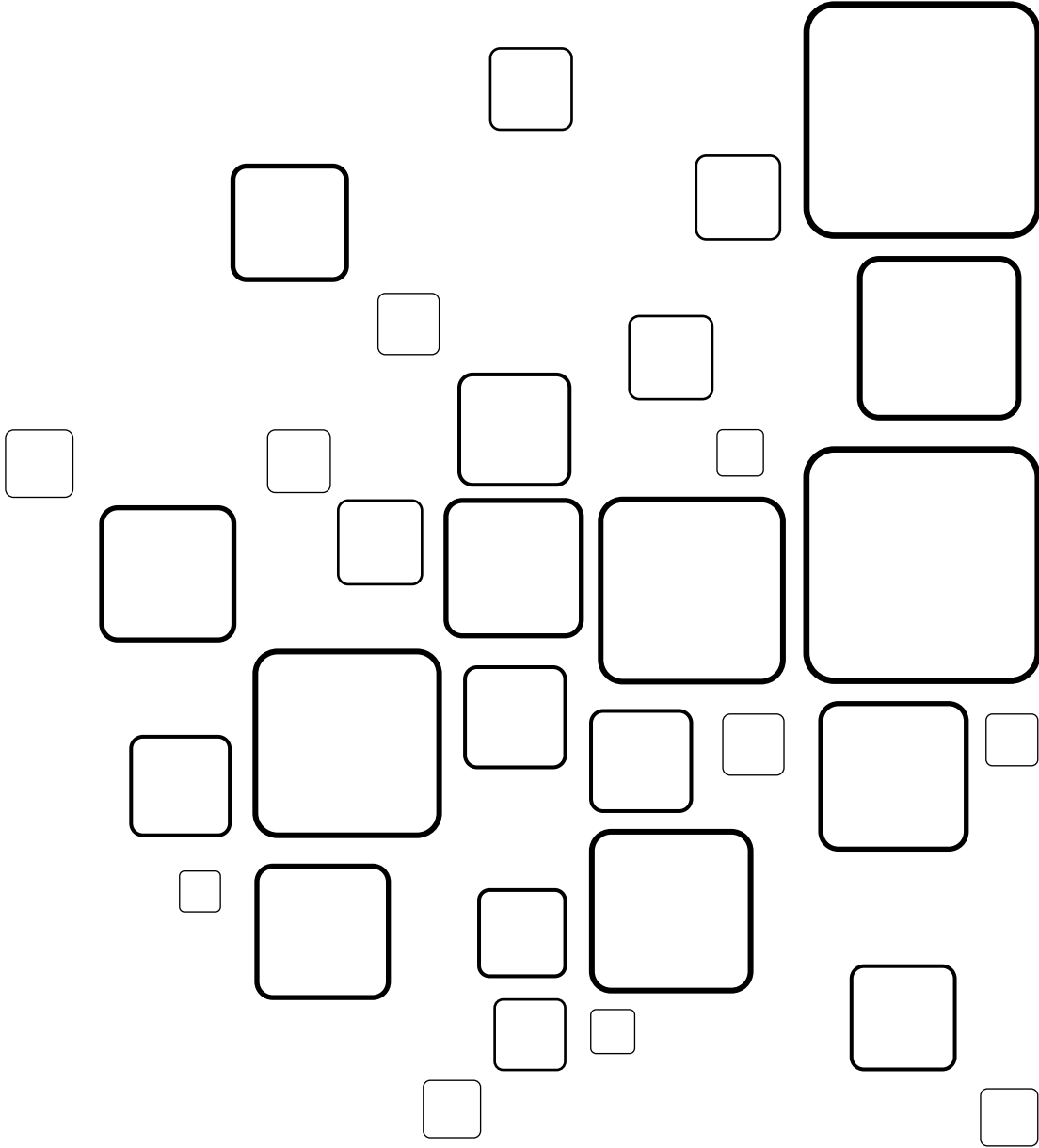


Crime and Misconduct Commission
Annual Report 2011–12



The CMC fights crime and promotes integrity in Queensland



About this report

This Annual Report reviews the activities and achievements of the Crime and Misconduct Commission for the 2011–12 financial year against the strategic objectives set out in its *2011–15 Strategic Plan*, available at www.cmc.qld.gov.au/strategicplan.

The report enables the Minister, the Parliamentary Crime and Misconduct Committee 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*.

To assist readers, an index and a list of abbreviations are located on pages 122–5 and inside the back cover.

This is the CMC's tenth annual report. Last year's annual report received a Silver Award from the 2012 Australasian Reporting Awards, and was a finalist in the Best First Time Entry category.

This report (2011–12), previous annual reports and other CMC publications are also available on our website.

Additional reporting requirements (including consultancy and overseas travel expenses) are published online, available at www.cmc.qld.gov.au/annualreport.

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Feedback ►

We welcome your comments on this report. They help us better understand the information needs and interests of our stakeholders so we can continue to improve our reporting. You can provide feedback through our online feedback form at www.cmc.qld.gov.au/feedback or by contacting our Communications team on 07 3360 6060.

See back inside cover for contact details.



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 toll-free 1800 061 611 and we will arrange an interpreter to effectively communicate the report to you.

September 2012

The Honourable Jarrod Bleijie MP
Attorney-General and Minister for Justice
Parliament House, George Street, Brisbane Qld 4000

Dear Minister

We are pleased to present the *Annual Report 2011–12* and financial statements 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*.

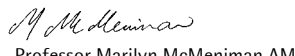
A checklist outlining the annual reporting requirements can be accessed at www.cmc.qld.gov.au/annualreport.

Yours sincerely


Ross Martin SC
Chairperson


Judith Bell
Commissioner


Philip Nase
Commissioner


Professor Marilyn McMeniman AM
Commissioner


George Fox
Commissioner

Achievements

- The Crime and Misconduct Commission, with the Office of the Director of Public Prosecutions, restrained property valued at \$12.039m of the \$16.6m alleged to have been defrauded from Queensland Health by Hohepa Morehu-Barlow.
- The CMC progressed major investigations into Queensland Health, the University of Queensland and a referral from the Queensland Floods Commission of Inquiry.
- Two CMC criminal paedophilia investigations resulted in the first three prosecutions in Queensland of the new Commonwealth Aggravated Networking offence, which carries a maximum penalty of 25 years.
- All witnesses under the CMC's witness protection program were kept safe and were able to give their evidence in court.
- CMC Crime operations disrupted two high-threat criminal networks involved in manufacturing and distributing drugs in South-East Queensland. As of 30 June 2012, 32 people had been arrested on 125 charges.
- The CMC rapidly responded to requests from the Queensland Police Service for support in outlaw motorcycle gang (OMCG) and weapons-related criminal investigations, leading to six new investigations and 54 days of coercive hearings.
- The CMC was invited to give presentations in Malaysia and Indonesia, focusing on the use of financial intelligence and anti-money laundering tools to identify and investigate corrupt behaviours in government organisations.
- A discussion paper focusing on the ways in which internet technologies enable serious criminal activities has generated a high level of interest from law enforcement and other government agencies in Australia and overseas.
- All recommendations in the CMC's 2011 public policy reports on the evade police provisions and Taser use by QPS officers were accepted by government.

Priorities for next year

In addition to our prime responsibilities to combat major crime and promote public sector integrity, we have identified the following priorities for 2012–13:

- Increase the capacity and outcomes of our proceeds of crime function.
- Work with partners to develop law enforcement and policy responses to emerging internet technology enabled major crime.
- Change our processes, including workforce models, as a result of the Independent Review of the Police Complaints, Discipline and Misconduct System.
- Enhance our engagement with Indigenous communities, organisations and people.
- Improve our capacity to effectively manage high-risk projects and issues.
- Assess the misconduct risks in local government and prioritise and amend our initiatives and responses accordingly.

About the CMC

Who we are

The Crime and Misconduct Commission (CMC) is an independent statutory body, established under the *Crime and Misconduct Act 2001* (Qld) to fight major crime, promote public sector integrity and protect witnesses.

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

The CMC is led by a five-member group referred to as 'the Commission', comprising a full-time Commissioner who is the Chairperson (and the Chief Executive Officer) and four part-time Commissioners who represent the community.

Our powers

The Crime and Misconduct Act gives the CMC powers to gather vital evidence and information to combat crime and misconduct falling within our jurisdiction. These include a range of search, surveillance and seizure powers as well as the power to conduct coercive hearings.

Our main partners

We work closely with Australian state and national law enforcement agencies, particularly the Queensland Police Service (QPS), as well as cooperating with Australasian and international agencies in relation to crime, corruption, intelligence and witness protection.

Our peer agencies in Australia include the Independent Commission against Corruption (NSW), the Office of Police Integrity (Victoria), the Corruption and Crime Commission (Western Australia) and the Integrity Commission (Tasmania).

What we do

The CMC is a unique organisation in Australia. With investigative, law enforcement, intelligence, witness protection, policy review and research functions, we encompass almost all aspects of the criminal justice system.

Combating major crime

We investigate serious and organised crime such as drug trafficking, fraud, money laundering and networked paedophilia.

We conduct coercive hearings and intercept telecommunications in investigating crime, disrupting criminal syndicates and confiscating proceeds of crime. Our work complements that of other state, national and international law enforcement agencies.

Combating misconduct

We receive and investigate allegations of misconduct to ensure that Queensland's public institutions are accountable for their conduct.

We also work with public sector agencies to ensure they and their employees receive clear, consistent and practical advice about integrity issues and misconduct prevention.

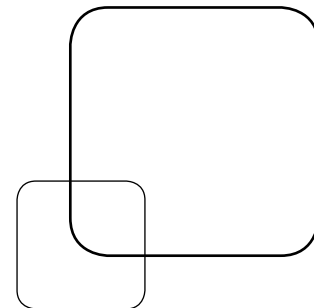
Protecting witnesses

We provide protection for eligible people in danger as a result of helping a Queensland law enforcement agency.

In our fight against crime and corruption, it is imperative that we keep witnesses and informants safe as their evidence is vital for successful prosecutions and the suppression of major crimes.

Policy review and research

The CMC has a strong commitment to evidence-based reform and our recommendations for legislative, policy and practice change in fields such as crime, criminal justice, policing and public sector misconduct are underpinned by our research findings.



Our resources

As at 30 June 2012, the CMC had 357.5 full-time equivalent staff, including lawyers, investigators, sworn police officers, social scientists, financial investigators, intelligence analysts, information technology and surveillance specialists, administrators and support officers.

Our total revenue for 2011–12 was \$50.44m (our main source of revenue is the operating grant received from the Queensland Government). (See pages 72–118 for more detail.)

Accountability

Although independent of the government of the day, the CMC is fully accountable to the people of Queensland through the Parliamentary Crime and Misconduct Committee (PCMC). This is an all-party committee that monitors and reviews our activity and deals with complaints against us. The CMC provides budgetary information to the Department of Justice and Attorney-General and two half-yearly performance reports to the Minister.

Queensland Government objectives for the community

The CMC's objectives and services (see page 8) contribute to keeping 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 major crime in accordance with the Queensland Government's objectives for the community, to revitalise frontline services and restore accountability in government.

Our vision

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

Our purpose

To combat major crime and promote public sector integrity

Our values

- Integrity
 - Accountability
 - Respect
 - Excellence and innovation
 - Collaboration
-

Chairperson's report

This is my first annual report as Chairperson of the Crime and Misconduct Commission following my appointment on 5 March 2012.

The perception of an organisation is obviously different from the inside. Since coming to the CMC I have been struck by the professionalism of the organisation across its spectrum of functions and the commitment of its staff. I have seen how it is uniquely placed to contribute to the disruption and prevention of criminal and corrupt activity.

The evolution of integrity bodies

This year is coincidentally noteworthy in that it represents 10 years since the CMC was created and 25 years since the Fitzgerald Inquiry commenced in 1987.

Since 1987, the general role of integrity bodies such as the CMC has changed. At that time, Commissions of Inquiry were considered exceptions to the rule. They required specific justification, including demonstrating that the problem to be addressed was so abnormal as to be beyond the ordinary processes of the criminal justice system. Today, an organisation such as the CMC – in a sense a standing commission of inquiry – is an accepted part of public life. The need for agencies performing integrity functions is widely recognised throughout the various Australian jurisdictions. Powers and procedures once thought of as temporary or exceptional have become a permanent part of governance in Queensland and nationally.

There is thus a growing body of thought that Montesquieu's famous three branches of government – legislative, executive and judicial – require modern augmentation by a fourth – integrity. The CMC is one of the prominent bodies in Queensland's governance landscape that collectively comprise the integrity branch of government.

Significant matters this year

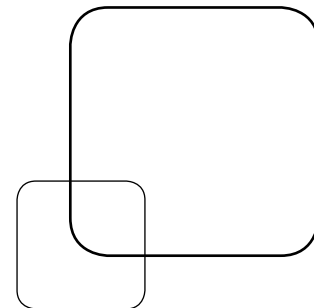
In 2011–12 the CMC vigorously pursued a range of issues. The CMC Crime Operations area disrupted two high-threat drug networks, enabled Queensland's first arrests under Commonwealth legislation targeting networked criminal paedophilia and restrained \$20m worth of property under its proceeds of crime function. The Crime area assisted the QPS in progressing 48 separate major crime operations. The Crime area of the CMC's function is effective and energetic, notwithstanding that it necessarily tends to fly below the radar of publicity.

In overseeing the public sector, the CMC's Misconduct section assessed over 5000 complaints (a record for the organisation), evaluated the integrity systems of seven departments, investigated matters arising in some of Queensland's most important public institutions (Queensland Health and the University of Queensland) and was asked to examine a significant matter arising out of the Queensland Floods Commission of Inquiry.

The organisation also demonstrated its capacity to seamlessly tackle multifaceted issues. Two very different examples this year were the alleged fraud of \$16m from Queensland Health and our examination of internet-enabled crime.

In the case of Queensland Health, our proceeds of crime team acted immediately, with our colleagues at the Office of the Director of Public Prosecutions, to restrain \$12m worth of assets, while our Misconduct area launched an investigation into the overall circumstances of the matter in the interests of transparency and prevention of future misconduct. The issues raised will be of significance across the public sector.

The issue of how new technologies enable major crime such as money laundering and drug and weapons trafficking brought together our capabilities in strategic law enforcement, research, policy making and crime prevention, providing a clear example of how we can engage at multiple levels on an issue. Our discussion paper on the subject went beyond local law enforcement to receive an audience nationally and internationally.



Strategic decision making

This year the CMC placed considerable emphasis on strategic networking, undertaking joint ventures and partnerships at all levels. Since my arrival, I have noted that the CMC is part of a much larger anti-corruption and anti-crime framework in this country. We play a substantial role in that network. Increasingly, our views and the benefit of our experience are being sought nationally and internationally on relevant matters.

This year the CMC continued to make focused decisions about its targets and resources, time and energy. Within each area, the Assistant Commissioners identified those investigations, activities and projects that would have the greatest impact. Since time is money, this year Misconduct achieved savings through improving timeliness – substantially decreasing the time taken in investigations and reviews. It also restructured its work program to give greater recognition to the importance of complaints made about the local government sector. All areas of the organisation, particularly those in frontline service delivery, are grappling with how a Brisbane-based organisation can work most effectively across Queensland's regions. Greater use of web technologies, whenever possible, is one means of doing so.

Transitions in leadership

I wish to acknowledge the significant contribution of my predecessor Judge Martin Moynihan AO QC. Although his time at the CMC was relatively brief, the impact made by his tenure is considerable. His interest in the possibilities of public engagement through new technologies saw a total redevelopment of electronic communications. Further, as a continuation of the Jameson review of governance and management at the CMC, in August 2011 he initiated a project to ensure that we had the right resource mix and structure. This work continues, and will stand us in good stead for the current economic environment.

I would also like to acknowledge the contribution of other senior staff who left the CMC this year. Ms Ann Gummow left the Commission in August 2011 at the conclusion of her five years as a part-time Commissioner, her tenure noted for her commitment to social justice and Indigenous issues. Following her departure, Mr George Fox was appointed to the five-member Commission in September 2011. Mr John Callanan retired in November 2011, having been the Assistant Commissioner, Crime for the life of the Crime and Misconduct Commission. The success of the Crime function over the last decade is in no small part due to his outstanding leadership. Ms Kathleen Florian was appointed to that position in January 2012. These seamless transitions illustrate the CMC's resilience and its ability to balance continuity and renewal.

Finally, I would like to thank the staff for all their hard work over the past year.

Ross Martin SC
Chairperson

Our operating environment

The CMC pursues its primary functions to combat major crime and promote integrity in the public sector within a larger environment comprising social, economic, political and regulatory factors. This section outlines external factors that were significant for the work of the CMC in 2011–12.

Technological change

Continuous rapid change in technology and its prevalence at every level of society was a continuing challenge, requiring the CMC to be able to forensically deal with technologies ranging from the latest consumer equipment to the most sophisticated encryption devices.

In particular, the rapid evolution of internet-enabled major crime is challenging traditional approaches to crime identification, monitoring and investigation. Law enforcement agencies must understand the new technologies, identify vulnerabilities and develop new and innovative law enforcement responses.

Similarly, traditional jurisdictions and legislative frameworks are being severely challenged by the increasing borderlessness of major crime (see more detail in our Crime reporting, pages 10–20).

Changed political and administrative environments

The holding of both state and local government elections in 2012 brought new exchanges and discussions at many levels.

In local government, the 2012 elections saw 59 per cent of mayors and 51 per cent of councillors newly elected to their roles. All newcomers will undoubtedly bring new perspectives to integrity issues while learning their roles. Some in resource-rich areas may also be confronting risks and pressures associated with rapid economic development. This significantly changed environment will require vigilance and targeted response from the CMC.

At the state government level, considerable machinery of government change has occurred. This includes a strong trend toward decentralising administrative arrangements, which is necessarily altering the structures and relationships through which the CMC has previously dealt with government agencies to promote integrity and prevent misconduct. Meeting this challenge effectively will require the CMC to develop new and innovative ways to engage effectively with regionally based decision makers.

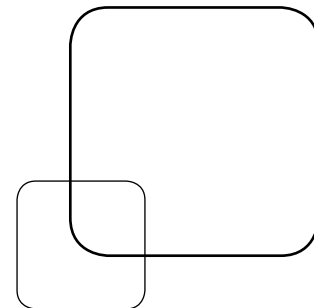
Pressure on public resourcing

The year has also seen a tightening fiscal environment generally, and pressure on public resourcing. This was given further impetus from April 2012 with the newly elected state government placing high priority on revitalising frontline services while achieving cost savings across the public service, particularly through reviewing all appointments and related resourcing. In this environment, strategies that advance the efficiency and economy of operations in the CMC and across the public sector are vital.

Review of the CMC

In 2011–12 the all-party Parliamentary Crime and Misconduct Committee, which oversees the CMC, carried out its three-yearly review of the organisation. The resulting report, published in May 2012, commended the CMC on the excellent results achieved in tackling its principal areas of responsibility through its current organisational structure. It made 38 recommendations, including that resource issues in several high-demand areas be addressed, that efforts to further improve timeliness be pursued and that legislative amendment required to support enhancements to the Police Complaints, Discipline and Misconduct System be put in place.

The government has advised that it will respond to the recommendations in 2012–13. The three-year review report can be found at: www.parliament.qld.gov.au.



The CMC's powers

The Crime and Misconduct Commission has unique powers in Queensland, allowing us to acquire evidence to combat crime and misconduct falling within our jurisdiction. Through these powers we are able to hold public inquiries and conduct coercive hearings. We can also undertake a range of searches, surveillance activities, seizures and telecommunications interceptions in prescribed circumstances.

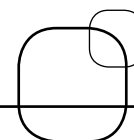
The CMC was provided with telecommunication interception powers in 2009. Through this initiative it achieved comparability with like agencies in other Australian jurisdictions. A memorandum of understanding with our Commonwealth agency provider for continued interim

telecommunications interception capability was agreed during the year. Increased capacity and capabilities were also tested and implemented.

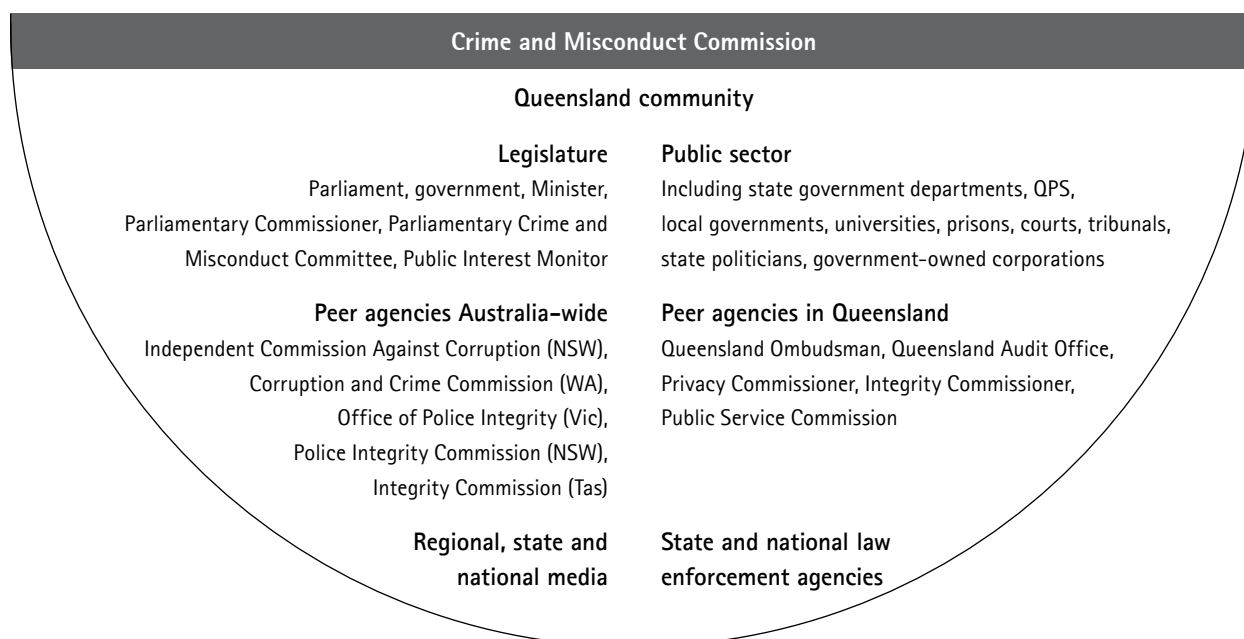
Use of our powers in 2011–12

The CMC has used its powers to:

- ensure productive Misconduct investigations and Crime hearings
- progress investigations into major crime
- facilitate the finalisation of proceeds of crime matters.

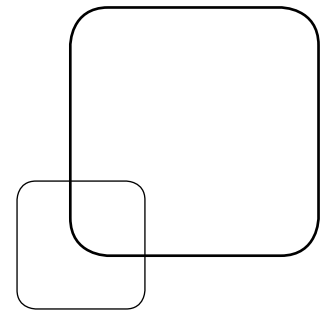


Our stakeholders



Our performance against the 2011–15 Strategic Plan

Indicators	Achievements	Outcome	Notes
Objective: A telling impact on the incidence of major crime in Queensland (pages 10 to 20)			
Effective contribution to law enforcement in Queensland	95% of tactical operations resulted in charges, restraints or seizures (target 95%)	✓	
	26 tactical operations undertaken (target of 25)	✓	
	93% of coercive hearings added value to major crime investigations (target 95%)	✓	
	15 research and intelligence projects undertaken (target 15)	✓	
Organised crime networks significantly disrupted by our proceeds of crime capability	86% of matters were assessed for confiscation potential within 48 hours (target 80%)	✓	
	64 criminal proceeds restraining orders obtained (target 75)	X	Below target due to focus on finalising matters rather than restraint in 2011–12.
	Net value of criminal proceeds restrained was \$20.858m (target \$18m)	✓	
	Cost per \$1m restrained was \$98 549 (target \$80 000)	X	Actual is higher than the predicted target due to redirection of resources to finalising matters rather than on commencing new matters. The 2011–12 labour cost target was a first-year estimate based on the limited data available at the time.
	36 civil confiscation matters were finalised (target 40)	✓	
	Net value of assets forfeited was \$7.007m (target \$6m)	✓	
	Cost per \$1m forfeited was \$293 344 (target \$275 000)	✓	
Objective: A trustworthy public sector (pages 21 to 41)			
Agencies responsibly manage their own improved integrity systems	100% of agencies rated as managing their integrity systems to a satisfactory or better standard (target 70%)	✓	
Exposure of serious misconduct through our own investigations	18% of significant agency-managed complaints matters reviewed (target 15%)	✓	
	96% of procedural recommendations to agencies accepted/implemented (target 85%)	✓	
Our recommendations for action and reform are accepted	14 median days taken to finalise a review (target 25 days)	✓	
	Retained 51 serious matters for CMC investigation:		Overall target (50) exceeded. One specific sub-target not met, the result reflecting the increased number of complaints against public sector agencies.
	• 23 Queensland Police Service matters (target 30)	X	
	• 28 'other agency' matters (target 20)	✓	
	27 serious matters retained by CMC for cooperative investigations (target 17)	✓	
	79% of investigated matters finalised within 12 months (target 80%)	✓	
31 research, intelligence, capacity building, prevention and monitoring projects undertaken (target 26)	✓		



Indicators	Achievements	Outcome	Notes
Objective: An effective witness protection service (pages 42 to 45)			
Safety of protected witnesses is maintained Services provided are consistent with best practice	Maintained 100% safety of protected witnesses (target 100%)	<input checked="" type="checkbox"/>	
	39 persons admitted to CMC's witness protection program (target 70)	<input checked="" type="checkbox"/>	The witness protection program is a voluntary program whereby persons offered admission can accept or reject any offer of protection.
	Assessed 90 applications (persons) for witness protection (target 100)	<input checked="" type="checkbox"/>	
	98% of eligible persons offered interim witness protection within 2 days (target 95%)	<input checked="" type="checkbox"/>	
	100% of protected persons met court commitments (target 100%)	<input checked="" type="checkbox"/>	
	Delivered 10 presentations within QPS courses (target 12)	<input checked="" type="checkbox"/>	Requests by QPS for presentations were fewer than anticipated.
Objective: A high-performing organisation that communicates effectively (pages 46 to 69 unless other page numbers are specified below)			
A continuous improvement culture is embedded in the organisation	Developed a Witness Protection case management database application	<input checked="" type="checkbox"/>	See page 45
	Trialled an activity-based costing system for enhanced financial reporting	<input checked="" type="checkbox"/>	
	Revised and published the CMC risk management framework on the intranet	<input checked="" type="checkbox"/>	
	CMC Achievement and Capability Planning process implemented	<input checked="" type="checkbox"/>	
	Review of Establishment positions (target 30 September 2011)	<input checked="" type="checkbox"/>	
Government acceptance of CMC public policy recommendations	100% government acceptance of CMC public policy recommendations	<input checked="" type="checkbox"/>	See pages 21 and 38
Enhanced stakeholder and community engagement	Redesigned website and intranet to enhance engagement with external client groups and internal stakeholders	<input checked="" type="checkbox"/>	
	Developed Indigenous Engagement Strategy	<input checked="" type="checkbox"/>	

Met or exceeded target or within 10% Target not achieved

Crime

Achievements

- Of the \$16.6m alleged to have been defrauded from Queensland Health by Hohepa Morehu-Barlow, the CMC, with the Office of the Director of Public Prosecutions, restrained property valued at \$12.039m (see page 15).
- Our broader attack on organised crime networks resulted in \$20.858m of property restrained and \$7.007m of property forfeited (see pages 14 and 15).
- The CMC rapidly responded to QPS requests for support in outlaw motorcycle gang (OMCG) and weapons-related criminal investigations, leading to six new investigations and 54 days of coercive hearings (see page 16).
- Crime operations disrupted two high-threat criminal networks involved in manufacturing and distributing drugs in South-East Queensland. As at 30 June 2012, 32 people have been arrested on 125 charges (see page 13).
- The CMC helped protect Queensland children through our expertise in combating online networked criminal paedophilia, charging 11 offenders with 191 charges (see page 16).
- Two of our criminal paedophilia investigations resulted in the first three prosecutions in Queensland of the new Commonwealth Aggravated Networking offence, which carries a maximum penalty of 25 years (see page 16).
- The CMC assisted the QPS in progressing 48 separate major crime operations across the state.
- A discussion paper focusing on the ways in which internet technologies enable serious criminal activities has generated a high level of interest from law enforcement and other government agencies in Australia and overseas.

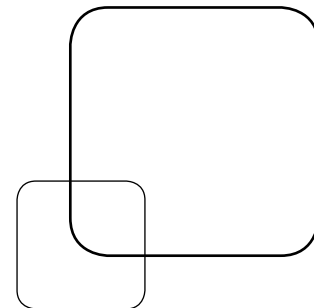
Challenges

- Attracting and retaining experienced staff to cope with the increasing workload relating to proceeds of crime (see page 14).
- Ensuring adequate support – through hearings, proceeds of crime action and strategic intelligence – for QPS regions beyond South-East Queensland (see page 16).

Looking forward ►

In 2012–13, while pursuing the priorities listed in the *2012–16 Strategic Plan*, we will:

- Increase our proceeds of crime function to respond to the increasing demand for confiscation action.
- Respond to new policy developments such as the proposed introduction of unexplained wealth legislation.
- Maintain a high state of readiness to respond to major crime matters referred to us by the QPS that could have a significant and unacceptable impact on the community.
- Increase our ability to respond to, or inform a response to, internet-enabled major crime.
- Use our criminal intelligence assets to inform crime prevention priorities where communities are identified to be at risk.
- Ensure that we are responsive to the needs of Queensland's regions.



Our role and jurisdiction

The CMC is not a police agency but a niche layer of Queensland law enforcement focused solely on high-threat or major crime. As a referral-based investigative agency, we add value to the overall law enforcement effort by using our unique powers and specialist skills to support our own and our partners' investigations, and in associated proceeds of crime recovery. We also work with a broad range of stakeholders to implement broader crime disruption and prevention strategies.

Strategic focus

Major crime is a target-rich environment so our decisions to focus on particular target groups, commodities or crime types are always underpinned by strategic intelligence and research activities and a rigorous methodology. We target those crime areas that pose the greatest potential harm to Queensland. Our aim is to make this jurisdiction as hostile as possible to those who would engage in major crime.

Our partnerships in these activities are critical. They are characterised by a commitment to genuine collaboration, responsiveness and a shared focus on achieving results. Many of our achievements are shared with the Queensland Police Service, with whom we work closely to prioritise and address major crime issues.

The increasingly borderless nature of major crime has also led to more intensive collaboration with interstate, federal and international law enforcement and policy agencies. This collaboration is at the heart of effective investigative support, intelligence dissemination, and the sharing of expertise, research and best practice approaches.

Underpinning all of our work in major crime is the tenet that our contributions are only valuable if they reflect compliance with and respect for the legislative frameworks within which we operate and care in the exercise of powers entrusted to us.

The various facets of our role are:

- organised crime (see page 13)
- proceeds of crime (see page 14)
- criminal paedophilia (see page 16)
- QPS hearings-related support (see page 16)
- terrorism investigation (see page 18).

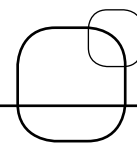
How crime matters come to the CMC

Under legislation, we have a charter to investigate major crime, comprising organised crime, serious crime (involving offences punishable by at least 14 years imprisonment), criminal paedophilia and terrorism.

As a referral-based investigative body, the CMC investigates major crime matters referred to it by the Crime Reference Committee. The Crime Reference Committee 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 Crime Reference Committee has referred several general areas of major crime, which allows the CMC to investigate particular incidents of suspected criminal activity without a specific referral. This enables us to respond quickly to requests made by the QPS and other agencies, as well as to those issues identified through our own target development.

Currently, we have seven general referrals relating to outlaw motorcycle gang activity, established criminal networks, money laundering, terrorism, internet-related child sex offending, extra-familial child sex offending by networked or recidivist offenders, as well as a more recent referral relating to weapons.



Performance overview

The following overview assesses our performance against the *2011–15 Strategic Plan* and the service standards and other measures and targets identified in the CMC 2011–12 Service Delivery Statement (see Table 1, next page).

In 2011–12, the CMC had significant achievements in protecting the community from major crime.

Overall, many of our performance targets were met or exceeded. We undertook more tactical operations and, of these, a high percentage (95%) resulted in charges, restraints or seizures. Similarly, \$20.858m in assets were restrained through proceeds of crime action (against a target of \$18m) and \$7.007m in assets were forfeited (against a target of \$6m).

Notwithstanding these outcomes, the proceeds of crime results were affected by continuing difficulties in matching staffing levels with workloads, protracted settlement negotiations, and the disproportionate demand on resources made by the high-profile Morehu-Barlow matter in the second half of the year.

We obtained 64 criminal proceeds restraining orders, substantially more than last year but below the target of 75. Civil confiscation matters finalised were also below target (36 compared with a target of 40). The engagement of temporary staff to meet workloads affected costs per \$1m for both restrained assets and forfeitures. Forfeiture costs

were also affected by the lengthy settlement negotiations already noted.

A substantial portion of the CMC's work is undertaken in support of major crime investigations referred from partner agencies, especially by holding coercive hearings. In 2011–12, 93 per cent of these hearings (just under the target of 95%) were assessed as adding value to those investigations. We achieved our target in the number of research and intelligence projects undertaken.

See Table 1 for more detailed information. Our performance can also be reviewed against results over the previous four years provided in Appendix 1.

Table 1. Service Area: Crime fighting and prevention

	2011–12 Target/est.	2011–12 Actual	2012–13 Target/est.
Service standards (SDS)			
Percentage of tactical operations resulting in charges, restraints or seizures ^{1,2}	95	95	95
Net value of criminal proceeds restrained (\$'000) ³	18 000	20 858	18 000
Net value of assets forfeited (\$'000) ^{4,5}	6 000	7 007	7 000
Cost per \$1 million restrained ^{6,7}	80 000	98 549	115 000
Cost per \$1 million forfeited ^{7,8}	275 000	293 344	295 000
Percentage of coercive hearings which add value to major crime investigations	95	93	95
Other measures (SDS)			
Number of tactical operations undertaken	25	26	25
Number of research and intelligence projects undertaken ⁹	15	15	17
Number of criminal proceeds restraining orders obtained ¹⁰	75	64	75
Number of civil confiscation matters finalised ¹¹	40	36	40

The following notes are extracted from the Service Delivery Statement and explain significant variations between targets/estimates and actual performance.

1. A successful outcome may include a criminal charge, and/or the restraint or seizure of assets.
2. The wording of this service standard has been changed slightly from 2011–12 to better reflect the nature of this measure. There is no change to the calculation method.
3. As one confiscation matter (Morehu-Barlow) resulted in \$12.039 million being restrained, the 2011–12 Target was exceeded. In the absence of this matter the target would not have been met due to the current focus on finalising matters rather than restraint.
4. The 2011–12 Estimated Actual is higher than the predicted 2011–12 Target due to the current focus in Proceeds of Crime on finalising matters rather than restraint, due to current workloads.
5. The 2012–13 Target for forfeitures is increased to \$7 million to reflect the focus on finalising matters.
6. The 2011–12 Estimated Actual is higher than the predicted 2011–12 Target due to redirection of resources to finalising matters rather than on commencing new matters.
7. The 2011–12 labour cost target was a first-year estimate based on the limited data available at the time. The increased 2012–13 Target reflects the inexperience of staff, the allocation of additional existing internal resources to the proceeds of crime function and the use of more reliable trend data to calculate cost.
8. The 2011–12 Estimated Actual is slightly higher than the 2011–12 Target due to a number of protracted settlement negotiations which prevented forfeiture proceedings in 2011–12 and the redirection of resources to the Morehu-Barlow matter.
9. Future project planning indicates capability for greater effectiveness and conduct of additional projects. This is reflected in the 2012–13 Target.
10. The 2011–12 Estimated Actual is below target due to focus on finalising matters rather than restraint in 2011–12.
11. The number of civil confiscation matters settled has been impacted by lengthy settlement negotiations resulting in a smaller number of matters being finalised than anticipated.

Combating major crime

The CMC undertook 26 tactical operations in 2011–12. From our operations across all areas of major crime, 76 persons were charged with 396 offences, resulting from investigations commencing either this year or in previous years. The CMC also assisted the QPS to progress 48 separate major crime operations across the state.

Organised crime

In combating organised crime, the CMC focused on investigating the criminal identities and networks engaged in those illicit commodity markets that are of greatest harm to Queenslanders. This work is undertaken by multidisciplinary teams of police officers, lawyers, financial investigators and intelligence analysts, supplemented by a specialist evidentiary team.

Two high-threat drug networks dismantled

This year saw the dismantling of two major drug trafficking networks operating in South-East Queensland. As at 30 June 2012, 32 people have been arrested on 125 charges.

We have also seized significant quantities of dangerous drugs such as heroin, methylamphetamines, MDMA (ecstasy), cocaine and cannabis destined for distribution in the community. These operations have also resulted in the seizure of precursor chemicals, clandestine laboratory equipment, stolen property and cash (see page 14 for more information).

Operation Warrior continues to yield results

Our crime team members have also been actively involved in brief preparation, trials and other court hearings in relation to Operation Warrior, which closed in 2010. Court results for this year include 14 convictions, with 6 persons receiving sentences of 6 years imprisonment or greater for trafficking in dangerous drugs and associated serious drug offences.

As of 30 June 2012, \$1.529m had been forfeited to the state as a result of confiscation proceedings resulting from Operation Warrior.

See full results for Warrior convictions on the CMC website at www.cmc.qld.gov.au/warrior.

Up-to-date reporting

We are committed to up-to-date reporting of our enforcement activities and conviction outcomes, provided that such reporting would not prejudice the right of a person to a fair trial or compromise the covert nature of our ongoing organised crime investigations. See www.cmc.qld.gov.au/crimeupdates.

Table 2. Use of CMC powers and results of investigations, 2007–08 to 2011–12

Results of investigations	2007–08	2008–09	2009–10	2010–11	2011–12
Arrests	114	120	101	38	76
Charges laid	561	544	455	330	396
Drugs seized – estimated street value	\$0.284m	\$0.456m	\$4.5m	\$1.6m	\$1.544m

Operation Storm – CMC investigation disrupts major heroin trafficking network

In May 2012, a major crime target believed to be central to a multi-million-dollar heroin ring operating in South-East Queensland was charged with drug offences relating to the trafficking in and possession of dangerous drugs, including heroin, methylamphetamines, ecstasy and cannabis.

The arrest of the 42-year-old Gold Coast man closed the covert phase of an 18-month CMC investigation codenamed Operation Storm. As of 30 June 2012, 20 persons had been arrested on 60 charges.

The operation dismantled a major drug distribution network operating from the Sunshine Coast to the Gold Coast, primarily trafficking heroin. It is conservatively estimated that, since 2006, this network has been responsible for distributing at least 20 kg of heroin (with an estimated street value of \$25m) through multiple distribution points.

The investigation, which began in December 2010, involved collaboration with the QPS, the New South Wales Drug Squad and the Australian Federal Police (Serious and Organised Crime team).

Contributing to Australia-wide strategic intelligence on organised crime threat and risk

CMC intelligence gathering benefits the CMC and other Australian law enforcement agencies, both state and federal. This year we responded to Australian Crime Commission (ACC) requests for information to help develop a national understanding of priority risks and threats to Australia from identified criminal groups and individuals, illicit commodities and crime types.

The CMC also maintains an extensive liaison network with other law enforcement and government agencies throughout the country and overseas. This network supports the frequent exchange of information for law enforcement purposes, in accordance with memoranda of understanding or other arrangements. In 2011–12 we undertook 197 disseminations to 34 different state, Commonwealth and international agencies. See also 'Preventing major crime', page 19.

Proceeds of crime

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

What is non-conviction-based confiscation?

The CMC administers the non-conviction-based civil confiscation scheme under the *Criminal Proceeds Confiscation Act 2002* (CPCA). 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.

Our proceeds of crime staff work closely with the Queensland Police Service and 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.

In 2011–12, \$20.858m in assets were restrained and \$7.007m in assets were forfeited, exceeding the targets of \$18m and \$6m respectively. (See Table 1, page 12 and Figures 1 and 2, page 15.) In addition, we obtained two proceeds assessment orders in the amount of \$1.099m.

We fell short in the number of restraining orders obtained (64 against a target of 75) and the number of civil confiscation matters finalised (36 against a target of 40). Our performance here was affected by the diversion of resources to the Morehu-Barlow matter, and by the high number of new referrals (see further discussion of resourcing below).

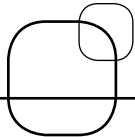
Currently, the proceeds of crime team is litigating 93 matters involving restrained property valued at \$58.010m.

The CMC's proceeds of crime team has struggled to attract and retain experienced staff to meet its current workload of matters and deal with an increasing number of new

Proceeds of crime results since 2002

Since the *Criminal Proceeds Confiscation Act 2002* came into operation, our team has been instrumental in delivering to the state:

- \$145.843m in assets restrained
- \$38.535m in assets forfeited.



requests for confiscation assistance. The government has also foreshadowed the introduction of unexplained wealth legislation, which is likely to make further demands on the CMC's proceeds of crime capability.

To meet these challenges, the Commission committed to increasing the capacity of the proceeds of crime team in 2012-13, and to contributing the CMC's proceeds of crime expertise to the government's formulation and development of priority policies.

CMC restrains more than \$12m in assets in the Barlow case

On 8 December 2011, the Fraud and Corporate Crime Group of the QPS received a complaint from Queensland Health about an unauthorised \$11m transfer from Queensland Health accounts into a private business account. Inquiries revealed that the business was registered by Mr Hohepa Morehu-Barlow (Barlow), a Queensland Health employee. On 9 December 2011, a warrant for Barlow's arrest was issued.

Also on 9 December and within 24 hours of the QPS receiving this complaint, the CMC obtained a Supreme Court restraining order over a substantial number of liquid assets (those assets at greatest risk of disposal) belonging to Barlow. On 13 December 2011, Barlow was charged with fraud pursuant to sections 408C (1)(b) and (2)(d) of the *Queensland Criminal Code 1899*.

As additional property has been identified throughout the course of the investigation, the CMC has moved to obtain an additional six restraining orders. All restrained property is in the possession of the Public Trustee, and at the time of this report the state has restrained assets valued at approximately \$12.039m. The confiscation proceedings are ongoing. (See also page 32 for our related Misconduct investigations.)

“The Sunshine Coast Criminal Investigation Branch has worked with CMC proceeds of crime in targeting the assets of Sunshine Coast Organised Crime groups ... Recent intelligence ... has indicated that those involved in the drug industry on the Sunshine Coast are complaining about their lack of funds due to the continual seizure of dangerous drugs followed up by the restraint of proceeds of crime by the CMC”

Maurice Carless, Detective Superintendent,
Regional Crime Coordinator, North Coast Region

Figure 1. Estimated net value of criminal proceeds restrained (target compared with actual), 2002-03 to 2011-12

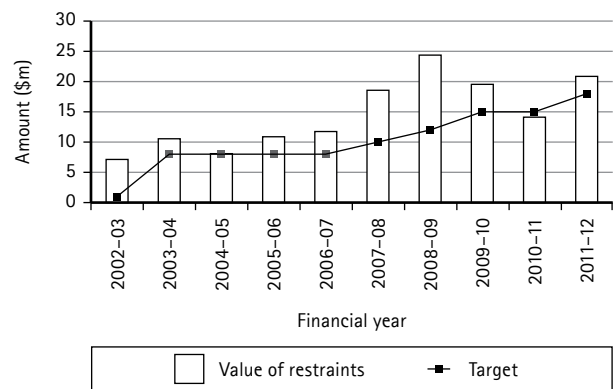
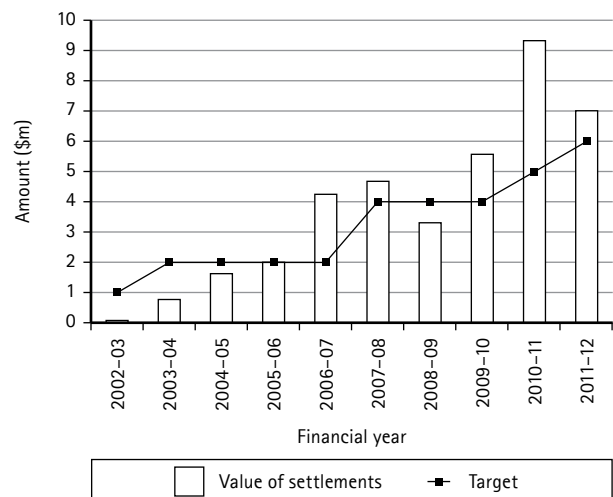


Figure 2. Net value of assets forfeited (target compared with actual), 2002-03 to 2011-12



Criminal paedophilia

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

Our team works closely with QPS Task Force Argos, regional child protection investigation units, Offices of the Commonwealth and Queensland Director of Public Prosecutions, and interstate and foreign law enforcement agencies.

I commend you on the extraordinary work you do ... this particular case has opened my eyes to what is involved in your work ...

Extract from a letter from a juror forwarded through the Office of the Director of Prosecutions to the CMC criminal paedophilia team after the successful conviction of a person charged with numerous offences relating to child exploitation material

In 2011–12, our team charged 11 persons with 191 offences relating to possessing, distributing and producing child exploitation material. These offenders posed a direct and indirect risk of contact offences against a number of children in Queensland and in other jurisdictions.

Of those arrested, one offender was a convicted child sex offender and on the Australian National Child Offender Register (ANCOR), while another was heavily involved in youth groups in the Brisbane area. Two of the cases involved the first three prosecutions in Queensland of the new Commonwealth Aggravated Networking offence, which carries a maximum penalty of 25 years.

In 2011–12 the CMC's research team completed a long-term project on criminal paedophilia. See 'Preventing major crime', page 19.

Hearings in support of partner agencies

In addition to the investigations undertaken by the CMC's organised crime and paedophilia teams, a substantial portion of our work is conducted in support of investigations referred from partner agencies – mainly the QPS.

Why hearings support is requested

These requests for assistance are made to use our coercive hearings power – to gather information and evidence not available by other investigative means.

The use of the coercive powers may relate to any category of major crime, but these powers are most often used in relation to serious crime or organised crime offences such as murder, drug trafficking and serious fraud.

A matter that does not fall within one of our existing general referrals may be specifically referred by the 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 (see 'How crime matters come to the CMC', page 11).

We strive to provide this hearings service statewide to ensure that regional QPS investigations receive a similar level of support to those in metropolitan areas.

Hearings held in 2011–12

This year we saw a sustained demand from the QPS for hearings assistance in support of a range of investigations, including the following:

- 8 homicides and 1 attempted homicide
- 4 drug trafficking
- 4 weapons-related
- 2 OMCG-related
- 1 fraud.

Overall, we conducted investigative hearings over 145 days in Brisbane, Bundaberg, Mount Isa, Rockhampton and Cairns (see Table 3). A total of 132 witnesses were called to give evidence to assist these major crime investigations.

The number of hearing days in 2011–12 was 27 per cent greater than those for 2010–11 (see Table 3). The data suggest that hearing requests numbers are returning to those occurring before the 2010–11 summer of natural disasters.

Significant court outcomes from past hearings

This year saw a number of court outcomes in relation to some of our past joint QPS–CMC investigations where coercive hearings were conducted, including the following matters:

- The Court of Appeal has recently upheld the convictions of two men charged with the extortion of a third man on the Gold Coast in 2006, for which they had been jailed for 4½ and 6 years respectively. The CMC had held extensive hearings in support of this investigation in 2007 and 2008.
- In 2008, we held hearings in relation to the large-scale commercial cultivation of a cannabis crop at Inglewood, undertaken by a family syndicate. The family 'patriarch' who was the prime mover of the criminal enterprise was recently tried and sentenced to 13 years imprisonment, all other family members already having pleaded guilty and been sentenced for their roles in the undertaking.
- In 2010, CMC hearings were held in relation to the murder of a homeless man, who was attacked while asleep in a Fortitude Valley street. The hearings yielded significant evidence implicating a suspect in the murder (reported on in our 2009–10 annual report). In May 2012, the offender was found guilty of the murder and sentenced to life imprisonment.

“The Crime Reference Committee provides sound oversight of what investigations ought properly to be referred to the CMC for the use of its coercive hearings power. The value of these hearings in progressing major crime investigations where QPS investigative efforts have been stymied is a very valuable aspect of the CMC’s role”

Bob Atkinson APM, Commissioner of Police

Hydra general referral enables rapid CMC response to murder

In April 2012, a 22-year-old man was fatally shot in the car park of a Brisbane shopping centre. The QPS investigation of the murder soon established that persons of interest to the investigation were members or associates of an outlaw motorcycle gang.

Because of the Hydra general referral relating to specified criminal activity on the part of members and/or associates of OMCs, the CMC was able to respond rapidly to the QPS request for assistance, and hearings began in May. The investigation is ongoing.

The Hydra referral has also supported the CMC’s rapid response to assisting the QPS in investigating escalating incidences of violence in South-East Queensland in 2012 related to conflict within or between OMCs.

CMC–QPS partnership investigates spate of armed robberies and police officer murder

Using its new weapons general referral, the CMC in October 2011 commenced a partnership with QPS Task Force Resolve to investigate a series of armed robberies of hotels and clubs on the Gold Coast, dating back to 2006, that culminated in an armed robbery in May 2011 during which a police officer was murdered.

Multiple hearings held since November 2011 have secured considerable evidence in relation to the reported armed robberies, previously unreported 'home invasions', Weapons Act offences and the source of many firearms used in criminal activity. The hearings have thrown a spotlight on a number of intersecting criminal networks active in South-East Queensland over several years.

A number of people have already been charged with serious criminal offences. The investigation is continuing.

Table 3. CMC investigative hearings, 2007–08 to 2011–12

Use of CMC hearing powers	2007–08	2008–09	2009–10	2010–11	2011–12
Investigative hearing days	151	157	162	114	145
Witnesses attending on summons	163	174	157	106	132

The courts uphold the integrity and appropriate use of the CMC hearing power

In 2011–12, contempt proceedings were brought in the Supreme Court of Queensland against four people who refused to answer questions at Crime hearings. All charges were proved and periods of imprisonment were imposed. For example:

- In October 2011, a man was jailed for one year, cumulative upon another sentence, after having given false evidence at a CMC hearing in 2010 relating to our investigation of the systematic theft of copper wiring from electricity substations in South-East Queensland (reported on in our 2010–11 annual report).
- In February 2012, a man was jailed for 2 years, to be suspended after 6 months, after pleading guilty to one count of perjury for having given false evidence at a CMC hearing in 2007. The man was sentenced on the basis that he had sought to thwart the CMC's investigation of serious criminal activity on the Gold Coast – the matters under investigation in our broader operation included illegal drug activity, abductions, torture, home invasions and murder.
- In early 2012, a 23-year-old man was charged with perjury arising from alleged false evidence given by him in the course of our hearings held in connection with the Task Force Resolve investigations (see page 17). This matter is still pending in the courts.

Two of our hearings-related investigations were challenged in judicial reviews this year:

- One matter was an investigation of suspected organised fraud involving a Gold Coast-based company engaged in arbitrage betting on sports events, after more than 250 people complained to the QPS of having been defrauded of a total of almost \$10m.

One of the suspects in the investigation challenged the Crime Reference Committee's decision to refer this matter to the CMC at the request of the Commissioner of Police and a subsequent decision to call him to a CMC hearing. The application was dismissed by the Supreme Court, which ruled that the decisions in question were made properly and with appropriate regard to all relevant aspects of the public interest:

The evidence establishes that the respondents approached their tasks of making the relevant decisions in accordance with the statutory provisions and the decision of Applegarth J in *Accused A v Callanan*. It has not been shown to my satisfaction that they failed to take relevant considerations into account or took into account irrelevant considerations or improperly exercised their powers or erred in law. To the contrary, they conducted a careful examination of the evidence and the relevant legal issues in reaching an appropriate conclusion.

QSC BS7937/11, unreported, Douglas J, 19 June 2012

The investigation has now resumed.

- The second judicial review relates to a murder investigation and the matter is still pending in the Supreme Court.

Terrorism investigation

Our role in terrorism investigation is one of rapid response capability, primarily in the form of hearings support. Although we have no dedicated resources in this area of major crime, we have obtained a general referral from the Crime Reference Committee to streamline our ability to deal quickly with requests from the QPS or other agencies for terrorism-related hearings assistance. There was no activity in this area in 2011–12.

Preventing major crime

The CMC's function encompasses both combating and preventing major crime.

In preventing crime, we identify possible sources of harm – such as drugs, weapons or online technologies that may facilitate criminal activity – and, as far as possible, act to remove or minimise these threats.

We share information with the law enforcement community and, where possible, with the public, particularly those groups who may be vulnerable to exploitation. At the same time, our research findings enable us to recommend educative or preventative strategies to policy makers and legislators.

Listed below is our work in crime prevention this year.

Minimising the harm from dangerous drugs

- In September 2011, with Schoolies Week imminent, the CMC sought to alert parents and students to the dangers of the 'club drug' fantasy/GHB (gamma-hydroxybutyrate). Radio and television interviews, as well as articles in the press and on our website, stressed the narrow margin between a common dose and a fatal overdose (particularly given the variation in substance quality and strength). In early 2012, a CMC intelligence digest containing specialist technical information on fantasy in Queensland was disseminated to law enforcement and policy agencies.
- The CMC provided intelligence to state and national agencies to increase their understanding of the threats posed by the diversion and misuse of prescription drugs such as opioids, and by a range of illicit and licit substances such as steroids and analogue stimulants (derivatives of a parent compound that is typically prohibited or a scheduled drug). A declassified version is being prepared for use in specific communities throughout Queensland, to alert them to the harms associated with the use of these substances.

- We produced the *Drug commodities and prices guide 2012* for police and law enforcement officers involved in drug investigations and/or education programs. The guide describes illicit substances commonly trafficked in Queensland, giving common street names, photographs and prices. It also includes information on new and emerging drugs on the market. Originally produced for internal use only, this publication is now more widely distributed because of strong demand and positive feedback from members of the QPS.
- In September 2011, the CMC joined the Queensland Pharmaceutical Misuse Stakeholder Group, which includes Queensland Health, QPS, Medicare, the Australian Crime Commission, Mundipharma and the Australian Customs and Border Protection Service. Its goals include promoting awareness of the risks and harms associated with the misuse and diversion of controlled drugs and some restricted drugs, and early identification of pharmaceutical misuse and diversion in rural, remote and Indigenous communities.
- The CMC has contracted University of Queensland researchers to conduct scientific analysis to measure community-wide use of illicit drugs such as methylamphetamines, cocaine and MDMA (ecstasy). The data from the analysis will be used to inform a range of intelligence products in 2013.

Investigating how new technologies enable major crime

We produced a discussion paper on the means by which internet technologies enable serious criminal activities such as money laundering and drug and weapons trafficking, and the implications for law enforcement. The discussion paper generated a high level of interest from law enforcement and other government agencies in Australia and overseas, as this issue has received increasing media attention.

Presentations based on this research were made to agencies including the Australian Federal Police, the Australian Crime Commission, state and territory police services, the Australian Customs and Border Protection Service, the Australian Taxation Office, the Australian Securities and Investments Commission, Australia Post, the Australian Computer Emergency Response Team and the US Federal Bureau of Investigation.

Recovering stolen firearms

Under our weapons general referral, we can investigate the theft of licensed weapons and their distribution within criminal environments. Our aim is to either recover such weapons before they are used to commit crimes, or locate and recover firearms that have been used in committing criminal offences. As of 30 June 2012, we had undertaken four investigations with that focus. These include:

- In February 2010, 22 licensed firearms were reported stolen from a Gold Coast residence at Upper Coomera. Hearings were conducted in Rockhampton and Brisbane in 2011 and 2012, and identified the persons involved in purchasing the stolen firearms. A number of the firearms were sold to a single person with significant links to organised crime. Investigations are ongoing.
- In early 2012, we held hearings in relation to the armed robbery of a sporting shooters club in Brisbane in late 2010, during which 24 firearms were stolen, with 10 remaining unrecovered after a lengthy police investigation. The hearings yielded specific evidence about the initial sale and distribution of the missing firearms among criminal elements.

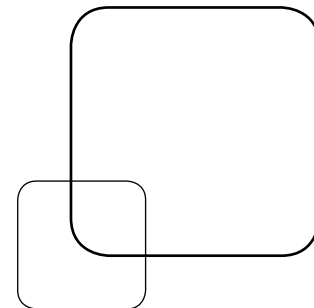
Paedophilia and child sex offences

We completed a long-term research project on criminal paedophilia, resulting in papers on paedophile offender and victim characteristics, offender behaviour, impacts on victims, disclosure by victims, prevention of offending, and new technologies used by networked paedophiles. These have been provided to Australian police services and several state government agencies with a professional interest in child safety. The research also formed the basis of the CMC's submission to the Commonwealth Government Cyber White Paper process on developments in online paedophilia.

This research also informed the CMC's written submission to a review of the sentencing of child sex offenders by the Sentencing Advisory Council in late 2011. The council's final report reflected a number of our recommendations for legislative amendment, including:

- that the *Penalties and Sentences Act 1992* be amended to require a court to take into account whether the offender was in a position of trust or authority in relation to the victim
- that the Act be amended to say that good character cannot be taken into account as a mitigating factor if the court is satisfied that this assisted the offender in committing the offence (as in the case of a Sunday school teacher/scout leader who gains access to their victim because of their church/scout work).

Misconduct



Achievements

- The CMC progressed major investigations into Queensland Health, the University of Queensland and a referral from the Queensland Floods Commission of Inquiry (see pages 32–33).
- We maintained or improved our timeliness in key areas including investigations, complaints assessment and monitoring:
 - Assessed a record number of complaints (5192), and maintained our timeliness target in assessing new complaints (88% within 4 weeks, exceeding our target of 85%).
 - Finalised 79 per cent of investigations (73 matters) within 12 months, a considerable improvement on the 60 per cent finalised during a similar period in 2010–11.
 - In our monitoring role, finalised our reviews of matters we had referred to agencies to deal with in a median of 14 days, well below our target of 25 days.
- Seven Queensland public service departments have been rated as having 'satisfactory' or better integrity systems by our Integrity Index (see pages 30–31).
- Our misconduct investigations resulted in 182 procedural recommendations for misconduct prevention action within public sector agencies and increased integrity in the public service. Additionally, we made 10 recommendations for criminal charges and 60 recommendations for disciplinary action (see page 27).
- Our continuing partnership with the Independent Commission Against Corruption (NSW) and the Corruption and Crime Commission (WA) saw over 500 state, national and international delegates engage with anti-corruption issues at the 2011 Australian Public Sector Anti-Corruption Conference (APSACC) in Fremantle, Western Australia (see page 29).
- More than 670 public sector employees in Brisbane commended us on the clarity and relevance of our lunchbox information sessions on integrity-related topics (see page 29).
- All recommendations in the CMC's 2011 public policy reports on the evade police provisions and Taser use by QPS officers were accepted by government (see page 38).

Our challenges

- Balancing our legislative obligation to devolve responsibility for misconduct management to agencies against the need to safeguard the public interest.
- Effectively resourcing an increase in referrals and/or investigations of high-profile or sensitive matters without compromising the quality and thoroughness of other investigations.

Looking forward ►

In 2012–13, while pursuing the priorities listed in the *2012–16 Strategic Plan*, we will:

- Change our processes, including workforce models, as a result of the Independent Review of the Police Complaints, Discipline and Misconduct System.
- Extend our service delivery, especially in misconduct prevention, across regional Queensland, leveraging current and emerging technologies and partnerships with other agencies.
- Build on our assessment of misconduct risks in the local government sector, and develop an action plan that includes strategies for preventing misconduct.
- Continue to conduct research designed to fight misconduct, evaluate the effectiveness of Queensland legislation and improve policing methods in the QPS.
- Adjust our processes and ways of working to accommodate machinery-of-government changes following the 2012 state election to ensure consistency across public sector entities in dealing with misconduct issues.

Our role and jurisdiction

A major statutory role of the CMC is to promote a trustworthy public sector in Queensland and reduce the incidence of misconduct. Our wide-ranging jurisdiction 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.

The CMC is not a court, nor can it discipline anyone as a result of a misconduct investigation. Police officers seconded to the CMC can in some cases instigate criminal charges and the CMC can also refer matters to the Director of Public Prosecutions with a view to criminal prosecution, to the Queensland Civil and Administrative Tribunal (QCAT) to consider disciplinary charges of official misconduct, or to the CEO of an agency to consider disciplinary action.

How misconduct matters come to the CMC

Misconduct within the Queensland public sector is brought to the CMC's attention through complaints from the public (via letters, faxes, emails and telephone calls); from whistleblowers and anonymous sources; or from our own intelligence sources. CEOs (including Directors-General) of public sector agencies are also obliged by law to inform the CMC of any suspected official misconduct in their own agency.

The *Crime and Misconduct Act 2001* obliges agencies to have a low threshold for reporting suspected misconduct to the CMC. This is intended to:

- ensure that the CMC is advised of all possible misconduct
- protect the public interest
- ensure the integrity, openness and accountability of public sector agencies
- protect these agencies from accusations of cover-up.

The obligation to refer matters to the CMC coexists with the devolution principle, which requires that, in general, agencies should deal with misconduct in their own organisation.

More information is available on our website at www.cmc.qld.gov.au/reportmisconduct. Complaints can be lodged via the website.

Strategic focus

To carry out our misconduct functions we:

- keep informed of current and emerging misconduct issues in the public sector by receiving, assessing and analysing complaints from public sector agencies and the community
- refer complaints to appropriate agencies to deal with and in some cases oversee how they are managed
- investigate the most serious allegations of misconduct, including those with a strong public interest element
- work with public agencies to develop and maintain effective integrity systems, using research, intelligence and misconduct prevention specialists as appropriate.

This year saw the implementation of major changes to the structure and working practices of our Misconduct area, arising from a review conducted in 2011.

Recognising the importance of integrity issues in the local government and government-owned corporations sectors, we established a separate program to deal with complaints about these sectors. This will also enhance our understanding of the relevant issues and how best to address them in collaboration with partner agencies.

We also made structural adjustments to accommodate the implementation of recommendations arising from the Independent Review of the Queensland Police Complaints, Discipline and Misconduct System (SETS Review, see page 34) – including, among other things, that investigations into police misconduct be undertaken by civilian staff (i.e. staff who are not current or former Queensland police officers). We trialled a civilian workforce model within one of the Misconduct investigation teams, identifying several resourcing, legislative and operational requirements that would need to be addressed for full implementation.

The oversight of police-related deaths, such as deaths that occur in police custody or during police operations, was identified as a particular area of focus in our *2011–15 Strategic Plan*. Pending the final outcomes of the SETS Review, interim arrangements for the investigation and oversight of these matters have been established between the CMC, the QPS and the State Coroner. Under those arrangements CMC officers promptly attend and oversight initial investigations into these deaths. At times they may also attend other major policing incidents, such as those resulting in serious injury to a person.

We also continued our long-term strategy of collaborating with major public sector agencies to implement improved integrity systems (see page 30).

Our investigations targeted serious misconduct while also generating recommendations to improve integrity in public sector agencies. We continued to expand the resources and guidance materials that we make available to public agencies. Our legislation requires us to play a lead role in building the capacity of agencies to prevent and deal with cases of misconduct.

Performance overview

The following overview assesses our performance against the *2011–15 Strategic Plan* and the service standards and other measures and targets identified in the CMC 2011–12 Service Delivery Statement (see Table 4, next page).

A key output for the Misconduct function this reporting year has been improved efficiency in the delivery of its services.

After a significant restructure of our operations area and, consequently, a more efficient deployment of resources, 79 per cent of Misconduct investigations were finalised within 12 months – a considerable improvement on the 60 per cent in the previous year.

We maintained or improved timeliness in other areas, including in our monitoring role where we finalised our reviews of matters we had referred to agencies to deal with in a median of 14 days, well below our target of 25 days.

Targets were exceeded in other areas – for example, the percentage of CMC recommendations accepted by agencies; the number of agencies rated as managing their integrity systems to a satisfactory or better standard; and the percentage of significant agency-managed complaint matters that we reviewed.

We also exceeded our target in the overall number of serious matters retained for investigation. However, the break-up between QPS and public sector matters was somewhat different from what we had anticipated. Historically, the majority of complaints received by the CMC have been QPS-related, resulting in the CMC retaining a higher number of QPS-related matters for investigation. However, in 2011–12 the breakdown of complaints became closer to 50 per cent relating to police and 50 per cent relating to the remaining public sector.

This resulted in fewer police matters and more public sector matters than expected being retained for investigation. In response, we have adjusted the targets for 2012–13 to 25 QPS-related and 25 'other agency' matters being retained for CMC investigation, and will continue to monitor this possible trend.

A larger than anticipated number of projects were undertaken in 2011–12 following the introduction of our misconduct prevention program of lunchbox information sessions for public sector staff and the completion of seven evaluation reports under the Building Integrity Program. Our activities here demonstrate our commitment to assisting public sector agencies to manage their integrity systems effectively and appropriately.

See Table 4 for more detailed information. Our performance can also be reviewed against results over the previous four years provided in Appendix 1.

Table 4. Service Area: Public sector integrity

	2011-12 Target/est.	2011-12 Actual	2012-13 Target/est.
Service standards (SDS)			
Percentage of agencies rated as managing their integrity systems to a satisfactory or better standard ¹	70	100	70
Percentage of recommendations to agencies accepted ²	85	96	85
Median days to finalise a review matter ^{3,4}	25	14	20
Percentage of investigations of police-related fatalities where Coroner has been satisfied with CMC's response ⁵	100	n/a	100
Other measures (SDS)			
Percentage of significant agency-managed complaints matters reviewed ⁶	15	18	15
Number of research, intelligence, capacity building, prevention and monitoring projects undertaken ^{7,8}	26	31	20
Number of serious matters retained for CMC investigation:			
(a) Queensland Police Service matters	30	23	25
(b) Other agency matters ^{9,10}	20	28	25
Percentage of investigated matters finalised within 12 months	80	79	80

The following notes are extracted from the Service Delivery Statement and explain significant variations between targets/estimates and actual performance.

- As part of the Building Integrity Program, the integrity frameworks of seven public service departments were evaluated in 2011-12. These departments were Department of Justice and Attorney-General, Department of the Premier and Cabinet, (former) Department of Public Works, (former) Treasury Department, (former) Department of Local Government and Planning, (former) Department of Environment and Resource Management and Department of Community Safety. All seven evaluation reports indicated the departments are managing their integrity systems to a satisfactory or better standard.
- One hundred and sixty three procedural recommendations were completed in 2011-12 and 157 (96 per cent) were accepted/implemented. When making preventative recommendations, the CMC works collaboratively with public sector agencies to seek their feedback and to discuss their implementation to ensure that the recommended improvement is practical.
- In 2011-12, the CMC was committed to ensuring that our close monitoring of matters dealt with by public sector agencies was conducted in a timely and relevant manner. This has been reflected in the final result.
- To reflect the CMC's sustained improvement in our timeliness of closely monitoring matters dealt with by public sector agencies, the target for 2012-13 has decreased from 25 to 20 days.
- Waiting on the finalisation, through the Review of the Police Complaints, Discipline and Misconduct System, of the Memorandum of Understanding between the CMC, State Coroner and Queensland Police Service which will define roles, responsibilities, resourcing and conflict resolution. In the interim, CMC investigators are attending police related deaths in an overview capacity and attended nine in the 2011-12 financial year.
- The CMC invests considerable resources in assisting agencies to effectively manage their integrity systems, including closely monitoring the way agencies deal with the more serious complaints. With a further year of increased complaint numbers, the number of complaints requiring close monitoring also increased.
- With the introduction of a program of Misconduct Prevention lunchtime information sessions for public sector staff and the completion of seven evaluation reports under the Building Integrity Program, the CMC undertook more projects than originally planned for 2011-12.
- The 2012-13 Target has been reduced from the previous year because there are fewer Building Integrity evaluation reports planned as only three public service departments have not yet been evaluated. The number of activities is based on the CMC Operational Plan for 2012-13.
- While the specific sub-targets have not been met, the overall 2011-12 Target of 50 has been achieved. This measure is affected by the types of matters that are received by the Commission and is reflective of the increase in the numbers of complaints about public sector agencies in 2011-12.
- Historically, the police have accounted for 55 per cent of the complaints received by the Commission and 45 per cent for the remaining public sector. In 2011-12, the breakdown of complaints became closer to 50 per cent relating to police and 50 per cent relating to remaining public sector. The Target for 2012-13 has therefore been updated to 25 police investigations and 25 other investigations.

Promoting a trustworthy public sector

We begin this chapter with an overview of our Misconduct-related activities across all sectors, followed by reports on individual sectors as follows:

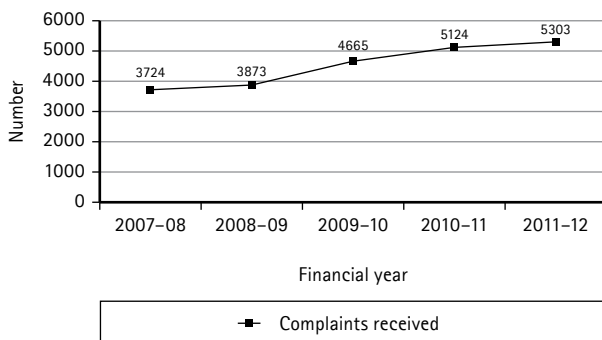
- public sector
- Queensland Police Service
- local government and government-owned corporations (GOCs).

Complaints to the CMC

In 2011–12, the CMC received 5303 complaints – the highest number since our establishment in 2002, and an increase of 42 per cent on the total received in 2007–08 (see Figure 3). This upward trend is considered partly attributable to public sector employees' increasing awareness of the need to report official misconduct.

Despite this increase, the Integrity Services area assessed 88 per cent of new complaints within four weeks of receipt (against a target of 85%).

Figure 3. Complaints received between 2007–08 and 2011–12



Sources of complaints

Of the complaints received in 2011–12:

- 65 per cent were referred by public agencies
- 33 per cent came to us directly from members of the public
- 2 per cent came from our own activities or referrals from government.

This is consistent with previous years.

Who the complaints were about

The 5303 complaints received contained a total of 12 559 allegations of misconduct. (A complaint may contain multiple allegations.) Of these allegations:

- 49 per cent (6167) related to police
- 42 per cent (5266) related to public sector agencies (including GOCs)
- 8 per cent (1002) related to local government
- 1 per cent (124) related to other agencies (mainly involving politicians).

See Figure 4, page 26.

For details of complaints in specific sectors, see pages 31, 34 and 39. Note that the sum of complaints across all sectors is more than the total number of complaints received by the CMC, because one matter may involve multiple agencies.

Assessment outcomes

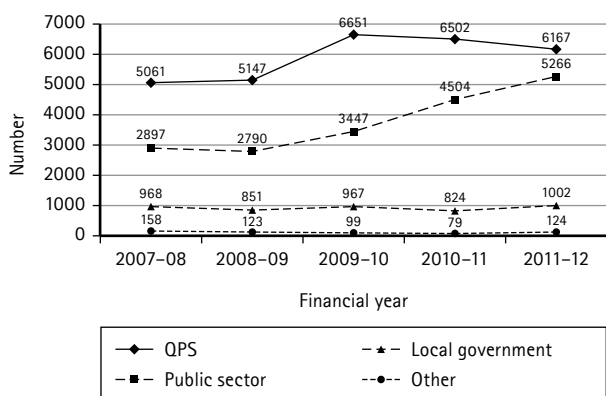
We assessed 5192 complaints in 2011–12:¹

- 4420 (85%) were referred to the appropriate agency to deal with, subject to our monitoring²
- 74 (1%) were retained for investigation by the CMC (including investigations conducted cooperatively with agencies)
- 698 (14%) were assessed as requiring no further action.

¹ The number of complaints assessed differs slightly from the number received because somewhat different time periods apply.

² Of the 4420 complaints referred to the appropriate agency to deal with, 360 (8%) were subject to close monitoring.

Figure 4. Allegations by sector, 2007–08 to 2011–12



The last three years have seen an upward trend in the number of complaints and allegations against the public sector.

Monitoring

The number of complaints the CMC receives means that the CMC cannot investigate all matters. Our legislation also requires that, subject to consideration of the public interest and the capacity of a public sector agency, action to prevent and deal with misconduct should generally happen within that agency. Most complaints can be dealt with by the relevant agency investigating the matter or taking managerial action, in some cases subject to our oversight. Our recent restructure of the Misconduct area has allowed us to provide greater investigative support to agencies during particular investigations that we undertake cooperatively.

We monitor how agencies handle complaints by various mechanisms. We may oversee an agency's investigation while it is taking place, or review interim or final reports as an investigation progresses and before any disciplinary or other managerial action is taken.

Through this form of close monitoring we can review our initial assessment of a complaint, assume conduct of the matter, or decide to investigate the complaint together with the agency. In 2011–12 the CMC completed 370 reviews (313 in 2010–11), taking a median of 14 days to complete a review (against a target of a median of 25 days).

In other cases, we ask agencies dealing with matters to advise us of the outcome, so that we are aware of developing trends in relation to misconduct issues.

We can also audit the way agencies have dealt with a general class of complaints or dealt with particular areas of focus. Our audits focus on areas of perceived risk, identified through our complaint handling and monitoring work.

Audit of complaints relating to procurement and purchasing

The CMC conducted an audit of how the public sector, including local government and the QPS, dealt with complaints involving allegations relating to purchasing and procurement. We were particularly interested in the conduct of preliminary inquiries, the action taken to deal with the allegations, and whether appropriate preventative action occurred.

The audit found that most complaints were dealt with satisfactorily. However, the CMC did identify some failures to record information and, in some cases, to adequately document the basis for particular decisions. Given government requirements for accountability, agencies must ensure that any purchasing and procurement decisions and processes are clearly and comprehensively documented. The CMC made recommendations relating to document control and record keeping to address the deficiencies identified in the audit. Overall, in the CMC's view, procurement and purchasing across the Queensland public sector is well regulated and agencies generally conform to policies.

Audit of responses provided to complainants

This year we audited how all public sector agencies (including police, local government and government-owned corporations) provide outcome advice to complainants in accordance with their statutory obligations under the Crime and Misconduct Act. We found that many agencies are not providing outcome advice to complainants as required. Complainants were often not told of the individual action taken in relation to substantiated allegations or why their complaint could not be substantiated.

In order to obtain a shared view of complex issues such as the impact of privacy considerations, and not to duplicate the work being done in this area by other accountability

agencies, we consulted with the Office of the Ombudsman, the Information Commissioner, the Commission for Children and Young People and Child Guardian, and the Public Service Commission. Early in 2012–13 we will be providing specific guidance to agencies about the level of information required when responding to complainants.

Investigations

The CMC itself investigates the most serious cases of alleged official misconduct as one of its strategies to expose and deal with serious misconduct. Our decisions to investigate matters, either ourselves or in cooperation with a public sector agency, are based on factors such as:

- the nature and seriousness of the alleged misconduct, particularly if there is reason to consider it prevalent or systemic in an agency
- whether our special powers will be needed to effectively investigate the matter
- whether the relevant agency has the capacity and resources to effectively deal with the misconduct itself
- whether there is likely to be an increase in public confidence in having the misconduct dealt with by the CMC directly.

CMC misconduct investigations are conducted by multidisciplinary teams comprising police, civilian investigators, lawyers, intelligence analysts, financial investigators and prevention officers.

This year has been significant within the investigations area.

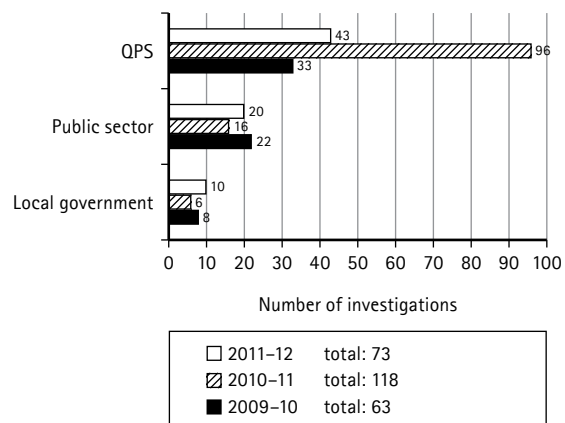
- Considerable resources were directed to an investigation into alleged major fraud at Queensland Health; a referral arising from the Queensland Floods Commission of Inquiry; and an examination of admission irregularities at the University of Queensland (see pages 32–33).
- We trialled an all-civilian investigation team for investigating police misconduct, at the recommendation of the Independent Review of the Police Discipline, Complaints and Misconduct System. (For further information on the Independent Review and the civilianisation model, see page 34.)

- We commenced 51 investigations:
 - 23 of these were QPS-related and 28 were public sector investigations, reflecting increased numbers of complaints against public sector officials
 - an additional 27 matters were retained for cooperative investigations with public sector agencies, including the QPS.
- The CMC finalised 73 misconduct investigations.³ As a result of our investigations we made 182 recommendations to help prevent misconduct, 60 recommendations for disciplinary action and 10 recommendations for criminal charges. Additionally, the Director of Public Prosecutions gave his consent to bringing a further 62 criminal charges arising from 2 investigations. These matters are pending.

Figure 5 shows the number of finalised investigations per sector. The large number of investigations of police in 2010–11 relative to other years was in part due to Operation Tesco, an investigation into police misconduct on the Gold Coast (see www.cmc.qld.gov.au/tesco for a copy of the Operation Tesco report).

For details of investigations in specific sectors, see pages 32, 37 and 40.

Figure 5. Finalised investigations (by sector)



³ The number of misconduct investigations finalised in the year differs from the number commenced in the year as matters can carry over from previous financial years depending on when the complaint was received.

Misconduct prevention and anti-corruption activities

Under its legislation the CMC has a function of helping to prevent misconduct.

Prevention officers are now attached to all investigation teams, enabling reviews of the systems, policies, procedures and work practices relevant to the matter under investigation. Prevention officers focus on the systemic causes of misconduct, rather than the individual who has been involved, to identify weaknesses and gaps and make recommendations to reduce opportunities for misconduct within the agency and, where relevant, across the public sector.

Agencies responded to 163 of our recommendations within this reporting year. Of these 163, they accepted 96 per cent (157). This represents an 8 per cent increase on the previous year.

Prevention training for public sector officers

The CMC has been identified by agencies as a valuable resource in helping to strengthen their integrity systems, resulting in invitations by agencies to provide tailored training and support. Training in 2011–12 was conducted on many topics, including the following:

- Ethics and building integrity – four workshops were jointly facilitated by the CMC and the former Department of Environment and Resource Management; training was provided in Mackay, on the Sunshine Coast and in Brisbane, with 46 senior managers attending, including Regional Managers, Directors, Deputy Directors and Team Leaders, representing approximately 680 staff
- Conflict of interest – training for 250 inspectors and staff from the Office of Liquor and Gaming Regulation
- Code of Conduct and conflicts of interest – training for 70 procurement officers at Queensland Rail
- Ethics and complaints management – information sessions to staff of the Queensland University of Technology's Human Resources Unit

- The CMC's Misconduct functions and how to deal with suspected official misconduct – presentations to the Senior Management Committee and senior staff of the University of Queensland
- Ethics and Code of Conduct – four sessions held with senior management and supervisors at the Wide Bay Water Corporation in conjunction with *Facing the facts* training. (*Facing the facts* is our published guidelines for how agencies should deal with matters involving official misconduct – for more information see www.cmc.qld.gov.au/facingthefacts.)

Public information program

This year we maintained our extensive public information program, both in Brisbane and across the state, and made information available through our website.

- More than 670 people attended lunchtime information sessions for public sector employees on integrity-related topics (see the box on the next page).
- 23 misconduct advisories were reissued in November 2011 to include updated advice and links to relevant legislation.
- The CMC's publication *Ethics, integrity and elected officials – state government* was released in February 2012. This checklist-based approach to ethics information provided candidates for the March 2012 state election with advice on their legal and ethical obligations during the election period.

All misconduct prevention publications are available on our website www.cmc.qld.gov.au/prevention.

Lunchbox sessions in Brisbane CBD for public sector workers

Lunchbox sessions canvass topical issues and generate discussion around potential misconduct risks. Run jointly with partner agencies, sessions to date have focused on caretaker conventions in the run-up to the last state election (with the Department of the Premier and Cabinet), social media and public officials (with the Queensland Government Chief Information Office), and public interest disclosures (with the Public Service Commission).

One aspect of Misconduct Prevention's role is to provide information to assist managers make sound decisions. The CMC Lunchbox sessions were created to provide timely, practical and reliable advice on high-profile or potentially confusing issues. Sessions were aimed at middle to senior level managers needing authoritative information upon which to base their decisions.

Feedback has been very positive, with attendees saying that the information has demystified issues and given sound guidance on complex questions.

Australian Public Sector Anti-Corruption Conference (APSACC)

In November 2011, the CMC again co-hosted APSACC with the Western Australian Corruption and Crime Commission and the New South Wales Independent Commission Against Corruption. APSACC is recognised as Australia's leading conference for public sector corruption prevention and investigation professionals. Over 500 state, national and international delegates from 20 countries attended the event in Fremantle, Western Australia.

The theme of APSACC 2011 was 'A global compass – navigating public sector corruption'. Officers of the CMC spoke on our investigation into police misconduct (Operation Tesco), police use of Tasers, emerging misconduct trends and the review of the police complaints, discipline and misconduct system undertaken in Queensland in 2011. CMC officers also delivered workshops on codes of conduct, whistleblowing and ethics. Several sessions were pre-booked to capacity. For a full list of the presentations and papers see www.apsac.com.au.

The next APSACC will take place in Sydney from 26 to 28 November 2013.

National cooperation between integrity agencies

With the coming introduction of standing integrity bodies in Victoria and South Australia, each Australian state will have one or more integrity agencies responsible for overseeing misconduct issues relating to law enforcement⁴ and the public sector.

During the year the CMC participated, together with interstate integrity agencies and the Australian Commission for Law Enforcement Integrity (ACLEI), in the establishment of the Australian Anti-Corruption Commissions Forum (AACF). The forum enables member organisations to exchange knowledge and resources, work cooperatively, and promote common areas of interest. In fact, this kind of exchange is required of the CMC under its legislation.

The principals of the various Australian agencies met in Fremantle in 2011, during APSACC.

Regional cooperation in combating fraud and corruption

Australia is one of the least corrupt countries in the world, having ranked equal 8th with Switzerland on the recent index compiled by Transparency International. The index ranks countries based on how corrupt their public sector is perceived to be, assessing perceptions of bribery of public officials, kickbacks in public procurement, embezzlement of public funds and the effectiveness of anti-corruption measures.

Recognising the high cost of corruption, Australia has a range of federal and state anti-corruption agencies and programs. Among them is Australia's anti-money laundering and counter-terrorism financing regulator and specialist financial intelligence unit, the Australian Transaction Reports and Analysis Centre (AUSTRAC).

AUSTRAC also funds a number of programs aimed at building the capacity of financial intelligence units in our region and, as part of this work, has requested assistance from the CMC to jointly design and deliver a number of financial intelligence training courses.

⁴ Including the Australian Commission for Law Enforcement Integrity at a Commonwealth level.

In November 2011, the CMC provided a subject matter expert to present at a regional seminar, Combating Corruption through Coordination: Strengthening Anti-Money Laundering Outcomes, held in Kuala Lumpur. Joining with presenters from AUSTRAC and the World Bank, CMC Proceeds of Crime Manager David Goody delivered a range of interactive sessions to senior officials from the financial intelligence units and anti-corruption agencies of Indonesia, Malaysia, Thailand and the Philippines.

In conjunction with AUSTRAC, the Australian Federal Police and the Australian Taxation Office, Mr Goody also assisted in conducting a five-day workshop in Bandung, Indonesia on 26–30 March 2012, focused on using financial intelligence to investigate corrupt behaviour. Senior investigators from six Indonesian government agencies attended. CMC travel and accommodation costs were met by the requesting agencies.

CMC officer David Honeyman will assist as a subject matter expert in corruption prevention in a related workshop in Bandung in September 2012.

Links with overseas integrity agencies

Each year the CMC is visited by delegations and individuals from other countries keen to draw upon the experience the CMC has gained in over twenty years of investigating and preventing public sector misconduct, fraud and financial crime. In 2011–12 these visitors included:

- an official delegation from the Attorney-General's Office, Bhutan (May 2012)
- Mr Joe Poraiwai, Ombudsman and Chief Investigators Mr James Maneforu and Ms Judith Waleanisia (Solomon Islands) (June 2012)
- representatives from the Incheon Port Authority, South Korea (November 2011)
- Mr Kelly Kaisa, police officer, Papua New Guinea (July 2011)
- Mr Royd Katongo, Senior Prevention Officer, Zambian Anti-Corruption Commission (July 2011).

A senior officer from the Indonesian Corruption Eradication Commission (Ms Husnunnisa) also worked in the CMC's Misconduct Prevention area for three months to assist in completing the requirements of her master's degree in governance and public policy at the University of Queensland.

Public sector

Promoting a trustworthy public sector – the Building Integrity Program

One of the CMC's strategic priorities in the period 2010–13 has been to progressively build agencies' capacity to manage and be accountable for the misconduct of their own officers, subject to our oversight. By 30 June 2013, through our Building Integrity Program (BIP), we will have worked with all core agencies to support the implementation of improved complaints management and integrity systems in the public sector. (For a full description of the project, go to our website www.cmc.qld.gov.au/bip.)

The first two years of the BIP program saw four 'early adopter' agencies – Brisbane City Council, Queensland Health, the Department of Employment, Economic Development and Innovation and the Department of Justice and Attorney-General – rated as at least 'competent' in relation to their integrity systems.

In 2011–12, we assessed the integrity systems of 12 government departments in existence before the machinery-of-government changes that followed the 2012 elections. To do this, the CMC:

- reviewed each department's integrity framework, including the related policies and procedures
- surveyed more than 15 000 departmental staff to ascertain their knowledge of and trust in departmental complaints and integrity systems
- used survey results to assist agencies to identify implementation issues or possible areas for improvement
- audited how departments dealt with actual complaints, and examined 228 matters referred to them by the CMC.

Outcomes and recommendations

We provided a BIP evaluation report to seven public service departments:

- Department of Justice and Attorney-General
- Department of the Premier and Cabinet
- (former) Department of Public Works
- (former) Treasury Department
- (former) Department of Local Government and Planning
- (former) Department of Environment and Resource Management
- Department of Community Safety.

The reports assessed the integrity frameworks of all these departments as being at least 'satisfactory', with some being 'exceptional', exceeding our performance target. Nonetheless, we were able to provide them with 284 suggested actions for improvement.

As at 30 June 2012, 84 per cent of existing Queensland Government departments have been assessed by the CMC. Remaining departments will be provided with a BIP evaluation report in 2012–13. Since the integrity frameworks are broadly transferable, it is expected that agencies established under machinery-of-government changes will take with them the integrity systems from the parent agencies that have been assessed by the CMC.

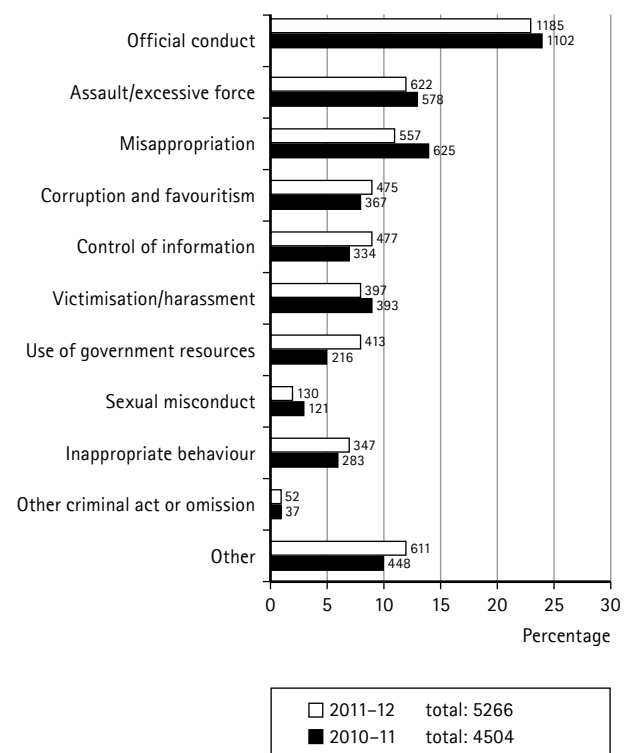
Queensland Health requires particular mention. A major misconduct event was reported to the CMC in late 2011, despite that organisation's integrity system having been rated last year under the BIP program as 'competent'. Although the CMC's investigation into Queensland Health undertaken this year (see pages 32–33) is not yet complete, indications as at 30 June 2012 are that while the integrity framework was indeed satisfactory, questions surround individual conduct within that framework in terms of meeting requirements and expected standards.

Nevertheless, this experience will be taken into account as the CMC evaluates the methodologies of the first major stage of the BIP project, including reviewing the value of conducting large-scale surveys, the challenges associated with engaging a very large, geographically dispersed agency such as Queensland Health in the 'early adopter' stage, and the resources required to extend the BIP throughout other areas, such as local government or the tertiary education sector.

Complaints

In 2011–12, the CMC received 2616 complaints containing 5266 allegations against public sector employees. The number of complaints received was 9 per cent higher than in 2010–11. The 5266 allegations against public sector employees were about 42 per cent of total allegations received by the CMC.

Figure 6. Types of allegations — public sector



Monitoring

In 2011–12, the CMC:

- Reviewed a total of 136 complaints dealt with by public sector agencies. During these reviews a range of concerns were identified across all agencies, including delays in finalising investigations, failure to provide adequate investigation reports for review, failure to interview (and record interviews with) all relevant witnesses, and failure to identify and manage systemic issues. The CMC was satisfied with the way in which agencies dealt with these matters in 96 per cent of cases, compared with 89 per cent in the previous year.

- Made over 100 procedural recommendations across 13 public sector agencies. Recommendations included those relating to improvements to record-keeping processes, staff training, dealing with the public and information and workplace security.
- Audited complaints involving allegations relating to purchasing and procurement across the public sector. The CMC found that, overall, most matters were being dealt with satisfactorily.
- Found that some agencies were not providing outcome advice to all complainants as required, and that complainants were not properly informed of the action taken or the reasons for decisions.
- Published its latest reports on the Queensland public's perceptions of the QPS, public service agencies and local government in key areas such as behaviour, corruption and complaints processing. Overall, our research found that the Queensland public has more confidence in the CMC to properly investigate complaints than it does in the QPS, public service agencies and local governments to investigate complaints about their own staff. All the public perception survey reports are available on our website www.cmc.qld.gov.au/publicperceptions.

Oversighting misconduct matters in 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 closely reviewed how the Department of Communities dealt with these types of complaints. The reviews identified factors hindering the department's ability to appropriately deal with misconduct, including the limited participation of young people in the investigation processes and a workplace culture that prevented timely resolution of matters.

The CMC and the department are now working together to develop an integrity program targeted at youth detention centres. It aims to promote timely, independent reporting of possible misconduct, and resolve significant cultural issues. As of 30 June 2012, 300 youth detention staff at Wacol and 120 staff at Cleveland (Townsville) had received training by CMC officers on ethical work practices. Feedback indicated that they found the training relevant and beneficial.

Investigating allegations of serious official misconduct

Of the complaints received in 2011–12, the CMC conducted 20 investigations into 93 allegations of official misconduct in the public sector (see Figure 5, page 27). While all matters investigated involved serious allegations of misconduct, some matters were of a particularly high profile and public interest.

As a result of our investigations, we recommended 5 criminal charges and 9 disciplinary charges involving 6 officers.

Enrolment irregularities at the University of Queensland

In January 2012 the CMC decided, in the public interest, to independently examine issues associated with a forced offer for entry into the University of Queensland's 2011 medical program (MBBS).

The matter is ongoing and a public report will be released in the next reporting period. The public report will also incorporate recommendations from two ongoing reviews earlier announced by the CMC and associated with the forced offer for entry. These reviews address:

- the University of Queensland's handling of the complaint concerning the forced offer (focusing on broader aspects surrounding the university's handling of and response to allegations concerning the then Vice-Chancellor and Senior Deputy Vice-Chancellor)
- quality issues arising out of the university's overall management of official misconduct matters, to help restore public confidence in the institution's ability to deal with related allegations.

Alleged major fraud at Queensland Health

In December 2011, the CMC received a request from the QPS for assistance regarding an alleged case of major fraud at Queensland Health. Mr Hohepa Morehu-Barlow was arrested that same month and charged by the QPS with fraud offences against Queensland Health and other offences for allegedly misappropriating in excess of \$16.6m. The QPS had sought the CMC's assistance to restrain assets related to the alleged fraud (see also the proceeds of crime section regarding the restraining of assets, page 15).

An Inter-Agency Task Force was established to coordinate the investigation into the alleged fraud including representatives from Queensland Health, the Department of the Premier and Cabinet, the QPS, the Queensland Audit Office and the CMC.

The CMC's investigation has also examined how Queensland Health's Ethical Standards Unit (ESU) and the QPS dealt with information relating to allegations of misconduct received by the CMC in August 2010 and passed to the ESU. As a matter of transparency, the investigation has also examined how the CMC dealt with that information.

The charges against the former Queensland Health employee are still before the courts. These matters are ongoing and will be reported on in the next reporting period.

Independent assessment of health matters

In April 2012, the Parliamentary Crime and Misconduct Committee referred a series of allegations about medical matters that may reveal misconduct to the CMC. Allegations included that systemic failures and inappropriate cultures and behaviour within responsible agencies were putting patients across Queensland at risk of being harmed by incompetent doctors.

The CMC engaged a retired Justice of the Queensland Court of Appeal, Richard Chesterman AO RFD QC, to conduct an independent preliminary assessment of the allegations. Mr Chesterman, with the assistance of CMC officers, was engaged to determine the detail of the complaints, prioritise the many potential issues raised and provide a framework for further examination.

Following a recommendation from Mr Chesterman, and after examining the allegations and available material, the CMC referred criminal allegations against a Gold Coast doctor to the QPS in May 2012 for its attention and any actions it saw appropriate.

In late May 2012, the CMC provided two interim reports from Mr Chesterman to the PCMC.

Further information regarding medical misconduct has also been brought to the attention of the CMC and provided for consideration by Mr Chesterman, including information from Peter Wellington MP, the Member for Nicklin. A final report by Mr Chesterman has since been provided to the PCMC.

Queensland Floods Commission of Inquiry

On 17 January 2011, the government established the independent Queensland Floods Commission of Inquiry (Floods Inquiry) to examine the unprecedented flood disaster that affected 70 per cent of the state in 2010–11.

In March 2012, the Floods Inquiry handed down its final report recommending that, in respect of a number of the engineers involved in the flood event, the CMC investigate whether any or all of them had committed official misconduct and/or a criminal offence in respect of their actions after the event, including: first, preparation of documents surrounding the January 2011 flood event, including a 17 January 2011 brief to the Minister, the 2 March 2011 flood event report, and statements provided to the Floods Inquiry; and, secondly, during oral testimony given to the Floods Inquiry.

The proceedings of the Floods Inquiry ran for some 14 months and involved voluminous material of a complex and technical nature. The outcome of the CMC's investigation will be advised in the next reporting period.

Queensland Police Service

This year was dominated by the ongoing implementation of the recommendations arising from the major review of the police discipline system, currently being considered by the Queensland Government.

Review of the police discipline system (the SETS Review)

In 2011, the then Queensland Government commissioned an Independent Review of the Queensland Police Complaints, Discipline and Misconduct System. In May 2011 its report, *Simple effective transparent and strong* (SETS), made a number of recommendations aimed at improving public confidence in how police complaints and disciplinary matters are dealt with.

In late 2011 the government endorsed an implementation plan, with recommendations due for completion over the next two to three years. These included:

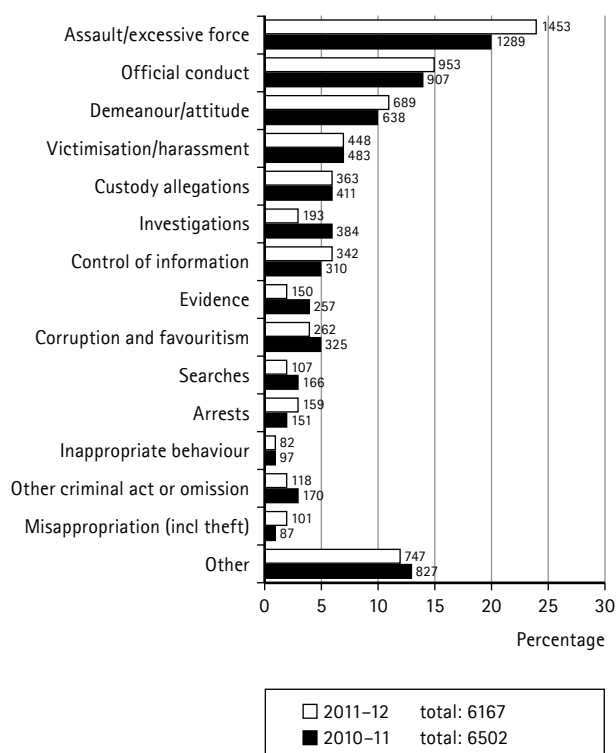
- The introduction of an all-civilian (non-QPS) model for investigating police misconduct by the CMC within two years. In response, we trialled and evaluated such a model in 2012, in order to identify the necessary resources, legislative changes and operational requirements to civilianise the police misconduct investigation function within the CMC.
- The finalisation of a Memorandum of Understanding (MOU) for the investigation of deaths in police custody (Recommendation 21). (For more information about the CMC's role in these matters, see page 35.)
- A re-engineering of our complaints management process and related IT processes.
- Amending the legislation relating to the independent review of QPS disciplinary decisions (arising out of the 2011 conclusion to the Palm Island investigation).

Complaints

In 2011–12, we received 2305 complaints containing 6167 allegations against police. The number of complaints received was 4 per cent lower than in 2010–11. The 6167 allegations against police were about 49 per cent of total allegations received by the CMC.

Where possible, the CMC and the QPS record whether complaints about police involve incidents with Indigenous people. Indigenous complaints remained steady for the year, comprising 8 per cent of the total complaints made against police.

Figure 7. Types of allegations — QPS



Monitoring

The CMC monitors the QPS's handling of complaints through various mechanisms. These include oversight of the investigation of serious incidents involving police, described below; settling initial investigative steps to be taken by the QPS in a matter; overseeing an investigation while it is taking place; and reviewing interim or final reports as an investigation progresses and before any disciplinary or other action is taken. We may also audit the way the QPS has dealt with a general class of complaints or dealt with particular areas of focus.

Oversight of police-related deaths and 'significant events'

The CMC is informed of all police-related deaths and also of 'significant events' involving police. It may elect to attend an incident if there is concern regarding the public interest (for example, where a police officer has shot at someone, regardless of whether there have been injuries or deaths).

During this reporting period the CMC responded to nine police incidents across the state. This included incidents in police watch-houses, car pursuits, suicides, a siege and police

More timely assessment of complaints against police

Consistent with recommendations from the Independent Review, a Joint Assessment Committee (JAC) involving the CMC and the Ethical Standards Command of the QPS has been introduced to improve the efficiency and timeliness in assessing more serious complaints. This is done through joint discussion about what inquiries need to be undertaken to deal with a matter and provide for the best concentration of investigative effort. JAC meetings are held weekly and, since its introduction, have dealt with over 60 complaints.

The JAC process is currently being evaluated. Initial data suggest that it has improved timeliness, allowed quicker resolution of issues, and reduced the need for protracted correspondence between the CMC and the QPS. It has also enabled decision makers to more quickly identify the focus of an investigation. As a result, both the response time to the public and the quality of investigations have improved.

shootings (see also 'Police discharge of firearms', page 36). The CMC attended each incident as part of its oversight function to:

- provide independent oversight of the QPS investigative response
- assess the probity and sufficiency of the initial investigation
- determine, together with the State Coroner, if there is a likelihood of any police misconduct, such as would warrant the CMC's further involvement, including assuming control of an investigation if that is considered necessary.

Where the CMC has deemed further investigation warranted, these matters have been referred accordingly.

The CMC is also monitoring the progress of the inquest into the Taser-related death of Mr Antonio Galeano in Townsville in 2009, as noted in last year's annual report. The Coroner's findings have been reserved.

Memorandum of Understanding relating to deaths in custody

Arising from the 2004 death of Mulrunji in police custody at the Palm Island police station, there have been ongoing negotiations between the State Coroner, QPS, CMC and government to put in place a MOU that clearly defines the role of each agency when responding to a death and how any misconduct issues should be handled.

Since 2005, investigations into deaths involving police have been conducted by investigators from the ESC acting under the direction of the State Coroner, with the CMC now providing oversight and assistance.

To ensure that investigations are independent and are undertaken by suitably qualified investigators, the MOU proposes that the State Coroner establish its own autonomous investigative capability that would be staffed by seconding QPS investigators experienced in homicide investigation. That capacity would be augmented where necessary by CMC resources.

These matters are currently being progressed under the ongoing work relating to the review of the police discipline system (SETS Review) (see page 34).

Because the MOU is not finalised, the CMC has been unable to report on its performance in the Service Delivery Statement in regard to its oversight of police-related deaths.

Reviews of matters dealt with by the QPS

This year, 193 police matters (compared with 195 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 matters in 85 per cent of the cases, which is comparable to last year. This included a number of matters where the investigations conducted by the Ethical Standards Command clearly identified issues and provided relevant and sound conclusions in the investigation report.

Other, more specific concerns identified by the CMC have been referred back to the QPS to be addressed through either individual case management or broader training programs, as appropriate. This year, similar to last year, some of the CMC's concerns related to conflicts of interests, unexplained delays in completing inquiries, and matters pertaining to prosecution and legal authority to take action.

Police discharge of firearms

The CMC will conduct a review of police discharge of their firearms as a result of a rise in the number of these incidents.

Between 1 October 2011 and 30 June 2012 there have been eight incidents where police officers have discharged their firearms during operational policing. This compares with two in each of 2009–10 and 2010–11.

The discharge of a firearm by a police officer does not in itself constitute misconduct. However, the CMC is concerned that, in all but two of the incidents in 2011–12, police have shot at moving vehicles when the vehicle was fleeing police and arguably was no longer a threat to the safety of the police officer or any other person.

Current QPS policy states that officers should not fire at moving vehicles, and the Police Commissioner issued a circular reinforcing the policy following incidents in October and November 2011. Given what appears to be a rising trend in the occurrence of these incidents, the CMC is concerned whether there is appropriate recognition within the QPS of the dangers inherent in discharging a firearm when other persons are present, either in a suspect vehicle or in close proximity to one, and the potential for serious or fatal injury.

As a result, the CMC's Integrity Services area will review the police shootings that occurred from late 2011 to June 2012. It will consider any misconduct issues as well as any organisational or policy measures that may reduce or restrict this type of engagement with offenders.

QPS audits

As previously described, the CMC conducted an audit of the way the public sector, including the QPS:

- dealt with complaints involving allegations relating to purchasing and procurement
- provided outcome advice to complainants.

QCAT referrals

In 2011–12 we examined 76 'reviewable decisions'. These are decisions the QPS makes in internal disciplinary proceedings against police officers for police misconduct. Our purpose in reviewing these decisions is to ensure that the findings were justified and that the sanctions imposed (where relevant) were proportionate to the facts disclosed to us.

The CMC made application to the QCAT to review three cases because we considered the findings were inconsistent with the relevant law and facts, or the sanctions were disproportionate to the disclosed facts.

QCAT review of the sinking of the *Malu Sara*

In October 2005, all five people on board died when the Department of Immigration patrol boat *Malu Sara* sank while travelling between the islands of Saibai and Badu in Torres Strait.

In February 2009, a coronial inquest recommended that a federal official and a Queensland police sergeant in charge of the search and rescue operation be disciplined over the sinking. The coroner stated that the sinking was a 'totally avoidable disaster'.

The sergeant, based on Thursday Island at the time, was the police officer in charge of the search and rescue operation. He was criticised by the Coroner for not doing more to save the boat and its passengers. He accepted an internal QPS charge of misconduct and received a suspended demotion.

However, the CMC applied to the QCAT for a harsher penalty, arguing that the sergeant should have been dismissed. In March 2012, the QCAT announced its decision to take no further action against the subject officer, saying that he had already been adequately punished.

The CMC has lodged an appeal with the QCAT's appeals tribunal against that decision.

Including matters which were already pending from 2010–11, the QCAT reviewed five cases during 2011–12. The QCAT confirmed the original decisions in four review cases and we appealed against the QCAT review decision in one of these matters. In the remaining review case, the QCAT increased the original sanction from a \$200 salary deduction to a salary reduction of two pay-points for two years. This increase was significant and equated to \$6650 on basic salary rates. The police officer's appeal against the QCAT decision is pending.

Misconduct investigations

The CMC may investigate police misconduct independently, but in some situations it may choose to conduct joint investigations with the QPS. These give QPS investigators access to the CMC's unique powers, as well as our in-house expertise and specialised services in intelligence, financial analysis, forensic computing, research and prevention. The CMC can also assume responsibility for an investigation under the CM Act if the public interest requires – for instance, when information about more serious misconduct arises during an investigation, or when an investigation by an agency is not being conducted effectively.

This year, the CMC conducted 43 investigations covering 191 allegations alleging official misconduct by QPS officers, which included 12 joint investigations. The most common types of allegations investigated were corruption and favouritism (17%) and official conduct (duty failures) (12%). As a result of our investigations, we recommended that 5 criminal and 51 disciplinary charges be instituted against 26 persons.

Below are details of some investigations conducted this year.

Lessons learned from Operation Tesco

In last year's annual report, the CMC described Operation Tesco, an investigation into police misconduct on the Gold Coast. Arising out of that investigation, the CMC is developing a strategic intelligence assessment examining illicit use of steroids by police officers in Eastern Australia, for release to law enforcement agencies in the first quarter of 2012–13.

Operation Nighthawk

Operation Nighthawk began in September 2010, in response to allegations that a police sergeant was supplying ecstasy and amphetamines to other police officers and members of the public. We reported on this operation in last year's annual report.

As a result of the investigation, the police sergeant and three other police officers resigned. In February 2012, the sergeant and a civilian who was also involved were both convicted of drug offences and sentenced to 15 months imprisonment, suspended for a period of 18 months.

The CMC ultimately also recommended disciplinary action be taken by the QPS against six other members. In two cases the QPS took disciplinary action against the officers for failing to report misconduct and they were demoted for a 12-month period. However, the other four officers resigned before disciplinary proceedings were initiated. The QPS determined not to proceed with disciplinary declarations.

Police assault in Surfers Paradise police station

The CMC and the QPS Ethical Standards Command launched a joint investigation after video footage was released in the media showing Gold Coast police appearing to assault a handcuffed man in the basement of the Surfers Paradise police station in January 2012. This investigation is ongoing.

Alleged misappropriation of funds from the QPS

In September 2011, the CMC finalised an investigation into an allegation that Queensland police officer Senior Sergeant Christopher Hurley misappropriated an overpayment of almost \$35000 by the QPS. The overpayment related to Snr Sgt Hurley's property which was destroyed by fire during a riot on Palm Island in 2004.

As a result of the investigation, the Police Commissioner has agreed with the CMC's recommendation that the QPS assess and take steps to recover any remaining overpayment to Snr Sgt Hurley. The CMC also made several recommendations to the QPS in regard to its administration of public monies and the QPS has agreed to review its policies, procedures and risk management treatments to ensure compliance with its legislative obligations under the *Financial Accountability Act 2009*.

Police assault of Mr Bruce Rowe

In 2006, Mr Bruce Rowe alleged that he had been assaulted and unlawfully arrested by police officers in Brisbane's Queen Street Mall. The CMC referred the matter to the QPS to be dealt with but the matter was delayed by court action taken against Mr Rowe. The Court of Appeal subsequently quashed Mr Rowe's convictions. The QPS and the CMC determined, at that time, not to take further action in the matter.

Mr Rowe subsequently brought a private prosecution against one of the police officers in the Magistrates Court, and in February 2011 that officer was convicted of common assault and fined \$1000. His appeal to the District Court against that conviction was dismissed on 19 December 2011. Following the officer's trial, the CMC investigated Mr Rowe's allegations of misconduct against all four officers involved in the incident.

The CMC finalised its investigation and recommended that the QPS consider disciplinary action against both the officer who was found guilty of assaulting Mr Rowe and a second officer in relation to allegations of unlawful arrest and use of excessive force.

Research in policing

The CMC conducts applied research and evaluation that shapes public policy and legislation. Our policing research focuses on police methods of operation, police powers and their use, and law enforcement by police. Our work over the past year included the following.

Use of force

- In June 2012, the CMC hosted the Police Integrity Agency Research Forum. The forum brought together Australian and international experts on police use of force to examine new and innovative ways to understand use of force decision making and monitor use of force incidents.

- As a result of the CMC's 2011 review of the evade police provisions, the QPS will now report police pursuits, including evade police incidents, annually to the CMC and will publicly report them in its Annual Statistical Review. The review's 13 recommendations, all of which have been supported by government, targeted policy, training, reporting and legislative deficiencies relating to high-speed pursuits. The QPS has already addressed the policy deficiencies, and will action the remaining recommendations, which require amendment of the *Police Powers and Responsibilities Act 2000*, in 2013.
- We continued our involvement in the area of Taser use by Queensland police. In 2010–11 we released our report *Evaluating Taser reforms: a review of Queensland Police Service policy and practice*. The Queensland Government supported or supported in principle all 21 recommendations. In the report we identified a number of ongoing concerns, such as multiple and prolonged Taser use, that we are currently examining and will publish findings of this work in the next reporting period.

Police integrity

The CMC has a long history of researching police integrity. The work program is currently being reviewed and updated to ensure that our research tools measure contemporary ethical dilemmas. Our annual ethics survey is being expanded to include experienced officers, to identify whether there are differences in the ethical attitudes of recruits, first-year constables and officers with years of experience. We will also examine the relationship between ethical attitudes and ethical behaviour.

Policing in Indigenous communities

As a follow-on to our 2009 *Restoring order* report, we reviewed how the QPS uses, manages and supports Indigenous people in policing roles. CMC researchers visited 14 Aboriginal and Torres Strait Islander communities to hear firsthand about the strengths and weaknesses of the existing approaches. The results of this latest review, which will include recommendations for reform to deliver improved outcomes to Indigenous communities, will be published in the next reporting period.

Local government and government-owned corporations

There are currently 73 local governments in Queensland. They are responsible for developing and maintaining community assets and delivering essential services, and they are a major employer. Importantly local government controls large amounts of public funds and makes decisions that can have a significant impact on the public. It is therefore vital that local government has a high level of integrity and transparency to ensure that public confidence is maintained and operates in the most corruption-resistant way possible. It is the CMC's role to help them achieve this.

In recognition of the importance of integrity and transparency in this sector, the CMC created a separate program in our Integrity Services area to specifically deal with complaints about local governments and government-owned corporations.

Local government

Complaints

For the period 1 July 2011 to 30 June 2012 we received 440 complaints of official misconduct involving local governments, an increase of 7 per cent for the same period in 2010–11. These complaints contained 1002 allegations, or 8 per cent of all allegations made to the CMC. This was a 22 per cent increase on the previous year. Of these:

- 5 per cent involved local governments
- 32 per cent were against councillors
- 63 per cent were against local government employees.

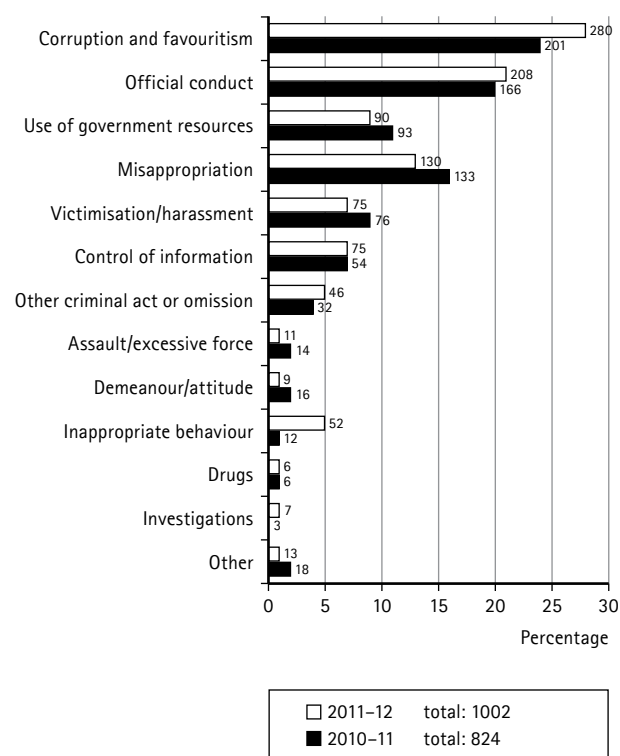
Monitoring

Our assessment and monitoring work is directed to continuously improving the capacity of local governments. Due to its close contact with the local community, the CMC recognises that local government has unique risks regarding misconduct.

Reviews of complaints

In 2011–12, the CMC reviewed 35 reports provided by public officials concerning complaints related to local government. The CMC was satisfied with how these matters were dealt with in 86 per cent of matters.

Figure 8. Types of allegations — local government



Identifying risks in the local government sector

This year we focused on identifying high-risk areas within local government — those which may require greater scrutiny and to become a focus of our misconduct prevention work. To this end, an intelligence-led project was initiated to identify risks within local government. It found the areas most susceptible to misconduct were:

- access to confidential information
- planning and development
- procurement⁵
- recruitment of staff.

Key government agencies and associations that interact with local government were also consulted and those consultations also identified some common themes and areas that can be further focused upon to ensure capacity building regarding integrity and transparency in local government.

⁵ We undertook an audit of procurement in local government, as described on page 26.

Investigations

The CMC conducted 10 investigations into 23 allegations involving official misconduct in the local government sector (see Figure 5, page 27). The most common types of allegations investigated were corruption and favouritism (61%) and official conduct (duty failures) (13%).

Investigation into a council employee

In 2012, information received as part of a CMC investigation into drug trafficking indicated that there was a close association between an alleged major crime figure and a council employee. A team of CMC Crime Investigators became aware of allegations that the council employee was dishonestly conducting checks on behalf of his criminal associate and passing on restricted information as well as receiving stolen property.

The council employee was subject to further investigations by a multidisciplinary Misconduct Operations team. As a result, a search warrant was executed at the employee's home. The council employee has been charged with drug and property-related offences along with offences relating to misconduct in public office. The alleged crime figure has also been charged with procuring the misconduct in public office offences.

Allegations received during 2012 elections

In 2012, Queensland had elections for state and local governments. The CMC not only received complaints but also initiated inquiries in the public interest, including matters relating to the then candidate for Ashgrove and now Premier, Mr Campbell Newman, in his former role as Lord Mayor of Brisbane. This action generated a considerable amount of public attention.

In matters concerning Brisbane City Council, the CMC determined there was no evidence of official misconduct on the part of Mr Newman in relation to allegations raised about the period when he was Lord Mayor of Brisbane. It determined that the role of a businessman allegedly associated with the matter warranted further investigation, which was not finalised in the current reporting year.

Prevention activities

Prevention activities this year were heavily focused on the local government elections and conduct during the transition period, and procurement, an area well known as a misconduct risk across all sectors.

- A new *Councillor conduct guide* was released in October 2011, providing advice to new and prospective councillors about their obligations as elected officials under the *Local Government Act 2009*.
- In readiness for the state and local government elections held in March and April 2012 we updated and reissued the *Councillor conduct guide* to all councils for their newly elected councillors. Our ethics, integrity and elected officials checklists provided candidates for state and local government elections with advice on their legal and ethical obligations during the election period.
- Revised and updated versions of *Managing public records responsibly* and *Retention and disposal of council records* have been completed in partnership with State Archives, and are part of the revised suite of misconduct advisories on our website www.cmc.qld.gov.au/prevention.
- The CMC attended four local conferences held by individual Local Government Managers Association regional branches this year, thereby reaching out to over 45 councils. These are an ideal opportunity for mayors, councillors and senior managers to engage with CMC staff about integrity issues. The sessions were also attended by officers from the former Department of Local Government and Planning, and the Offices of the Ombudsman and the Auditor-General.
- The CMC participated in the Local Government Association of Queensland's (LGAQ) LocalBuy State Conference. LocalBuy is the company established by the LGAQ to assist councils with procurement services.

- Prevention officers were invited to deliver training on Code of Conduct and conflicts of interest to 70 procurement officers of the Cairns Regional Council.
- A prevention officer addressed the Far North Queensland Regional Organisation of Councils Buying Group Forum on 'Procurement pitfalls'.

“ *The FNQROC Procurement Committee requested I pass on our ... thanks to you and the CMC for your presentation on Friday 4th May ... there is no doubt the 'face to face' approach is more accurate and informative especially with queries being answered.*

... I view your presentation and the following Committee action as a valuable contribution to providing FNQROC members with a greater awareness of their roles and responsibilities regarding local government procurement ”

Steven Cosatto,
Far North Queensland Regional Organisation of Councils

Government-owned corporations

In 2011–12, we received 176 complaints containing 388 allegations involving government-owned corporations.

A significant aspect of our work regarding GOCs concerned our submissions to government, which have recently been supported by the Parliamentary Crime and Misconduct Committee's Three Yearly Review of the Crime and Misconduct Commission.

The submissions had been developed in cooperation with the GOCs and other sector stakeholders such as Queensland Treasury (Office of Government Owned Corporations) to resolve cross-jurisdiction issues concerning the application of the *Crime and Misconduct Act 2001* (CM Act), the *Public Interest Disclosure Act 2010* (PID Act) and the whistleblower protection mechanisms under the *Corporations Act 2001* (Cwlth) (Chapter 9, Part 9.4AAA) which GOCs must give precedence to as public corporations.

The submissions seek certainty for GOCs to report suspected official misconduct to the CMC; to prevent the possibility of concurrent investigations of the same alleged misconduct being undertaken by the CMC and a Commonwealth agency; and to give effect to the CMC's specific obligations and powers as outlined in the CM Act.

In January 2012 the CMC also delivered a submission to the Public Service Commission 12-month review of the PID Act. Our submission recommended that GOCs be deemed to be units of public administration under the CM Act for the purposes of the PID Act.

Witness protection

Achievements

- All witnesses in our program were kept safe and were able to give their evidence within court (see page 43).
- Developing and implementing a new witness protection database increased the efficiency and oversight of our operations (see page 45).
- We hosted a national witness protection course that benchmarked national standards for witness protection practitioners (see page 45).
- Through the annual Australasian Witness Protection Conference we contributed to procedures and systems to help overcome common jurisdictional problems and drive consistency in complementary legislation (see page 45).

Challenges

- Exploiting changing technologies where possible, while limiting the risks they pose to the security of witnesses (see page 45).
- Managing operational peaks and troughs in a workload based on third-party referrals (see page 45).

Looking forward ►

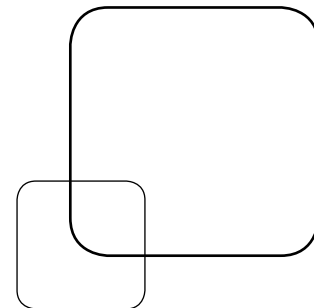
In 2012–13 we will:

- Provide quality, timely and effective support for witnesses.
- Provide security to witnesses attending court.
- Continue to develop witness protection processes, tactics and systems.

How witness protection matters come to the CMC

People who have assisted a law enforcement agency, and find that they or their families or associates are in danger as a result, can be referred to the CMC's witness protection program. The application is normally submitted by a law enforcement officer, who acts on the person's behalf and can verify the risk they face.

Individuals must qualify for protection and be assessed as suitable for the program before they can be offered protection. By legislation, entry into the program is voluntary, so individuals themselves decide whether or not to accept protection.



Our role and jurisdiction

Our role is to protect witnesses who are under threat as a result of assisting a law enforcement agency, and to enable them to safely provide evidence in court in relation to a crime.

Under the *Witness Protection Act 2000* (Qld), the CMC is obliged to respond to applications for entry into the Queensland witness protection program received from an approved authority which may include an Australian police force or service, the Australian Federal Police or another approved authority.

It is internationally recognised that a witness protection function is vital for an effective judicial system. Without it, certain evidence would not be available to the courts, with some offenders avoiding conviction and the possibility of a person being wrongly convicted.

Strategic focus

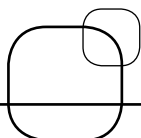
Ensuring the safety of protected persons is the primary strategic focus of the CMC witness protection service. Through collaboration with counterpart agencies, we also strive for constant improvement in our practice.

A unique structure ensuring independence

The CMC is the only independent commission in Australasia with the responsibility for protecting witnesses. Elsewhere in Australia and New Zealand, witness protection programs are managed by state and territory police forces.

This independence originated from the Fitzgerald Inquiry recommendation that the witness protection program 'should be separate from the rest of the police force ... [and] ... should not be answerable to any police officer'. This separation is important because:

- protectees can thereby have confidence that anyone from an external agency will not gain access to highly confidential information about their assistance to law enforcement
- prosecuting or investigating agencies should not be able to influence who enters the program or have a vested interest in any person who is seeking protection.



Protecting witnesses

We commit to providing interim protection within 48 hours to any eligible applicant wherever their location within Australia. This ensures a rapid and effective response to assist investigators and provide protection to witnesses at risk.

This year we received 90 applications for protection, fewer than our estimate of 100 (see Table 5, page 44). Ninety-eight per cent of applications were assessed within 48 hours, with interim assistance offered.

Of the individuals offered short-term or longer-term protection after full assessment, 39 people (fewer than the estimated 70) accepted the offer and entered the program.

All protectees were kept safe and were able to give their evidence at court. This represents a 100 per cent success rate for the program over the last 25 years. Since its inception in 1987, more than 1600 individuals who were under threat have been protected.

Securing convictions

The value of eyewitness evidence in combating serious and organised crime, through successful prosecutions, cannot be overstated. Evidence provided in this financial year by individuals within the program was crucial in securing convictions in cases that included murder, drug trafficking and other drug offences, assault and other offences of violence, and serious property offences.

Providing flexibility in protection

Once a person has been accepted into the program, the level of protection will differ depending on the type of danger to which the person is exposed. Some witnesses require long-term close personal protection, including secure relocation and change of identity (when assessed as necessary and approved by the Chairperson), and the provision of a 24-hour on-call response.

Protectees entering the full program must strictly comply with the conditions that are necessary to ensure their safety and that of any family members who may have entered the program with them. Some people are unable or unwilling to consider this, for reasons such as family, financial or employment considerations. For others, the problem is the restrictiveness of the program and the limitations imposed on personal lifestyles and networks.

However, these people may still require assistance with their security. We have therefore adopted other more flexible support, such as shorter-term assistance with court security.

Marketing protection services to peer agencies

To try to ensure that persons under threat receive protection, witness protection staff actively marketed the program to referring agencies – particularly units of the QPS, which is the primary law enforcement agency accessing our program. For example, we maintained daily contact with QPS regional crime coordinators, who are involved in some of Queensland's most publicised serious crime investigations, to offer advice on our services and our assistance to witnesses or complainants who could be at risk through involvement in these investigations.

In addition, our staff delivered 10 presentations about the program and its benefits to investigators, detective training courses and conferences. Through these they also sought to raise police awareness of the potential for our services to assist in areas such as domestic violence.

Performance

Table 5 details our performance in providing an effective witness protection service in 2011–12, assessed against the service standards and other measures in the CMC's Service Delivery Statement.

For a comparison with our performance over the last four years, see Table 18 in Appendix 1.

Table 5. Service Area: Witness protection

	2011–12 Target/est.	2011–12 Actual	2012–13 Target/est.
Service standards (SDS)			
Percentage of protected persons whose safety is maintained	100	100	100
Other measures (SDS)			
Number of persons admitted to witness protection program ¹	70	39	50
Application for witness protection assessed (persons) ²	100	90	100
Percentage of eligible persons offered interim witness protection within two days	95	98	95

The following notes are extracted from the Service Delivery Statement and explain significant variations between targets/estimates and actual performance.

1. The witness protection program is a voluntary program whereby persons offered admission can accept or reject any offer of protection. This can be for personal reasons or events outside the control of the Witness Protection Unit. Other applications are withdrawn due to court matters being adjourned. The 2012–13 Target has been adjusted downwards to reflect trend data.
2. The number of applications received for assessment is entirely dependent on requests made by law enforcement agencies, principally the Queensland Police Service.

Ensuring welfare and protection

To meet our responsibility for the overall welfare of protectees on the program, the CMC ensures that they receive professional assistance and guidance wherever necessary. This enables people with problems such as drug or alcohol addiction, and child custody or financial difficulties, to access appropriate support services and meet their obligations.

This requires witness protection staff to maintain regular liaison with relevant government agencies. Such relationships are essential not only for accessing vital services on behalf of protected persons, but for ensuring the protectees' safety.

Trends and constraints in protecting witnesses

The performance data above show a decrease for both applications and program admissions compared with last year. Five-year data (see Appendix 1) confirm a downward trend, even though they also show considerable fluctuation in numbers from year to year.

Our results are difficult to compare with the data of counterpart agencies elsewhere in Australasia, as that information is not publicly available. However, although witness protection programs vary considerably in their focus and priorities, Queensland's witness protection unit is generally regarded nationally as having high numbers of program participants annually, relative to other agencies.

Although our staff have clearly demonstrated effectiveness in protecting witnesses over the last 25 years, the very nature of witness protection makes it difficult to apply common measures of efficiency and economy. Many factors that affect resourcing of the service are beyond our control. For example:

- Our capacity to provide protection to eligible persons anywhere in Australia within 48 hours.
- Witness protection is reactive in nature – requests for the protection of individuals are the responsibility of client law enforcement agencies.
- The program as legislated is voluntary in nature – applicants themselves can reject an offer of protection or withdraw from the program at any time.
- Delays and rescheduling of court proceedings multiply the effort required to safely produce people at risk for a particular court process.

Targeting continuing improvement

Systems improvement

Developing and implementing a new witness protection database has increased the efficiency and oversight of our operations. The new case management system offers a range of benefits, including more powerful analysis and search, increased support for allocating resources, and improved case status reporting.

Continuing development of skills

We again hosted national training for witness protection officers in Australia and New Zealand, in collaboration with counterpart agencies. The national witness protection course, along with the national qualification (Advanced Diploma of Public Safety – Police Witness Protection), was developed by the CMC, which continues to facilitate the course and conduct all assessment towards the qualification. Competencies are benchmarked annually in relation to procedures and operational methodologies.

Collaboration with peer agencies

Witness protection staff participate in the annual Australasian Witness Protection Conference (AWPC), which promotes strategies and policies to ensure the continual improvement of witness protection standards and practices.

This year, AWPC discussions focused on a range of matters, including the potential for collaborative procurement to secure economies of scale, the implications of developing a national database and alert system to monitor the movements of protectees across jurisdictional borders, and technological developments such as biometrics, which present continuing challenges to the task of protecting witnesses.

These strategic discussions create a platform for sharing resources, addressing common jurisdictional problems and developing consistency in complementary legislation for witness protection.

Organisational effectiveness

Achievements

- An updated staff performance management system has been implemented.
- The strategic risk management framework was revised and strengthened.
- A redeveloped website has resulted in a more effective and accessible online presence.
- The Indigenous Engagement Strategy was developed.

Strategic focus

Over the last 12 months the CMC focused primarily on:

- improving organisational economy and efficiency
- ongoing review of our governance arrangements
- communication and stakeholder engagement.

Performance overview

The CMC improved corporate performance in several areas. The initiation phase of the Strategy, Structure and Resource Allocation project was completed in September 2011. The project continued throughout 2011-12, and a final report will be made to the Commission in September 2012. The activity-based-costing initiative commenced last year was successfully trialled in a number of work groups. The trial will extend to include more work groups before a fuller evaluation of the program occurs.

The revised Achievement and Capability Planning (performance management) system will assist managers

Challenges

- Balancing available resources with increasing demands for our services, and timely service delivery.
- Establishing communications which invite interaction and promote awareness and education.

Looking forward ►

In 2012-13 we will:

- Conclude the Strategy, Structure and Resource Allocation project to better align structure and resources with strategic priorities.
- Improve our capacity to effectively manage high-risk projects and issues.
- Enhance our engagement with Indigenous communities, organisations and people.

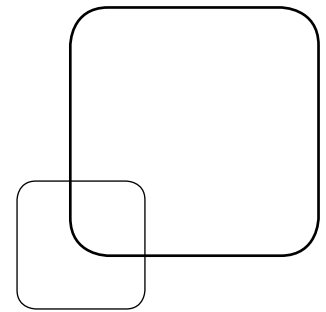
develop productivity. It puts in place better mechanisms for managing staff with highly specialised skills, such as those in the Proceeds of Crime area.

The risk management framework was revised and strengthened. It now has greater integration with corporate planning processes, and ensures that identified risks will receive attention by staff at the appropriate level.

The web redevelopment project was delivered on time and within budget. The external site went live in December 2011, providing more user-friendly access to CMC resources and services, including a better system for reporting misconduct online and a subscription service. The new intranet went live in June 2012, allowing improved staff communication.

The CMC Indigenous Engagement Strategy, a commitment made in the CMC's *2011-15 Strategic Plan*, was developed for release during NAIDOC Week in July 2012. Its accompanying action plan, setting out specific targets, will be implemented throughout the year.

Organisational effectiveness: Our people



The CMC recognises that committed and capable employees are central to our success in achieving our goals and objectives. We continue to review, develop and implement human resource management practices and programs to provide a supportive and stimulating environment for all staff.

Staff profile

The CMC employs a diverse mix of professionals – lawyers, police, accountants, investigators, intelligence analysts, social scientists, computing specialists, corporate specialists and support officers.

As at 30 June 2012, the CMC had a workforce that equates to 357.5 full-time equivalent staff in various full-time and part-time roles.

Our full-time equivalents (FTEs) increased by 32.72. There was a substantial number of long-term/permanent positions held vacant in 2010–11 pending the outcome of a governance review. In early 2011–12 those positions were filled, resulting in an increase in FTEs.

It is expected that 16 staff will leave the organisation in the six weeks after 30 June 2012. The estimated numbers of FTEs for 30 June 2013 is 350 (see further detail under 'Workforce management and planning').

Table 6 provides the allocation of full-time equivalent positions across the functional areas compared with the previous two years.

Table 6. Workforce profile

Functional area	Full-time equivalents*		
	30/6/10	30/6/11	30/6/12
Crime (including Intelligence)	79.8	79.6	87.0
Misconduct (including Applied Research and Evaluation)	105.4	118.3	134.3
Witness Protection and Operations Support	51.9	53.0	54.0
Strategy and Services (including Office of the Commission)	76.4	73.9	82.2
Total	313.5	325.0**	357.5

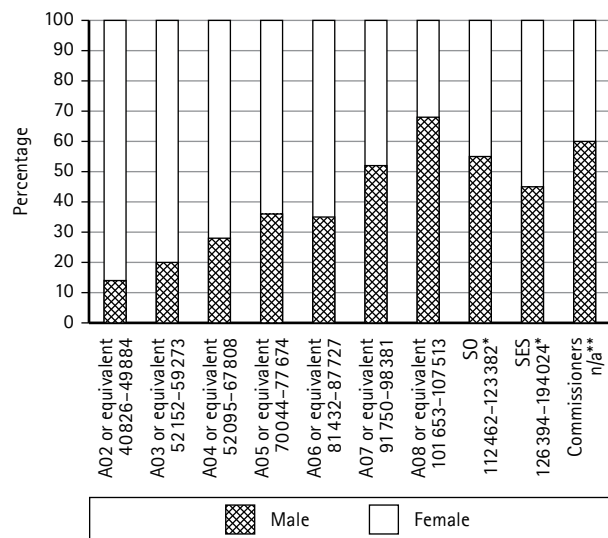
*Full-time equivalents refer to all permanent, temporary and casual staff.

**Rounded to the nearest 0.5 FTE.

Workforce composition by gender and age groups

Women comprise 61.6 per cent of our permanent, non-police workforce. Women fill 43 per cent of all positions at and above A07 and equivalent classifications, and 55 per cent at the Senior Executive level (see Figure 9).

Figure 9. Profile of annual earnings and classification level by gender

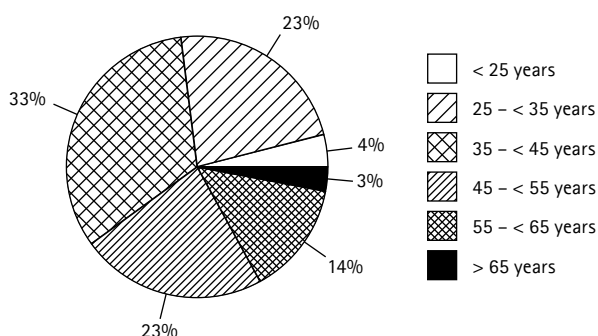


*superannuable salary

**no salary range quoted as 4 commissioners work on a part-time basis

Forty per cent of our permanent, non-police staff are aged 45 years and over, and 17.6 per cent are aged 55 years and over (see Figure 10).

Figure 10. Profile of staff in each age group



Retention

This year our permanent employee retention rate was 89.4 per cent (compared with 89 per cent last year). Our permanent employee separation rate was 11 per cent, well down from 14.8 per cent last year, and the lowest figure in the last four years (Table 7).

We are unable to compare this with the public service annual separations 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.

Table 7. Permanent staff separation rate, 2008–09 to 2011–12

2008–09	2009–10	2010–11	2011–12
14%	12.7%	14.8%	11%

No employees left the CMC this year as a result of redundancy, retrenchment or early retirement schemes.

Workforce management and planning

Commission initiative for sustainable staffing

Recognising that dependence on above-establishment staff levels would be unsustainable, the Commission in August 2011 engaged KPMG to review the structure and resourcing requirements of the CMC. The purpose was to develop an optimal resourcing model to cope with the increased demand on our services in the context of resource constraint and alignment.

After receiving KPMG's findings, the Commission initiated the Strategy, Structure and Resource Allocation Project to implement the KPMG findings. A project team was established in April 2012 and charged with the task of recommending structural and resourcing options aligned to the strategic priorities of the Commission. The project is well advanced and final results will be reported to the Commission by the end of September 2012.

In addition, the Commission adopted and implemented the Establishment Management Program introduced by the Queensland Government in March 2012 for use throughout the Queensland public service. This program includes reviewing all appointments and related arrangements, both civilian and police, in light of the overall government priority to achieve cost savings.

Attraction

The CMC can offer prospective employees unique professional and developmental experience. Examples include our proceeds of crime area, our crime hearings division and our witness protection unit.

Although this makes us an attractive employer, we also find that the skills and experience acquired through working at the CMC make many of our specialised staff highly sought after by other employers. In relation to proceeds of crime staff and the increasing demand for their services, the Commission is considering options for some additional resources for the area, and is also exploring ways to improve staff career progression.

We are committed to being an employer of choice and to achieving a competitive advantage in attracting and retaining staff, particularly with respect to professional groupings such as lawyers and accountants. For example, through our Work, Family and Life Balance program, we offer a range of flexible working conditions (as described below).

Workforce continuity

Reflecting demographic trends throughout Australia, the CMC has an ageing workforce. The Act under which we operate also contributes to staff turnover as many of our senior positions have limits on duration of tenure.

To meet this challenge in 2012–13, we will:

- identify operational and management roles linked to workforce continuity
- determine the competencies required in these roles
- forecast workforce changes
- design development programs for identified roles.

Developing our staff

All new staff are provided with a structured induction program when they start working at the CMC. This includes a corporate orientation covering the role of the CMC, hours of work, our code of conduct, workplace health and safety, and salary and superannuation arrangements.

Organisation-wide training conducted in 2011–12 focused on the Microsoft Office 2007 suite and appropriate workplace behaviour. We also ensured that specialist staff had opportunities to maintain and enhance their skills.

Support for professional development

We helped 19 staff to undertake tertiary study by providing financial assistance toward course fees and granting leave to attend examinations, lectures and tutorials. Courses included Bachelor of Criminology and Criminal Justice, Bachelor of Business, and Certified Practising Accountant programs. To assist staff with their ongoing professional development and engagement, we reimbursed 36 staff either 50 per cent or 100 per cent of their professional membership fees.

With CMC sponsorship Kylee Rumble, Assistant Director, Integrity Services, was awarded entry to the two-year Australia and New Zealand School of Government degree course, Executive Master of Public Administration. Her scholarship was one of only ten awarded to the Queensland public sector. Ms Rumble commenced her studies in January 2012.

Tailored management training

After a review of the Misconduct functional area (see page 22), tailored management training was provided for middle and senior managers in that area. Middle manager training focused on understanding individual working styles and priorities, and applying these considerations to team operations. Senior managers attended a series of workshops on leadership and managing performance.

Secondment to peer agencies

Working in other integrity or public sector agencies has also provided valuable development opportunities to some of our staff. In 2011–12, nine staff members took up secondments with agencies such as the Office of the Ombudsman Queensland and the Queensland Police Service, and the Queensland Floods Commission of Inquiry.

Staff performance

To promote workplace productivity and a performance-based culture, we updated our staff performance management system to become Achievement and Capability Planning (ACP). ACP is specifically structured to align individual effort and development opportunities with corporate and business objectives, thereby contributing to a highly skilled and flexible workforce in a strategic and economical way. In 2011–12 we developed a new ACP policy, conducted information sessions for staff, and developed a dedicated site on our intranet for staff and managers.

Providing flexible employment conditions

As noted above, our Work, Family and Life Balance program incorporates features such as part-time work, flexible start and finish times, access to accrued time off, a compressed working week and flexible leave options, including one of 'purchasing' additional recreation leave through salary averaging. Some of our older staff have also accessed our transition-to-retirement arrangements.

This year, part-time work arrangements were in place for 11 per cent of our permanent, non-police staff. Almost half (44%) of these staff are at classification levels at and above A06 (and equivalents), and one is in a senior officer position.

This year we reviewed our arrangements for hours of duty so as to offer greater flexibility for employees while maintaining our organisational effectiveness. This involved wide consultation with staff. The review will be finalised in 2012–13.

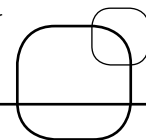
Industrial environment

Ninety-six of our staff are employed under the CMC Employees Award – State 2006, with the balance employed under written contracts of employment. Staff covered by the Award are generally at the Administrative Officer 1–5 levels and equivalents (with limited exceptions). Our Award staff are covered by an enterprise bargaining agreement, the CMC Certified Agreement 2009, which has a nominal expiry date of 31 July 2012.

Aligning individual and corporate needs

Flexible work conditions have allowed Wendy Harris, Principal Adviser (Legal), to work part-time for the last seven years in a variety of senior roles, including Legal Officer in Complaints (now Integrity Services) and Senior Legal Officer, Misconduct Investigations.

Wendy began at 60 per cent of a normal working week, gradually building up to 80 per cent and finally 90 per cent. For Wendy, the increase in working hours over time represented increasing responsibility in the workplace as her family's demands on her time lessened.



Listening to our staff

We believe that an engaged workforce is an important driver of corporate productivity and individual wellbeing. To achieve this, in 2011–12 we began to conduct targeted 'pulse surveys' to survey staff on specific matters.

Improving internal communication

The first survey, which was completed in November 2011 and had a response rate of 53 per cent, focused on internal communication. This resulted in the establishment of a working group to drive improvement in internal communications.

Our Consultative Forum also explored new communication channels between staff and managers by holding monthly open sessions where staff could raise issues directly with Forum members. The sessions were well received by staff and will continue in 2012–13.

The Forum initiated the Wellness Program (see the discussion on page 51), and promoted consultation with staff for the review of hours of duty and the internal complaints management system. It also continued to monitor the implementation of the CMC Certified Agreement 2009.

New intranet improves access to information

The redevelopment of our intranet this year provided new and improved ways to communicate internally, along with increased transparency. As the most up-to-date and trusted source of staff information, the redesigned intranet gives staff ready access to information about their conditions of employment and the policies and procedures that affect them. It is also the main source of current news and announcements.

Ensuring a safe and healthy working environment

In 2011–12, we had 14 reported workplace health and safety (WHS) incidents and six Workcover claims. We also provided rehabilitation and return-to-work programs for staff where required.

Compliance with the new Work Health and Safety Act

We completed a due diligence audit of workplace health and safety at the CMC against the requirements of the recently introduced *Work Health and Safety Act 2011*. An action plan was then drafted that identified the key actions to be implemented to meet the requirements of the Act.

In 2011–12, as part of the action plan, we:

- revitalised the WHS committee that oversees WHS matters at the CMC by increasing the membership of the committee and providing training to members
- rewrote the WHS manual and related policies
- provided briefings to supervisors and managers on the new legislation and their role in WHS.

Positive staff response to the Wellness Program

As noted, the Consultative Forum initiated a Wellness Program this year to promote health and wellbeing among our staff. Seven seminars were held in 2011–12, including Better Sleep, Work/Life Balance for Resilience, Managing Difficult Behaviours and Conversations, and Heart Health through Lifestyle Changes.

Under the Wellness Program, we also sponsored staff to compete in the Corporate Games 2012 by subsidising their enrolment fees by 50 per cent. Staff feedback about the program has been positive and we will continue it in 2012–13. We also continued our corporate flu vaccinations program in April 2012, with 192 staff being vaccinated.

Individual assistance to employees

Through our Employee Assistance Program, we continued to offer staff and their families access to free, confidential professional counselling for personal or work-related problems. Details of the services offered and access details are available on the intranet.

Encouraging workforce diversity

To operate effectively, we need a diverse workforce that is responsive to and representative of the Queensland community we serve. In this way we gain access to a range of perspectives that help us to make informed decisions and deliver services effectively.

Indigenous employment

As part of the CMC's Indigenous Engagement Strategy, we developed an Indigenous Employment Strategy to ensure that the CMC is equipped to effectively engage with and deliver services to the Indigenous communities of Queensland.

The strategy includes measures to increase recruitment of Indigenous employees throughout the CMC and ongoing commitment to the Indigenous cadetship program. Implementation of the employment strategy will continue throughout 2012–13. Currently, 1.22 per cent of our permanent, non-police workforce identify as Indigenous. An Indigenous cadet commenced with the CMC in January 2011.

Recognising staff achievements

At our Corporate Awards ceremony in November 2011, we recognised the performance of:

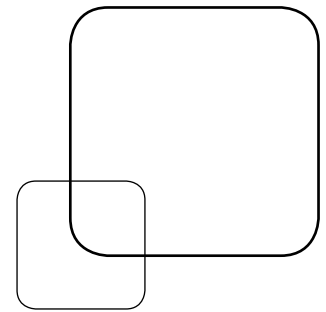
- 13 staff for exceptional work performance – through Work Achievement awards
- 2 staff for exceptional conduct – through Conduct awards
- 1 staff member for excellence in learning and development – through a Learning and Development award.

Twenty staff also received recognition for meritorious service:

- 13 staff received a 5-year service award
- 4 staff received a 10-year service award
- 3 staff received a 15-year service award.

On 14 July 2011, as part of the CMC's participation in NAIDOC week, five Indigenous Engagement Awards were given to staff who had given significant service to Indigenous people and communities. Among the recipients was Chairperson Martin Moynihan, for his role in the Mabo case (see page 56).

Organisational effectiveness: Our governance



The CMC's governance framework ensures that strategies and financial resources are aligned in order to realise the purpose, values and objectives in our *2011–15 Strategic Plan*. Our governance arrangements enable us to comply with legislation, plan, monitor our performance, report on our achievements and manage our affairs responsibly. They also involve the maintenance of policies, frameworks and systems to provide for effective internal and external accountability.

How we plan and report performance

The CMC's *2011–15 Strategic Plan* drives planning and review of all organisational and staff performance.

Each year, the CMC's strategic plan is reviewed by the Commission, the Executive Leadership Group and staff members to ensure that we remain responsive to emerging issues and challenges. The CMC's 2011–15 and 2012–16 strategic plans can be accessed at www.cmc.qld.gov.au/strategicplan.

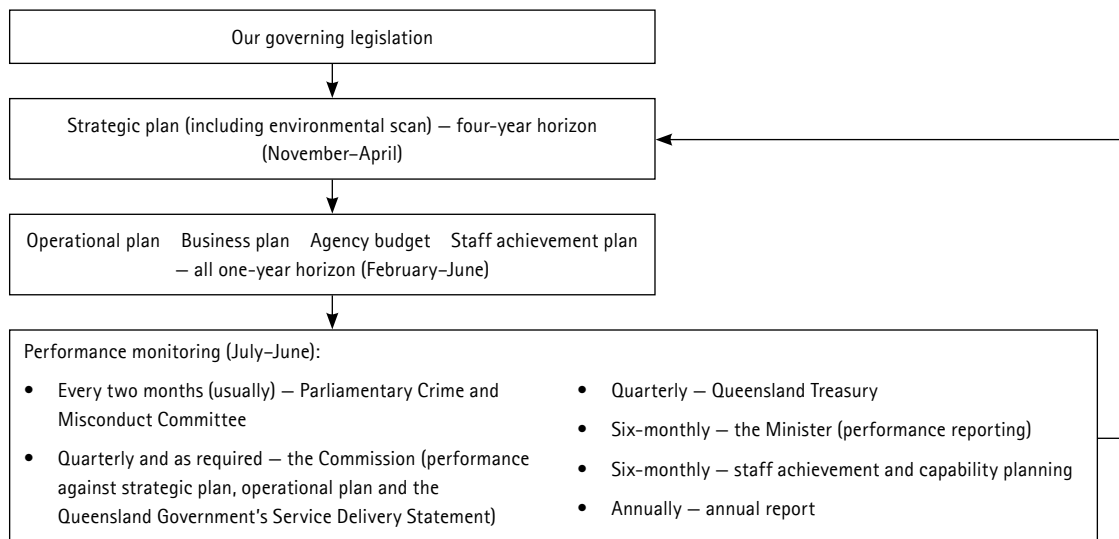
From our strategic plan, we develop an annual CMC Operational Plan that identifies the high-level, agency-wide activities to be undertaken in the coming year to help us

achieve our strategic objectives. It includes information about the CMC's service areas and service standards, as detailed in the CMC's Service Delivery Statement. It also considers key risks and how to mitigate them.

The goals in our strategic plan and operational plan support the Queensland Government's objectives for the community.

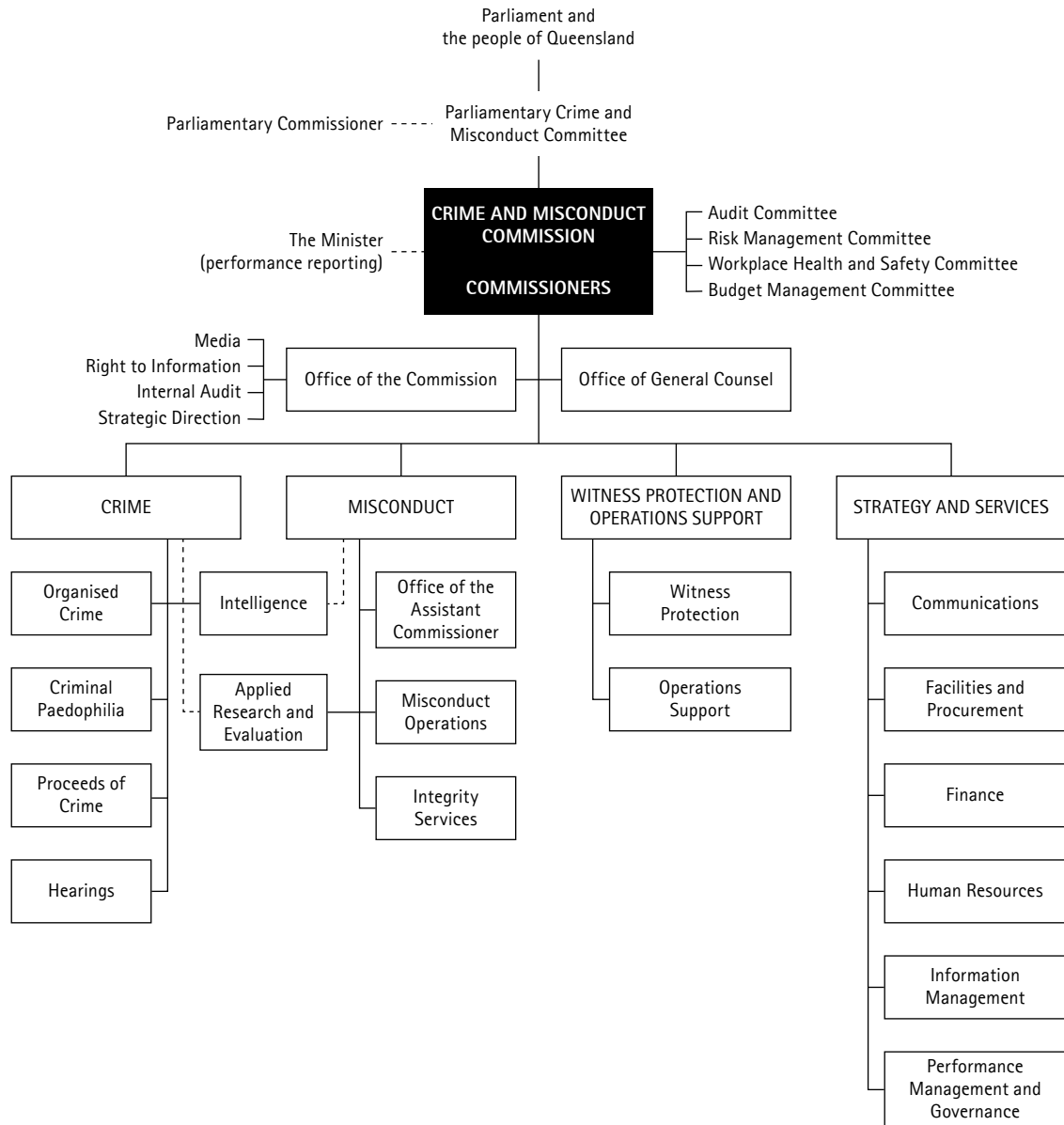
The CMC's full planning cycle is presented in Figure 11.

Figure 11. The CMC's planning cycle



This process is supported by functional area business plans, policies and various specialist plans and strategies.

Figure 12. CMC activity structure



Our Commission — ensuring compliance and performance

The Commission sets our strategic direction and priorities, and oversees a range of management and corporate activities to ensure accountability and sustainable performance.

Our governing body

The CMC is led by a five-member group referred to as 'the Commission', comprising a full-time Commissioner who is the Chairperson (and the Chief Executive Officer) and four part-time Commissioners who represent the community.

The *Crime and Misconduct Act 2001* (the Act) requires that the CMC Chairperson 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.

The Act also requires one of the part-time Commissioners to be a practising lawyer with a demonstrated interest in civil liberties. Other Commissioners can qualify for appointment through qualifications or expertise in public sector management and review, criminology, sociology, crime research or crime prevention. At least one Commissioner must be a woman.

All members are appointed by the Governor-in-Council for a maximum of five years. Nominations for appointment must have the bipartisan support of our oversight body, the Parliamentary Crime and Misconduct Committee. Appointment criteria are explained in full on our website at www.cmc.qld.gov.au/legislation.

Providing regular oversight

The Commission meets fortnightly, with 22 ordinary meetings held in the past year (see Table 8, page 58).

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

In 2011–12, the Commission met with the PCMC three times (for more information, see page 67).

Role and responsibilities

The Commission functions as the board of the CMC, and has primary responsibility for achieving the purposes of the Act.

The Commission's responsibilities are to:

- set the strategic direction of the organisation and approve its strategic plan
- oversee, have input into and approve the CMC's budget and budgetary activities, as well as significant human resources allocations and initiatives
- monitor the performance, operational results and effectiveness of CMC management
- develop and maintain appropriate arrangements for delegating the Commission's powers
- develop and maintain effective management committees, consider their reports, and periodically review their performance, responsibilities and utility
- develop and maintain a reporting system that enables the Commission to receive the information it needs to fulfil its role.

Remuneration for Commissioners

Remuneration and allowances for part-time Commissioners are decided by the Governor-in-Council (see page 96) and are based on rates specified in the guidelines for Remuneration of Part-time Chairs and Members of Government Boards, Committees and Statutory Authorities, as administered by the Department of Justice and Attorney-General. Details of remuneration can be found at www.justice.qld.gov.au.

The Chairperson's separate remuneration is provided for under the *Judicial Remuneration Act 2007*.

In accordance with section 238 of the Act, all Commissioners have completed a declaration of pecuniary interests and personal and political associations, which has been provided to the Minister.

Mr Ross Martin SC

Chairperson, appointed 5 March 2012

Mr Martin was appointed as CMC Chairperson in March 2012, after the resignation of Mr Martin Moynihan.

Mr Martin has bachelor degrees in law and arts from the University of Queensland, and was admitted to the Queensland Bar in 1984.

He spent a large part of his legal career with the Office of the Director of Public Prosecutions, commencing as a Crown Prosecutor in 1986. In 1988 he was seconded to the Fitzgerald Inquiry as a lawyer, and subsequently to the Office of the Special Prosecutor in 1990. He returned later that year to the Office of the Director of Public Prosecutions, and in 2010 was appointed Deputy Director of Public Prosecutions.

Mr Martin has been a Vice-President of the Australian Association of Crown Prosecutors since 2003, a Senior Research Fellow at the Centre for Transnational Crime Prevention, and a member of the Human Research Ethics Committee at West Moreton Health Services District.

Mr Martin Moynihan AO QC

Chairperson, appointed 8 February 2010; resigned 18 November 2011

The Honourable Martin Moynihan 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 in relation to Murray Island (the Mabo case).

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

Ms Judith Bell

Commissioner, reappointed 3 June 2011

Ms Bell has a Bachelor of Education, a Bachelor of Arts (Aboriginal and Torres Strait Islander Studies) and a Diploma of Teaching.

She has more than 30 years experience as a teacher in Queensland and the United Kingdom, extensive experience and knowledge of the public sector and, as a former member of the CMC's Crime Reference Committee, specific experience of the CMC. She is a member of the University of Queensland Senate.

In 2003, Ms Bell was a recipient of the Centenary of Federation Medal for services to education.

Mr Philip Nase

Commissioner, reappointed 6 November 2011

Mr Nase has bachelor degrees in arts and law from the University of Queensland, and a Master of Law from the University of London.

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

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

Professor Marilyn McMeniman AM

Commissioner, appointed 8 April 2011

Professor McMeniman has a Bachelor of Arts, a 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. Her main teaching and research interests are language acquisition, learning and education policy review.

Throughout her career, Professor McMeniman has provided advice to governments, industry, the wider education profession and the community, and has co-authored major national and state reviews and reports.

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

Note: In last year's annual report, Professor McMeniman's appointment date was incorrectly reported as 29 April 2011.

Mr George Fox

Commissioner, appointed 23 September 2011

Commissioner Fox commenced his term as Commissioner after the end of Commissioner Gummow's term.

Mr Fox has a Bachelor of Commerce and Bachelor of Laws (Hons). He has practised as a solicitor for more than 35 years in regional Queensland and Brisbane, and has significant experience in mediation and ethics.

Mr Fox was previously president of the Queensland Law Society and chair of the Queensland Law Society Human Rights Committee. He served as a Law Reform Commissioner in Fiji between 1995 and 1998, and has advised and assisted the High Court of Solomon Islands and the National Court of Papua New Guinea to develop court frameworks for mediation.

He is an adjunct Professor of Law at Murdoch University and the University of Southern Queensland and currently chairs the University of Southern Queensland Council's Governance Committee.

Ms Ann Gummow

Commissioner, appointed 21 August 2006; term concluded 20 August 2011

Ms Gummow 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 having 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 has 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.

Table 8. Commission meetings from 1 July 2011 to 30 June 2012

Name	Ordinary meetings (n = 22)	Ordinary meetings eligible to attend	Special meetings (n = 1)	Meetings with the PCMC (n = 3)	Meetings with the PCMC eligible to attend
Mr Ross Martin SC ¹	8	8	–	–	–
Mr Martin Moynihan AO QC ²	7	8	–	1	2
Ms Judith Bell	22	22	1	3	3
Mr Philip Nase	19	22	–	2	3
Professor Marilyn McMeniman	21	22	1	3	3
Mr George Fox ³	15	17	1	2	2
Ms Ann Gummow ⁴	3	3	–	1	1
Mr Warren Strange ⁵	22	22	–	3	3
Ms Edith Mendelle	21	22	–	3	3
Ms Kathryn Ellis ⁶	5	5	–	1	1
Mr John Callanan ⁷	8	10	–	2	2
Mr Michael Scott ⁸	2	2	–	1	1
Ms Kathleen Florian ⁹	10	11	–	–	–
Mr Peter Barron	17	22	–	1	3
Ms Michelle McKay ¹⁰	14	15	–	1	1

1 Appointed Chairperson on 5 March 2012.

2 Resigned, effective 18 November 2011.

3 Appointed part-time Commissioner on 23 September 2011.

4 Appointment expired on 20 August 2011. Last meeting attended 19 August 2011.

5 Interim appointment as Acting Chairperson from 22 October 2011 to 5 November 2011 and 21 November 2011 to 4 March 2012.

6 Interim appointment as Acting Assistant Commissioner, Misconduct from 21 November 2011 to 9 December 2011 and 16 January 2012 to 2 March 2012.

7 Contract expired on 21 November 2011. Last meeting attended 11 November 2011.

8 Interim appointment from 22 November 2011 to 6 January 2012 as Acting Commissioner, Crime.

9 Appointed as Assistant Commissioner, Crime on 9 January 2012.

10 Appointed as Director, Office of the Commission, on 31 October 2011.

The Executive Leadership Group — driving effective and efficient operations

The Executive Leadership Group (ELG) functions as the CMC's peak operational committee. This group of key executives supports the Chairperson in his role as the Chief Executive Officer, by considering strategic priorities, resource allocation and operational performance to ensure the efficient, effective and economical management of the organisation. The ELG also considers and endorses matters for progression to the Commission.

The ELG meets on a weekly basis and reports to staff through the intranet. Remuneration details of these key executive management personnel are given on pages 100–101.

Members of this group (in addition to the Chairperson) throughout 2011–12 were as below (see box).

The appointment criteria for Assistant Commissioners and senior officers are available on our website at www.cmc.qld.gov.au/appointmentcriteria.

Ms Edith Mendelle BA (Hons), MBA

Executive General Manager, Strategy and Services, appointed 27 April 2011

Ms Mendelle has a Bachelor of Arts and a Master of Business Administration. Her background includes general management experience with the international biotechnology company ForBio Limited and senior management roles with Freehills, KPMG and ANZ Bank. More recently, she led reforms in the justice and human service systems in Victoria and Queensland.

Mr John Callanan BA, LLB (Hons)

Assistant Commissioner, Crime, appointed 1 January 2002; retired 21 November 2011

Mr Callanan 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 10 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 Callanan retired on 21 November 2011.

Ms Kathleen Florian BA, LLB (Hons)

Assistant Commissioner, Crime, appointed 9 January 2012

Ms Florian graduated from the University of Queensland, and in 1992 was admitted as a barrister of the Supreme Court of Queensland. She commenced her career with the Queensland Director of Prosecutions in 1988 before joining the National

Crime Authority in 1992. She stayed on with the Australian Crime Commission when it was established in 2003, and from 2009 headed the agency's operations in Queensland until she joined the CMC. In 1999, Ms Florian was awarded the Geoffrey Bowen Memorial Award, the highest individual award offered by the National Crime Authority.

Mr Warren Strange LLM, LLB, BSc

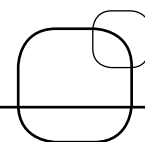
Assistant Commissioner, Misconduct, appointed 14 June 2010

Mr Strange has a Master of Laws and a Bachelor of Science and was admitted as a solicitor in Queensland in 1988. Mr Strange worked in a variety of senior roles within the CMC and its predecessor, the Criminal Justice Commission, between 1992 and 2004. From 2004 to mid 2010, he was the Director, Criminal Law Services at Legal Aid Queensland.

Ms Michelle McKay BHS

Director, Office of the Commission, appointed 31 October 2011

Ms McKay has a Bachelor of Health Science and postgraduate qualifications in health management. She has held executive positions in the public health sector in both Queensland and South Australia, and in these roles managed large, multidisciplinary organisations with significant budget responsibilities. More recently, she has focused on performance management and service planning.



ELG achievements in 2011–12

In 2011–12, the Executive Leadership Group:

- finalised the CMC's submission to the three-year review of the CMC conducted by the Parliamentary Crime and Misconduct Committee
- endorsed and monitored implementation of components of the internal communication strategy
- oversaw the review of our system for managing internal complaints and the related policies and procedures
- developed the CMC's draft 2012–16 strategic plan
- reviewed the CMC's proceeds of crime function, which resulted in additional internal resources being diverted to that function
- monitored the progress of major corporate projects
- strengthened the CMC's capacity to proactively manage both strategic and operational risks through overseeing the redevelopment of the agency's strategic risk management framework.

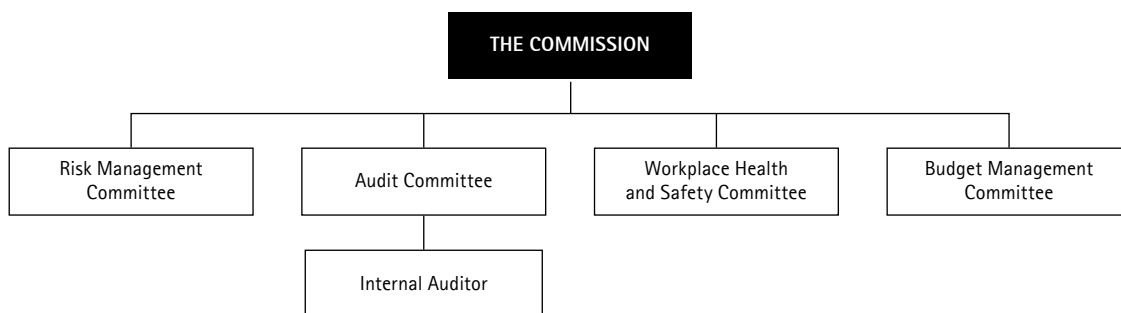
Governance committees of the Commission

How our committees support the Commission

Figure 13 shows the governance committees that support the Commission. Each committee maintains a strategic focus through adherence to its published charter, which defines the roles and responsibilities of the committee and its members. Each committee requires at least one member to be a Commissioner.

These committees address matters of risk falling within their area of responsibility (referring issues to the Risk Management Committee), and support the Commission by ensuring internal transparency and the development of best management practice within the CMC.

Figure 13. Committees supporting the Commission



Risk Management Committee

Role and responsibilities

The Risk Management Committee provides ongoing support and advice to the Commission, and assists in developing and monitoring systems to strengthen risk management performance. (See 'How we manage our risks', page 65.)

The committee meets quarterly.

Membership

The committee comprises seven members, one of whom is an external member appointed by the Commission as an independent Chair. In 2011–12, this role was undertaken by Ms Marita Corbett of Risk Advisory Services. Ms Corbett was paid a retainer of \$1250 per meeting for her services as committee Chair.

2011–12 achievements

This year the Risk Management Committee:

- published our revised strategic risk management framework to further strengthen our approach to risk
- better aligned our service-level risk assessment processes with our strategic planning processes
- reviewed the effectiveness of our computer-based risk incident reporting tool
- promoted risk management awareness across the organisation through a consultative process that included participation in work area meetings and internal staff forums.

Table 9. Membership of the Risk Management Committee

Name	Position	No. of meetings attended/Total held
Ms Marita Corbett	Chair (external)	4/4
Ms Judith Bell	Commissioner	3/4
Mr Chris Keen	Director, Intelligence	2/4
Ms Edith Mendelle	Executive General Manager	3/4
Ms Jan Speirs ¹	General Counsel	0/4
Mr Rob Hutchings ¹	Acting General Counsel	1/4
Ms Michelle McKay (from 31 October 2011)	Director, Office of the Commission	3/4
Ms Karyn Worth	Senior Adviser, Corporate Governance	4/4
Mr Brendan Clarke	Internal Auditor (standing invitation)	4/4

¹ Mr Hutchings replaced Ms Speirs as a member of the committee on 15 July 2011.

Audit Committee

Role and responsibilities

The Audit Committee assists 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 committee operates within and observes the terms of its charter and had due regard to the Queensland Treasury's Audit Committee Guidelines.

The committee assisted the Commission in overseeing the audit process as well as the committee's processes for monitoring compliance with law and regulations. Further, as necessary, the committee advised on the CMC's Code of Conduct and policies, procedures and guidelines. The committee also monitored the internal and external auditors' activities for efficiency and effectiveness (see pages 65 and 69 respectively).

In 2011–12, the Audit Committee met on a quarterly basis. At the end of the year it conducted a self-assessment of its performance and met with the external and internal auditors separately, without managers present, to identify any significant concerns.

The committee also liaised effectively with the Queensland Audit Office to ensure that all audit findings and recommendations made by the Queensland Audit Office were promptly followed up and implemented.

Membership

To ensure the committee's independence, its five-person membership includes a CMC Commissioner and two external members, one of whom is the Chair. The CMC Chairperson and the Executive General Manager are ex officio members and they attend meetings as necessary to brief the committee on forthcoming issues and any possible risks to the organisation.

Queensland Audit Office representatives, the Director of the Office of the Commission and the Internal Auditor have standing invitations to attend committee meetings.

The external members, Mr Scanlan and Mr Dowling, were paid \$5000 and \$8000 per annum respectively for their services. Mr Procopis received his normal remuneration from his employer.

2011–12 achievements

This year the Audit Committee:

- reviewed the *Strategic Audit Plan 2011–16* and the *Annual Internal Audit Plan 2012–13*
- ensured that CMC financial statements complied with Treasury guidelines and appropriate accounting standards
- undertook a benchmarking assessment of the CMC internal audit function against the principles published in the Institute of Internal Auditors Australia *Policy agenda*.
- endorsed the Chief Finance Officer's Statement about the efficient, effective and economical operation of the CMC's internal financial controls in accordance with section 77(2)(b) of the *Financial Accountability Act 2009*
- reviewed the CMC Risk Management Committee's progress in dealing with significant risk issues
- revised the Audit Committee Charter, the Internal Audit Charter and our Internal Audit Policy and Procedures
- reviewed internal audit reports and oversaw the implementation of recommendations.

Table 10. Membership of the Audit Committee

Name	Position	No. of meetings attended/Total held
Mr Philip Procopis ¹	Chair (external)	4/4
Mr Peter Dowling ¹	Chair (external)	2/4
Mr Len Scanlan ²	External member	4/4
Mr Philip Nase	Commissioner	3/4
Mr David Goody	Manager, Proceeds of Crime	4/4
Mr David Honeyman	Principal Adviser, Misconduct Prevention	1/4

1 Mr Procopis resigned from the committee on 13 February 2012. Mr Dowling was appointed as Chair on 11 May 2012.

2 Mr Scanlan resigned as a member of the committee on 23 April 2012.

Budget Management Committee

Role and responsibilities

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

Membership

The Budget Management Committee's membership is shown in Table 11.

2011–12 achievements

This year the Budget Management Committee:

- guided system enhancements to better capture budget information and generate improved reports
- introduced monthly budget forecasting to better analyse and investigate material financial variances
- assessed new budget initiatives against our strategic priorities
- monitored expenditure against budget during the year, reviewing significant financial transactions and recommending corrective action where necessary
- trialled activity-based costing to assist with business improvement processes and performance reporting.

Table 11. Membership of the Budget Management Committee

Name	Position
Mr Martin Moynihan AO QC ¹	Chair
Mr Ross Martin SC ¹	Chair
Mr Philip Nase	Commissioner
Mr John Callanan ²	Assistant Commissioner, Crime
Ms Kathleen Florian ²	Assistant Commissioner, Crime
Mr Warren Strange	Assistant Commissioner, Misconduct
Mr Peter Barron	Director, Witness Protection and Operations Support
Ms Edith Mendelle	Executive General Manager
Ms Radhika Munien	Finance Manager (Secretary)

1 Mr Moynihan resigned from the committee on 18 November 2011. Mr Martin replaced the previous Chairperson on 5 March 2012.
 2 Mr Callanan retired on 21 November 2011. Ms Florian replaced Mr Callanan on 9 January 2012.

Workplace Health and Safety Committee

Role and responsibilities

The Workplace Health and Safety Committee was established to meet legislative requirements and to provide a focal point for employee participation in the CMC's safety program. The committee monitors conditions to ensure that employees' health is being safeguarded. It also promotes a cooperative approach between staff and management and aims to provide management with information and advice about relevant workplace health and safety matters.

Membership

The committee includes both managers and employee representatives. Several core representatives are longstanding employees; others have been recruited in more recent years and bring new perspectives to their responsibilities.

2011–12 achievements

This year the Workplace Health and Safety Committee:

- maintained a free influenza vaccination program for employees, resulting in vaccinations being provided to 192 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
- assisted in the audit of our compliance with the newly introduced *Work Health and Safety Act 2011* and overviewed required changes to practice and documentation
- ensured that all electrical equipment was checked and tagged in accordance with the requirements of the *Work Health and Safety Act 2011* and the *Electrical Safety Act 2002*.

Table 12. Membership of the Workplace Health and Safety Committee

Name	Position
Ms Edith Mendelle	Executive General Manager (Chair)
Ms Judith Bell	Commissioner
Ms Julie Berry	Workplace Health and Safety Adviser and Rehabilitation Coordinator, Human Resources
Mr Peter Delaney	Security Supervisor
Ms Jodie Boland	Executive Officer, Applied Research and Evaluation
Mr Lincoln Hansen	Senior Financial Investigator, Misconduct Operations
Ms Sarah Kane	Administrative Officer, External Premises
Ms Sally Doyle	Fleet and Assets Officer, Facilities and Procurement
Ms Beulah Davies	Intelligence Analyst, Misconduct Operations
Mr Jeffrey Farrah	Senior Legal Officer, Integrity Services
Ms Sue Harbidge	Principal Legal Officer, Misconduct Operations

Name	Position
Mr Chris Keen	Director, Intelligence ¹
Mr Lance Vercoe	Operations Coordinator, Crime ¹
Mr Chris Lee	Indigenous Adviser, Office of the Assistant Commissioner, Misconduct ¹
Mr Robbie Crease	Intelligence Analyst, Crime ¹
Ms Sandra Hill	Support Officer, Integrity Services ¹
Ms Melissa Letondeur	Executive Assistant, Misconduct Operations ¹
Ms Makeeta McIntyre	Senior lawyer, Misconduct Operations ¹
Mr Norm Hung	Administration Manager, External Premises ¹
Mr Chris Melvin	Procurement Officer, Facilities and Procurement ²
Ms Karyn Worth	Senior Adviser, Corporate Governance ²
Mr Chris Novobranec	Intelligence Support Officer ²

1 Elected member from 1 April 2012.

2 Ceased membership 31 March 2012.

Our internal accountability

How we manage our risks

The CMC is committed to fostering a culture of risk management throughout the organisation. We therefore revised the strategic risk management framework in 2011–12 to better align our risk management and planning processes and to increase staff awareness about reporting risk matters. This involved producing new guidance material, new risk management plan templates and a risk ratings matrix. Our risk incident reporting tool also enables staff to report any immediate or emergent risks. These risks are monitored quarterly by the Risk Management Committee (see page 61).

The CMC's framework applies the principles of *AS/NZS ISO: 31000:2009 Risk Management – Principles and Guidelines* and Queensland Treasury's *Guide to Risk Management*.

This framework is maintained in accordance with the *Financial Accountability Act 2009*, and includes financial, operational, public perception, safety, political and legal aspects.

Our CMC Operational Risk Register and the Strategic Risk Register are both endorsed by the Risk Management Committee, with the Strategic Risk Register requiring Commission approval. A formal review and annual update of these risk registers occurs in conjunction with the CMC's corporate planning process (see page 53).

Our business continuity program

The CMC continues to build organisational resilience by developing good governance in the areas of disaster recovery, training, reporting and, in particular, testing. Our business continuity awareness program includes staff induction, and a business continuity handbook and information are available on the intranet. Annual testing of the CMC business continuity plan ensures that we are equipped and ready to respond to any significant disruptions to business.

Our internal audit function

Internal audit is an integral part of the CMC's governance framework. The Commission recognises that, by providing assurance on the effectiveness of the CMC's internal control environment and by identifying opportunities for performance improvement, internal audit can make a valuable contribution to achieving the CMC's corporate objectives.

The CMC's Internal Auditor has an administrative relationship with the Director, Office of the Commission, but retains an independent and direct relationship to the Chairperson and the Audit Committee.

The Internal Auditor operates under its own charter to ensure that our procedures, controls and practices are consistent with audit standards and the code of ethics prescribed by the Institute of Internal Auditors *International Professional Practices Framework*. The Internal Auditor also has due regard to Queensland Treasury's Audit Committee Guidelines.

All audits are risk-based, comprising financial compliance audits, performance audits and information technology computing audits, to ensure that areas of highest risk are addressed in the Annual Internal Audit Plans.

These plans, which are prepared by the Internal Auditor, address the CMC's strategic objectives on matters of high risk in Crime, Witness Protection, Misconduct and corporate support. They were endorsed by the Executive Leadership Group and the Audit Committee and approved by the Commission.

Audits completed in the 2011–12 financial year were:

- covert operations for witness protection and operations support
- correspondence control
- accounts payable, procurement and finance-related operations
- business continuity
- misconduct operations
- crime prevention
- information technology corporate support systems
- electronic/digital records
- fraud and corruption control.

Office of General Counsel

The General Counsel, who reports directly to the Chairperson, provides the Chairperson and Commissioners with independent legal advice and support on any matter bearing on the responsibilities of the CMC. The related Legal Services Unit provides services relating to:

- all litigation involving the CMC, including crime or misconduct investigations where it is necessary to make an application to a court
- responding to requests for access to CMC material under subpoenas, summonses or section 62 of the *Crime and Misconduct Act 2001*, or as part of the litigation process
- appearing on behalf of the Commission in the Queensland Civil and Administrative Tribunal in relation to police misconduct reviews and appeals
- providing independent legal advice to the Commission and briefing external counsel if required
- helping the CMC meet its obligations to external and Commonwealth agencies overseeing our telecommunications interception function.

How we encourage ethical behaviour

Code of Conduct

The CMC's Code of Conduct provides guidance to Commissioners and staff on appropriate behaviour. CMC Commissioners and all employees are expected to uphold the ethical principles and values outlined in the Code of Conduct. The current code is based on the following principles as outlined in the *Public Sector Ethics Act 1994*:

- integrity and impartiality
- promoting the public good
- commitment to the system of government
- accountability and transparency.

In 2011–12, Code of Conduct training was made available to any staff member if, for any reason, they had not received such training. This training is normally part of the corporate induction process and is also available on the CMC intranet.

A series of information sessions on appropriate workplace behaviour were also presented in the past year. A review of each employee's workplace behaviour is a mandatory component of our Achievement and Capability Planning processes (see page 49 for more information).

Fraud prevention

The CMC's Fraud and Corruption Prevention and Control Policy (the plan) is published on our website, www.cmc.qld.gov.au/fraudpreventionpolicy.

Under section 61 of the *Financial Accountability Act 2009*, the CMC must establish and maintain appropriate systems of internal controls and risk management. The CMC has adopted the requirements of the *Commonwealth Fraud Control Guidelines 2011*, its own *Fraud and corruption control: guidelines for best practice 2005* and relevant features of the revised Australian Standard *Fraud and Corruption Control AS 8001 – 2008*.

The plan includes measures to prevent, detect and respond to fraud and corruption, and provides guidance and direction to CMC staff and stakeholders on implementing those processes.

Policies

The CMC has a comprehensive suite of policies that set organisational standards and provide guidance on undertaking corporate activities. Policies and procedures are available to all staff on the intranet.

In accordance with section 21 of the *Right to Information Act 2009*, many of our policies are published on our website, www.cmc.qld.gov.au/policies.

Our external accountability

The Parliamentary Crime and Misconduct Committee (PCMC)

The PCMC is a seven-member all-party committee of the Legislative Assembly of Queensland. The PCMC has the following principal functions:

- monitor and review how the CMC performs 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 Minister on the appointment of CMC Commissioners.

The Commission formally meets with the PCMC on a regular basis (about every two months) to discuss current activities and performance.

Members of the PCMC

The members of the PCMC up to 17 April 2012 were:

- Dr Alex Douglas MP, Chair, Member for Gaven
- Ms Grace Grace MP, Member for Brisbane Central
- Mr Vaughan Johnson MP, Member for Gregory (from 5 August 2011)
- Mr Evan Moorhead MP, Member for Waterford
- Mr Andrew Powell MP, Member for Glasshouse (to 4 August 2011)
- Mr Mark Ryan MP, Member for Morayfield
- Mr Peter Wellington MP, Member for Nicklin
- Mr Steve Wettenhall MP, Member for Barron River.

On 18 April 2012, an interim committee was announced, to account for members not re-elected in the state election on 24 March 2012. This committee comprised (until 16 May 2012):

- Dr Alex Douglas MP, Chair, Member for Gaven
- Mr Vaughan Johnson MP, Member for Gregory
- Mrs Jo-Ann Miller MP, Member for Bundamba
- Mr Tim Mulherin, MP, Member for Mackay
- Ms Anastacia Palaszczuk MP, Member for Inala
- Mrs Desley Scott MP, Member for Woodridge
- Mr Peter Wellington MP, Member for Nicklin.

On 17 May 2012, the Queensland Parliament appointed the following committee:

- Mr Ian Berry MP, Member for Ipswich
- Mrs Liz Cunningham MP (Chair), Member for Gladstone
- Dr Alex Douglas MP, Member for Gaven
- Mr Ian Kaye MP, Member for Greenslopes
- Mrs Jo-Ann Miller MP, Member for Bundamba
- Ms Jackie Trad MP, Member for South Brisbane
- Mr Peter Wellington MP, Member for Nicklin.

Activities of the PCMC

On 20 May 2011, the PCMC advised the CMC of its intention to undertake a review of its activities. The committee 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 2007*. The PCMC invited the public to make submissions by 15 July 2011 and public hearings were held on 3 and 4 November 2011.

The report of the review was tabled on 10 May 2012 and is available at www.parliament.qld.gov.au. At the time of reporting, the government was yet to provide its response.

The Parliamentary Crime and Misconduct Commissioner

The Parliamentary Crime and Misconduct Commissioner (Parliamentary Commissioner) assists the PCMC in monitoring and reviewing the CMC by undertaking a range of important activities on the committee's behalf and reporting back to it. 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.

In May 2011, 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. Mr Mitchell Kunde was then appointed as acting Parliamentary Commissioner from 18 May to 21 August 2011. On 22 August 2011, after Mr Kunde's acting period, Mr Paul Favell took up his appointment as Parliamentary Commissioner.

In 2011–12, 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.

Relationship with the Minister

The *Crime and Misconduct Act 2001* requires that:

- the Minister is kept reasonably informed of the CMC's operations, including its financial and operational performance, systems and processes, and the achievement of its goals
- the CMC must provide the Minister with the reports and information that the Minister requires when and in the way required by the Minister (section 260(2)).

To fulfil the requirement of sections 259 and 260 of the Act, the CMC provides budgetary information to the Department of Justice and Attorney-General (DJAG) according to the prescribed DJAG schedule. It also provides a half-yearly report (the Section 260 Report) to the Minister as well as all other information required to fulfil its external accountability requirements. Currently, these six-monthly reports on the efficiency, effectiveness, economy and timeliness of the CMC's systems and processes apply to the periods ending 30 June and 31 December. Additionally, the Minister can request, in writing, that the Chairperson convene a Commission meeting (which must have a quorum).

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).

Supreme Court

The Supreme Court plays a role in the use of our coercive powers, the review of our decisions and contempt of court matters in relation to CMC hearings.

Crime Reference Committee

The Crime Reference Committee is responsible for referring crime matters – general or specific – to the CMC. It can also place a limitation on the power exercised by our Crime area in regard to any referral (for more detail, see page 11).

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 a nominee), the Chairperson of the CMC and an independent member, presently a retired District Court judge, 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.

For more information on our powers and how they are monitored, see our website www.cmc.qld.gov.au/ourpowers.

External audit

The CMC is audited by the Queensland Audit Office in accordance with the *Financial Accountability Act 2009* and other applicable statutes. As in previous years, in 2011–12 we received an unqualified audit report.

Other reporting obligations

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 Police. No certificates were given this year by the Chairperson or the Commissioner.

Telecommunications (Interception and Access) Act 1979 (Cwlth)

The CMC is required to report annually to the Commonwealth Attorney-General on the use of its telecommunications interception powers. The information supplied is included in the Commonwealth Attorney-General's *Telecommunications (Interception and Access) Act 1979 – Annual Report*, which is tabled in the Commonwealth Parliament.

Police Service Reviews

Commissioners for Police Service Reviews (Review Commissioners) arbitrate on any grievances that police officers may have about promotions, transfers or disciplinary action. To ensure the transparency and independence of the review process, Queensland Police Union of Employees representatives have a standing invitation to attend promotion, transfer and disciplinary review hearings as observers.

When a review matter progresses to a hearing, the Review Commissioner is empowered to consider the material presented and prepare written recommendations for the attention of the Commissioner of Police (Commissioner), who makes the final decision. If a recommendation is not accepted, the Commissioner must provide the Review Commissioner with a statement of reasons for this. In 2011–12, 100 per cent of the recommendations made by the Review Commissioners were accepted by the Commissioner.

During the reporting period, the Review Commissioners were former CMC Commissioner Mrs Dina Browne AO and practising solicitor Mr Pat Mullins. They stay informed of best practice and emerging trends through representation at the annual national Public Sector Appeals Conference Review. Commissioners are supported in managing day-to-day activities by a secretariat provided by the CMC.

Appointment of Review Commissioners

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

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

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

Numbers and trends in applications, 2011–12

In 2011–12, 104 applications for review were lodged (see Table 13). Of these, almost 70 per cent were withdrawn before the hearing. Nineteen matters were heard (see Table 14). For the 17 completed, the recommendations were that appointment decisions be confirmed in 13 cases and set aside in 4 (see Table 15).

The majority of applications for review concerned promotions and, in particular, inspector appointments. Inspector vacancies attract a large number of applicants and sometimes also a large number of applications to have appointments reviewed (particularly when some unsuccessful applicants apply to have all appointee decisions reviewed). As noted, a majority of these applicants withdrew from the process before the hearing; this is perhaps partly attributable to a new QPS process, reported last year, that provides applicants with sufficient documentation early in the process to let them decide whether or not to continue with a review.

Tables 13 and 14 show the types, status and number of applications lodged over the last five years. Although application numbers declined considerably in an earlier period (between 2000 and 2006), the trend over the last five years seems relatively stable, despite some fluctuation from year to year.

Changes to the QPS merit-based appointments policy

In addition to their primary role of arbitrating on grievances, Review Commissioners monitor any changes to the QPS merit-based appointments policy.

Advice on jurisdiction of Review Commissioners

As noted in our last report, legal advice obtained on section 9.3(1) of the PSAA confirmed that 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.

This advice resulted last year in amendments to secretariat policy and procedure. Similar amendments to section 16.6 of the QPS *Human Resource Management Manual* are now in progress.

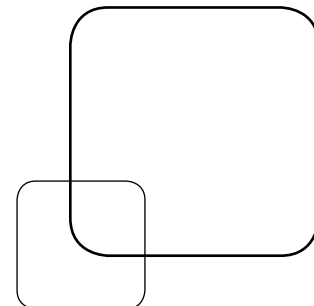


Table 13. Types of applications lodged, 2007–08 to 2011–12

Type	2007–08	2008–09	2009–10	2010–11	2011–12
Promotion	133	44	31	95	86
Transfer	1	5	2	6	12
Lateral transfer	4	3	5	–	1
Unapplied transfer	–	–	1	5	1
Stand-down	–	1	1	–	1
Suspension	1	5	–	–	1
Disciplinary	–	–	–	–	1
Dismissal	–	–	–	–	–
Other ¹	–	–	1	3	1
Total	139	58	41	109	104

1 'Other matters' can involve a range of issues, for example:

- 2009–10: review lodged under *Whistleblowers Protection Act 1994*
- 2010–11: reviews of non-appointment, unfitness for duty, and disciplinary sanction (misconduct matter)
- 2011–12: review of extension of probation.

Table 14. Status of applications lodged, 2007–08 to 2011–12

Status	2007–08	2008–09	2009–10	2010–11	2011–12
Matters lodged ¹	139	58	41	109	104
Matters withdrawn before hearing	13	37	14	41	76 ²
Matters out of jurisdiction	8	3	5	15	3
Matters awaiting hearing at 30 June	99	7	7	9	5
Matters heard	19	11	13	43	19

1. The variation in the number of reviews received over the past five years can be attributed to inspector appointments. These vacancies receive a large number of applicants and, in turn, a large number of applications for review, particularly when applicants apply to have all appointments reviewed.
2. Two of the applicants who applied to have all inspector appointments reviewed then withdrew all of these applications, resulting in a high number of withdrawals.

Table 15. Resulting recommendations in matters heard by Review Commissioners, 2011–12

Type of application	Awaiting outcome	Affirmed	Varied	Set aside	Total
Promotion	1	9	–	3	13
Transfer	1	4	–	–	5
Lateral transfer	–	–	–	–	–
Unapplied transfer	–	–	–	1	1
Stand-down	–	–	–	–	–
Other	–	–	–	–	–

Financial summary

Financial results

	2007-08 \$m	2008-09 \$m	2009-10 \$m	2010-11 \$m	2011-12 \$m
State Government Grant	36.688	41.652	43.752	48.288	49.077
Other Grants and Contributions	0.000	0.079	1.081	0.370	0.350
Other Revenue	1.108	0.616	0.951	0.904	1.013
Total Revenue	37.796	42.347	45.784	49.562	50.440
Employee Expenses	27.750	30.191	31.100	34.354	36.598
Other Expenditure	10.046	12.350	13.050	15.444	13.932
Total Expenditure	37.796	42.541	44.150	49.798	50.530
Operating Surplus (Deficit)	-	(0.194)	1.634	(0.236)	(0.090)
Net Assets	14.639	14.445	16.079	15.843	15.389
State Government Grant/Total Revenue	97%	98%	96%	97%	97%
Employee Expenses/Total Expenditure	73%	71%	70%	69%	72%

The CMC's financial result for 2011-12 was that expenses exceeded revenue by \$0.090m, resulting in an operating deficit (2010-11 – \$0.236m operating deficit).

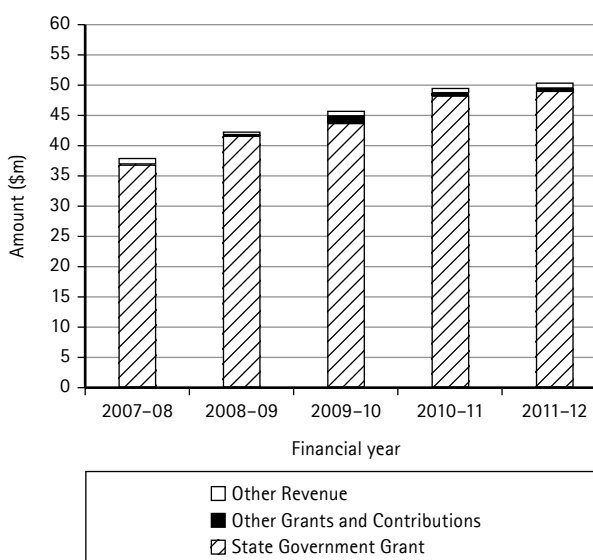
Revenue

The CMC is predominantly funded through grant funds received from the Queensland Government. In 2011-12, \$49.077m or 97% of total revenue was received from the Queensland Government (2010-11 – \$48.288m or 97% of total revenue).

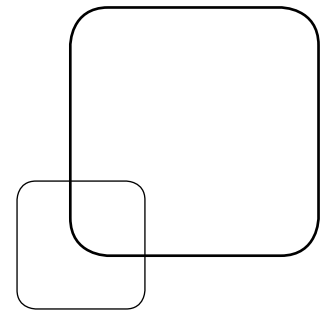
In addition, the CMC recognised contributions of \$0.335m (2010-11 – \$0.363m) for services received free of charge from other Queensland Government agencies. An equal amount has been recognised as expenditure.

Other revenue mainly consists of interest of \$0.844m earned on cash balances throughout the financial year (2010-11 – \$0.801m).

Figure 13. Revenue \$m, 2007-08 to 2011-12



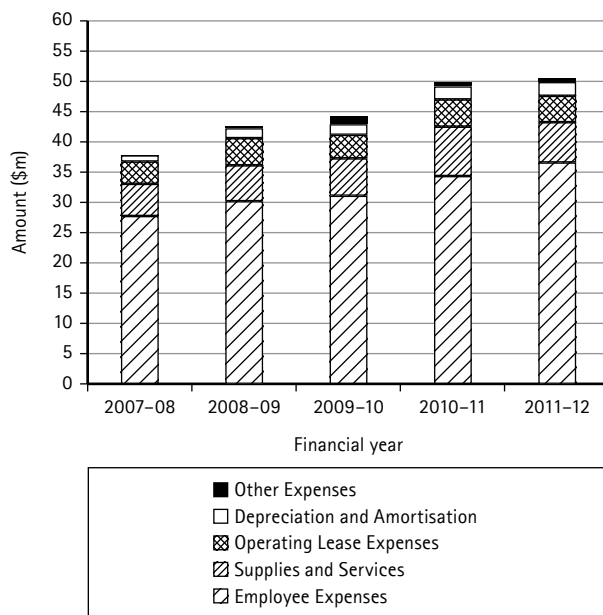
Total revenue for 2011-12 was \$50.440m, an increase of \$0.878m or 1% from the previous year, mainly as a result of additional grant funds received from the Queensland Government to offset increased labour costs due to annual salary increases.



Expenses

The CMC's major expenditure consists of employee costs which, in 2011–12, comprised 72% of total expenditure or \$36.598m (2010–11 – 69% or \$34.354m)

Figure 14. Expenditure \$m, 2007–08 to 2011–12



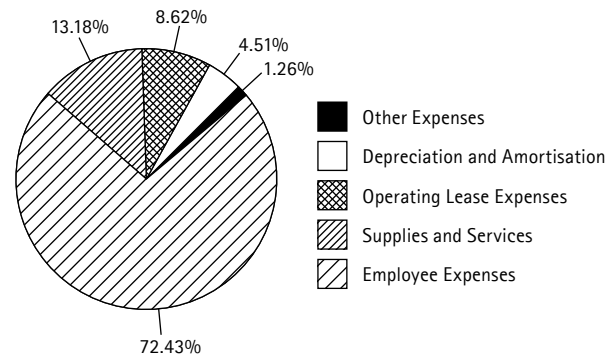
Total expenditure increased by almost 1.5% or \$0.732m since the previous year. Employee costs rose by 7% or \$2.244m, while supplies and services expenditure decreased by 18% or \$1.507m.

Although the number of established positions remains virtually unchanged since the 2010–11 financial year, the increase in employee costs is mainly due to annual enterprise bargaining increases and a higher number of full-time equivalent (FTE) staff numbers during the 2011–12 financial year (2011–12 – 357.5 FTEs, compared with 2010–11 – 325 FTEs).

The decrease in supplies and services expenditure since the previous year is mainly due to the \$0.966m spent in the 2010–11 financial year on the CMC's 4-yearly cyclical standard operating environment (SOE) replacement program. Additionally, legal costs and contractors and consultants costs decreased by \$0.610m since 2010–11.

All other expenditure remained consistent with the previous financial year.

Figure 15. Expenditure by type (as a % of 2011–12 total expenditure)



Capital Acquisitions

The CMC invested \$2.269m in capital acquisitions during the 2011–12 financial year, mainly as part of the ongoing asset replacement and maintenance program. In accordance with the 2011–2015 Asset Strategic Plan, \$0.556m was spent on motor vehicle purchases, \$0.984m was spent on computer and other equipment, and \$0.517m on leasehold improvements. In addition, development costs of \$0.212m for the CMC's new Web Content and Intranet Management System were capitalised.

Further information on capital acquisitions can be found in Notes 14 and 15 of the Financial Statements – Reconciliation of Property, Plant and Equipment and Intangible Assets.

Assets

As at 30 June 2012, the CMC assets were valued at \$26.253m, decreasing by \$0.517m since 2010–11. The decrease is mainly attributable to the equity withdrawal of \$0.372m in the 2011–12 year, to fund temporary high-priority initiatives, including the Web Content and Intranet Management System.

Liabilities

As at 30 June 2012, the CMC's liabilities were valued at \$15.389m, decreasing by \$454m since 2010–11. This was due to a higher amount owing to trade creditors at 30 June 2011 as a result of outstanding payments for the SOE program.

Comparison of original budget and actual results

Statement of Comprehensive Income

	2011–12 Budget \$m	2011–12 Actual \$m	2011–12 Variance \$m
Grants and Contributions	49.817	49.427	(0.390)
Other Revenue	0.716	0.993	0.277
Gains from Sale of Property, Plant and Equipment	0.020	0.020	–
Total Income	50.553	50.440	(0.113)
Employee Expenses	36.795	36.598	(0.197)
Supplies and Services	7.189	6.658	(0.531)
Operating Lease Expenses	4.288	4.358	0.070
Depreciation and Amortisation	2.175	2.280	0.105
Other Expenses	0.106	0.636	0.530
Total Expense	50.553	50.530	(0.023)
Operating Surplus/(Deficit)	–	(0.090)	(0.090)

Significant variances explained:

Grants and Contributions

Included in the original budget is a non-appropriated equity transfer from cash reserves that was initially approved by Treasury to be utilised to fund temporary initiatives identified in the Commission's strategic plan as high priority. The decrease in grant funding is primarily due to the CMC requiring a lower than budgeted equity withdrawal from its cash reserves (Budget \$1.504m; Actual \$0.372m) – see explanation of employee expenses (right).

The decrease is offset by the recognition of a contribution of \$0.335m for services received free of charge from other Queensland Government Agencies (refer to Financial Statements – Note 2 – Grants and Other Contributions).

Other Revenue

The increase in other revenue is mainly the result of greater interest earnings than budgeted. This was due to more efficient cash management processes and higher than anticipated interest rates. In addition, the Commission accounted for its equal share of the profit for the 2011 Australian Public Sector Anti-Corruption Conference (APSACC) of \$0.44m (refer to Notes 2 and 27 in the Financial Statements for further details).

Employee Expenses

The Commission underwent a Governance Review in the 2010–11 financial year. Employee expenses were under budget mainly as a result of delays in recruitment in the first half of the financial year due to some organisational re-structure following the review. Consequently, some of these budget savings were used to fund the Commission's temporary initiatives, thereby resulting in a lower than budgeted equity withdrawal.

Supplies and Services

Supplies and services expenditure was lower than budgeted mainly as a result of lower than anticipated telephone interception access costs and travel costs, combined with some savings in contractors fees due to operational efficiencies.

Operating Lease Expenses

Operating lease expenditure was higher than budgeted due to increased building maintenance costs of common areas in the leased premises.

Depreciation and Amortisation

A management decision during the financial year to reduce the useful life of motor vehicles from 5 years to 3 years, which was more representative of the period of economic benefit, resulted in an increase in depreciation costs.

Other Expenses

The increase in other expenses is mainly due to the recognition of the services received free of charge from other Queensland Government agencies of \$0.335m. In addition, the Commission recognised an expense for its share of the 2011 APSACC surplus, which was re-invested as seed money to fund future APSACCs (refer to Notes 10 and 27 in the Financial Statements for further details).

Operating deficit

The operating budget deficit of \$0.90m was mainly due to a financial year-end adjustment of \$0.71m to discount the provision for restoration costs of leased premises to its present value (refer to Note 19 in the Financial Statements for further details).

Statement of Financial Position

	2011-12 Budget \$m	2011-12 Actual \$m	2011-12 Variance \$m
Current Assets	6.828	10.656	3.828
Non-Current Assets	14.713	15.597	0.884
Total Assets	21.541	26.253	4.712
Current Liabilities	4.275	5.168	0.893
Non-Current Liabilities	2.944	5.696	2.752
Total Liabilities	7.219	10.864	3.645
Total Equity	14.322	15.389	1.067

Significant variances explained:

Current Assets

The increase in current assets is mainly due to a higher than budgeted cash balance as a result of not utilising the full equity withdrawal of \$1.504m from cash reserves, an increase in creditors, and a build-up of cash due to lower asset purchases compared with depreciation write-offs.

Non-Current Assets

The Commission re-assessed its provision for restoration costs as at 30 June 2012, leading to an increase in property plant and equipment of \$0.433m which was not budgeted for. In addition, computer and other acquisitions were more than budgeted (Budget – \$0.743m; Actual – \$0.985m).

Current Liabilities

Current liabilities were higher than expected due mainly to an increase in payables and accrued employee benefits at 30 June 2012.

Non-Current Liabilities

The increase in non-current liabilities is mainly due to the Commission recognising a provision for costs to restore its leased premises to their original condition (for further explanation, refer to Financial Statements – Note 19 – Provisions).

Equity

The increase in equity is due to utilising lower than budgeted funds from cash reserves. The budgeted movement in equity was \$1.504m compared with the actual equity movement of \$0.454m, which was made up of a non-appropriated equity adjustment of \$0.372m, an operating deficit of \$0.090m and a revaluation increment of \$0.008m.

Financial risk management

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 controls include:

- Ensuring that financial records are properly maintained
- Regular financial audits by the Queensland Audit Office and the CMC's internal auditor
- Regular monitoring and assessment of financial internal controls
- A Budget Management Committee that ensures the budget is framed to maximise outputs from the strategic plan and monitors the budget 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 on-going training and development of finance staff.

Purchasing and Expense Management

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

The CMC's expense management system ensures prompt recognition and recording of expenditure in a manner which satisfies monitoring and reporting objectives and accountability requirements. 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.

Asset Management

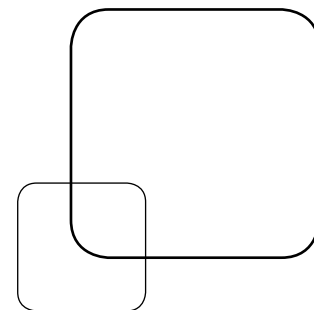
The Commission adheres to Queensland Treasury's *Non-Current Asset Policies for the Queensland Public Sector*. The Commission performs an asset stock-take on an annual basis. As part of the stock-take process, a review of the useful lives of assets is conducted, and assets are assessed for indicators of impairment. The CMC did not impair any assets during the financial year.

Chief Finance Officer (CFO) Statement

In terms of section 77 of the *Financial Accountability Act 2009*, the CFO statement is a mandatory requirement for state government departments only. However, the CMC has adopted best practice by providing the Chairperson with a CFO statement for the financial year ended 30 June 2012, attesting to the financial internal controls of the CMC operating efficiently, effectively and economically.

The CFO statement has been presented to the CMC's Audit Committee.

About the Financial Statements



Introduction

The financial statements highlight the CMC's financial performance and overall position as at 30 June 2012. The financial statements consist of five parts, viz.

- Statement of Comprehensive Income
- Statement of Financial Position
- Statement of Changes in Equity
- Cash Flow Statement
- Notes to and forming part of the Financial Statements.

The financial statements are prepared by the Commission's finance staff, are examined by the CMC's Audit Committee, Executive Leadership Group and internal audit, and are then audited by the Queensland Auditor-General.

Statement of Comprehensive Income

The Statement of Comprehensive Income (SOCl) measures the entity's financial performance over a specific period (usually 12 months). The SOCl comprises a profit and loss statement which compares revenues received against expenses incurred. Excess revenue over expenses results in an operating surplus, while excess expenses over revenue results in an operating deficit. The SOCl also includes other comprehensive income which comprises items of income and expenses that are not recognised in the profit and loss.

For the year ended 30 June 2012, the CMC's expenses exceeded revenues received by \$0.090m, resulting in a small operating deficit. The CMC also had other comprehensive income of \$0.008m as a result of a revaluation increment due to the CMC revaluing its artwork during the financial year.

Statement of Financial Position

The Statement of Financial Position provides a snapshot of 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 2012, the CMC's equity decreased by \$0.462m, comprising its current year operating deficit of \$0.090m and a non-appropriated equity adjustment of \$0.372m, used to fund temporary high-priority initiatives.

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 are not easily converted into cash and that an entity does not expect to convert into cash within the next 12 months.

At 30 June 2012, the CMC's non-current assets of \$15.597m included the book value of leasehold improvements, motor vehicles, computer and other equipment, artwork and software (intangibles).

Liabilities

Liabilities are the amounts owed by the entity. Similarly 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 owed 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 which an entity is not expected to pay within 12 months or which have 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, provision for costs to restore the leased premises to its original condition, lease incentive liabilities for leased premises and deferred lease liabilities which have arisen due to recognising lease expense payments on a straight-line method over the term of the lease. The smoothing of lease payments over the term of the lease will extinguish the deferred lease liability by the end of the lease term.

Net Assets

This term is used to describe the difference between the value of total assets and the value of total liabilities. It represents the net worth of the CMC as at 30 June 2012.

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 \$13.572m comprises the closing equity balances of the former Criminal Justice Commission and the former Queensland Crime Commission as at 31 December 2001 of \$4.237m, an equity injection from government for the Green Square leasehold fitout in the 2007–08 financial year of \$9.707m, and a non-appropriated equity withdrawal of \$0.372m in the current financial year.

The accumulated surplus of \$1.809m at 30 June 2012 consists of current year and prior year's operating results. In addition the CMC has an asset revaluation surplus of \$0.008m as a result of a revaluation increment due to the CMC revaluing its artwork during the financial year

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.

Cash Flow Statement

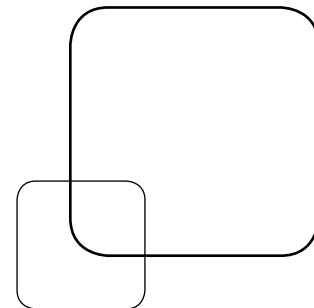
This statement shows the actual movements of cash during the financial year. During the 2011–12 financial year, the CMC received \$52.452m (2010–11 – \$51.228m) in cash and paid out \$50.358m (2010–11 – \$47.743m) in cash to manage its operating activities. In addition, cash of \$1.595m (2010–11 – \$1.582m) was spent to invest in capital acquisitions.

The CMC's cash balance at 30 June 2012 was \$9.575m compared with \$9.448m at 30 June 2011. The increase in cash is mainly due to lower capital purchases of \$1.595m compared with non-cash depreciation write-offs of \$2.280m, resulting in a build-up of cash reserves. Also contributing 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.

Financial Statements



General information

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/annualreport.

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

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Statement of Comprehensive Income

for the year ended 30 June 2012

	Notes	2012 \$'000	2011 \$'000
Income from Continuing Operations			
Grants and other contributions	2	49,427	48,658
Other revenues	3	993	890
Total Revenue		50,420	49,548
Gains from sale of property, plant and equipment	4	20	14
Total Income from Continuing Operations		50,440	49,562
Expenses from Continuing Operations			
Employee expenses	5	36,598	34,354
Supplies and services	7	11,016	12,664
Depreciation and amortisation	8	2,280	2,158
Finance costs	9	71	66
Other expenses	10	565	556
Total Expenses from Continuing Operations		50,530	49,798
Operating Result from Continuing Operations		(90)	(236)
Other Comprehensive Income		8	–
Total Comprehensive Income		(82)	(236)

The accompanying notes form part of these statements.

Statement of Financial Position

as at 30 June 2012

	Notes	2012 \$'000	2011 \$'000
Current Assets			
Cash and cash equivalents	11	9,575	9,448
Receivables	12	619	918
Other	13	462	531
Total Current Assets		10,656	10,897
Non Current Assets			
Intangible assets	14	626	490
Property, plant and equipment	15	14,915	15,324
Other	13	56	59
Total Non Current Assets		15,597	15,873
Total Assets		26,253	26,770
Current Liabilities			
Payables	16	3,123	3,545
Lease liabilities	17	309	309
Accrued employee benefits	18	1,733	1,570
Provisions	19	–	170
Other	20	3	3
Total Current Liabilities		5,168	5,597
Non Current Liabilities			
Lease liabilities	17	3,049	3,122
Accrued employee benefits	18	749	814
Provisions	19	1,898	1,394
Total Non Current Liabilities		5,696	5,330
Total Liabilities		10,864	10,927
Net Assets		15,389	15,843
Equity			
Contributed equity		13,572	13,944
Accumulated surplus		1,809	1,899
Asset revaluation surplus	21	8	–
Total Equity		15,389	15,843

The accompanying notes form part of these statements.

Statement of Changes in Equity for the year ended 30 June 2012

	Accumulated Surplus	Asset Revaluation Surplus (Note 21)	Contributed Equity	TOTAL
	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2010	2,135	–	13,944	16,079
Operating result from continuing operations	(236)	–	–	(236)
Balance as at 30 June 2011	1,899	–	13,944	15,843
Balance as at 1 July 2011	1,899	–	13,944	15,843
Operating result from continuing operations	(90)	–	–	(90)
Other Comprehensive Income				
Revaluation Increment	–	8	–	8
<i>Transactions with Owners as Owners:</i>				
- Non Appropriated equity withdrawal	–	–	(372)	(372)
Balance as at 30 June 2012	1,809	8	13,572	15,389

The accompanying notes form part of these statements.

Statement of Cash Flows

for the year ended 30 June 2012

	Notes	2012 \$'000	2011 \$'000
Cash flows from operating activities			
<i>Inflows</i>			
Grants and other contributions		49,092	48,294
Interest receipts		825	774
GST input tax credits from ATO		2,259	2,155
GST collected from customers		28	28
Other		248	(23)
<i>Outflows</i>			
Employee expenses		(37,049)	(34,083)
Supplies and services		(10,866)	(11,182)
GST paid to suppliers		(2,234)	(2,286)
GST remitted to ATO		(28)	(26)
Other		(181)	(166)
Net cash provided by operating activities	22	2,094	3,485
Cash flows from investing activities			
<i>Inflows</i>			
Sales of property, plant and equipment		49	1
<i>Outflows</i>			
Payments for property, plant and equipment		(1,432)	(1,481)
Payments for intangibles		(212)	(102)
Net cash used in investing activities		(1,595)	(1,582)
Cash flows from financing activities			
<i>Outflows</i>			
Equity withdrawals		(372)	–
Net cash used in financing activities		(372)	–
Net increase in cash and cash equivalents		127	1,903
Cash and cash equivalents at beginning of financial year		9,448	7,545
Cash and cash equivalents at end of financial year	11	9,575	9,448

The accompanying notes form part of these statements.

Notes to and forming part of the Financial Statements 2011–12

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	Asset Revaluation Surplus
Note 22	Reconciliation of Operating Surplus to Net Cash from Operating Activities
Note 23	Commitments for Expenditure
Note 24	Contingencies
Note 25	Financial Instruments
Note 26	Trust Transactions and Balances
Note 27	Australian Public Sector Anti-Corruption Conference (APSACC)
Note 28	Events Occurring after Balance Date

Notes to and forming part of the Financial Statements 2011–12

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 is charged with improving integrity and reducing the incidence of misconduct in Queensland's public sector agencies. Our jurisdiction covers misconduct within the police service, public service departments, statutory authorities, government-owned corporations, universities, local governments, courts, prisons, and state elected officials. The Commission receives and assesses complaints about misconduct, investigates the most serious official misconduct, takes a lead role in working with public sector agencies to develop and maintain effective integrity systems and build their capacity to prevent and deal with misconduct, monitors how these agencies deal with complaints, and undertakes related research, intelligence and misconduct 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 required by legislation or referred by the government.

3. Provide an effective witness protection service

The Commission provides the State's Witness Protection Program for persons who are in need of protection and who are in danger due to their assistance in helping a law enforcement agency. The Commission works in close cooperation with all witness protection units in Australia and New Zealand. Although the majority of witness protection referrals are received from the QPS, referrals can also be received from other state or Commonwealth Law Enforcement agencies.

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 2012, 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.

Notes to and forming part of the Financial Statements 2011–12

(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 26. 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 or the right to receive 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 reliably measured.

(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*.

Notes to and forming part of the Financial Statements 2011–12

(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*.

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

The Commission's heritage and cultural assets comprises of artwork built-in. Management makes an assessment of the fair value of the artwork on an annual basis, with a comprehensive revaluation undertaken by an independent professional valuer 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 re-valued its artwork during the financial year (refer to Note 15).

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 assets have a zero residual value.

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

Software purchased

The Commission's intangible assets consist of software for the Electronic Document and Records Management System (eDRMS) and the Web Content and Intranet Management System. The design, licensing and implementation costs of the software has been capitalised and is amortised on a straight-line basis over the period of the expected benefit to the Commission (refer to Note 14).

Notes to and forming part of the Financial Statements 2011–12

(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 plant and equipment 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 and furniture	1.5–33.33	3–10 years
Computer equipment	12.5–33.3	3–8 years
Motor vehicles (Refer Note 8)	20–79.5	3 years
Leasehold improvements	7.3–14.5	7–13 years
Intangible Assets:		
Software purchased	11.1-25	4–9 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 physical and intangible 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.

Notes to and forming part of the Financial Statements 2011–12

(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 re-valued amount. When the asset is measured at a re-valued 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, unless the asset is carried at a re-valued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(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, gross of applicable trade and other discounts. 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 25.

Notes to and forming part of the Financial Statements 2011–12

(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.

For unpaid entitlements expected to be paid within 12 months, the liabilities are recognised at their undiscounted values. The value of any annual leave benefits not expected to be taken within 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*.

Notes to and forming part of the Financial Statements 2011–12

(r) Employee Benefits (cont'd)

Key Executive Management Personnel and Remuneration

Key executive management personnel and remuneration disclosures are made in accordance with section 5 of 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 leasehold improvement 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) Accounting Estimates and 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 23)
- Contingencies (Note 24).

Notes to and forming part of the Financial Statements 2011–12

(x) Accounting Estimates and Judgments (con't)

The Australian government passed its Clean Energy Act in November 2011 with a start date of 1 July 2012. The legislation will result in the introduction of a price on carbon emissions made by Australian businesses from 1 July 2012. The flexible market-based price phase of the carbon pricing mechanism will commence on 1 July 2015.

Given the nature of activities performed at the Commission, it is not expected that the new legislation will have a significant impact on the Commission's critical accounting estimates, assumptions and management judgements.

(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

Accounting policies applied during 2011–12 were only amended where required by Australian accounting standards. Australian accounting standard changes applicable for the first time for 2011–12 have had minimal effect on the Commission's financial statements, as explained below.

AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (AASB 1, AASB7, AASB 101 & AASB 134 and Interpretation 13) became effective from reporting periods beginning on or after 1 January 2011. Given the Commission's existing financial instruments, there was only a minor impact on the Commission's financial instrument note (Note 25), in relation to disclosures about credit risk. That note no longer needs to disclose amounts that best represent the maximum exposure to credit risk where the carrying amount of the instruments already reflects this. As this was the case with all the Commission's receivables as at 30 June 2012 (and as at 30 June 2011), receivables are not included in the credit risk disclosure in this year's financial statements.

AASB 1054 Australian Additional Disclosures became effective from reporting periods beginning on or after 1 July 2011. Given the Commission's previous disclosure practices, AASB 1054 had minimal impact on the Commission. One of the footnotes to Note 10, Other Expenses, regarding audit fees, has been slightly amended to identify the Commission's auditor and clarify the nature of the work performed by the auditor.

AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project (AASB 1, AASB 5, AASB 101, AASB107, AASB 108, AASB 121, AASB 128, AASB 132 & AASB 134 and Interpretations 2, 112 & 113), also became effective from reporting periods beginning on or after 1 July 2011. The only potential implication for the Commission from this amending standard was the deletion from AASB 101 *Presentation of Financial Statements* of the requirement for disclosure of commitments. However, Treasury's Minimum Reporting Requirements require the continuation of commitments disclosures, so this deletion from AASB 101 has no impact on the Commission's commitment note (refer to Note 23).

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.

Notes to and forming part of the Financial Statements 2011–12

(z) New and Revised Accounting Standards (con't)

As at 30 June 2012, new or amended standards and interpretations, as listed below, had been issued that have mandatory application dates for future reporting periods.

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 13 <i>Fair Value Measurement</i>	1 January 2013
AABS 2011-8 <i>Amendments to Australian Accounting Standards arising from AASB 13</i>	1 January 2013
AASB 9 <i>Financial Instruments</i>	1 January 2013
AASB 2010-7 <i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)</i>	1 January 2013
AASB 119 <i>Employee Benefits</i>	1 January 2013
AABS 2011-10 <i>Amendments to Australian Accounting Standards arising from AASB 119</i>	1 January 2013
AASB 1053 <i>Application of Tiers of Australian Accounting Standards</i>	1 July 2013

AASB 13 *Fair Value Measurement* sets out a new definition of “fair value”, as well as new principles to be applied when determining the fair value of assets and liabilities. The new requirements will apply to all of the Commission’s assets and liabilities (excluding leases) that are measured and/or disclosed at fair value or another measurement based on fair value. The potential impacts of AASB 13 relate to the fair value measurement methodologies used, and financial statement disclosures made in respect of such assets and liabilities.

Based on fair value methodologies presently used and assuming no change in the types of transactions that the Commission enters into, as from 2013-14, no significant changes and material impacts on the Commission’s financial statements are anticipated.

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.

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 25. In the case of the Commission’s receivables, as they are short term in nature, the carrying amount is considered to be a reasonable approximation of fair value.

Notes to and forming part of the Financial Statements 2011–12

(z) New and Revised Accounting Standards (con't)

The revised version of AASB 119 *Employee Benefits* clarifies the concept of “termination benefits”, and the recognition criteria for liabilities for termination benefits will be different. If termination benefits meet the timeframe criterion for “short-term employee benefits”, they will be measured according to the AASB 119 requirements for “short-term employee benefits”. Otherwise, termination benefits will be measured according to the AASB 119 requirements for “other long-term employee benefits”.

Under the revised standard, the recognition and measurement of employer obligations for “other long-term employee benefits” will need to be accounted for according to most of the requirements for defined benefit plans. The revised AASB 119 also includes changed requirements for the measurement of employer liabilities/assets arising from defined benefit plans, and the measurement and presentation of changes in such liabilities/assets.

The Commission only contributes to the QSuper defined benefit plan, and the corresponding QSuper employer benefit obligation is held by the State. Therefore, these changes to AASB 119 will have no impact on the Commission.

The revised AASB 119 includes changed criteria for accounting for employee benefits as “short-term employee benefits”. Under the revised AASB 119, “short-term benefits” will only include benefits that are expected to be wholly settled before 12 months after the end of the reporting period in which the employees provide the associated service. If that criterion is not met, such benefits will need to be categorised and accounted for as “other long-term employee benefits”, which may comprise both current and non-current components.

Based on current estimates and assumptions, changed disclosure requirements for annual leave entitlements will apply to the Commission once the revised AASB 119 becomes effective, however no consequential material impacts to the Commission’s annual leave liability are expected (Refer Note 1(r)).

The change in criterion will have no impact on reporting requirements for long service leave entitlements as the Commission is a member of the Queensland Government’s long service leave central scheme, which holds the liability on whole-of-government basis.

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.

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.

Notes to and forming part of the Financial Statements 2011–12

	2012	2011
	\$'000	\$'000
Note 2: Grants and Other Contributions		
Queensland Government grant	49,077	48,288
Goods and services received below fair value*	335	363
Other	15	7
Total	49,427	48,658
*Received from		
Goods/Services		
Department of Justice and Attorney-General	–	1
Department of Public Works (July 2011 to April 2012)	271	362
Department of Science, Information Technology and Innovation (May 2012 to June 2012)	52	–
Queensland Police Service	12	–
Total	335	363
Note 3: Other Revenues		
Interest	844	801
Australian Public Sector Anti-Corruption Conference (APSACC)*	44	–
Other	105	89
Total	993	890
*Refer to Note 27		
Note 4: Gains		
Gain on sale of property, plant and equipment	20	14
Total	20	14
Note 5: Employee Expenses		
Employee Benefits		
Wages and salaries	26,489	24,371
Annual leave expense*	1,962	1,874
Employer superannuation contributions*	3,631	3,334
Long service leave levy*	617	561
Termination benefits	9	425
Other employee benefits	1,340	1,199
Employee Related Expenses		
Workers' compensation premium*	146	215
Payroll tax*	1,587	1,486
Other employee related expenses	817	889
Total	36,598	34,354

*Refer to Note 1 (r)

Notes to and forming part of the Financial Statements 2011–12

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:

	2012	2011
Number of employees	357.5	325

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.

	2012 \$	2011 \$
David Gow (term expired 1 October 2010)	–	13,936
Ann Gummow (term expired 20 August 2011)*	6,307	103,704
Judith Bell	46,850	46,850
Phillip Nase*	64,706	46,850
Marilyn McMeniman (commenced 8 April 2011)	45,597	9,541
George Fox (commenced 23 September 2011)	36,219	–
Total	199,679	220,881

* Commissioner Phillip Nase's remuneration includes an amount of \$17,856 (2011: Commissioner Ann Gummow - \$56,854 for acting as Chairperson during the financial year).

Notes to and forming part of the Financial Statements 2011–12

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 2011–12. 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 (Refer to Note 6(c))	The Chairperson is responsible for the efficient, effective and economic administration of the Commission.	<i>Crime and Misconduct Act 2001</i>	5 March 2012
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>	9 January 2012
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
Director, Office of the Commission***	The Director, Office of the Commission is responsible for providing independent advice to the Commission in relation to issues such as compliance, strategic planning, governance and the achievement of Commission priorities.	<i>Crime and Misconduct Act 2001</i>	31 October 2011

Notes to and forming part of the Financial Statements 2011–12

Note 6: Key Executive Management Personnel and Remuneration (cont'd)

(b) Key Executive Management Personnel (con't)

Current incumbents comprise of members of the Executive Leadership Group (ELG), which was established to support the Chairperson/CEO in the executive leadership of the Commission by leading discussions, providing advice and making recommendations to the Chairperson/CEO (and through that office, to the Commission), in relation to the Commission's affairs.

* John Callanan completed his tenure as Assistant Commissioner, Crime on 21 November 2011. The position was filled in an acting capacity until Assistant Commissioner, Kathleen Florian was appointed on 9 January 2012.

** The Assistant Commissioner, Misconduct position was filled in an acting capacity, during the period that Assistant Commissioner Warren Strange acted as Chairperson (refer to Note 1 (c)).

*** The Director, Office of the Commission position was established in the 2011–12 financial year as a result of the governance review performed during the previous financial year.

(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 and resigned from the position on 18 November 2011. Mr Moynihan was previously a Justice of the Supreme Court of Queensland and was consequently entitled to a pension under the *Judges (Pension and Long Leave) Act 1957*. Mr Moynihan elected to have his salary entitlement payable by the Commission reduced by the amount of his judicial pension during his period of employment.

Mr Moynihan's condition of employment also included an entitlement to a motor vehicle allowance, leave equivalent to the public service except for long service leave, and superannuation benefits.

Subsequent to Mr Moynihan's resignation, the Chairperson's position was filled in an acting capacity until Ross Martin SC was appointed to the position on 5 March 2012.

The Assistant Commissioner, Misconduct remuneration includes an amount of \$61,770 for acting as Chairperson for various periods during the financial year (refer to Note 6(b)).

The acting Chairperson role was also filled by Commissioner Phillip Nase during the financial year (refer to Note 6 (a)).

The current Chairperson's condition of employment also includes non-monetary benefits consisting of the provision of a motor vehicle together with the fringe benefits tax applicable to the benefit, car parking benefits, leave equivalent to the public service, and superannuation benefits.

The Chairperson is not eligible for a performance bonus.

Notes to and forming part of the Financial Statements 2011–12

(c) Key Executive Management Personnel Remuneration (cont'd)

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 2011–12 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 and car parking benefits.
- 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.

Notes to and forming part of the Financial Statements 2011–12

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 2011 – 30 June 2012

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 18 November 2011)	96	–	–	10	–	106
Acting Chairperson 25 August 2011 to 4 March 2012	150	–	–	9	–	159
Chairperson (appointed 5 March 2012)	148	5	4	8	–	165
Assistant Commissioner, Crime (resigned 21 November 2011)	191	20	65	9	–	285
Acting Assistant Commissioner, Crime 22 November 2011 to 6 January 2012	27	–	–	2	–	29
Assistant Commissioner, Crime (appointed 9 January 2012)	106	6	2	11	–	125
Assistant Commissioner, Misconduct	146	19	7	16	–	188
Acting Assistant Commissioner, Misconduct 21 November 2011 to 4 March 2012	47	–	–	4	–	51
Executive General Manager	216	12	5	23	–	256
Director, Office of the Commission (appointed 31 October 2011)	125	–	3	13	–	141
Total Remuneration	1,252	62	86	105	–	1,505

Notes to and forming part of the Financial Statements 2011–12

Note 6: Key Executive Management Personnel and Remuneration (cont'd)

(c) Key Management Personnel Remuneration (cont'd)

1 July 2010 – 30 June 2011

Position	Short-Term Employee Benefits		Long-Term Employee Benefits	Post-Employment Benefits	Termination Benefits	Total Remuneration
	Base \$'000	Non-Monetary Benefits \$'000				
Chairperson	243	–	–	22	–	265
Acting Chairperson 19 November 2010 to 21 January 2011	63	–	–	1	–	64
Assistant Commissioner, Crime	175	26	7	24	–	232
Assistant Commissioner, Misconduct	208	20	3	24	–	255
Executive General Manager	40	2	1	4	–	47
Total Remuneration	729	48	11	75	–	863

Notes to and forming part of the Financial Statements 2011–12

	2012	2011
	\$'000	\$'000
Note 7: Supplies and Services		
Rental expense – operating lease	4,358	4,499
Computer software and services	359	255
Consultants and contractors	775	1,011
Electricity	291	327
Furniture and equipment (non asset)	365	1,426
Telecommunications and access costs	1,063	1,132
Legal costs	514	862
Maintenance	761	704
Motor vehicles	532	522
Operational expenses	498	530
Security	443	401
Travel	502	428
Other supplies and services	555	567
Total	11,016	12,664

Note 8: Depreciation and Amortisation

Depreciation and amortisation were incurred in respect of:

Motor vehicles*	342	212
Computer equipment	340	334
General and technical equipment	188	172
Leasehold improvements	1,334	1,390
Software purchased	76	50
Total	2,280	2,158

* Depreciation expense on motor vehicles increased due to a management decision to reduce the useful life of this asset class from 5 years to 3 years, which was more representative of the period of economic benefit.

Refer Note 1 (l).

Note 9: Finance Costs

Unwinding the discount*	71	66
Total	71	66

* Finance costs relate to the unwinding of the discount for the provision for restoration costs. Also refer to Note 19.

Notes to and forming part of the Financial Statements 2011–12

	2012 \$'000	2011 \$'000
Note 10: Other Expenses		
External audit fees*	67	61
Insurance	22	21
Services received free of charge (see Note 2)	335	363
Losses from disposal of property, plant and equipment	49	27
Special payments		
Ex-gratia Payments	19	43
APSACC - seed money for future conferences**	44	-
Other	29	41
Total	565	556

* Total audit fees paid to the Queensland Auditor General relating to the 2011–12 financial statements are estimated to be \$64,000 (2011: \$59,800). There are no non-audit services included in this amount.

**Refer to Note 27

Note 11: Cash and Cash Equivalents

Imprest accounts	30	30
Cash at bank	1,973	1,049
Term deposits*	7,572	8,369
Total	9,575	9,448

* Term deposits are held with major banking institutions, and earned interest rates between 5.23% and 6.20% (2011: 5.25% and 6.35%). Included in term deposits is a \$0.49m bank guarantee (2011: \$0.329m) pursuant to a lease agreement.

Note 12: Receivables

Trade debtors*	23	80
GST receivable	386	411
GST payable	-	(2)
	386	409
Long service leave reimbursements	73	264
Interest receivable	122	103
Other*	15	62
Total	619	918

* As at reporting date, there were no debtors that required an allowance for impairment.

Notes to and forming part of the Financial Statements 2011–12

	2012 \$'000	2011 \$'000
Note 13: Other Assets		
Current		
Prepayments – salaries	-	95
Prepayments – supplies and services	462	436
Total	462	531
Non-Current		
Prepayments – supplies and services	56	59
Total	56	59
Note 14: Intangible Assets		
Software Purchased		
At cost	752	540
Less: Accumulated amortisation	(126)	(50)
	626	490
Total	626	490

Notes to and forming part of the Financial Statements 2011–12

Note 14: Intangible Assets (cont'd)

Intangibles Reconciliation

	Software Purchased		Software Work in Progress		Total	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Carrying amount at 1 July	490	–	–	438	490	438
Acquisitions	–	102	212	–	212	102
Transfers between classes	212	438	(212)	(438)	–	–
Amortisation	(76)	(50)	–	–	(76)	(50)
Carrying amount at 30 June	626	490	–	–	626	490

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 to the Commission in the 2010–11 financial year and the Web Content and Intranet Management System which was implemented in the current financial year. The Commission launched its new website on 16 December 2011 and the new intranet system on 30 June 2012.

Notes to and forming part of the Financial Statements 2011–12

	2012	2011
	\$'000	\$'000
Note 15: Property, Plant and Equipment		
Motor vehicles:		
At cost	1,117	1,074
Less: Accumulated depreciation	(364)	(265)
	<u>753</u>	<u>809</u>
Computer equipment:		
At cost	2,288	1,582
Less: Accumulated depreciation	(885)	(742)
	<u>1,403</u>	<u>840</u>
General and technical equipment:		
At cost	1,539	1,457
Less: Accumulated depreciation	(754)	(565)
	<u>785</u>	<u>892</u>
Leasehold improvements:		
At cost	16,630	16,113
Less: Accumulated depreciation	(4,689)	(3,355)
	<u>11,941</u>	<u>12,758</u>
Cultural and art assets:		
At fair value	33	25
Total	<u>14,915</u>	<u>15,324</u>

The Commission has plant and equipment with an original cost of \$1.694m (2010–11 \$1.594m) and a written down value of zero still being used in the provision of services.

The Commission re-valued its artwork during the financial year. The valuation was performed by Jan Manton of Jan Manton Art, an approved valuer of Contemporary Australian Art since 1970. The valuation methodology was based on the value of previous pieces of art sold by the artist, Sebastian Di Mauro. Refer to Note 1 (j).

Notes to and forming part of the Financial Statements 2011–12

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	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	
Carrying amount at 1 July	809	805	840	824	892	932	12,758	12,016	25	25	—	35	15,324	14,637
Acquisitions	556	459	903	348	81	134	433	2,097	—	—	84	—	2,057	3,038
Disposals	(270)	(243)	—	—	—	—	—	—	—	—	—	—	(270)	(243)
Transfers between classes	—	—	—	2	—	(2)	84	35	—	—	(84)	(35)	—	—
Revaluation increments (Note 21)	—	—	—	—	—	—	—	—	8	—	—	—	8	—
Depreciation	(342)	(212)	(340)	(334)	(188)	(172)	(1,334)	(1,390)	—	—	—	—	(2,204)	(2,108)
Carrying amount at 30 June	753	809	1,403	840	785	892	11,941	12,758	33	25	—	—	14,915	15,324

Included in leasehold improvements is an amount of \$1.761m (2011: \$1.328m) for the estimate of restoration costs for the leased premises, which has been recognised as a provision. Refer to Note 19.

Notes to and forming part of the Financial Statements 2011–12

	2012 \$'000	2011 \$'000
Note 16: Payables		
Trade creditors	2,965	3,379
Other	158	166
Total	3,123	3,545
Note 17: Lease Liabilities		
Current		
Lease incentive liability	309	309
Total	309	309
Non-Current		
Lease incentive liability	2,438	2,748
Deferred lease liability	611	374
Total	3,049	3,122
Note 18: Accrued Employee Benefits		
Current		
Wages outstanding	113	97
Annual leave	1,495	1,367
Long service leave levy payable	125	106
Total	1,733	1,570
Non-Current		
Annual leave	749	814
Total	749	814
Note 19: Provisions		
Current		
Telephone interception access costs	–	170
Total	–	170
Non-Current		
Restoration costs	1,898	1,394
Total	1,898	1,394

Notes to and forming part of the Financial Statements 2011–12

	2012 \$'000	2011 \$'000
Note 19: Provisions (cont'd)		
Movements in provisions		
Access Costs*		
Balance at 1 July	170	80
Provision recognised	–	90
Reductions in provision as a result of payments	(170)	–
Balance at 30 June	–	170
Restoration Costs**		
Balance at 1 July	1,394	–
Provision recognised	433	1,328
Unwinding the discount	71	66
Balance at 30 June	1,898	1,394

* The Commission increased its telephone and data interception capabilities in conjunction with the Australian Crime Commission during the financial year, thus extinguishing the provision.

**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	3	3
Total	3	3

Note 21: Asset Revaluation Surplus

Heritage and Cultural Assets		
Revaluation increment	8	–
Total	8	–

Notes to and forming part of the Financial Statements 2011–12

	2012 \$'000	2011 \$'000
Note 22: Reconciliation of Operating Result to Net Cash from Operating Activities		
Operating result from continuing operations	(90)	(236)
Depreciation expense	2,280	2,158
Loss on sale of property, plant and equipment	49	27
Gain on sale of property, plant and equipment	(20)	(14)
Unwinding the discount on provision for restoration costs	71	66
Change in asset and liabilities:		
(Increase)/decrease in trade debtors	57	(58)
(Increase)/decrease in GST input tax receivable	25	(132)
(Increase)/decrease in long service leave reimbursement receivable	191	(171)
(Increase)/decrease in interest receivable	(19)	(27)
(Increase)/decrease in other receivables	47	(22)
(Increase)/decrease in prepayments	72	(20)
Increase/(decrease) in accounts payable	(422)	1,401
Increase/(decrease) in accrued employee benefits	98	293
Increase/(decrease) in GST payable	(2)	(1)
Increase/(decrease) in provisions	(170)	90
Increase/(decrease) in unearned revenue	–	(2)
Increase/(decrease) in lease liability	(73)	133
Net cash from operating activities	2,094	3,485
Note 23: Commitments for Expenditure		
(a) Non-Cancellable Operating Lease		
Commitments under operating leases at reporting date are inclusive of anticipated GST and are payable as follows:		
Not later than one year	5,054	4,815
Later than one year and not later than five years	16,171	21,024
Total	21,225	25,839

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.

Notes to and forming part of the Financial Statements 2011–12

	2012 \$'000	2011 \$'000
Note 23: Commitments for Expenditure (con't)		
(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	209	234
Later than one year and not later than five years	178	156
Total	387	390
(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	35	287
Total	35	287
(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	554	630
Total	554	630

Note 24: Contingencies

Litigation in progress

As at 30 June 2012, there were 10 cases (2011: 11 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.

Notes to and forming part of the Financial Statements 2011–12

Note 25: Financial Instruments

(a) Categorisation of Financial Instruments

The Commission has the following categories of financial assets and financial liabilities:

Category:	Note	2012 \$'000	2011 \$'000
Financial assets			
Cash and cash equivalents	11	9,575	9,448
Receivables	12	619	918
Total		10,194	10,366
Financial liabilities			
Payables	16	3,123	3,545
Total		3,123	3,545

(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 Strategy and Services Division under policies approved by the Commission.

The Commission measures risk exposure using a variety of methods as follows:

Risk Exposure	Measurement Method
Credit risk	Ageing analysis
Liquidity risk	Sensitivity analysis
Market risk	Interest rate sensitivity analysis

(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.

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

Maximum Exposure to Credit Risk Category:	Note	2012 \$'000	2011 \$'000
Financial Assets			
Cash and cash equivalents	11	9,545	9,418
Total		9,545	9,418

Notes to and forming part of the Financial Statements 2011–12

Note 25: Financial Instruments (cont'd)

(c) Credit Risk Exposure (cont'd)

The carrying amount of receivables represents the maximum exposure to credit risk. As such, receivables are not included in the above disclosure.

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.

Ageing of past due but not impaired financial assets are disclosed in the following tables:

2012 Financial Assets Past Due But Not Impaired

	Overdue				Total \$'000
	Less than 30 days \$'000	30–60 days \$'000	61–90 days \$'000	More than 90 days \$'000	
	Receivables	–	–	–	
Total	–	–	–	22	22

2011 Financial Assets Past Due But Not Impaired

	Overdue				Total \$'000
	Less than 30 days \$'000	30–60 days \$'000	61–90 days \$'000	More than 90 days \$'000	
	Receivables	–	53	–	
Total	–	53	–	2	55

(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.

Notes to and forming part of the Financial Statements 2011–12

Note 25: Financial Instruments (cont'd)

(d) Liquidity Risk (cont'd)

	Note	2012 Payable in			Total
		< 1 year	1–5 years	> 5 years	
Financial liabilities					
Payables	16	3,123	–	–	3,123
Total		3,123	–	–	3,123

	Note	2011 Payable in			Total
		< 1 year	1–5 years	> 5 years	
Financial liabilities					
Payables	16	3,545	–	–	3,545
Total		3,545	–	–	3,545

(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.

(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 \$95,450 (2011: \$94,180). 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	2012 Interest rate risk			
		-1%		+1%	
		Operating Result	Equity	Operating Result	Equity
Cash and cash equivalents	9,545	(95)	(95)	95	95
Potential impact		(95)	(95)	95	95

Financial Instrument	Carrying amount \$'000	2011 Interest rate risk			
		-1%		+1%	
		Operating Result	Equity	Operating Result	Equity
Cash and cash equivalents	9,418	(94)	(94)	94	94
Potential impact		(94)	(94)	94	94

Notes to and forming part of the Financial Statements 2011–12

Note 25: Financial Instruments (cont'd)

(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 26: Trust Transactions and Balances

At 30 June 2012, the Commission held \$4,061 (2011: \$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 2011–12.

Note 27: Australian Public Sector Anti-Corruption Conference (APSACC)

The Australian Public Sector Anti-Corruption Conference (APSACC) is a National Conference which is held biennially and hosted by the QLD Crime and Misconduct Commission (CMC), the NSW Independent Commission against Corruption (ICAC) and the WA Corruption and Crime Commission (CCC) on a rotational basis amongst the three states.

APSACC 2011 was the third conference held and was hosted by the CCC in Fremantle, Western Australia on 15–17 November 2011. The CMC was involved in the planning and organisation of the event with its sister agencies during the reporting period.

In accordance with the Host Agency Agreement for the 2011 APSACC Conference, any conference profit or shortfall from the conference is distributed equally between the three parties.

As at 30 June 2012, the conference accounts for APSACC 2011 have been finalised and audited by Grant Thornton Audit Pty Ltd. Based on the recommendations from 2011 conference report, it was agreed at balance date that the net conference surplus of \$130,760 will be retained as seed money to fund future conferences, rather than being distributed to the agencies. (Refer Note 3 and Note 10)

The ICAC will host the fourth Australian Public Sector Anti-Corruption Conference in Sydney in 2013.

Note 28: Events Occurring after Balance Date

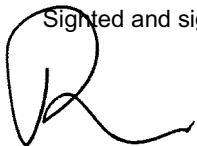
As a result of the upcoming State Budget expected to be announced on 11 September 2012, the Commission's funding may be affected. Measures will be introduced to ensure that the Commission continues its operations in accordance with the Commission's objectives within the approved budget.

Certificate of the Crime and Misconduct Commission

These general purpose financial statements have 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 2012 and of the financial position of the Commission at the end of that year.

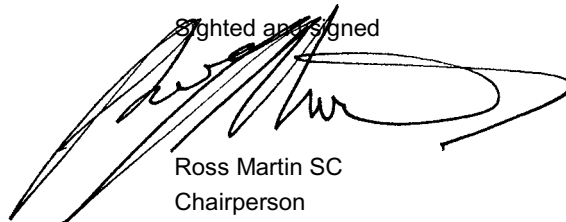
Sighted and signed



Radhika Munien CPA
Finance Manager

Date: 27 August 2012

Sighted and signed



Ross Martin SC
Chairperson

Date: 27 August 2012

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 2012, 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 gives a true and fair view and 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 Board [*or insert equivalent*], 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 be removed only 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 2011 to 30 June 2012 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 2012. 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.



A M GREAVES FCA FCPA
Auditor-General of Queensland



Appendix 1:

CMC Service Delivery Statement performance, 2007–08 to 2011–12

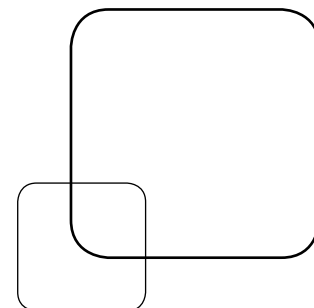


Table 16. Service Area: Crime fighting and prevention

Service standards and other measures (SDS)	2007–08	2008–09	2009–10	2010–11	2011–12
Percentage of tactical operations resulting in charges, restraints or seizures	100	100	95	96	95
Net value of criminal proceeds restrained (\$'000)	18 561	24 374	19 543	14 116	20 858
Net value of assets forfeited (\$'000)	4 675	3 304	5 568	9 325	7 007
Cost per \$1 million restrained (\$)¹	n/a	n/a	n/a	n/a	98 549
Cost per \$1 million forfeited (\$)¹	n/a	n/a	n/a	n/a	293 344
Percentage of coercive hearings that add value to major crime investigations¹	n/a	n/a	n/a	n/a	93
Number of tactical operations undertaken	35	29	43	28	26
Research and intelligence projects undertaken²	5	13	14	15	15
Number of criminal proceeds restraining orders obtained	78	78	97	44	64
Number of civil confiscation matters finalised	27	23	42	48	36
Expenses to achieve strategic objective in Crime Fighting and Prevention services	\$12.2m	\$14.0m	\$14.5m	\$16.4m	\$17.6m

1 New service standard in 2011–12.

2 Before 2011–12, this service standard was worded as 'Research, prevention and intelligence projects undertaken'.

Table 17. Service Area: Public sector integrity

Service standards (SDS)	2007–08	2008–09	2009–10	2010–11	2011–12
Percentage of agencies rated as managing their integrity systems to a satisfactory or better standard¹	n/a	n/a	n/a	n/a	100
Percentage of recommendations to agencies accepted²	n/a	n/a	n/a	n/a	96
Median days to finalise a review matter³	n/a	n/a	n/a	n/a	14
Percentage of investigations of police-related fatalities where Coroner has been satisfied with CMC's response⁴	n/a	n/a	n/a	n/a	n/a
Percentage of significant agency-managed complaints matters reviewed	n/a	n/a	n/a	15	18
Number of research, intelligence, capacity building, prevention and monitoring projects undertaken	41	42	31	27	31
Number of serious matters retained for CMC investigation:⁵	n/a	n/a	n/a	77	
• Queensland Police Service matters					23
• other agency matters					28
Percentage of investigated matters finalised within 12 months	76	71	90	60	79
Expenses to achieve strategic objective in Public Sector Integrity services	\$20.5m	\$23.5m	\$24.4m	\$27.6m	\$29.6m

1 New service standard in 2011–12.

2 In 2010–11, the CMC began measuring the percentage of recommendations to agencies not accepted, with a non-acceptance figure of 12 per cent being achieved. This service standard was reworded in 2011–12 to measure, instead, recommendations accepted.

3 Before 2011–12, this service standard measured the percentage of reviewed matters finalised within 4 weeks.

4 This service standard was introduced in 2011–12. Measure in 2011–12 was not possible. See pages 23 and 24.

5 From 2011–12, the CMC has recorded separately the matters retained relating to the Queensland Police Service and other public sector agencies.

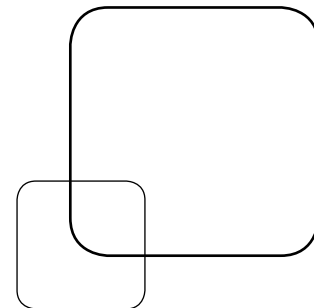
Table 18. Service Area: Witness protection

Service standards and other measures (SDS)	2007-08	2008-09	2009-10	2010-11	2011-12
Percentage of protected persons whose safety is maintained ¹	n/a	100	100	100	100
Number of persons admitted to witness protection program	42	51	46	51	39
Applications for witness protection assessed (persons)	96	104	135	114	90
Percentage of eligible persons offered interim protection within two days	92	100	95	100	98
Expenses to achieve strategic objective in Witness Protection services	\$4.4m	\$5.0m	\$5.2m	\$5.9m	\$6.3m

1 Before 2011-12, this service standard was worded as 'Percentage of protected persons whose safety is not compromised'.

Appendix 2:

Executive Leadership Group



Current members and their responsibilities on other internal and external committees

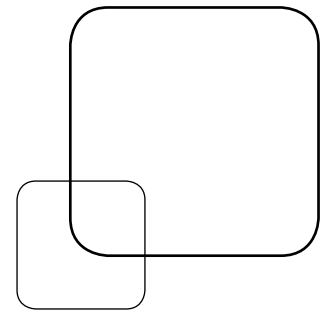
Executive member	Committee membership	Responsibility
Mr Ross Martin SC Chairperson	Commission Audit Committee Budget Management Committee Crime Reference Committee Crime Operations Review Committee Information Steering Committee Misconduct Operations Review Committee Integrity Committee Police Education Advisory Council Justice Statutory Authority Group	Chair ex officio Chair member member member member member member member
Ms Kathleen Florian BA, LLB (Hons) Assistant Commissioner, Crime	Commission Budget Management Committee Crime Reference Committee Crime Intelligence Et Research Review Committee Crime Operations Review Committee High Risk Project Management Group Information Steering Committee NAIDOC Committee Prostitution Licensing Authority Queensland Joint Management Group	ex officio member Chair Chair Chair member member member Statutory member member
Mr Warren Strange LLM, LLB, BSc Assistant Commissioner, Misconduct	Commission Budget Management Committee High Risk Project Management Group Information Steering Committee Misconduct Assessment Committee Misconduct Operations Review Committee	ex officio member member member Chair Chair
Ms Edith Mendelle BA (Hons), MBA Executive General Manager	Commission Audit Committee Budget Management Committee Business Continuity Committee High Risk Project Management Group Information Steering Committee Risk Management Committee Workplace Health Et Safety Committee Witness Protection Advisory Committee	ex officio ex officio member Chair Chair Chair member Chair member
Ms Michelle McKay BHSc	Commission Risk Management Committee	ex officio member

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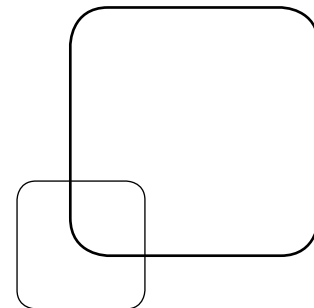
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Abbreviations

AACF	Australian Anti-Corruption Commissions Forum
ACC	Australian Crime Commission
ACLEI	Australian Commission for Law Enforcement Integrity
ACP	Achievement and Capability Planning
AM	Member of the Order of Australia
ANCOR	Australian National Child Offender Register
AO	Officer of the Order of Australia
APSACC	Australian Public Sector Anti-Corruption Conference
AWPC	Australasian Witness Protection Conference
AUSTRAC	Australian Transaction Reports and Analysis Centre
BIP	Building Integrity Program
CFO	Chief Finance Officer
CM Act	<i>Crime and Misconduct Act 2001</i>
CMC	Crime and Misconduct Commission
CPCA	<i>Criminal Proceeds Confiscation Act 2002</i>
DJAG	Department of Justice and Attorney-General
ELG	Executive Leadership Group
ESU	Ethical Standards Unit
GHB	gamma-hydroxybutyrate
GOC	government-owned corporation
JAC	Joint Assessment Committee
LGAQ	Local Government Association of Queensland
MOU	Memorandum of Understanding
NSW	New South Wales
OMCG	outlaw motorcycle gang
PCMC	Parliamentary Crime and Misconduct Committee
PID Act	<i>Public Interest Disclosure Act 2010</i>
PSAA	<i>Public Service Administration Act 1990</i>
QC	Queen's Counsel
QCAT	Queensland Civil and Administrative Tribunal
QPS	Queensland Police Service
RFD	Reserve Force Decoration
SC	Senior Counsel
SOE	standard operating environment
Vic	Victoria
WA	Western Australia
WHS	workplace health and safety

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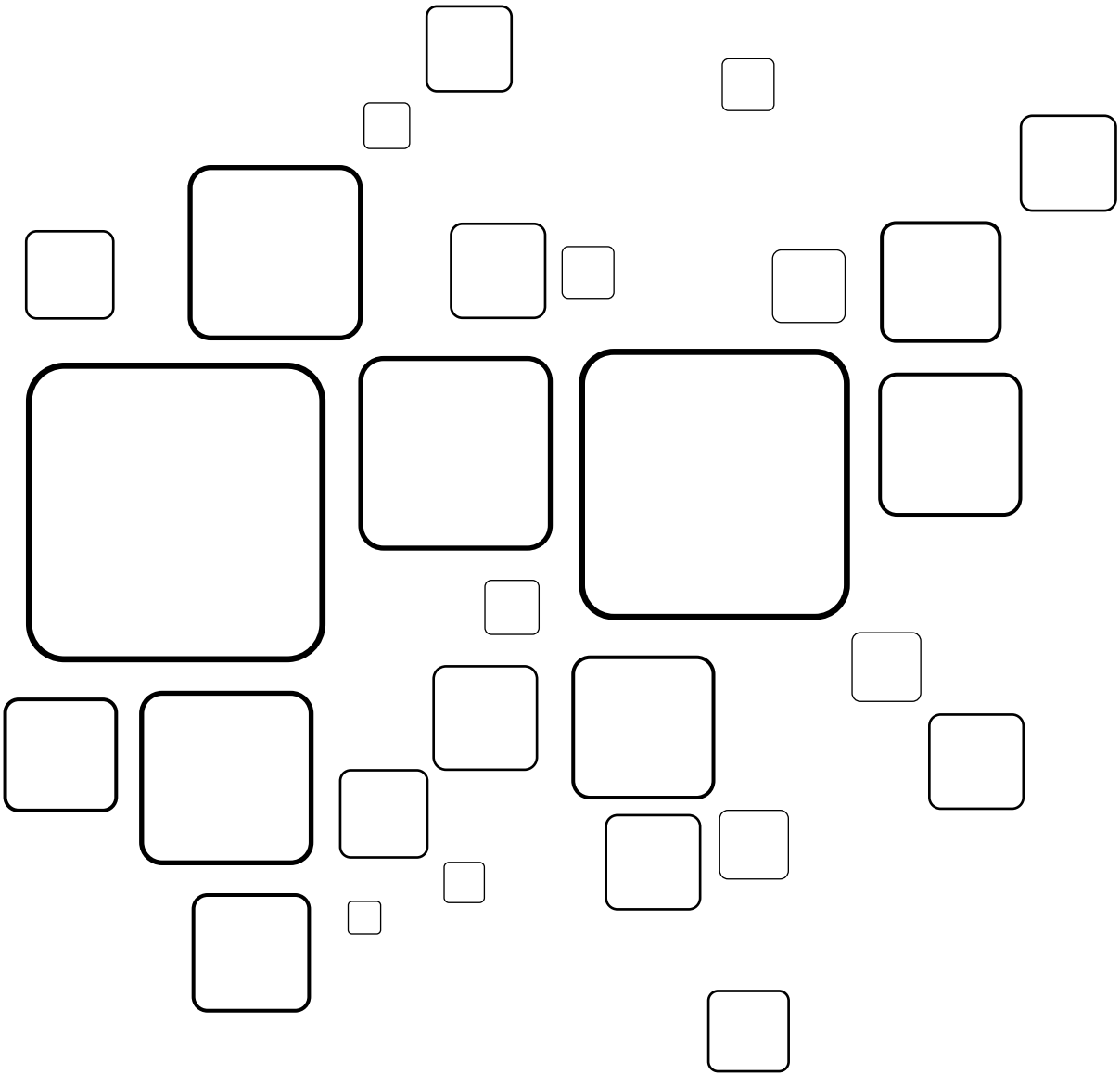
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