management of police discipline and misconduct matters*, December 2010
- *Police move-on powers: a CMC review of their use*, December 2010
- *Report on an investigation into the alleged misuse of public monies, and a former ministerial adviser*, December 2010
- *Evaluating Taser reforms: a review of Queensland Police Service policy and practice*, April 2011
- *Councillor conduct guide*, May 2011
- *Operation Tesco: report of an investigation into allegations of police misconduct on the Gold Coast*, June 2011
- *An alternative to pursuit: a review of the evade police provisions*, June 2011
- *Regulating prostitution: a follow-up review of the Prostitution Act 1999*, June 2011
- *Strategic Plan 2011–15*, June 2011

» See our full list of our [publications](#).

» See [It's ok to complain](#).

Public awareness of the CMC: survey results

In June–July 2010, we surveyed 1529 Queenslanders about their awareness of the CMC.

Although 78 per cent of respondents had heard of the CMC, this percentage is lower than it was 15 years ago, and is also lower than awareness of our peer agencies in their respective states.

Those respondents who had heard of the CMC generally had positive perceptions. Most believed that the CMC, as an independent organisation, was a 'good thing' for the people of Queensland.

However, knowledge of what we do is mixed. For example, respondents were aware of our investigative role, but mostly unaware of our monitoring, prevention, research and witness protection functions. Overall, the survey identified that we need to improve the general public's knowledge about the variety of the CMC's functions.

To do so, we have initiated a more proactive media strategy, particularly around the less well known of our functions, given a variety of presentations at regional centres around Queensland, and are currently redeveloping our website.

Improving online access to CMC information and services

Over the next 12 months the CMC will be making access to its information more user-friendly. Its redeveloped website, currently scheduled to go live at the end of December 2011, is intended to make it easier for people to lodge complaints online, make submissions to public inquiries, subscribe to information updates and to register for regional training and information sessions.

The public and researchers will also find it easier to search the contents of our publications, which include the 1989 Fitzgerald Report.

A further online project, the redevelopment of the intranet, aims to improve internal communications through greater use of web-based technologies.

We will also consider the implications of social media.

Media activities

During the reporting period, we received 942 media queries. We published 31 media releases, gave 56 interviews, and the Chairperson held three media conferences.

This year there was a high level of media interest in our police oversight role, particularly due to the release of several publications that dealt with police-related issues. The ongoing matter into the Palm Island death in custody of Mulrunji and our public hearing into alleged police misconduct on the Gold Coast also attracted significant media attention.

Our misconduct work in other areas came under media scrutiny following the second corruption conviction of former Queensland Government minister Gordon Nuttall and the release of an investigative report into allegations of misconduct by a former ministerial adviser.

We saw a rise in media interest regarding the CMC's work in combating crime following a successful proceeds of crime claim against a former outlaw motorcycle gang member.

During the year, the CMC began to explore ways to proactively release information to the media. In December, we launched the first of a series of 'media backgrounder' sessions. These are aimed at increasing the CMC's transparency and informing journalists about various aspects of our role. The first two sessions held this financial year provided an overview of the CMC's work in combating crime and misconduct, including the use of investigative hearings, the confiscation of proceeds of crime and the complaints system.



Public presentations

In 2010–2011 our public presentations included:

- crime conferences throughout Australia, including the 20th International Symposium on the Forensic Sciences, hosted by the Australian and New Zealand Forensic Science Society in Sydney
- public sector misconduct and corruption forums, including the 17th Annual Public Sector Fraud and Corruption Conference in Canberra
- discussions with local government councillors about ethical decision making and the impact of Queensland's amended *Local Government Act 2009*
- presentations to police recruits and criminal law students
- information sessions as part of the Queensland Police Service's detective training courses, focusing on proceeds of crime and coercive hearings.

To promote a broader knowledge of the organisation's work within the community, this financial year we took part in NAIDOC Week and Queensland Law Society's Symposium 2011 conference.



[Left] Assistant Commissioner, Misconduct, Warren Strange talks about the work of Misconduct, including record complaints received in the month of March 2011, during an interview with Channel Ten News on 19 May 2011. [Above] Five o'clock news co-anchor Georgina Lewis introduces the story.

Images courtesy of Channel Ten.

Our governance

Governance encompasses a range of activities and functions such as leadership, strategic planning, performance management and compliance. A strong governance framework is fundamental to the way we make decisions, manage risks and challenges, and plan for the future.

Governance principles

Our governance principles directly influence our activities, policies and procedures. They have been developed to build a stronger, more strategically focused organisation, with greater transparency and personal accountability. These principles will help ensure that our organisation remains dynamic and relevant to the needs of Queensland. They comprise:

- a strong governance framework
- corporate ownership
- communication
- maintaining structures that support strategies
- strategic and performance management.

Our leadership

The Commission

Our Commission members set the strategic directions of our organisation. They meet on a fortnightly basis to consider a range of matters such as strategic, financial and managerial issues; specific crime and misconduct operations; and research and intelligence projects, including capacity development and misconduct prevention activities. In 2010–11, we developed a governance manual to clarify the roles, functions and responsibilities of Commission members.

The CMC's two Assistant Commissioners (the Assistant Commissioner, Crime and the Assistant Commissioner, Misconduct), the Director, Witness Protection and Operations Support, and the Executive General Manager also participate in meetings but do not have voting rights.

In 2010–11, the Commission met with the Parliamentary Crime and Misconduct Committee (PCMC) seven times and convened 24 Commission meetings.

Table 14. Commission meetings from 1 July 2010 to 30 June 2011

Name	Ordinary meetings (n = 24)	Special meetings (n = 1)	With PCMC (n = 7)
Martin Moynihan	21	1	7
David Gow ¹	7	1	2
Ann Gummow	23	1	7
Judith Bell	21	1	7
Philip Nase	23	1	6
Marilyn McMeniman ²	4	–	1
John Callanan	19	–	4
Warren Strange	21	–	7
Edith Mendelle ³	5	–	1
Peter Barron	21	–	–
Gary Adams ⁴	14	–	5
Peter Scanlan ⁵	5	–	1

1. Appointment expired on 1 October 2010.
2. Appointed part-time Commissioner on 29 April 2011.
3. Appointed Executive General Manager on 27 April 2011.
4. Interim appointment until 27 April 2011 as Executive Manager, Corporate Change.
5. Last meeting attended 3 August 2010.

In addition to fulfilling its normal statutory duties, in 2010–11 the Commission:

- endorsed a review of the CMC's governance framework
- developed the *Strategic Plan 2011–15* by identifying new organisational priorities
- provided advice and expertise to a number of significant internal governance and review committees.

In 2010–11, our part-time Commissioners also participated in a range of community engagement activities. This included visits to a number of remote Indigenous communities to discuss strategic policing challenges, and visits to regional centres to attend misconduct prevention forums.



The current Executive Leadership Group, from left to right: Edith Mendelle, John Callanan, Warren Strange and Chairperson Martin Moynihan AO QC

Executive Leadership Group (ELG)

A key priority for our governance review was to establish clearer lines of accountability. Consequently, an Executive Leadership Group (ELG) was established as a primary strategic management group to provide advice to the Commission, support to the Chairperson/CEO and guidance to senior managers. It does this by considering strategic priorities, resource allocation and operational performance to ensure the efficient, effective and economic management of the organisation.

This group meets weekly. The current members are:

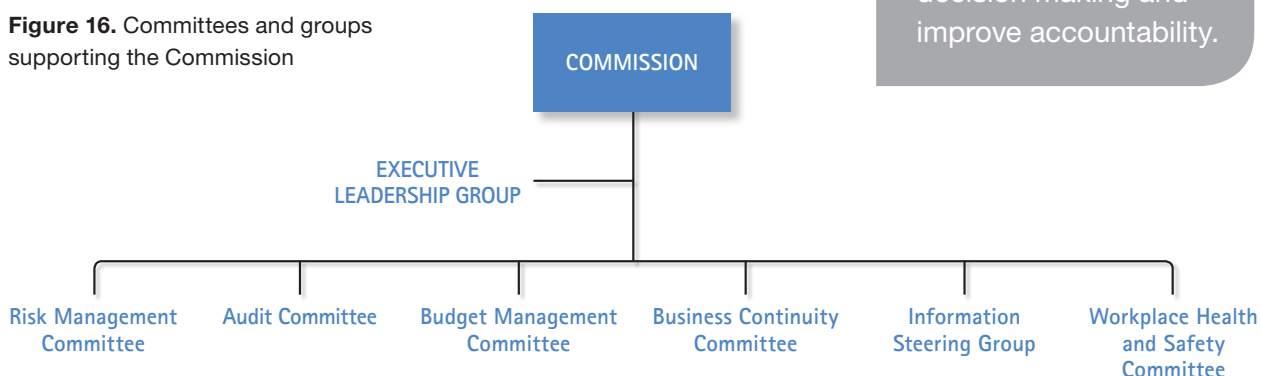
- the Chairperson/CEO
- Ms Edith Mendelle, Executive General Manager
- Mr John Callanan, Assistant Commissioner, Crime
- Mr Warren Strange, Assistant Commissioner, Misconduct.

During 2010–11, the Executive Leadership Group:

- assessed the challenges and opportunities facing the CMC at an operational level by adopting a rigorous risk management approach
- considered high-level policy and strategic issues, and provided guidance on corporate documents including the organisation's strategic plan for 2011–15 and the CMC's submission to the parliamentary committee's three-year review
- identified material resourcing issues and guided changes to the internal budget, as necessary, to address unexpected pressure points
- monitored the progress of major corporate projects, including the Information Management Review and the web redevelopment project
- considered organisation-wide human resources matters, including proposed changes to staff delegations, and the recruitment, retention and development of senior management
- implemented recommendations from the CMC governance review, including the rationalisation of governance committees to foster a culture of individual accountability.

Key committees and groups supporting the Commission

Figure 16. Committees and groups supporting the Commission



The number of formal committees was reduced to streamline decision making and improve accountability.

In 2010–11, our committee structure was reviewed and the number of formal committees was reduced to streamline decision making and improve accountability. The formal committees and groups supporting the Commission are shown in Figure 16.

Each committee maintains a strategic focus through adherence to its published charter, which defines the roles and responsibilities of the committee and its members. A Commissioner may be a member of any of these committees.

Our committees and groups not only address matters of risk falling within their area of responsibility (and report them to the Risk Management Committee as they arise) but also support the Commission by ensuring internal transparency and the development of best management practice within the CMC.

Risk Management Committee

In January 2011, the newly re-formed Risk Management Committee held its first meeting to oversee the CMC's risk management framework. This role was previously the responsibility of the Executive Committee. The Risk Management Committee meets monthly, and after a 12-month period it is anticipated that these meetings will be held quarterly, in accordance with the committee's charter.

The committee performs an advisory role, with its primary function being to help the Commission accomplish its objectives in accordance with the *Crime and Misconduct Act 2001* by bringing a systematic, disciplined approach to evaluating and improving the adequacy and effectiveness of its risk management function.

The committee is made up of seven members, one of whom is an external member appointed by the Commission as an independent Chair. The members are:

- Ms Marita Corbett, Partner, Risk Advisory Services, BDO (Chair)³
- Mrs Judith Bell, Commissioner
- Mr Chris Keen, Director, Intelligence
- Mrs Edith Mendelle, Executive General Manager
- Ms Jan Speirs, General Counsel
- Mrs Karyn Worth, Senior Adviser, Corporate Governance.

The Internal Auditor has a standing invitation to attend meetings of the Risk Management Committee.

In 2010–11, the CMC further developed its risk management systems to identify, analyse and address risk throughout the organisation. A new risk management tool was developed to identify inherent and residual risks, and assess the adequacy of risk controls.

Other significant achievements and outcomes during the year were:

- redesigning our strategic risk management framework
- establishing clear reporting relationships between the Risk Management Committee and other committees, groups and forums to ensure an integrated approach to corporate risk management
- developing a computer-based risk incident reporting tool
- increasing risk management awareness through presentations at internal staff forums.

³ Ms Corbett is an external consultant and is paid a retainer of \$1250 per meeting for her services as the Chair of the CMC Risk Management Committee.

Audit Committee

The objectives of the Audit Committee are to assist the Commission in its governance by ensuring that it exercises due diligence, care and skill in such areas as:

- financial management and reporting
- risk management
- external and internal audit functions
- internal controls over the various functions performed by the CMC.

The committee helped the Commission to fulfil its governance and oversight responsibilities for financial reporting, as prescribed in the *Financial and Performance Management Standard 2009* and the *Financial Accountability Act 2009*.

The Audit Committee also helped the Commission to oversee the audit process, its process for monitoring compliance with law and regulations, the Code of Conduct and the CMC's policies, procedures and guidelines. The committee operates within and observes the terms of its charter and has due regard to the Queensland Treasury *Audit Committee Guidelines*.

To ensure the committee's independence, its five-person membership includes a CMC Commissioner and two external members, one of whom is the Chair. Although the CMC Chairperson and the Executive General Manager are not committee members, they attend meetings to brief the committee on forthcoming issues and any possible risks for the organisation. Representatives from the Queensland Audit Office and the Internal Auditor have a standing invitation to attend meetings.

In 2010–11, significant achievements of the Audit Committee were:

- reviewing the *Strategic Audit Plan 2010–15* and the *Annual Internal Audit Plan 2011–12*
- ensuring that CMC financial statements complied with Treasury guidelines and appropriate accounting standards
- undertaking a benchmarking assessment of the CMC internal audit function against the principles published in the Institute of Internal Auditors Australia *Policy agenda*
- introducing the Chief Finance Officer Statement in the CMC in accordance with section 77(2)(b) of the *Financial Accountability Act 2009*
- being instrumental in forming the CMC's Risk Management Committee and the appointment of its external Chair
- addressing significant issues arising from the CMC's governance review
- introducing a control requiring all committee members to sign a 'Declaration: ethical interest' form
- revising the Audit Committee Charter
- agreeing on the duration for the term of office for committee members, consistent with Queensland Treasury's *Audit Committee Guidelines*.

The Audit Committee monitors the internal and external auditors' activities for efficiency and effectiveness.

Table 15. Audit Committee membership

Name	Year first appointed	Internal/external appointee	Current position	No. of meetings attended/Total held
Mr Phil Procopis (Chair)	2003	External	Director, Assurance and Risk Management Services, University of Queensland	4/4
Mr Len Scanlan ¹	2005	External	Scanlan Consulting Solutions (former Auditor-General of Queensland)	4/4
Dr David Gow ²	2005	Internal	Part-time Commissioner	1/4
Mr Philip Nase	2010	Internal	Part-time Commissioner (Mr Nase replaced Dr Gow)	3/4
Mr David Goody	2008	Internal	Manager, Proceeds of Crime	4/4
Mr David Honeyman	2008	Internal	Principal Adviser, Misconduct Prevention	1/4

1. Mr Scanlan was paid \$5000 per annum for his services. Other members received their normal remuneration from their employers.
2. Dr Gow's term on the committee ceased in 2010 when his term as a part-time Commissioner ended.

The committee conducts a self-assessment of its performance at the end of each financial year and meets with the external and internal auditors separately, without the presence of management, to inquire if there are any significant concerns that need to be dealt with.

The CMC's Audit Committee liaises effectively with the Queensland Audit Office and ensures that all audit findings and recommendations made by the Queensland Audit Office at year-end audits are promptly followed up and implemented.

Budget Management Committee

The Budget Management Committee assists the Commission in its financial management responsibilities and reviews its financial and budget process. The committee provides independent advice to the Commission through its reporting structure but does not replace existing lines of authority or reporting. The members are:

- the Chairperson (Chair)
- a Commissioner
- the Assistant Commissioner, Crime
- the Assistant Commissioner, Misconduct
- the Director, Witness Protection and Operations Support
- the Executive General Manager
- the Finance Manager (Secretary).

Key achievements during the 2010–11 financial year were:

- reviewing the 2009–10 financial statement and recommending changes where necessary
- overseeing the preparation of the 2011–12 annual budget in accordance with the Commission's strategic priorities
- making recommendations to the Commission on new budget initiatives
- monitoring expenditure against budget during the year, reviewing significant financial transactions and recommending corrective action where necessary
- setting the format for enhanced financial reporting processes within the Commission, to assist with performance reporting.

Business Continuity Committee

Business continuity is the activity performed to ensure that critical business functions are available in the event of a disaster that prevents or disrupts normal operations. In 2010–11, the committee developed and endorsed the *Business Continuity: CMC Staff Handbook* to raise awareness and provide an overview of our management of business continuity. The CMC maintains membership of the Continuity Forum, with several of our committee members attending a number of forum meetings. Two committee members attended the Australasian Business Continuity Summit 2011.

Information Steering Group

The Information Steering Group assists the Commission with its responsibility to effectively utilise its information infrastructure and resources. The group provides independent advice to the Commission but has no decision-making authority. As an outcome of the internal governance review, the CMC is developing a charter for the newly reconstituted Information Steering Group, which has replaced the previous Information Steering Committee. It is intended that the revamped committee should have a position for external representation to ensure its independence.

Workplace Health and Safety Committee

The members of the Workplace Health and Safety Committee are a representative cross-section of our employees. Several core representatives are longstanding employees and have developed a wealth of knowledge and experience in this area. Conversely, many members were recruited in recent years and bring new perspectives and added enthusiasm to the committee.

Through the efforts of the Workplace Health and Safety Committee and in pursuit of a healthy and safe workplace, during the year we have:

- maintained a free employee influenza vaccination program, resulting in vaccinations being provided to 149 staff
- maintained specialist support services for staff engaged in covert activities that carry significant risk
- continued and monitored our Employee Assistance Program, which is available to all employees
- engaged in rehabilitation and return-to-work programs for staff in need of such services
- maintained the accreditation of our workplace health and safety officers
- updated our evacuation team members and first aid officers
- ensured that all electrical equipment was checked and tagged in accordance with the requirements of section 3A of the *Workplace Health and Safety Act 1995* and the *Electrical Safety Act 2002*.

Other governance tools and risk controls

Internal audit operations

Operating under the Queensland Treasury *Audit Committee Guidelines* and a formal charter, the Internal Auditor reports to the Chairperson. The charter ensures that our procedures and practices are consistent with the audit standards and code of ethics prescribed by the Institute of Internal Auditors *International Professional Practices Framework* (IPPF).

A full-time Internal Auditor was appointed in February 2011, replacing a previous part-time position, to conduct financial, compliance and assurance audits, and also to review the CMC's operational systems for efficiency and effectiveness. All audits are risk-based to ensure that areas with the most risk are addressed in the internal audit plan.

The Internal Auditor prepared the Annual and Strategic Internal Audit Plans, which addressed the CMC's strategic objectives and matters of high risk in the Crime, Witness Protection and Misconduct functional areas and in work areas providing strategy and services support to functional areas. The Annual and Strategic Internal Audit Plans were endorsed by executive management and the Audit Committee and approved by the Commission.

Audits completed in the 2010–11 financial year included the payroll follow-up review, the external intrusion network review, the integrity services monitoring review, testing of financial systems for corporate and covert operations, bank reconciliation examinations and an examination of proceeds of crime practices.

Policy and procedure

The CMC has a range of policies and procedures that are readily available to all staff through the CMC's intranet. In accordance with section 21 of the *Right to Information Act 2009*, policies available to all staff are published on our website.

Recordkeeping

The CMC is aware of its responsibilities under the *Public Records Act 2002*, Information Standard 40: Recording, and Information Standard 31: Retention and Disposal of Public Records, and is developing strategies to improve its recordkeeping practices throughout the organisation.

One of the approved recommendations from the review of governance arrangements was for the CMC's information management activities to be independently examined by an external specialist. This evaluation began in early 2011 and resulted in 20 major recommendations to deal with problems identified in Information Management systems and activities, and the management of those systems and activities. All recommendations were subsequently approved by the Commission. A challenging 12-month implementation plan has been developed and the staged execution of the plan has begun.

Consistent with the CMC's strategic plan, an Electronic Document and Records Management System (eDRMS) was successfully implemented in all areas of the CMC in August 2010. The eDRMS implementation supports the lifecycle management of the CMC's electronic and physical documents and records, and provides opportunities for productivity improvements through workflow management functions.

Maintaining the reliability of computing hardware and the currency of the suite of software remains a Commission priority. Accordingly, the cyclic replacement of the computing standard operating environment, comprising all desktop and laptop PCs and the standard software build, was completed in June 2011.

Information systems

The CMC has highly specialised and secure electronic information systems and databases that 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.

Code of Conduct

We maintain an up-to-date Code of Conduct to provide guidance to staff on appropriate behaviour. The code is provided to staff as part of the corporate induction process and is also available on the CMC intranet.

Managers Communication Forum

The Managers Communication Forum promotes cross-organisational collaboration and facilitates two-way communication between CMC managers and the Executive Leadership Group. Relevant management issues are brought to the forum from the Commission, from the Executive Leadership Group and from forum members. The forum aims to facilitate discussion and consultation on strategic and management issues. The Managers Communication Forum is a discussion forum only and does not have decision-making authority.

Office of General Counsel

General Counsel provides the Chairperson and Commissioners with independent legal advice and support on any matter bearing on the responsibilities of the CMC. General Counsel reports directly to the Chairperson.

Our related Legal Services Unit provides legal support to operational areas as required and helps the CMC meet its obligations to external and Commonwealth agencies overseeing our telecommunications interception function.

Other groups

There are various other groups and committees in place to support operational managers – in particular, to support the Assistant Commissioners. These other groups tend to operate within work areas, and ensure that the required perspectives are brought to bear in the appropriate forums. In these forums, work areas such as Research and Intelligence and specialists such as lawyers and accountants contribute their expertise.

External scrutiny

Parliamentary Crime and Misconduct Committee

The Parliamentary Crime and Misconduct Committee (PCMC) is a bipartisan committee that has the following principal functions:

- monitor and review the CMC's performance of its functions
- receive and consider complaints against the CMC and deal with issues concerning the CMC
- request reports on matters that have come to the PCMC's attention through the media or by other means
- consult with the Attorney-General on the appointment of the CMC Chairperson and Commissioners.

In 2010–11, the Commission formally met with the PCMC about every two months to discuss current activities and performance. From 2010 to 15 June 2011 the members of the PCMC were:

- Mr Paul Hoolihan MP, Chair, Member for Keppel
- Mr Jack Dempsey MP, Deputy Chair, Member for Bundaberg
- Mr Steve Dickson MP, Member for Buderim
- Mr Scott Emerson MP, Member for Indooroopilly
- Mr Mark Ryan MP, Member for Morayfield
- Ms Lillian Van Litsenburg MP, Member for Redcliffe
- Mr Steve Wettenhall MP, Member for Barron River.

On 20 May 2011 the PCMC advised its intention to undertake its review of the CMC's activities. It is required to undertake such a review at a time near the end of three years from the appointment of the committee's members, as prescribed by the *Crime and Misconduct Act 2001*. The PCMC published its most recent review, *Three yearly review of the Crime and Misconduct Commission* (report no. 79), in April 2009.

» Read the PCMC's report [here](#).

In the month after this advice, on 16 June 2011, the outcome of the Queensland Parliament's reform of its committees was announced, as was the new membership of the PCMC, namely:

- Dr Alex Douglas MP, Chair, Member for Gaven
- Ms Grace Grace MP, Member for Brisbane Central
- Mr Evan Moorhead MP, Member for Waterford
- Mr Andrew Powell MP, Member for Glasshouse⁴
- Mr Mark Ryan MP, Member for Morayfield
- Mr Peter Wellington MP, Member for Nicklin
- Mr Steve Wettenhall MP, Member for Barron River.

Just as CEOs of government agencies are obliged to report possible misconduct to the CMC, the CMC Chairperson is required to report to the PCMC any conduct of a CMC officer that the Chairperson suspects involves, or may involve, improper conduct (section 329 of the *Crime and Misconduct Act*). These matters may be referred back to the CMC for investigation under the CMC's disciplinary policies.

⁴ Mr Vaughan Johnson MP, Member for Gregory replaced Mr Powell on the committee on 4 August 2011.

Pursuant to section 292(f) of the *Crime and Misconduct Act 2001* (Qld), the PCMC must conduct a three-year review of the activities of the CMC and report to the Legislative Assembly. This is a statutory review of the CMC's activities to assist parliament in considering whether amendments are needed to the *Crime and Misconduct Act 2001* or to the functions, powers and operations of the CMC. The PCMC has called for submissions from all interested Queenslanders and will conduct public hearings later in the year.

Parliamentary Crime and Misconduct Commissioner

The Parliamentary Crime and Misconduct Commissioner (Parliamentary Commissioner) assists the PCMC in its role of monitoring and reviewing the CMC by undertaking a range of important activities on the committee's behalf and reporting back to the PCMC. For example, the Commissioner may conduct audits of the CMC's records and files and is authorised to investigate complaints against the CMC or its officers.

During the year, the Parliamentary Commissioner, Mr Gary Long SC, originally appointed on 10 January 2010, vacated his post when he was appointed a judge of the District Court of Queensland in May 2011. On 18 May 2011, Mr Mitchell Kunde was appointed the acting Parliamentary Commissioner.

In 2010–11, the Parliamentary Commissioner:

- 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
- inspected the telecommunications interception records
- oversaw investigations into allegations against several CMC staff
- inspected the Covert Human Intelligence Sources register.

All issues raised by the audits and inspections undertaken have been recorded. Action was taken when suggestions were made to achieve best practice, remove ambiguity or reduce the potential for error.

The Minister

The CMC's Minister is the Honourable Paul Lucas MP, Deputy Premier and Attorney-General, Minister for Local Government and Special Minister of State. Our former Minister, the Honourable Cameron Dick MP, finished his term as Attorney-General in February 2011.

The Minister participates in the selection of the Chairperson, Commissioners and Assistant Commissioners, approves staff remuneration conditions, and approves the CMC's budget.

Our Minister must ensure that the CMC operates in accordance with best practice standards. He is assisted in fulfilling this function by a six-monthly written performance report from the CMC on the efficiency, effectiveness, economy and timeliness of its operations and processes.

External audit

The Queensland Audit Office audits the CMC's financial statements annually. The CMC has never had a qualified audit.

Specialised monitoring of CMC activities

Public Interest Monitor

The Public Interest Monitor must ensure that the CMC complies with the *Crime and Misconduct Act 2001*, the *Police Powers and Responsibilities Act 2000* and the *Telecommunications Interception Act 2009* (Qld) when making application for, and using, surveillance warrants, covert search warrants and telecommunications interception warrants. When appropriate, the Public Interest Monitor may give any report about non-compliance in relation to surveillance and covert search warrants to the Commission and the PCMC, and any non-compliance with respect to telecommunications interceptions to the Attorney-General, the PCMC and the Parliamentary Commissioner.

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.

In addition, some decisions of the CMC may be reviewed by a Supreme Court judge. These include applications for judicial review of decisions of the CMC and the Crime Reference Committee.

The Supreme Court also decides penalties to be imposed on people who refuse to answer questions during CMC hearings.

Crime Reference Committee

As discussed on page [19](#), 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 regard to its referrals.

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 that may involve authorised police officers and others engaging in activities that may be unlawful – for example, buying 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.

Sustainability reporting

Toward Q2: Tomorrow's Queensland (Toward Q2), the Queensland Government document outlining its strategies to address current and future challenges for Queensland, contains the ambition *Fair – Supporting safe and caring communities*. It is this ambition to which the CMC primarily contributes, although we also play a part in supporting other government ambitions. In particular we have taken steps to support the Toward Q2 ambition *Green – Protecting our lifestyle and environment*.

Our sustainability reporting has economic, environmental and social dimensions.

Economic sustainability

The CMC aims to apply prudent financial business practices to its internal operations, to ensure economic and financial sustainability.

Our main source of income is government appropriation. The CMC holds adequate financial reserves to meet its obligations as they fall due, including accrued leave entitlements for staff.

Our financial performance is detailed in the financial statements attached to this report.

Environmental sustainability

The CMC contributes to environmental sustainability by continuing to incorporate sustainable practices such as reducing its vehicle fleet, adopting where possible the use of four-cylinder cars, using recycling processes and occupying office space in a 'green' building. We take steps to help Queensland reduce its carbon footprint, especially by reducing our car and electricity use. This year we could not produce the savings expected in some areas because of operational factors. [Appendix F](#) contains more detailed reporting on this topic.

Social sustainability

During this year, we continued to demonstrate the ongoing social value of our organisation. In 2010–11, we have:

- continued to dismantle socially destructive criminal networks
- engaged in efforts to build confidence in our public institutions by advancing public sector integrity
- continued to provide citizens with the opportunity to raise questions about possible misconduct in public sector agencies with an independent arbiter having the powers to investigate
- provided government with the opportunity to consider reports and proposals on important social issues, including prostitution, 'evasion of police' provisions and police 'move on' powers
- participated in government initiatives to improve public confidence in the police generally and in the QPS disciplinary system in particular
- successfully prosecuted cases where corruption arose
- used civil confiscation processes to recover, for return to the state, over \$9.3m in assets derived from illegal activity.

Looking ahead

In 2011–12 we will pursue our objective of being a high-performing organisation that communicates effectively, using the strategies outlined in our *Strategic Plan 2011–15*. This will include the following:

- Further develop the whole-of-government electronic complaints system
- Implement activity-based costing for enhanced financial reporting
- Further implement our risk management framework to strengthen our whole-of-government approach to managing risk
- Implement the CMC achievement and capability process to assist staff and managers to develop individual performance
- Review and implement an improved framework for managing major research projects and publications
- Redevelop the CMC website and intranet to enhance engagement with external client groups and internal stakeholders.

Financial performance

The CMC operates in an internal control and risk management framework that ensures compliance with our financial responsibilities, cost minimisation and value for money. These internal controls include:

- regular financial audits by the Queensland Audit Office and the CMC's Internal Auditor
- a Budget Management Committee that ensures the budget is framed to maximise outputs from the strategic plan and monitors it to ensure that targets are achieved
- continued engagement with the CMC's Audit Committee
- regular internal and external financial reporting, including quarterly reports to the PCMC
- maintaining an updated Financial Management Practice Manual
- ensuring ongoing training and development of finance staff.

Purchasing and expense management

The CMC manages its procurement processes in accordance with the *State Procurement Policy 2010*. Our aim is to maximise value for money when purchasing goods and services, and to ensure probity and accountability of procurement outcomes. We do this by ensuring compliance with the CMC's policies and procedures, and by monitoring and improving systems and processes.

The CMC's expense management system ensures prompt recognition and recording of expenditure in a manner that satisfies monitoring and reporting objectives and accountability requirements. Payments to creditors are generally settled on 30-day terms. The CMC paid all its accounts on time during the financial year and took advantage of discounts on early settlement of accounts.

Table 16. Statement of Comprehensive Income

Comparison of budget and actual results	2010–11		
	Budget \$'000	Actual \$'000	Variance \$'000
Grants and Contributions	47 989	48 658	669
Other Revenue	550	890	340
Gains from Sale of Property, Plant and Equipment	25	14	(11)
Total Income	48 564	49 562	998
Employee Expenses	34 484	34 354	(130)
Supplies and Services	12 117	12 664	547
Depreciation and Amortisation	1 885	2 158	273
Finance Costs	–	66	66
Other Expenses	78	556	478
Total Expenses	48 564	49 798	1 234
Operating Surplus/(Deficit)	–	(236)	(236)

Explanation of significant variances

Grants and Contributions

The increase in grant funding was due to additional funding received for pay increases. In addition, the CMC recognised contributions of \$0.363m for services received free of charge from other Queensland Government agencies. An equal amount has been recognised as expenditure.

Other Revenue

The increase in other revenue is the result of greater interest earnings than budgeted. This was due to more efficient cash management processes and higher than anticipated interest rates.

Employee Expenses

Employee expenses were under budget mainly due to impacts of the governance review held during the financial year, which led to structural reviews in some areas of the CMC, thereby causing delays in some recruitment processes.

Supplies and Services

Supplies and services expenditure was higher than budgeted mainly due to recognising the cost of lease payments on a straight-line basis for Green Square and the offsite premises over the term of the lease, in accordance with AASB 117 *Leases*. In addition, costs incurred to 'make good' the old offsite premises were higher than expected.

Depreciation and Amortisation

The increase is due to higher depreciation write-offs for leasehold improvements.

Other Expenses

The increase in other expenses is due to the recognition of the services received free of charge from other Queensland Government agencies (\$0.363m).

Operating Deficit

The operating budget deficit of \$0.236m was due to additional write-offs of lease payments in accordance with AASB 117 *Leases*, which requires the annual lease expense to be recognised on a straight-line basis over the term of the lease if lease increases are fixed.

Asset Management

The CMC adheres to Queensland Treasury's *Non-Current Asset Policies for the Queensland Public Sector*.

The CMC performs an asset stocktake annually. As part of the stocktake process, a review of the useful lives of assets is conducted, and assets are assessed for indicators of impairment. The CMC did not impair any assets during the financial year.

Table 17. Statement of Financial Position

Comparison of budget and actual results	2010–11		
	Budget \$'000	Actual \$'000	Variance \$'000
Current Assets	7 710	10 897	3 187
Non-Current Assets	14 851	15 873	1 022
Total Assets	22 561	26 770	4 209
Current Liabilities	3 553	5 597	2 044
Non-Current Liabilities	3 059	5 330	2 271
Total Liabilities	6 612	10 927	4 315
Total Equity	15 949	15 843	(106)

Explanation of significant variances

Current Assets

Cash reserves have built up due to the 2009–10 operating surplus and the timing of creditor payments. The increase in receivables is due to a higher than expected GST refund at the end of the financial year.

Non-Current Assets

The CMC reassessed its lease obligations during the financial year, and recognised a provision for restoration costs of \$1.328m, which is included in the cost of leasehold improvements, thereby increasing non-current assets.

Current Liabilities

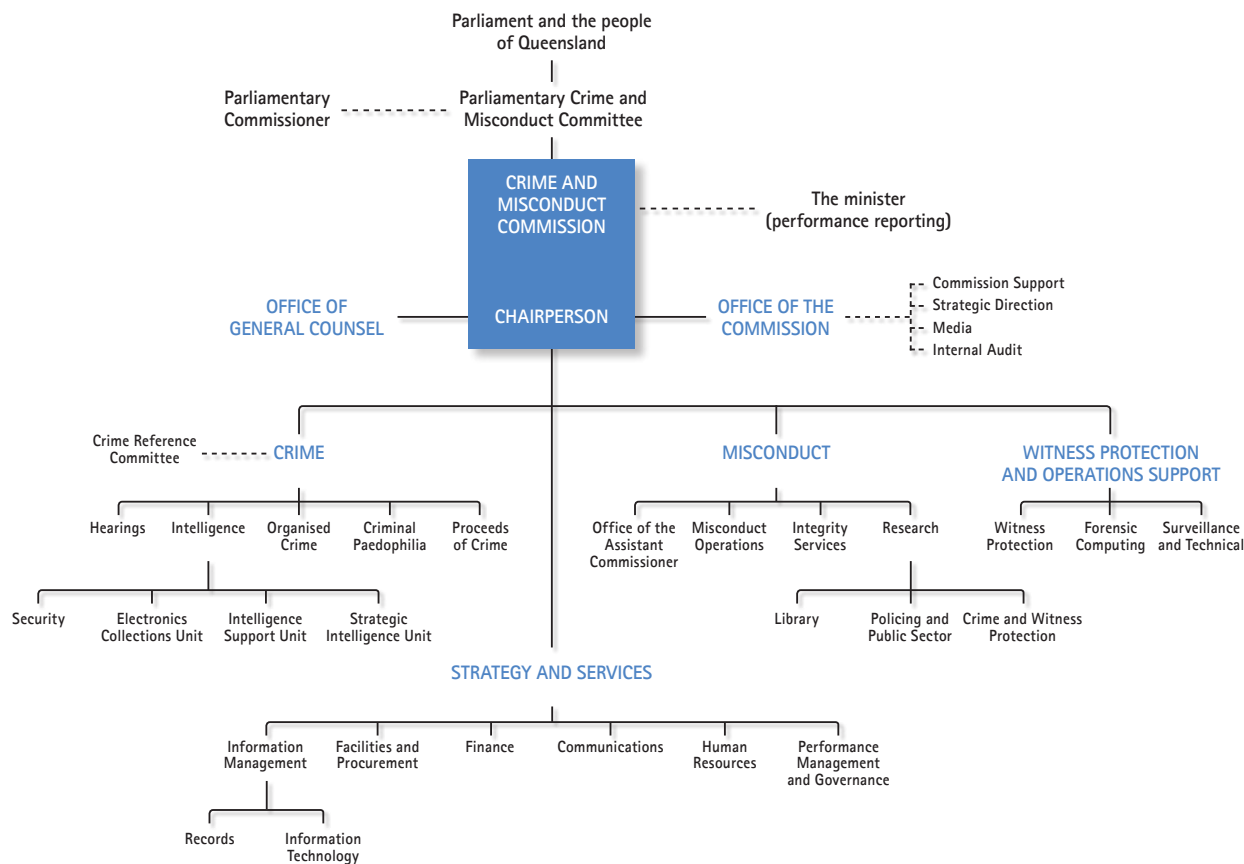
Current liabilities were higher than expected, mainly due to an increase in payables. These payables included over \$1m owing to suppliers for computer equipment purchased as part of the four-yearly cyclical standard operating environment (SOE) replacement program, which was rolled out to the CMC during June 2011.

Non-Current Liabilities

The increase in non-current liabilities is mainly due to the CMC recognising a provision for restoration costs of \$1.328m when it reassessed its lease obligations during the financial year. Additionally, an amount of \$0.374m was recognised as a deferred lease liability to account for lease expense payments on a straight-line method over the term of the lease.

Appendix A

CMC's activity structure and accountability



Output performance as per SDS measures, 2006–07 to 2010–11

Table 18. Crime fighting and prevention services: performance 2006–07 to 2010–11, and estimated 2011–12

Service standards (SDS)	2006–07	2007–08	2008–09	2009–10	2010–11	2011–12 (estimate)
Tactical operations undertaken	25	35	29	43	28	25
Research, prevention and intelligence projects undertaken	5	5	13	14	15	15
Number of criminal proceeds restraining orders obtained	50	78	78	97	44	75
Number of civil confiscation matters finalised	26	27	23	42	48	40
Percentage of tactical operations resulting in charges, restraints or seizures	94	100	100	95	96	95
Net value of criminal proceeds restrained (\$'000)	11 743	18 561	24 374	19 543	14 116	18 000
Net value of assets forfeited (\$'000)	4 245	4 675	3 304	5 568	9 325	6 000
Expenses to achieve strategic objective to 'prevent and combat major crime'	\$11.3m	\$12.2m	\$14.0m	\$14.5m	\$16.4m	\$16.6m

Table 19. Public sector and integrity services: performance 2006–07 to 2010–11, and estimated 2011–12

Service standards (SDS)	2006–07	2007–08	2008–09	2009–10	2010–11	2011–12 (estimate)
Percentage of significant agency-managed complaints matters reviewed	n/a	n/a	n/a	n/a	15	15
Research, intelligence, capacity building, prevention and monitoring projects undertaken	33	41	42	31	27	26
Number of serious matters retained for CMC investigation	n/a	n/a	n/a	n/a	77	50
Percentage of recommendations to agencies not accepted	n/a	n/a	n/a	n/a	12	Amended measure
Percentage of reviewed matters finalised within 4 weeks	n/a	n/a	n/a	n/a	65	Amended measure
Percentage of investigated matters finalised within 12 months	76	76	71	90	60	80
Percentage of monitored matters dealt with satisfactorily or better by agencies*	83	84	87	91	87	n/a
Number of agencies endorsed to self-determine appropriate complaints management methods under the updated integrity system*	n/a	n/a	n/a	n/a	4	n/a
Expenses to achieve strategic objective to 'promote a trustworthy public sector'	\$20.0m	\$20.5m	\$23.5m	\$24.4m	\$27.6m	\$28.0m

* Internal measure only. This measure will be discontinued as a strategic plan performance indicator in 2011–12.

Table 20. Witness protection services: performance 2006–07 to 2010–11, and estimated 2011–12

Service standards (SDS)	2006–07	2007–08	2008–09	2009–10	2010–11	2011–12 (estimate)
Number of admissions to witness protection program	78	42	51	46	51	70
Applications for witness protection assessed (persons)	130	96	104	135	114	100
Percentage of protected persons whose safety is not compromised	n/a	n/a	100	100	100	100
Percentage of eligible persons offered interim protection within two days	81	92	100	95	100	95
Number of threat assessments undertaken*	74	62	60	92	52	n/a
Expenses to achieve strategic objective to 'provide an effective witness protection service'	\$4.3m	\$4.4m	\$5.0m	\$5.2m	\$5.9m	\$6.0m

* Internal measure only. This measure will be discontinued as a strategic plan performance indicator in 2011–12.

Appendix C

Appointment criteria for Commissioners, Assistant Commissioners and senior officers

Commissioners

Appointment of Commissioners

Commissioners (including the Chairperson) are appointed by the Governor-in-Council under the terms of the *Crime and Misconduct Act 2001* (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 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-in-Council may terminate the appointment of a Commissioner on a recommendation to the Legislative Assembly made with the bipartisan support of the Parliamentary Crime and Misconduct Committee and approved by the Legislative Assembly. A CMC Commissioner (including the Chairperson) may resign at any time by written notice to the Minister.

Ethical standards

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

Assistant Commissioners and senior officers

The criteria for appointing Assistant Commissioners are the same as for the Chairperson. 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 General Manager or a human resource, information technology or finance manager.

Appendix D

Executive Leadership Group — current members and their responsibilities on other internal and external committees

Executive member	Committee membership	Responsibility
Mr Martin Moynihan, AO, QC Chairperson	Commission	Chair
	Audit Committee	ex officio
	Budget Management Committee	Chair
	Crime Reference Committee	member
	Crime Operational Review Committee	member
	Misconduct Operations Review Committee	member
	Research and Major Publications Committee	Chair
	Integrity Committee	member
	Police Education Advisory Council	member
	Justice Statutory Authority Group	member
Mr John Callanan, BA, LLB (Hons) Assistant Commissioner, Crime	Commission	ex officio
	Budget Management Committee	member
	Crime Reference Committee	Chair
	Crime Intelligence Review Committee	Chair
	Crime Operations Review Committee	Chair
	Research and Major Publications Committee	member
	Prostitution Licensing Authority	Statutory member
	Queensland Joint Management Group	member
	Operational committees related to QPS and Commonwealth agencies dealing with crime	member as required
Mr Warren Strange, LLM, LLB, BSc Assistant Commissioner, Misconduct	Commission	ex officio
	Budget Management Committee	member
	Misconduct Assessment Committee	member
	Misconduct Operations Review Committee	Chair
	Research and Major Publications Committee	member
	Queensland Law Society Criminal Law Specialist Accreditation Committee	member
Ms Edith Mendelle, BA (Hons), MBA Executive General Manager	Commission	ex officio
	Risk Management Committee	member
	Audit Committee	ex officio
	Budget Management Committee	member
	Business Continuity Committee	member
	Workplace Health & Safety Committee	Chair
	Research and Major Publications Committee	member
	Crime Intelligence and Review Committee	ex officio
	Crime Operations Review Committee	ex officio
	Misconduct Assessment Committee	ex officio
	Misconduct Operations Review Committee	ex officio
	Witness Protection Advisory Committee	ex officio

Compliance reporting

Public interest disclosures

In 2010–11, the CMC received 376 public interest disclosures (PIDs), or complaints, which comprised 1107 allegations.

The table below details the status of the allegations.

Note that the PIDs are only for the period 1 July to 31 December 2010.

Table 21. Status of public interest disclosures received by the CMC between 1 July and 31 December 2010

Section of <i>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	Total
15: Public officer complaining of official misconduct	0	110	385*	4	317	231	1047
16: Public officer complaining of maladministration	0	1	2*	11	0	0	14
17: Public officer complaining of improper management	0	0	0	0	0	0	0
18: Public officer complaining re health/environment matter	0	0	0	0	2	0	2
19: Any person complaining re public health or safety matter	0	6	7	0	1	0	14
20: Any person complaining re reprisal	0	1	25*	0	4	0	30
Total	0	118	419*	15	324	231	1107

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

Whistleblowers Protection Act 1994

Section 30(1) of the *Whistleblowers Protection Act 1994* requires agencies to include statistical information about the number of public interest disclosures it received. In the period from 1 July to 31 December 2010, no public interest disclosures were made by CMC staff.

With the repeal of the Act and the introduction of the *Public Interest Disclosure Act 2010* (PID Act) on 1 January 2011, the way in which public interest disclosures are to be publicly reported has changed. From 1 January 2011, agencies are no longer required to report public interest disclosures in annual reports.

Under section 61 of the PID Act, the Public Service Commission (PSC) is now responsible for overseeing public interest disclosures and preparing an annual report on the operation of the PID Act. From 1 January 2011, agencies are required to report information about public interest disclosures to the PSC. The PSC will prepare an annual report on the operations of the PID Act and the information provided by agencies. The annual report will be made publicly available after the end of each financial year.

Overseas travel

In 2010–11 the CMC spent a total of \$17 131 on overseas travel, as detailed in the following table.

Table 22.

Date of travel	Name/position of officer	Destination	Reason for travel	Agency costs* Invoiced 2010–11 \$ (excl GST)
23–26 November 2010	Warren Strange, Assistant Commissioner	Wellington, New Zealand	Participate in Australian and New Zealand Police Integrity Leadership Forum	1 500
6–17 August 2010	Lance Vercoe, Operations Leader	Dallas, Texas, USA	Attend Crimes Against Children Conference	4 924
6–17 August 2010	Anthony Morgan, Operations Leader	Dallas, Texas, USA	Attend Crimes Against Children Conference	4 924
29 April – 13 May 2011	Ben deWaard, Senior Analyst	Orlando, Florida, USA	Attend Basic Computer Forensics Training Conference	5 783
Total expenditure				17 131

* No contributions were received from other agencies or sources.

Consultancies

In 2010–11 the CMC spent a total of \$419 359 on consultancies including \$229 075 for specialist legal opinions. The remainder of \$190 284 was spent on various consultancies including the CMC's governance and organisational reviews to strengthen organisational decision making and performance. The following table is a summary of the CMC Consultancy Register that lists the suppliers paid by the CMC for providing consultancy services.

Table 23.

Categories	Consultants	Projects	Invoiced 2010–11 \$ (excl GST)
Management	Board Matters	CMC governance review	53 761
	Julie Cork	Organisational review of Misconduct Unit	15 000
	Quantum Management	Organisation climate survey	22 630
Communications	Big Splash	Training in media presentation	1 800
	Peak Usability	CMC online communication enhancement	45 235
Audit	Deloitte	CMC network intrusion test	13 000
Legal	Counsel	Legal opinions	181 075
	Counsel	Legal opinions	48 000
Research	Queensland University of Technology	Evaluation of police pursuit report	15 000
Proceeds of crime	University of Wollongong	Proceeds of crime review	23 858
Total expenditure			419 359

Privacy

On 1 July 2009, the *Information Privacy Act 2009* (IP Act) began operation in Queensland. The primary objectives of the IP Act are to provide for the fair collection and handling of personal information in the public sector, and to provide a right of persons to access and amend personal information held by public sector entities. It provides a mechanism by which persons can access and amend their own personal information, and sets out the Information Privacy Principles (IPP) to which public sector entities must adhere, unless exempted by the IP Act.

The IPP have limited application to the core activities of the CMC. The following documents of the CMC to which the IPP do not apply are those:

- arising out of, or in connection with, a controlled operation or controlled activity under the *Police Powers and Responsibilities Act 2000* or the *Crime and Misconduct Act 2001*, or
- arising out of, or in connection with, the covert undertaking of an operation, investigation or function of a law enforcement agency, or
- obtained under a warrant issued under the *Telecommunications (Interception and Access) Act 1979* (Cwlth), or
- about a person who is included in a witness protection program under the *Witness Protection Act 2000* or who is subject to other witness protection arrangements made under an Act, or
- relating to a complaint or an investigation of misconduct, under the *Crime and Misconduct Act 2001*.

Further, the CMC is not subject to IPP 2, 3, 9, 10 or 11, but only if it is satisfied on reasonable grounds that non-compliance with the IPP is necessary for performing its activities related to the enforcement of laws and its intelligence functions.

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

Table 24. Information Privacy Act 2009 — Applications and reviews 2010–11

Applications and reviews	Number
Applications for access	
On hand at 1 July 2010	1
Received	38
Applications for amendment	
Received	2
(1 granted; 1 lapsed)	
Access	
Full access granted	18
Partial access granted	6
Health care information (to be decided by healthcare professional)	1
Access refused (all matter exempt)	4
No documents located	5
Withdrawn/lapsed	3
Outstanding at 30 June 2010	2
Reviews	
Internal	0
External (to Information Commissioner)	3

Right to information

The *Freedom of Information Act 1992* was repealed on 1 July 2009 when the *Right to Information Act 2009* began operation. Although the CMC continues to be subject to the access provisions of the new Act, the Act provides that it does not apply to particular documents under the *Crime and Misconduct Act 2001* such as those relating to surveillance devices, controlled operations and controlled activities for misconduct offences, assumed identities and covert search warrants.

A further limitation on access to CMC information is a provision that 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, Intelligence and Misconduct functions. The exemption also applies to such information obtained, used or prepared by its predecessors, the CJC and the QCC, in performing equivalent functions. An exception to this exemption provision is provided if a person is seeking information about themselves and the investigation has been finalised.

The exemption 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 public confidence in it is maintained so that employees will continue to cooperate with its investigations, rather than obliging the CMC to invoke its coercive powers in every investigation.

Table 25. *Right to Information Act 2009* — Applications and reviews 2010–11

Applications and reviews	Number
Applications for access	
On hand at 1 July 2010	1
Received	16
Access	
Full access granted	3
Partial access granted	4
Access refused (all matter exempt)	5
No documents located	0
Withdrawn/lapsed (fee not paid)	5
Outstanding at 30 June 2010	0
Reviews	
Internal	0
External (to Information Commissioner)	4

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 the internet and email facilities to the Public Service Commission (PSC). 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 2010–11 year.

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 Queensland Police Service.

One certificate was given by the Commissioner on the basis that he was satisfied that disclosure of the operative's identity was likely to endanger the safety of the operative. No leave was given or order made in terms of section 21K of the *Evidence Act 1977*. The certificate was cancelled prior to lodgement in court as the proceedings ceased.

No certificates were given by the Chairperson.

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 two occasions during the 2010–11 year — for the periods 1 July 2010 to 31 December 2010, and 1 January 2010 to 30 June 2011.

Telecommunications (Interception and Access) Act 1979 (Cwlth)

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

- access to telecommunications interception data for investigation purposes made under telecommunications interception warrants, the effectiveness of those warrants, and the ultimate destruction of telecommunications interception warrants after they are no longer required for a CMC purpose (sections 100, 101 and 102)
- 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 they are no longer required for a CMC purpose (sections 162, 163 and 150)
- access to telecommunications data for investigation purposes (sections 178–180 and 186).

This information is included in the Commonwealth Attorney-General's *Telecommunications (Interception and Access) Act 1979 — Annual Report* which is tabled in the Commonwealth Parliament.

» Read the [Telecommunications \(Interception and Access\) Act 1979 annual report](#) here.

Appendix F

Sustainability and waste management

The CMC is located in the North Tower, Green Square 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. It was also the first commercial building in Australia to be awarded a 5-star NABERS (National Australian Built Environment Rating System) whole building energy rating. Green Square was built using recycled steel and plantation timber, and its overall environmental impact has been reduced through its optimised building orientation and its energy-saving technology.

Waste management

As part of our involvement in the building's waste management program it is estimated that we recycled the following.

Material	Tonnes	
	2009–10	2010–11
Cardboard*	10.84	9.3
Paper		4.15
Commingled waste**	5.88	4.42

These figures are based on the CMC's proportion of the total for the North Tower, Green Square.

* In 2009–10, cardboard and paper were a single category.

** Commingled waste comprises glass, aluminium, steel and plastic.

Through recycling of materials we saved an estimated:

- 49.26 cubic metres of landfill space
- 8.91 tonnes of carbon dioxide (CO₂) emissions, equivalent to 2.01 cars permanently removed from our roads
- 297.94 gigajoules of energy, equivalent to the annual electricity requirements of 13.66 households
- 296.14 kilolitres of water.

CMC energy consumption

Our energy consumption increased during 2010–11, mainly because of the number of investigative operations conducted, which involved staff working overtime and on the weekends, and thus using air conditioning and lighting outside normal work hours.

Energy consumption	2009–10	2010–11
Total kWh per year	836 153	960 264
Average kWh per month	69 679	80 022

Carbon emissions

Carbon emissions increased because of the domestic travel required for field investigations and our increased electricity consumption.

Source	Carbon emissions (tonnes)	
	2009–10	2010–11*
Motor vehicles**	319.0	213.9
Electricity***	587.0	845.0
Travel***		
International travel	12.0	10.8
Domestic travel	49.4	80.6
Total	967.4	1150.3

* The data in this column is for the year 1 April 2010 to 31 March 2011.

** Carbon emissions for the vehicles are calculated by QFleet. Emissions have been reduced because of the improved emission ratings of the vehicles purchased and a decrease in the kilometres travelled by the fleet.

*** Information provided by the Department of Public Works (Queensland Government Chief Procurement Office).

Copy paper usage

Usage details	2009	2010
No. of full-time equivalent (FTE) employees	292.5	277.8
No. of reams ordered	4161	4484
Average no. of reams per FTE per year	14.2	16.1
Average no. of pages per FTE per year	7100	8050

Notes: Paper use data sourced from Corporate Express.

All data, including FTE staff numbers, calculated at, or near, the end of the calendar year, 31 December 2010.

The table above refers only to the last two calendar years. Looking further back, our records show that, to 2008, the number of reams of paper per full-time equivalent (FTE) employee being used by the CMC had been steadily decreasing. This mainly resulted from changing our printers to default to double-sided printing and the more efficient use of our Electronic Document and Records Management System.

Over the last calendar year, however, the table reveals a substantial change. The number of FTE staff at the end of the calendar year was 5.0 per cent less than at the same time the previous year, but the reams of paper ordered had increased 7.8 per cent and the average number of reams used per full-time employee had increased by 1.9.

The situation shown in the table may be partly attributable to the recordings being based on 31 December figures rather than end of financial year figures. Calendar year figures for FTEs tend to vary considerably from year to year and may influence results. Over the coming year we will explore the possibility of obtaining from our external paper supplier figures to 30 June, which would produce results consistent with other annual report data.

CMC commitment to environmental responsibilities

The CMC is committed to managing and continuously improving its environmental performance. We continue to foster practices to minimise the environmental impact of our activities.

In 2010–11, to enhance sustainability and reduced greenhouse gas emissions, we undertook the following:

- We reduced our car fleet by one. In the last three years we have reduced our fleet by nine vehicles.
- We have improved the environmental profile of our fleet by choosing cars with the highest possible government-determined greenhouse ratings, without detriment to our operational requirements.
- Motor vehicles are cleaned using an environmentally friendly and waterless process.
- Double-sided printing is used as the default setting on all printers.
- We encourage turning off computers and other peripherals at the end of the day. The CMC has around 470 computers, 70 printers, 40 scanners and 16 photocopiers.
- Internal paper and commingled recycling systems have been successfully operating within the premises.

About the Financial statements

Statement of Financial Performance

The Statement of Financial Performance measures the entity's financial performance over a specific period (usually 12 months), by comparing revenues received against expenses incurred. Excess revenue over expenses results in an operating surplus, while excess expenses over revenue results in an operating deficit.

For the year ended 30 June 2011, the CMC's expenses exceeded revenues received by \$0.236m, resulting in an operating deficit. The main factor contributing to the operating deficit is an additional write-off of lease payments in accordance with AASB 117 *Leases*, which requires the annual lease expense to be recognised on a straight-line basis over the term of the lease if lease increases are fixed.

Statement of Financial Position

The Statement of Financial Position depicts the financial health of an entity at the end of the reporting period. It presents the value of the assets held, amounts owing (liabilities) and the equity (net worth) of the entity.

As at 30 June 2011, the CMC's equity decreased by \$0.236m – its current year operating deficit. This is represented by an increase in liabilities.

Assets

Assets are items of value controlled by an entity from which future economic benefits are expected to flow to the entity. Assets are classed as 'current assets' or 'non-current assets'.

Current assets are those assets that can be readily converted into cash within the next 12 months. The CMC's current assets include cash, trade debtors and other receivables, and prepaid expenditure.

Non-current assets are those assets not easily converted into cash and that an entity does not expect to convert into cash within the next 12 months. At 30 June 2011, the CMC's non-current assets of \$15.873m included the book value of leasehold improvements, motor vehicles, computer and other equipment, artwork and software.

Liabilities

Liabilities are the amounts owed by the entity. Similar to assets, they are classed as 'current liabilities' and 'non-current liabilities'.

Current liabilities are amounts owing that an entity plans to pay within the next 12 months. For the CMC, current liabilities include amounts owing to suppliers (usually settled on 30-day terms), amounts owing to employees for leave entitlements, provisions for expenditure based on contractual obligations expected to be incurred within the next 12 months, and lease incentive liabilities for Green Square.

Non-current liabilities are those liabilities that an entity is not expected to pay within 12 months or has no legal requirement to settle the debt within the next 12 months. The CMC's non-current liabilities relate to amounts owing to employees for leave entitlements not expected to be taken within the next 12 months, lease liabilities for Green Square, and deferred lease liabilities that have arisen due to recognising lease expense payments on a straight-line method over the term of the lease. This smoothing of lease payments will extinguish the deferred lease liability by the end of the lease term.

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 the entity and is represented by total assets less total liabilities in the Statement of Financial Position. An entity's equity balance is made up of initial capital (contributions), accumulated surplus/deficit 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 2011 (\$4.237m) and the equity injection from government for the Green Square leasehold fit-out (\$9.707m).

The accumulated surplus of \$1.899m at 30 June 2011 consists of current year and prior year's operating results.

Financial Statements

Statement of Changes in Equity

The Statement of Changes in Equity details movements in the equity of an entity 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 2010–11, the CMC's equity movement was due to the operating deficit of \$0.236m.

Cash Flow Statement

The Cash Flow Statement shows the actual movements of cash during the financial year. During the year ended 30 June 2011, the CMC received \$51.228m in cash and paid out \$47.743m in cash to manage its operating activities. In addition, \$1.582m of cash was spent to invest in capital acquisitions (non-current assets).

The CMC's cash balance at 30 June 2011 was \$9.448m compared to \$7.545m at 30 June 2010. The increase in cash is mainly due to lower capital purchases (\$1.582m) compared to non-cash depreciation write-offs (\$2.158m), resulting in a build up of cash reserves. Another contributing factor is the timing of creditor payments.

Notes to and forming part of the financial statements

The notes to the financial statements provide a more detailed breakup of line items presented in the financial statements. They also disclose other matters such as the CMC's accounting policies, outstanding commitments at the end of the reporting period, and other financial disclosures including key executive management personnel and remuneration. The financial statements should be read in conjunction with these accompanying notes.

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These financial statements cover the Crime and Misconduct Commission, an independent statutory body established under the *Crime and Misconduct Act 2001*.

The Commission is controlled by the State of Queensland which is the ultimate parent.

The head office and principal place of business of the Commission is:

Level 2, North Tower Green Square
515 St Pauls Terrace
Fortitude Valley QLD 4006

A description of the nature of the Commission's operations and its principal activities is included in the notes to the financial statements.

For information relating to the Commission's financial statements, please call 07 3360 6060, email mailbox@cmc.qld.gov.au or visit the Commission's internet site <www.cmc.qld.gov.au>.

Amounts shown in these financial statements may not add to the correct sub-totals due to rounding.

Statement of Comprehensive Income

for the year ended 30 June 2011

	Notes	2011 \$'000	2010 \$'000
Income			
Revenue			
Grants and other contributions	2	48,658	44,833
Other revenues	3	890	938
Gains			
Gains from sale of property, plant and equipment	4	14	13
Total Income		49,562	45,784
Expenses			
Employee expenses	5	34,354	31,100
Supplies and services	7	12,664	10,071
Depreciation and amortisation	8	2,158	1,751
Finance costs	9	66	–
Other expenses	10	556	1,228
Total Expenses		49,798	44,150
Operating Surplus (Deficit)		(236)	1,634
Other Comprehensive Income		–	–
Total Comprehensive Income		(236)	1,634

The accompanying notes form part of these statements.

Statement of Financial Position

as at 30 June 2011

	Notes	2011 \$'000	2010 \$'000
Current Assets			
Cash and cash equivalents	11	9,448	7,545
Receivables	12	918	507
Other	13	531	519
Total Current Assets		10,897	8,571
Non-Current Assets			
Intangible assets	14	490	438
Property, plant and equipment	15	15,324	14,637
Other	13	59	51
Total Non-Current Assets		15,873	15,126
Total Assets		26,770	23,697
Current Liabilities			
Payables	16	3,513	2,112
Lease liabilities	17	309	300
Accrued employee benefits	18	1,602	1,612
Provisions	19	170	80
Other	20	3	5
Total Current Liabilities		5,597	4,109
Non-Current Liabilities			
Lease liabilities	17	3,122	2,998
Accrued employee benefits	18	814	511
Provisions	19	1,394	–
Total Non-Current Liabilities		5,330	3,509
Total Liabilities		10,927	7,618
Net Assets		15,843	16,079
Equity			
Contributed equity		13,944	13,944
Accumulated surplus		1,899	2,135
Total Equity		15,843	16,079

The accompanying notes form part of these statements.

Statement of Changes in Equity

for the year ended 30 June 2011

	Accumulated Surplus		Contributed Equity		TOTAL	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Balance as at 1 July	2,135	501	13,944	13,944	16,079	14,445
Operating Surplus (Deficit) for the period	(236)	1,634	—	—	(236)	1,634
Balance as at 30 June	1,899	2,135	13,944	13,944	15,843	16,079

The accompanying notes form part of these statements.

Statement of Cash Flows

for the year ended 30 June 2011

	Notes	2011 \$'000	2010 \$'000
Cash flows from operating activities			
Inflows			
Grants and other contributions		48,294	43,752
Interest receipts		774	431
GST input tax credits from ATO		2,155	2,107
GST collected from customers		28	52
Other		(23)	481
Outflows			
Employee expenses		(34,083)	(29,842)
Supplies and services		(11,182)	(10,159)
GST paid to suppliers		(2,286)	(2,200)
GST remitted to ATO		(26)	(56)
Other		(166)	(126)
Net cash provided by operating activities	21	3,485	4,440
Cash flows from investing activities			
Inflows			
Sales of property, plant and equipment		1	—
Outflows			
Payments for property, plant and equipment		(1,481)	(1,207)
Payments for intangibles		(102)	(438)
Net cash (used) in investing activities		(1,582)	(1,645)
Net increase (decrease) in cash and cash equivalents		1,903	2,795
Cash and cash equivalents at beginning of financial year		7,545	4,750
Cash and cash equivalents at end of financial year	11	9,448	7,545

The accompanying notes form part of these statements.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2011

Objectives and principal activities of the Commission

Note 1	Summary of Significant Accounting Policies
Note 2	Grants and Other Contributions
Note 3	Other Revenues
Note 4	Gains
Note 5	Employee Expenses
Note 6	Key Executive Management Personnel and Remuneration
Note 7	Supplies and Services
Note 8	Depreciation and Amortisation
Note 9	Finance Costs
Note 10	Other Expenses
Note 11	Cash and Cash Equivalents
Note 12	Receivables
Note 13	Other Assets
Note 14	Intangible Assets
Note 15	Property, Plant and Equipment
Note 16	Payables
Note 17	Lease Liabilities
Note 18	Accrued Employee Benefits
Note 19	Provisions
Note 20	Other Current Liabilities
Note 21	Reconciliation of Operating Surplus to Net Cash from Operating Activities
Note 22	Commitments for Expenditure
Note 23	Contingencies
Note 24	Financial Instruments
Note 25	Trust Transactions and Balances

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*

The Crime and Misconduct Commission (CMC) works with the Queensland Police Service (QPS) and other law enforcement agencies to fight major crime as defined in the *Crime and Misconduct Act 2001*. It does this through a range of law enforcement and crime prevention initiatives including 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. In addition, 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, government-owned corporations, universities, local governments, courts, prisons, and on the part of state-elected officials. The CMC handles complaints about misconduct, investigates the most serious official misconduct, develops and maintains effective integrity systems for enhanced responsibility and accountability across the public sector, takes a lead role in building the capacity of agencies to prevent and deal with misconduct, monitors how agencies deal with complaints, 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 Commission provides the state's witness protection service. The majority of protected witnesses are referred to the CMC by the QPS.

Note 1: Summary of Significant Accounting Policies

(a) Statement of Compliance

The Commission has prepared these financial statements in compliance with section 43(1) of the *Financial and Performance Management Standard 2009*.

These financial statements are general purpose financial statements and have been prepared on an accrual basis in accordance with Australian Accounting Standards and Interpretations. In addition, the financial statements comply with Treasury's Minimum Reporting Requirements for the year ending 30 June 2011, and other authoritative pronouncements.

With respect to compliance with Australian Accounting Standards and Interpretations, the Commission has applied those requirements applicable to not-for-profit entities, as the Commission is a not-for-profit statutory body. Except where stated, the historical cost convention is used.

Unless otherwise stated, all accounting policies applied are consistent with those of the prior year.

(b) 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 timing 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.

(c) Trust Transactions and Balances

The Commission undertakes certain trustee transactions on behalf of individuals as a result of operational activities.

As the Commission acts only in a custodial role in respect of these transactions and balances, they are not recognised in the financial statements, but are disclosed in Note 25. Applicable audit arrangements are also shown.

(d) Grants and Contributions

Government grants and contributions are non-reciprocal in nature and are recognised as revenue in the year in which the Commission obtains control over them.

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

(e) Cash and Cash equivalents

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques receipted but not banked at 30 June, 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 amounts due at the time of sale or service delivery, that is, the agreed sale/contract price. Settlement of these amounts is required within 30 days from invoice date. Receivables also include accrued interest income and GST input tax credits receivable.

The collectability of receivables is assessed periodically with allowance being made for impairment if required. All known bad debts are written off in the period in which they are recognised.

Other debtors generally arise from transactions outside the usual operating activities of the Commission and are recognised at their assessed values. Terms are a maximum of three months, no interest is charged and no security is obtained.

(g) Prepayments

The Commission has determined that only prepayments on invoices greater than and equal to \$1,000 will be recognised in its accounts. Recognition occurs at the time the invoice is processed for payment.

(h) Acquisition of Assets

Actual cost is used for the initial recording of all non-current physical and intangible asset acquisitions. 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, including architect fees and engineering design fees. Any training costs are expensed as incurred.

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*.

(i) Property, Plant and Equipment

Items of property, plant and equipment with a cost or other value equal to or in excess of \$5,000 are capitalised for financial reporting purposes in the year of acquisition. Items with a lesser value are expensed in the year of acquisition.

Routine maintenance, repair costs and minor renewal costs are expensed as incurred.

(j) Revaluations of Non-Current Physical and Intangible Assets

Heritage and cultural assets are measured at fair value in accordance with AASB 116 *Property, Plant and Equipment* and Queensland Treasury's *Non-Current Asset Policies for the Queensland Public Sector*. As these assets were only acquired in the 2008–09 financial year, the cost of these assets has been assessed by the management of the Commission to materially represent their fair value at the end of the reporting period.

Where intangible assets have an active market, they are measured at fair value; otherwise they are measured at cost.

Non-current physical assets measured at fair value are comprehensively revalued at least once every five years.

Any revaluation increment arising on the revaluation of these assets will be credited to the asset revaluation surplus, except to the extent it reverses a revaluation decrement previously recognised as an expense.

A decrease in the carrying amount on revaluation is charged as an expense, to the extent that it exceeds the balance, if any, in the asset revaluation surplus.

The Commission did not revalue any assets during the financial year.

Plant and equipment, including leasehold improvements and associated work in progress are recognised at cost in accordance with Treasury's *Non-Current Asset Policies*. The carrying amounts for plant and equipment measured at cost approximate their fair value.

Materiality concepts under AASB 1031 are considered in determining whether the difference in the carrying amount and the fair value of an asset is material.

(k) Intangible Assets

AASB 138 *Intangible Assets* defines an intangible asset as an identifiable non-monetary asset without physical substance.

Intangible assets with a cost or other value equal to or greater than \$100,000 are recognised in the financial statements, items with a lesser value being expensed. Each intangible asset is amortised over its estimated useful life to the agency, less any anticipated residual value. The Commission's intangible asset has a zero residual value.

It has been determined that there is not an active market for the Commission's intangible asset. As such, the asset is recognised and carried at cost less accumulated amortisation and accumulated impairment losses.

Software purchased

The Commission's intangible asset consists of TRIM software for the Electronic Document and Records Management System (eDRMS). The licensing and implementation costs of this software has been capitalised and are amortised on a straight-line basis over the period of the expected benefit to the Commission, namely, nine years. Refer to Note 14.

The software was rolled out across the Commission in July and August 2010.

(l) Amortisation and Depreciation of Intangibles and Property, Plant and Equipment

Property, plant and equipment is depreciated on a straight-line basis so as to allocate the net cost, less its estimated residual value, progressively over its estimated useful life to the Commission.

All intangible assets of the Commission have finite useful lives and are amortised on a straight-line basis.

Assets and software under construction (work-in-progress) are not depreciated until they reach service delivery capacity. Service delivery capacity relates to when construction is complete and the asset is first put to use or is installed ready for use in accordance with its intended application. These assets are then reclassified to the relevant classes with property, plant and equipment or intangible assets.

Any expenditure that increases the originally 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.

The depreciable amount of improvements to or on leasehold assets is allocated progressively over the estimated useful lives of the improvements or the unexpired period of the lease, whichever is the shorter. The unexpired period of a lease includes any option period where exercise of the option is probable.

The useful lives of general and technical equipment, computer equipment and leasehold improvements were reviewed during the reporting period and adjusted where necessary. For each class of depreciable asset the following depreciation and amortisation rates are used.

Class	Rate %	Useful Life
Plant and Equipment:		
General and technical equipment	1.5–33.33	3–10 years
Computer equipment	12.5–33.3	3–8 years
Motor vehicles	20	5 years
Leasehold improvements	7.6–14.5	7–13 years
Intangible Assets:		
Software purchased	11.1	9 years

Cultural and art assets are not depreciated. Items comprising the Commission's technical library are expensed on acquisition.

(m) Impairment of Non-Current Assets

Impairment of non-current assets is the decline in the service potential of an asset over and above the use reflected through depreciation.

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.

(m) Impairment of Non-Current Assets (cont'd)

An impairment loss is recognised immediately in the Statement of Comprehensive Income, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

A reversal of an impairment loss is recognised as income.

(n) Leases

A lease is a right to use an asset for an agreed period of time in exchange for payment.

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement. Finance leases effectively transfer substantially all risks and benefits incidental to ownership from the lessor to the lessee. Under an operating lease, the lessor retains substantially all the risks and benefits.

Operating lease payments are recognised as an expense on a straight line basis as representative of the time pattern of benefits derived from the leased assets, even if the payments are not on that basis. Differences between lease expense recognised and payments made are recorded as a deferred lease liability.

Incentives received on entering into operating leases are recognised as liabilities. Lease payments are allocated between rental expense and reduction of the liability.

The Commission does not hold any finance leases.

(o) Payables

Trade creditors are recognised upon receipt of the goods or services and are measured at the agreed purchase/contract price. Amounts owing are unsecured, and are generally settled on 30-day terms.

(p) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Recognition

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Commission becomes party to the contractual provisions of the financial instrument.

Classification

Financial instruments are classified and measured as follows:

- Cash and cash equivalents — held at fair value through profit and loss
- Receivables — held at amortised cost
- Payables — held at amortised cost.

The Commission does not enter into transactions for speculative purposes, or for hedging.

All other disclosures relating to the measurement and financial risk management of financial instruments held by the Commission are included in Note 24.

(q) Services Received Free of Charge or for Nominal 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.

(r) Employee Benefits

Employer superannuation contributions and long service leave levies are regarded as employee benefits.

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.

Wages, Salaries and Sick Leave

Salaries and wages due but unpaid at reporting date are recognised in the Statement of Financial Position at current salary rates.

Prior history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees, and no liability for unused sick leave entitlements is recognised.

As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

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 related on-costs.

The value of any annual leave benefits not expected to be taken within the next 12 months are classified as a non-current liability and is recognised at its present value, calculated using yields on Fixed Rate Commonwealth Government bonds of similar maturity, after projecting the remuneration rates expected to apply at the time of likely settlement.

Long service leave

Under the Queensland Government's long service leave scheme, a levy is made on the Commission to cover the cost of employee's long service leave. 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 Commission's financial statements, the liability being held on a whole-of-government basis and reported in those financial statements, pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Superannuation

Employer superannuation contributions are paid to QSuper, the superannuation scheme for Queensland Government employees, at rates determined by the Treasurer on the advice of the State Actuary. Contributions are expensed in the period in which they are paid or payable. The Commission's obligation is limited to its contribution to QSuper.

Therefore, no liability is recognised for accruing superannuation benefits in the Commission's financial statements, the liability being held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Key Executive Management Personnel and Remuneration

Key executive management personnel and remuneration disclosures are made in accordance with the section 5 addendum (issued in May 2011) to the *Financial Reporting Requirements for Queensland Government Agencies* issued by Queensland Treasury. Refer to Note 6 for disclosures on key executive management personnel and remuneration.

(s) Provisions

Provisions are recorded when the Commission has a present obligation, either legal or constructive as a result of a past event, and the amount of the provision can be reliably measured.

They are recognised at the amount expected at reporting date for which the obligation will be settled in a future period. Where the settlement of the obligation is expected after 12 or more months, the obligation is discounted to the present value using the appropriate discount rate. The amounts recognised as provisions in relation to the dismantling, removal and restoration of assets in accordance with 'make good' provisions of leasing arrangements have been included in the cost of the assets.

(t) Contingent Assets and Liabilities

Contingent assets and liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

(u) Insurance

The Commission's non-current physical assets and other risks are insured through the Queensland Government Insurance Fund, premiums being paid on a risk assessment basis. In addition, the Commission pays premiums to WorkCover Queensland in respect of its obligations for employee compensation.

(v) Taxation

The Commission is a State body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). FBT and GST are the only taxes accounted for by the Commission. GST credits receivable from and payable to the ATO are recognised (refer to Note 12).

(w) Issuance of Financial Statements

The financial statements are authorised for issue by the Chairperson and Finance Manager at the date of signing the Management Certificate.

(x) Judgments

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions and management judgments that have the potential to cause a material adjustment to the carrying amount of assets and liabilities within the next financial year. Such estimates, judgments and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

Estimates and assumptions that have a potential significant effect are outlined in the following financial statement notes:

- Accrued Employee Benefits (Note 18)
- Provisions (Note 19)
- Commitments for Expenditure (Note 22)
- Contingencies (Note 23).

(y) Rounding and Comparatives

Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest \$1,000 or, where that amount is \$500 or less, to zero, unless disclosure of the full amount is specifically required.

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

(z) New and Revised Accounting Standards

The Commission did not voluntarily change any of its accounting policies during 2010–11. Only one amendment to the Australian accounting standard applicable for the first time for 2010–11 was relevant to the Commission, as explained below.

AASB 2009-5 *Amendments to Australian Accounting Standards arising from the Annual Improvements Project* included certain amendments to AASB 117 *Leases* that revised the criteria for classifying leases involving land and buildings.

Consequently, the Commission was required to reassess the classification of the land elements of all unexpired leases entered into as at 1 July 2010, on the basis of information existing at the inception of the relevant leases. The outcome of the Commission's reassessment was that no reclassification from an operating lease to a finance lease was necessary.

As at 30 June 2011, new or amended standards and interpretations, as listed below, had been issued that have mandatory application dates for future reporting periods:-

The Commission is not permitted to adopt a new or amended accounting standard ahead of the specified commencement date unless approval is obtained from the Treasury Department. Consequently, the Commission has not applied any Australian accounting standards and interpretations that have been issued but are not yet effective.

The Commission applies standards and interpretations in accordance with their respective commencement dates.

Standard/Interpretation	Applicable for annual reporting periods beginning on or after:
AASB 9 <i>Financial Instruments</i> (December 2010)	1 January 2013
AASB 1053 <i>Application of Tiers of Australian Accounting Standards</i>	1 July 2013
AASB 2010-2 <i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements</i>	1 July 2013
AASB 2010-7 <i>Amendments to Australian Accounting Standards arising from AASB 9</i> (December 2010)	1 January 2013

AASB 9 *Financial Instruments* (December 2010) and AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9* (December 2010) will change the requirements for the classification, measurement and disclosures associated with financial assets. Under the new requirements, financial assets will be more simply classified according to whether they are measured at amortised cost or fair value.

Pursuant to AASB 9, financial assets can only be measured at amortised cost if two conditions are met. One of these conditions is that the asset must be held within a business model whose objective is to hold assets in order to collect contractual cash flows. The other condition is that the contractual terms of the asset give rise on specified dates to cash flows that are the sole payments of principal and interest on the principal amount outstanding.

(z) New and Revised Accounting Standards (con't)

Assuming no change in the types of transactions that the Commission enters into, it is not expected that any of the Commission's financial assets will meet the criteria in AASB 9 to be measured at amortised cost. Therefore, as from the 2013–14 financial statements, all of the Commission's financial assets will be required to be classified as 'financial assets required to be measured at fair value through profit or loss' (instead of the measurement classifications presently used in Note 1(p) and Note 24. In the case of the Commission's receivables, the carrying amount is considered to be a reasonable approximation of fair value.

AASB 1053 *Application of Tiers of Australian Accounting Standards* establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements.

Tier 1 requirements comprise the full range of AASB recognition, presentation and disclosure requirements, while Tier 2 requires fewer disclosures. AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements* sets out the details of which disclosures in standards and interpretations are not required under Tier 2 reporting.

Pursuant to AASB 1053, public sector entities such as the Commission may adopt Tier 2 requirements for their general purpose financial statements. However, AASB 1053 acknowledges the power of the regulator to require application of the Tier 1 requirements. In the case of the Commission, Queensland Treasury is the regulator. Queensland Treasury's policy decision requires the Commission to adopt Tier 1 reporting requirements.

All other Australian accounting standards and interpretations with future commencement dates are either not applicable to the Commission's activities, or have no material impact on the Commission.

Note 2: Grants and Other Contributions

	2011	2010
	\$'000	\$'000
Queensland Government	48,288	43,752
Goods and services received below fair value*	363	1,081
Other	7	–
Total	48,658	44,833

*** Received from****Goods/Services**

Queensland Police Service	Salary and vehicle costs (Operation Tesco)	–	411
Department of Justice and Attorney-General	Database searches	1	4
Department of Premier and Cabinet	Salary costs	–	55
Department of Public Works	Archival services	362	388
Australian Crime Commission	Telephone intercept services	–	223
Total		363	1,081

Note 3: Other Revenues

Interest	801	505
Australian Public Sector Anti-Corruption Conference (APSACC)	–	206
Other	89	227
Total	890	938

Note 4: Gains

Gain on sale of property, plant and equipment	14	13
Total	14	13

Note 5: Employee Expenses**Employee Benefits**

Wages and salaries	24,371	22,356
Annual leave expense*	1,874	1,734
Employer superannuation contributions*	3,334	3,110
Long service leave levy*	561	423
Termination benefits	425	29
Other employee benefits	1,199	1,106

Employee Related Expenses

Workers' compensation premium*	215	205
Payroll tax	1,486	1,345
Other employee related expenses	889	792
Total	34,354	31,100

* Refer to Note 1(r).

Note 5: Employee Expenses (cont'd)

The number of employees including both full-time employees and part-time employees measured on a full-time equivalent basis is:

	2011	2010
Number of employees	325	313.5

Note 6: Key Executive Management Personnel and Remuneration**(a) Commissioners' Remuneration**

The remuneration paid to part-time Commissioners is determined by the Minister and based on rates specified in the guidelines for *Remuneration of Part-time Chairs and Members of Government Boards, Committees and Statutory Authorities*. The remuneration amounts shown include superannuation.

	2011 \$'000	2010 \$'000
David Gow (ceased 1 October 2010)	13,936	47,033
Ann Gummow*	103,704	89,149
Judith Bell	46,850	48,652
Phillip Nase	46,850	48,652
Marilyn McMeniman (commenced 29 April 2011)	9,541	—
Total	220,881	233,486

* Commissioner Ann Gummow's remuneration includes an amount of \$63,856 (2010: \$46,470) for acting as Chairperson during the financial year.

Note 6: Key Executive Management Personnel and Remuneration (cont'd)**(b) Key Executive Management Personnel**

The following details for key executive management personnel include those positions that had authority and responsibility for planning, directing, and controlling the activities of the Commission as a whole during 2010–11. Further information on these positions can be found in the body of the Annual Report under the section relating to leadership and executive management.

Current Incumbents			
Position	Responsibilities	Contract classification and appointment authority	Date appointed to position (Date resigned from position)
Chairperson	The Chairperson is responsible for the efficient, effective and economic administration of the Commission.	<i>Crime and Misconduct Act 2001</i>	8 February 2010
Assistant Commissioner, Crime	The Assistant Commissioner, Crime is responsible for participating collaboratively in the overall management of the Commission, in particular to achieve objectives set by the Commission for the performance of its major Crime, Proceeds of Crime and Intelligence functions.	<i>Crime and Misconduct Act 2001</i>	1 January 2002
Assistant Commissioner, Misconduct	The Assistant Commissioner, Misconduct is responsible for participating collaboratively in the overall management of the Commission, in particular to achieve objectives set by the Commission for the performance of its function to improve the integrity of and to reduce the incidence of misconduct in the public sector.	<i>Crime and Misconduct Act 2001</i>	14 June 2010
Executive General Manager*	The Executive General Manager is responsible for participating collaboratively in the overall management of the Commission and in particular to achieve objectives set out by the Commission for the overall organisational performance and corporate service functions.	<i>Crime and Misconduct Act 2001</i>	27 April 2011

* Following a review of the Commission's governance arrangements during the first quarter of the financial year, the position of Executive General Manager was created to support the Chairperson in ensuring the efficient, effective and economic administration of the Commission. Prior to the creation of this position, there were a number of senior officers who undertook managerial duties but had less scope to plan, direct and control the activities of the Commission as a whole. These positions do not meet the definition of key executive management personnel, and are therefore not included in this report.

Note 6: Key Executive Management Personnel and Remuneration (cont'd)

(c) Key Executive Management Personnel Remuneration

Chairperson Remuneration

The Chairperson's remuneration is provided for under the *Judicial Remuneration Act 2007*.

Martin Moynihan AO QC was appointed to the position of Chairperson on 8 February 2010. Mr Moynihan was previously a Justice of the Supreme Court of Queensland and is consequently entitled to a pension under the *Judges (Pension and Long Leave) Act 1957*. Mr Moynihan has elected to have his salary entitlement payable by the Commission reduced by the amount of his judicial pension.

The Chairperson's condition of employment also includes entitlement to private use of a motor vehicle or a motor vehicle allowance, leave equivalent to the public service except for long service leave, and superannuation benefits. Mr Moynihan has elected to have a motor vehicle allowance paid to him.

The Chairperson is not eligible for a performance bonus.

Senior Executive Remuneration

Remuneration policy for the Commission's senior executive personnel is based on rates set by the Queensland Public Service Commission as provided for under the *Public Service Act 2008*, and approved by the Minister. The remuneration and other terms of employment for the key executive management personnel are specified in employment contracts.

For the 2010–11 year, the remuneration of senior executive personnel increased by 2.5% in accordance with government policy.

Remuneration packages for key executive management personnel comprise the following components:

- Short-term employee benefits that include:
 - Base — consisting of base salary, allowances and leave entitlements paid and provided for the entire part or for that part of the year during which the employee occupied the specified position. Amounts disclosed equal the amounts expensed in the Statement of Comprehensive Income.
 - Non-monetary benefits — consisting of provision of vehicles together with fringe benefits tax applicable to the benefit.
- Long-term employee benefits include long service leave accrued.
- Post-employment benefits include superannuation contributions.
- Redundancy payments are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu of notice on termination, regardless of the reason for the termination.

Note 6: Key Executive Management Personnel and Remuneration (cont'd)**(c) Key Management Personnel Remuneration (cont'd)**

Total fixed remuneration is calculated on a 'total cost' basis and includes the base and non-monetary benefits, long-term employee benefits and post-employment benefits.

1 July 2010 – 30 June 2011

Position	Short-Term Employee Benefits		Long-Term Employee Benefits	Post-Employment Benefits	Termination Benefits	Total Remuneration
	Base	Non-Monetary Benefits				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Chairperson	243	–	–	22	–	265
Assistant Commissioner, Crime	175	26	7	24	–	232
Assistant Commissioner, Misconduct	208	20	9	24	–	261
Executive General Manager (appointed 27 April 2011)	40	2	1	4	–	47
Total Remuneration	666	48	17	74	–	805

Note 6: Key Executive Management Personnel and Remuneration (cont'd)**(c) Key Management Personnel Remuneration (cont'd)**

1 July 2009 – 30 June 2010

Position	Short-Term Employee Benefits		Long-Term Employee Benefits	Post-Employment Benefits	Termination Benefits	Total Remuneration
	Base	Non-Monetary Benefits				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Chairperson (resigned 31 December 2009)	266	19	–	23	–	308
Acting Chairperson (1 January to 7 February 2010)	40	–	–	6	–	46
Chairperson (appointed 8 February 2010)	93	–	–	10	–	103
Assistant Commissioner, Misconduct * (resigned 25 November 2009)	138	1	3	10	–	152
Acting Assistant Commissioner, Misconduct (1 July 2009 to 13 June 2010)	178	–	–	17	–	195
Assistant Commissioner, Misconduct (appointed 14 June 2010)	13	–	–	1	–	14
Assistant Commissioner, Crime	194	26	7	24	–	251
Total Remuneration	922	46	10	91	–	1,069

* The Assistant Commissioner, Misconduct was on leave from 1 July 2009 to 25 November 2009. The position was filled by acting roles until a permanent appointment was made.

Notes to and forming part of the Financial Statements for the year ended 30 June 2011

	2011 \$'000	2010 \$'000
Note 7: Supplies and Services		
Rental expense – operating lease	4,499	3,893
Books and publications	149	175
Computer software/services	138	296
Consultants	419	120
Contractors	315	163
Electricity	327	327
Employment agency staff	150	240
Equipment*	1,351	289
Furniture supplies and repairs	75	15
Information retrieval and access costs	718	451
Legal fees	680	536
Court ordered costs	182	22
Maintenance	704	540
Motor vehicles	522	518
Operational expenses	530	598
Transcripts	127	164
Security services	401	395
Service provider – payroll and finance systems	117	159
Stationery	186	180
Telecommunications	414	356
Travel	428	379
Other supplies and services	232	255
Total	12,664	10,071

* Includes \$966,019 paid for the standard operating environment (SOE) replacement which occurs once every 4 years. The cost of individual computer workstations is below \$5,000 and therefore, does not meet the asset recognition threshold.

Note 8: Depreciation and Amortisation		
Motor vehicles	212	216
Computer equipment	334	312
General and technical equipment	172	163
Leasehold improvements	1,390	1,060
Software purchased	50	–
Total	2,158	1,751

Note 9: Finance Costs		
Unwinding the discount*	66	–
Total	66	–

* Finance costs relate to the unwinding of the discount for the provision for restoration costs. Also refer to Note 19.

Note 10: Other Expenses

	2011 \$'000	2010 \$'000
External audit fees*	61	87
Insurance	21	20
Goods and services received free of charge (see Note 2)	363	1,081
Losses from disposal of property, plant and equipment	27	21
Special payments		
Ex-gratia payments	43	—
Other	41	19
Total	556	1,228

* Total external audit fees relating to the 2010–11 financial year are estimated to be \$59,800 (2010: \$64,000). There are no non-audit services included in this amount.

Note 11: Cash and Cash Equivalents

Imprest accounts	30	30
Cash at bank	1,049	195
Term deposits*	8,369	7,320
Total	9,448	7,545

* Term deposits are held with major banking institutions, and earned interest rates between 5.25% and 6.35% (2010: 3.40% and 6.05%). Included in term deposits is a \$0.349m bank guarantee pursuant to lease agreements.

Note 12: Receivables

Trade debtors*	80	22
GST receivable	411	279
GST payable	(2)	(3)
	409	276
Long service leave reimbursements	264	93
Interest receivable	103	76
Other*	62	40
Total	918	507

* As at reporting date, there were no debtors that required an allowance for impairment.

Note 13: Other Assets

Current

Prepayments – salaries

Prepayments – supplies and services

Total

Non-Current

Prepayments – supplies and services

Total

	2011	2010
	\$'000	\$'000
	95	166
	436	353
	531	519
	59	51
	59	51

Note 14: Intangible Assets

Software Purchased

At cost

Less: Accumulated amortisation

Software Work in Progress

At cost

Total

	540	–
	(50)	–
	490	–
	–	438
	490	438

Note 14: Intangible Assets (cont'd)**Intangibles Reconciliation**

	Software Purchased		Software Work in Progress		Total	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Carrying amount at 1 July	—	—	438	—	438	—
Acquisitions	102	—	—	438	102	438
Transfers between classes	438	—	(438)	—	—	—
Amortisation	(50)	—	—	—	(50)	—
Carrying amount at 30 June	490	—	—	438	490	438

Amortisation of intangibles is included in the line item 'Depreciation and amortisation' in the Statement of Comprehensive Income.

The Commission's Software purchased comprises software licensing and implementation costs (including capitalised salary costs) for the TRIM Electronic Document and Records Management System which was rolled out across the Commission during July and August 2010.

	2011 \$'000	2010 \$'000
Note 15: Property, Plant and Equipment		
Motor vehicles:		
At cost	1,074	1,112
Less: Accumulated depreciation	(265)	(307)
	809	805
Computer equipment:		
At cost	1,582	1,228
Less: Accumulated depreciation	(742)	(404)
	840	824
General and technical equipment:		
At cost	1,457	1,344
Less: Accumulated depreciation	(565)	(412)
	892	932
Leasehold improvements:		
At cost	16,113	14,365
Less: Accumulated depreciation	(3,355)	(2,349)
	12,758	12,016
Cultural and art assets:		
At fair value	25	25
Work in progress:		
At cost	—	35
Total	15,324	14,637

The Commission has plant and equipment with an original cost of \$1.594m and a written down value of zero still being used in the provision of services.

Note 15: Property, Plant and Equipment (cont'd)

Property, Plant and Equipment Reconciliation	Motor vehicles		Computer equipment		General and technical equipment		Leasehold improvements		Cultural and art assets		Work in progress		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July	805	811	824	521	932	1,042	12,016	12,706	25	25	35	84	14,637	15,189
Acquisitions*	459	454	348	554	134	121	2,097	286	—	—	—	35	3,038	1,450
Disposals	(243)	(244)	—	—	—	(7)	—	—	—	—	—	—	(243)	(251)
Transfers between classes	—	—	2	61	(2)	(61)	35	84	—	—	(35)	(84)	—	—
Depreciation	(212)	(216)	(334)	(312)	(172)	(163)	(1,390)	(1,060)	—	—	—	—	(2,108)	(1,751)
Carrying amount at 30 June	809	805	840	824	892	932	12,758	12,016	25	25	—	35	15,324	14,637

* Included in acquisitions for leasehold improvements is an amount of \$1.328m for the estimate of restoration costs for the leased premises, which has been recognised as a provision. Refer to Note 19.

	2011 \$'000	2010 \$'000
Note 16: Payables		
Trade creditors	3,379	1,996
Other	134	116
Total	3,513	2,112
Note 17: Lease Liabilities		
Current		
Lease incentive liability	309	300
Total	309	300
Non-Current		
Lease incentive liability	2,748	2,998
Deferred lease liability	374	–
Total	3,122	2,998
Note 18: Accrued Employee Benefits		
Current		
Wages outstanding	129	37
Annual leave	1,367	1,509
Long service leave levy payable	106	66
Other	–	–
Total	1,602	1,612
Non-Current		
Annual leave	814	511
Total	814	511
Note 19: Provisions		
Current		
Telephone interception access costs*	170	80
Total	170	80
Non-Current		
Restoration costs**	1,394	–
Total	1,394	–
Movements in provisions		
Access Costs*		
Balance at 1 July	80	–
Provision recognised	90	80
Balance at 30 June	170	80

* Provision for one-off infrastructure costs associated with enhancing telephone intercept capabilities in conjunction with the Australian Crime Commission. Refer to Note 22(c).

Note 19: Provisions (cont'd)

Restoration Costs**

Balance at 1 July

Provision recognised

Unwinding the discount

Balance at 30 June

2011	2010
\$'000	\$'000
—	—
1,328	—
66	—
1,394	—

** The provision for restoration costs relate to clauses in the lease agreement for Green Square and the offsite premises which require the CMC to restore the leased premises to their original condition. The estimate of the restoration costs has been included in the cost of the leasehold assets. Refer to Note 15.

The provision has been discounted to reflect the present value of these obligations.

Note 20: Other Current Liabilities

Unearned revenue

Total

3	5
3	5

Note 21: Reconciliation of Operating Surplus to Net Cash from Operating Activities

Operating surplus/(deficit)

Depreciation expense

Loss on sale of property, plant and equipment

Gain on sale of property, plant and equipment

Unwinding the discount on provision for restoration costs

Change in asset and liabilities:

(Increase)/decrease in trade debtors

(Increase)/decrease in GST input tax receivable

(Increase)/decrease in long service leave reimbursement receivable

(Increase)/decrease in interest receivable

(Increase)/decrease in other receivables

(Increase)/decrease in prepayments

Increase/(decrease) in accounts payable

Increase/(decrease) in accrued employee benefits

Increase/(decrease) in GST payable

Increase/(decrease) in provisions

Increase/(decrease) in unearned revenue

Increase/(decrease) in lease liability

Net cash from operating activities

(236)	1,634
2,158	1,751
27	21
(14)	(13)
66	—
(58)	(20)
(132)	(92)
(171)	—
(27)	(74)
(22)	64
(20)	115
1,401	1,161
293	114
(1)	(5)
90	80
(2)	3
133	(299)
3,485	4,440

Note 22: Commitments for Expenditure**(a) Operating Lease**

Commitments under operating leases at reporting date are inclusive of anticipated GST and are payable as follows:

Not later than one year	4,815	4,777
Later than one year and not later than five years	21,024	20,116
Later than five years	—	5,305
Total	25,839	30,198

Operating leases are entered into as a means of acquiring access to office accommodation, equipment and storage facilities.

Operating leases for accommodation have a renewal option that is exercisable at market prices.

Lease payments are generally fixed and no lease arrangements create restrictions on other financing transactions.

(b) Vehicle Lease Commitments

Commitments under vehicle leases at reporting date are inclusive of anticipated GST and are payable as follows:

Not later than one year	234	218
Later than one year and not later than five years	156	199
Total	390	417

(c) 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:

Payable:

Not later than one year	287	444
Total	287	444

Capital expenditure commitments include expenditure in relation to one-off infrastructure costs associated with enhancing telephone intercept capabilities in conjunction with the Australian Crime Commission. Refer to Note 19.

(d) Other Expenditure Commitments

Other expenditure committed at the end of the period but not recognised in the accounts are as follows:

Payable:

Not later than one year	630	165
Total	630	165

Note 23: Contingencies**Litigation in progress**

As at 30 June 2011, there were 11 cases (2010: 7 cases) in ongoing litigation involving the Commission.

It is not possible to make a reliable estimate of the final costs that could be recovered or is payable from these cases at this time.

The Commission is insured against general liability with the Queensland Government Insurance Fund (QGIF). Under the QGIF, the Commission would be able to claim back, less a \$10,000 deductible, the amount paid to successful litigants.

Note 24: Financial Instruments**(a) Categorisation of Financial Instruments**

The Commission has the following categories of financial assets and financial liabilities:

Category:	Note	2011 \$'000	2010 \$'000
Financial assets			
Cash and cash equivalents	11	9,448	7,545
Receivables	12	918	507
Total		10,366	8,052
Financial liabilities			
Payables	16	3,513	2,112
Total		3,513	2,112

(b) Financial Risk Management

The Commission's activities expose it to a variety of financial risks — interest rate risk, credit risk, liquidity risk and market risk.

The Commission provides written principles for overall risk management, as well as policies covering specific areas. These policies focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the financial performance of the Commission.

All financial risk is managed by the Corporate Support Division under policies approved by the Commission.

(c) Credit Risk Exposure

Credit risk exposure refers to the situation where the Commission may incur financial loss as a result of another party to a financial instrument failing to discharge its obligation.

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 allowance for impairment.

Note 23: Financial Instruments (cont'd)**(c) Credit Risk Exposure (cont'd)**

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

Category:	Maximum Exposure to Credit Risk	Note	2011 \$'000	2010 \$'000
Financial Assets				
Cash		11	9,448	7,545
Receivables		12	918	507
Total			10,366	8,052

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.

No financial assets and financial liabilities have been offset and presented net in the Statement of Financial Position.

No financial assets have had their terms renegotiated so as to prevent them from being past due or impaired, and are stated at the carrying amounts as indicated.

Ageing of past due but not impaired financial assets are disclosed in the following tables:

2011 Financial Assets Past Due But Not Impaired

	Overdue				
	Less than 30 days \$'000	30–60 days \$'000	61–90 days \$'000	More than 90 days \$'000	Total \$'000
Receivables		53	–	2	55
Total	–	53	–	2	55

2010 Financial Assets Past Due But Not Impaired

	Overdue				
	Less than 30 days \$'000	30–60 days \$'000	61–90 days \$'000	More than 90 days \$'000	Total \$'000
Receivables	–	–	12	–	12
Total	–	–	12	–	12

Note 24: Financial Instruments (cont'd)**(d) Liquidity Risk**

Liquidity risk refers to the situation where the Commission may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

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 sufficient 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, based on undiscounted cash flows relating to the liabilities at reporting date.

	Note	2011 Payable in			Total
		< 1 year	1–5 years	> 5 years	
Financial liabilities					
Payables	16	3,513	–	–	3,513
Total		3,513	–	–	3,513

	Note	2010 Payable in			Total
		< 1 year	1–5 years	> 5 years	
Financial liabilities					
Payables	16	2,112	–	–	2,112
Total		2,112	–	–	2,112

(e) Market Risk

The Commission does not trade in foreign currency and is not materially 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.

Note 24: Financial Instruments (cont'd)**(f) Interest Rate Sensitivity Analysis**

The following interest rate sensitivity analysis is based on a report similar to that provided to management, depicting the outcome on net income 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 \$94,180 (2010: \$75,150). This is mainly attributable to the Commission's exposure to variable interest rates on cash deposited in interest bearing accounts.

Financial Instrument	Carrying amount \$'000	2011 Interest rate risk			
		-1%		+1%	
		Operating Result	Equity	Operating Result	Equity
Cash	9,418	(94)	(94)	94	94
Potential impact		(94)	(94)	94	94

Financial Instrument	Carrying amount \$'000	2010 Interest rate risk			
		-1%		+1%	
		Operating Result	Equity	Operating Result	Equity
Cash	7,515	(75)	(75)	75	75
Potential impact		(75)	(75)	75	75

(g) Fair Value

The Commission considers that the carrying amount of receivables and payables is a fair approximation of their fair value because of the short-term nature of the financial instruments and the expectation that they will be paid in full.

Note 25: Trust Transactions and Balances

At 30 June 2011, the Commission held \$4,061 (2010: \$4,061) in trust for a number of benefactors as a result of operational activities.

The Queensland Auditor-General performed the audit of the Commission's trust transactions for 2010–11.

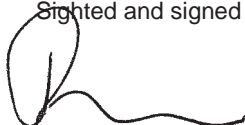
Certificate of the Crime and Misconduct Commission

for the year ended 30 June 2011

This general purpose financial report has been prepared pursuant to Section 62(1) of the *Financial Accountability Act 2009* (the Act), relevant sections of the *Financial and Performance Management Standard 2009* and other prescribed requirements. In accordance with Section 62(1)(b) 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 transactions of the Crime and Misconduct Commission for the financial year ended 30 June 2011 and of the financial position of the Commission at the end of that year.

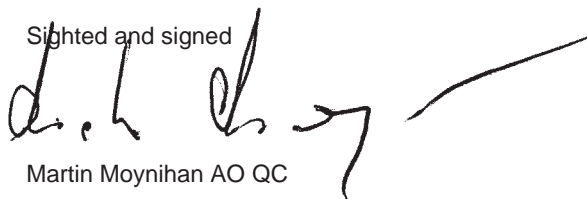
Sighted and signed



Radhika Munien CPA
Finance Manager

Date: 25 August 2011

Sighted and signed



Martin Moynihan AO QC
Chairperson

Date: 25 August 2011

Independent Auditor's Report

To the Crime and Misconduct Commission

Report on the Financial Report

I have audited the accompanying financial report of the Crime and Misconduct Commission, which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Chairperson and Finance Manager.

The Commission's Responsibility for the Financial Report

The Commission is responsible for the preparation of the financial report that gives a true and fair view in accordance with prescribed accounting requirements identified in the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, including compliance with Australian Accounting Standards. The Commission's responsibility also includes such internal control as the Commission determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about 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 the risks of material misstatement of 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 of the financial report that gives a true and fair view 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 used 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 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 all 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.

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 relation to the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the financial report presents 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 2010 to 30 June 2011 and of the financial position as at the end of that year.

Other Matters - Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report of the Crime and Misconduct Commission for the year ended 30 June 2011. Where the financial report is included on the Crime and Misconduct Commission's website the Commission is responsible for the integrity of the Crime and Misconduct Commission's website and 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 subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements or otherwise included with the financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

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


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



Queensland Audit Office
Brisbane

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Contact information

Title: Ms Kerry Mulligan
Senior Adviser, Performance Management and Governance

Phone: 07 3360 6060 or
Toll-free 1800 061 611
(in Queensland outside Brisbane)

Fax: 07 3360 6333

Email: mailbox@cmc.qld.gov.au

Post: Crime and Misconduct Commission
GPO Box 3123, Brisbane Qld 4001

Level 2, North Tower Green Square
515 St Pauls Terrace, Fortitude Valley Qld 4006

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Crime and Misconduct Commission

GPO Box 3123, Brisbane Qld 4001

Tel: 07 3360 6060

Fax: 07 3360 6333

Email: mailbox@cmc.qld.gov.au

www.cmc.qld.gov.au