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CRIME AND  
MISCONDUCT  
COMMISSION



QUEENSLAND

## About this report

This Annual Report reviews the activities and achievements of the Crime and Misconduct Commission for the 2012–13 financial year against the strategic objectives set out in its *2012–16 Strategic Plan*, available at [www.cmc.qld.gov.au/strategicplan](http://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*.

This report (2012–13), 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](http://www.cmc.qld.gov.au/annualreport) or through the Queensland Government Open Data website [www.qld.gov.au/data](http://www.qld.gov.au/data).

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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](http://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 2013

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 2012–13* and financial statements for the Crime and Misconduct Commission.

We certify that this annual report complies with:

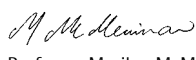
- the prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, and
- the detailed requirements set out in the *Annual report requirements for Queensland Government agencies*.

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

Yours sincerely

  
Dr Ken Levy  
Acting Chairperson

  
Philip Nase  
Commissioner

  
Professor Marilyn McMeniman AM  
Commissioner

  
George Fox  
Commissioner

# 2012–13 Performance highlights

Restrained criminal assets to the value of \$17.1m, with \$16.98m forfeited to the State

201 days of hearings held to progress major crime investigations across Queensland

13 criminal paedophilia investigations finalised, resulting in 744 charges against 13 persons

High-threat heroin distribution network closed down, resulting in 193 charges against 29 persons

87 serious official misconduct investigations finalised, resulting in 48 charges against 7 people

128 disciplinary recommendations made as a result of CMC serious misconduct investigations

116 prevention recommendations made to address systemic issues identified by misconduct investigations

All witnesses in the CMC's witness protection program kept safe and able to give their evidence in court

# About the CMC

## Our vision

That the CMC make a unique contribution to protecting Queenslanders from crime and to 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

## 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
- 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 unique powers to gather vital evidence and information 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.

## Our services

The CMC delivers its services to Queenslanders through a range of investigative, law enforcement, prevention and witness protection activities.

Our services also support the Queensland Government's objectives for the community, specifically to revitalise frontline services and restore accountability in government.

### 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 that they and their employees receive clear, consistent and practical advice about integrity issues and misconduct prevention.

### Protecting witnesses

We provide protection for eligible people who are 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 crime.

### In support of our services

The CMC undertakes a number of research activities focusing on major crime, corruption and police misconduct, police powers, continuous improvement of the police service, and the administration of the criminal justice system. Our intelligence collection priorities shape our operational work and the information we share with law enforcement agencies, government and the community.

## Our operating environment

This year saw a major review of our founding legislation along with a Parliamentary Inquiry into the release and destruction of sensitive historical documents. Both events presented significant challenges. However, they have also provided an opportunity for the CMC to evaluate its internal processes in order to build a stronger culture of corporate accountability.

In March 2013, the CMC's recordkeeping and governance practices came under scrutiny when it was revealed that some historical records from the Fitzgerald Inquiry were inappropriately accessible to the public, and that others had been incorrectly destroyed. In response, the CMC undertook an audit of its recordkeeping systems, and initiated a number of projects to address recommendations from the Parliamentary Inquiry. The CMC has now implemented a rigorous program to review its information management functions and deliver targeted training on matters of risk and compliance to all staff. As the very nature of our work requires management of complex and sensitive information, the CMC is committed to ensuring that the right people with the right qualifications and experience are making decisions across all levels of the organisation.

In April 2013, the Independent Advisory Panel reviewing the Crime and Misconduct Act made a number of recommendations aimed at strengthening the CMC's major crime and misconduct functions. If fully implemented, these recommendations will impact substantially on how we do business, particularly in relation to managing complaints and misconduct matters.

The Attorney-General has given responsibility for managing intersecting recommendations from both reviews to the Implementation Panel that is progressing outcomes from the review of the Crime and Misconduct Act.

The implementation of all accepted recommendations is expected to be finalised by March 2014.

## Our resources

Our total revenue for 2012–13 was \$50.88m (our main source of revenue is the operating grant received from the Queensland Government). (See pages 66–110 for more detail.)

As at 30 June 2013, the CMC had 303 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.

In 2012–13 the CMC implemented a new resourcing model for sustainable staffing. As a consequence of this initiative, 28 permanent positions were disestablished and a number of temporary contracts were not renewed (see page 61).

## 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 CMC activity and deals with complaints against it. The CMC provides budgetary information to the Department of Justice and Attorney-General and two half-yearly performance reports to the Minister.

Further information on our accountability to external bodies is detailed in the Governance section of this report (see pages 57–9).

## Our main stakeholders

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.

### Queensland

All members of the Queensland public

**State legislature:** Parliament, government, Minister, Parliamentary Commissioner, Parliamentary Crime and Misconduct Committee, Public Interest Monitor

**Public sector agencies:** state government departments, QPS, local governments, universities, prisons, courts, tribunals, state politicians, government-owned corporations

**Peer agencies:** Office of the Director of Public Prosecutions (ODPP), The Public Trustee, Queensland Ombudsman, Queensland Audit Office, Privacy Commissioner, Integrity Commissioner, Public Service Commission, Health Quality and Complaints Commission

### Australia-wide

**Peer agencies:** Australian Crime Commission (ACC), Australian Commission for Law Enforcement Integrity (ACLEI), New South Wales Crime Commission, Independent Commission Against Corruption (NSW), Police Integrity Commission (NSW), Independent Broad-based Anti-corruption Commission (Vic), Office of Police Integrity (Vic), Integrity Commission (Tas), Corruption and Crime Commission (WA), and other state and national law enforcement agencies

## Our 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 2013–14:

- Gain maximum impact from proceeds of crime activity, consistent with available resources.
- Target and prevent major crime in our highest-threat illicit drug market.
- Respond to changes to the police complaints, discipline and misconduct system and other external initiatives, including the recommendations from the

PCMC Inquiry Report No. 90 of April 2013 and government-approved recommendations from the report of 28 March 2013 prepared by the Independent Advisory Panel reviewing the *Crime and Misconduct Act 2001*.

Achieving these priorities will involve targeted intelligence and research input. These efforts are detailed in the Crime and Misconduct chapters of this report.

# Chairperson's report

In the past financial year, a number of events have challenged the Crime and Misconduct Commission — in particular, an external review of the Crime and Misconduct Act by the Honourable Ian Callinan AC, QC and Professor Nicholas Aroney, and the Parliamentary Crime and Misconduct Committee's Inquiry into the release and destruction of Fitzgerald Inquiry documents. Both of these recommended that some areas and operations within the CMC needed re-examination and renewal. To that end, the government appointed an Implementation Panel comprising the Director-General of the Department of the Justice and Attorney-General (Chair), the Director-General of the Department of the Premier and Cabinet, the Public Service Commissioner and myself to review those recommendations and suggest an optimal implementation plan. That process is now well under way.

The Commission's objective as an independent, government-funded organisation is to combat and neutralise, as far as possible, major crime in the community and serious breaches of integrity in units of public administration. It has a collection of functions unique among integrity bodies in Australia and uses multidisciplinary teams comprising police, civilian investigators, legal practitioners and forensic financial professionals. The government has indicated that it does not intend to disturb this unique functional mix, which, I think, is a soundly based decision. Queensland will therefore remain as the one major Australian jurisdiction whose integrity body is responsible for investigating major crime and corruption with special evidence-gathering powers, and where it also has oversight of police integrity.

It is important that the challenges presently faced by the CMC do not overshadow the important work performed by the Commission in its daily functions. In 2012–13, the Commission undertook 37 crime operations and 63 misconduct investigations. Our Crime staff tackled some of the most pernicious offences set out in the Criminal Code of Queensland, including those relating to the enticement of children — mainly by use of the internet — by sexual predators. I am impressed by the results achieved by police officers and other staff involved in investigation, intelligence and support work. Their professionalism, including the continual updating of their skills to be able to be at the forefront of crime fighting, is evidence of their dedication in the conduct of these operations.

In relation to misconduct, the 2012–13 financial year saw the successful prosecution of a major fraud involving almost \$17 million in the Queensland Department of Health.

The combined efforts of officers of the Commission, the Queensland Police Service, the Queensland Audit Office and the Department of Health resulted in the arrest and conviction of an employee of Queensland Health, Mr Joel Morehu-Barlow. This case has drawn attention to the importance of fundamental accounting controls and the exercise of managerial oversight in the public sector. It also raised fundamental issues for government, and the public sector generally, about the values inherent in "serving the public" — that public servants must discharge their responsibilities in the best interests of the community — as well as highlighting the importance of diligence in the governance of public sector organisations.

## The path ahead

It has become clear that the overall expectations of the Commission, as well as some of its processes and standards, must now be redeveloped. From the work currently being progressed by the Implementation Panel and the Commission's own officers, it can be confidently anticipated that the Commission will be in a very different state by the end of the next financial year in the way it focuses on more serious corruption in units of public administration, particularly in its response and throughput times. The work it does in attacking organised and serious crime is well regarded by other jurisdictions and will continue unabated.

I thank the Implementation Panel and the senior officers of the organisations involved for their efforts. I also thank the Commissioners and the staff for their professionalism over the past year and for their cooperation during this current period of change. They remain positive about their ability to continue making a highly professional contribution to making Queensland a safer place. So do I.

I have been privileged to be associated with the work of the Commission in all its challenges and successes. I commend this Annual Report as an accurate account of the substantive work of the Commission in the 2012–13 financial year.



Dr Ken Levy  
Acting Chairperson

# Our performance against the 2012–16 Strategic Plan

The objectives, strategies and indicators of performance are drawn from the *Crime and Misconduct Commission 2012–16 Strategic Plan*. Some outcomes relate to service standards published in the *State Budget Service Delivery Statements (SDS)*.

Objective	Desired performance result	Outcome		Notes
Reduced impact of major crime in Queensland  pages 8–20	Targeted major crime in Queensland is disrupted and/or prevented	100% of targeted criminal entities were disrupted as a result of CMC crime investigations	▲	
		37 tactical operations were undertaken	▲	
		100% of coercive hearings added value to major crime investigations	▲	
	Our partners are demonstrably engaged in all we do	Delivered a significant report on emerging internet technology-enabled crime to law enforcement agencies	▲	
		Contributed to 10 law enforcement and policy forums	▲	
	Our proceeds of crime function helps disrupt and prevent criminal activity	Net value of criminal proceeds restrained was \$17.1m	■	
		Net value of assets forfeited was \$16.98m	▲	1
		Recurrent funding source identified to support increased proceeds of crime capacity	■	2
		Finalised 28 civil confiscation matters	▼	3
		Obtained 48 criminal proceeds restraining orders	▼	4
A trustworthy public sector  pages 21–36	Agencies responsibly manage their own effective integrity systems	100% of agencies were rated as managing their integrity systems to a satisfactory or better standard	▲	
	Serious misconduct and systemic issues are exposed in a timely manner through our own investigations	Retained 47 serious matters for CMC investigation	■	
		78% of investigated matters finalised within 12 months	■	
		A median of 13 days taken to finalise a review matter	▲	
		Commenced 16 cooperative investigations	▼	5
	Our recommendations for action and reform are accepted	95% of recommendations to agencies accepted	▲	
		Completed a risk assessment of the local government sector and implemented recommendations to manage identified risks	■	6
An effective witness protection service  pages 37–40	Safety of protected witnesses is maintained	Maintained 100% safety of protected witnesses	▲	
		42 persons admitted to the witness protection program	■	7
	Best practice services are provided	100% of eligible persons offered interim witness protection within two days	▲	
		100% of protected persons met court commitments	▲	

▲ On track: Target achieved or exceeded.

■ Slight variance: Target not achieved. Up to 10 per cent below target (for numerical measures). A variance is also noted in instances where performance information is not available in the 2012–13 reporting period.

▼ Significant variance: Target not achieved. Greater than 10 per cent below target (for numerical measures).

Objective	Desired performance result	Outcome		Notes
A high-performing organisation that communicates effectively  pages 41–63	Public confidence in our organisation is strengthened	While public reports from the PCMC Inquiry and the review of the Crime and Misconduct Act contained criticism of the CMC, the impact of these criticisms has not yet been measured	■	8
	Culturally appropriate services are delivered to Indigenous people	Activities of CMC Indigenous Engagement Action Plan implemented	■	9
	Our public policy recommendations are accepted by government	Thirteen recommendations for reform submitted for government consideration	■	10
	We have the capacity to respond to changes in our operating environment at short notice	Provided responses to the Independent Advisory Panel reviewing the Crime and Misconduct Act while continuing to meet operational demands	▲	
		Initiated a major review of policies, delegations and records management systems in response to a Parliamentary Inquiry	▲	
		High-risk projects reported to and monitored by the Commission	▲	
	We exhibit best practice ethical decision making	Implemented a new Human Research Ethics framework	▲	11
		Cultural awareness workshops and mandatory training on the CMC Code of Conduct provided to staff	▲	
	Result-oriented interactions between work units demonstrate a collegial work environment	Commission-wide data management review project completed	▲	
		Intranet content continuously reviewed	▲	
		Project management practices across the organisation audited	▲	

1. A forfeiture order obtained in the Morehu-Barlow matter is valued at \$11.880m.
2. Limited progress was made in 2012–13 with the allocation of internal funding for two permanent financial investigator positions.
3. In 2012–13 there was a 27% reduction in referrals compared with 2011–12. Twenty-eight civil confiscation matters were finalised during the year against a target of 40.
4. During the year a smaller than anticipated number of matters were resolved due to resource-intensive trials or protracted settlement negotiations. Forty-eight restraining orders were obtained against a target of 75.
5. There was a reduction in joint agency investigations commenced in 2012–13; 16 were commenced against a target of 20. This was caused by a decision to only enter into cooperative investigations where the CMC would be the lead agency, which was aimed at improving the timeliness and outcomes of cooperative investigations.
6. In 2012–13 the risk assessment of the local government sector was completed. We addressed recommendations that focused specifically on the analysis of complaints data and how best to use our existing database to identify areas of highest risk. Due to the outcomes of external reviews (including uncertainty over the continuation of the CMC's broader prevention role) other recommendations were not progressed.
7. The witness protection program is a voluntary program whereby persons offered admission can accept or reject any offer of protection. Forty-two persons were admitted into the witness protection program this year against a target of 50.
8. The CMC's planned public attitudes survey was deferred, but government representatives, including the Premier, have made public announcements confirming the need for a strong and effective CMC.
9. Activities in the action plan listed for completion in 2012–13 have been completed, apart from those impacted upon by budgetary or external review constraints. Some activities are longer term in nature and will be reviewed annually.
10. In 2012–13, two reports with a total of 13 recommendations were tabled in Parliament: *Indigenous people in policing roles: a follow-up review to the Restoring order report* (September 2012); *Multiple and prolonged Taser deployments* (June 2013). The government is yet to respond to the recommendations made in these reports (see pages 30–31).
11. In 2013–14, the continued implementation of PCMC Inquiry recommendations, including targeted staff training, will further improve our governance and decision-making practices.

# Reduced impact of major crime

This year CMC crime achievements centred on the fight against drugs, the protection of those who are vulnerable to harm or exploitation, and the return of money to the State that would otherwise be in the hands of criminals.

## Achievements

- A multi-agency organised crime investigation led by the CMC resulted in the dismantling of a high-threat heroin distribution network, including the arrest of 29 people on 193 charges; seizure of 2 kg of heroin, 2 kg of amphetamine and 3 heroin presses; and recovery of stolen and tainted property amounting to \$341 000 (see page 12).
- The CMC helped protect Queensland children from online or networked criminal paedophiles, charging 13 offenders with 744 charges; 2 child sex offenders were sentenced to terms of imprisonment of 5 and 6 years respectively, having been charged by the CMC for the first time in Queensland with a new Commonwealth offence of aggravated networking, with charges pending against two others (see pages 15–16).
- Three investigations have commenced into the suspected murders of or serious harm to babies under our new general referral that enables us to investigate homicide and other serious violence involving children or other vulnerable victims (see page 11).
- Recovery action on the Morehu-Barlow fraud resulted in \$16.690m under proceeds of crime orders and \$11.880m being returned to the State (see page 15).
- We held an unprecedented 201 days of investigative hearings in support of 28 QPS and CMC major crime investigations, including murders, armed robberies, OMCG activity and drug trafficking (see pages 16–18).

### Operation Lightning

29 persons on  
193 charges  
2 kg of heroin  
2 kg of  
amphetamine  
3 heroin presses  
\$341 000 of  
recovered property

### Proceeds of crime

\$17.091m property  
restrained  
\$16.983m property  
forfeited

### Criminal paedophilia

13 offenders  
744 charges

### Investigative hearings

201 days of  
investigative  
hearings  
28 QPS and CMC  
major crime  
investigations

## Challenges

- An expanding workload resulting from the need to integrate new confiscation regimes targeting unexplained wealth and serious drug offenders into our current proceeds of crime recovery framework.
- Keeping pace with the exploitation of technologies by organised crime networks.

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## Performance summary

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### Our role and jurisdiction

The CMC is a specialist law enforcement agency targeting niche areas of major crime of the highest threat to the community. Our goal is to make Queensland as hostile an environment as possible to major crime, and to reduce its potential impact on the community. Our contribution to the overall law enforcement effort in Queensland is made through our mix of unique powers and specialist resources in investigations, proceeds of crime recovery, strategic intelligence and research. The CMC operates in a framework of strict legal compliance, and a high level of accountability attaches to the use of our special powers.

The components of our major crime role are:

- organised crime (see page 11)
- proceeds of crime (see page 14)
- criminal paedophilia (see page 15)
- major crime hearings (see page 16)
- terrorism (see page 19)
- crime prevention (see page 20).

### Reducing the impact of crime: 2012–13

The 2012–13 reporting period saw the CMC invest its resources in several first-time areas, while continuing to pursue ongoing investigations and longer term strategies in crime fighting and prevention.

As a specialised law enforcement agency, the CMC has to choose the areas where it can operate most effectively and efficiently. To this end, intelligence and research helped us identify persons and areas of interest for maximum impact. This year we sharpened our focus on the highest-threat illicit drug market and technology-enabled developments in organised crime. We shared information with the QPS and Commonwealth law enforcement agencies (LEAs) on current and emerging issues to inform investigations, crime prevention initiatives and policy development.

This year we undertook our first joint investigation with the QPS Fraud and Corporate Crime Group, and broke up a million-dollar loan scam based on identity fraud and forgery, involving several banks and financial institutions (see page 12). Also, four child sex offenders were charged with or convicted of the Commonwealth aggravated networking offence introduced in 2010.

In another new direction, we have begun investigating and sharing information about crimes against some of the most vulnerable people in society — children, the elderly and the disabled — through investigations, use of our hearings power and a new research program. We have commenced 3 investigations, held 12 hearing days, and published a research paper on child homicide by parents.

The nature of the criminal justice system means that matters continue well beyond the closure of a tactical operation. This year Operations Warrior, Rebel and Storm — all begun between 2009 and 2012 — were still impacting the criminal milieu, with offenders appearing in court and being sentenced as a result of those operations.

The CMC held more hearings into major crime this year than ever before — a total of 201 days in relation to 28 major crime investigations, representing a 38 per cent increase in the delivery of this service since 2011–12. Significant results were also obtained in relation to “cold cases” of suspected homicides, including those of two nurses at Murphy’s Creek and the deaths of two women on the Atherton Tableland. Both of these matters have now progressed into the courts. Read more about our hearings on pages 16–18.

Although some legal challenges were made to the exercise of our hearings power, the courts held that we had exercised the power appropriately (see page 19).

## Key performance indicators

The following overview assesses our performance against the 2012–16 Strategic Plan and the service standards and other measures and targets identified in the CMC 2012–13 Service Delivery Statement.

In 2012–13, the CMC generally met or exceeded its performance targets for the number and effectiveness of tactical operations, value-adding of hearings, and the number of research and intelligence projects undertaken (see Table 1).

We fell short of our targets in some of the proceeds of crime results. We obtained 48 criminal proceeds restraining orders, below the target of 75. Civil confiscation matters finalised were also below target (28 compared with a target of 40). These shortfalls were a result of protracted settlement

negotiations, continuing difficulties in matching staffing levels with workloads, and the loss of experienced staff. Targets were also affected by an unprecedented number of trials being set down during the year, as well as two appeals. However, the cost of operating the Proceeds of Crime team per \$1 million restrained and per \$1 million forfeited was less than the target cost. This means that the value of property being restrained and the value of property forfeited to the State is greater than the cost of running the team. Excluding the Morehu–Barlow matter for statistical purposes, the Proceeds of Crime team is currently returning a 166 per cent return on investment.

See Table 1 for more detailed information. Our performance can also be reviewed against results over the previous four years provided in Appendix 1, page 111.

**Table 1. Service Area: Crime fighting and prevention**

	2012–13 Target/est.	2012–13 Actual	2013–14 Target/est.
<b>Service standards (SDS)</b>			
Percentage of tactical operations resulting in charges, restraints or seizures <sup>1</sup>	95	100	95
Net value of criminal proceeds restrained (\$'000)	18 000	17 091	18 000
Net value of assets forfeited (\$'000) <sup>2</sup>	7 000	16 983	7 000
Cost per \$1 million restrained <sup>3</sup>	115 000	112 150	n/a
Cost per \$1 million forfeited <sup>3,4</sup>	295 000	112 859	n/a
Percentage of coercive hearings which add value to major crime investigations	95	100	95
<b>Other measures (SDS)</b>			
Number of tactical operations undertaken <sup>5</sup>	25	37	n/a
Number of research and intelligence projects undertaken <sup>5</sup>	17	17	n/a
Number of criminal proceeds restraining orders obtained <sup>5,6</sup>	75	48	n/a
Number of civil confiscation matters finalised <sup>5,7</sup>	40	28	n/a

The following notes 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. A forfeiture order obtained in the Morehu–Barlow matter is valued at \$11.880m.
3. This service standard will be discontinued in 2013–14 due to the enactment of the Unexplained Wealth and Declared Drug Trafficker provisions to be administered by the CMC. It will not be possible to accurately measure and isolate the costs of these new activities from the cost of Civil Confiscation Scheme restraints and forfeitures.
4. The increase in the value of forfeitures directly affects this measure. The cost per \$1 million decreases as forfeitures increase.
5. In 2013–14 this measure will be discontinued for Service Delivery Statement (SDS) reporting purposes. Performance information will be available in the CMC annual report.
6. There has been a 27 per cent reduction in QPS referrals compared with last year.
7. During the year a smaller than anticipated number of matters were resolved because of the need for resource-intensive trials, or protracted settlement negotiations.

## Combating major crime

The CMC undertook 37 tactical operations in 2012–13. From our operations across all areas of major crime, 56 persons were charged with 968 criminal offences, resulting from investigations commencing either this year or in previous years. The CMC also assisted the QPS to progress 24 separate major crime operations across the state. Forty-five intelligence disseminations were made to state, Commonwealth and foreign agencies.

Table 2 shows the results of CMC investigations from 2008–09 to 2012–13.

### Organised crime: targeting high-threat networks

The CMC focuses on investigating the criminal identities, networks and illicit commodity markets that are of greatest harm to Queenslanders, as identified by strategic intelligence, to dismantle or disrupt their activities. We invest our resources into longer term investigations undertaken by multidisciplinary teams comprising police officers, lawyers, financial investigators and intelligence analysts, and an evidentiary team. Our operations are often conducted jointly with other state and Commonwealth law enforcement agencies.

#### How crime matters come to the CMC

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

As a referral-based law enforcement agency, the CMC investigates major crime matters referred to it by its Crime Reference Committee. This 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.

#### New general referral for offences against vulnerable persons

This year, we sought and obtained from the Crime Reference Committee a new major crime general referral, targeting the victimisation of vulnerable people. This referral enables the CMC to act rapidly in response to QPS requests for hearings assistance in investigating suspected homicides and other life-endangering offences involving specific kinds of "vulnerable victims" (children aged under 16, persons aged over 70, and persons with a physical disability or a mental impairment). The referral covers suspected offences dating back to 1970, which allows the CMC to assist in progressing "cold cases" that remain open but unsolved.

For full details of our referrals, see  
[www.cmc.qld.gov.au/crime-referrals](http://www.cmc.qld.gov.au/crime-referrals).

**Table 2.** Results of investigations, 2008–09 to 2012–13

Results of investigations	2008–09	2009–10	2010–11	2011–12	2012–13
Arrests	120	101	38	76	56
Charges laid	544	455	330	396	968
Drugs seized — estimated street value	\$0.456m	\$4.5m	\$1.6m	\$1.544m	\$3.622m

## Operation Lightning strikes at the heart of a Balkan heroin network

This year saw the dismantling of a major and longstanding heroin distribution network operating within South-East Queensland. The investigation, codenamed Operation Lightning, also identified members of the network from NSW who were responsible for importing heroin. The 12-month investigation was led by the CMC and supported by the Queensland Police Service State Drug Investigation Unit and the New South Wales Police Drug Squad.

In total, 29 persons, all members of Balkan crime groups operating in both states, were arrested on 193 charges. Of those arrested, 17 persons reside in Queensland; 8 of these face drug trafficking charges and related offences. The operation also led to the seizure of almost 2 kg of heroin, 2 kg of amphetamine and 3 heroin presses as well as the recovery of stolen and tainted property to the value of \$341 000. It is believed that over the past 10 years this network transported approximately 30 kg of heroin (with an estimated street value of \$30m) into Queensland.

The investigation also identified a longstanding criminal identity involved in producing and distributing amphetamines.

The investigation has already seen some court outcomes, with two offenders having pleaded guilty to offences in February and March this year.

### Related criminal misconduct investigation

Operation Lightning also uncovered an alleged criminal association between a key organised crime target and an employee of a Queensland regional council. This led to a CMC misconduct investigation based on the initial intelligence gathered from the crime operation. Following the

investigation, a council employee was charged with drug and property-related offences along with offences relating to misconduct in public office. The crime target was also charged with procuring misconduct in public office.

### Identity fraud investigation

In August 2012, the QPS Fraud and Corporate Crime Group asked the CMC to jointly investigate a criminal network allegedly involved in fraudulently obtaining loans from banks and financial institutions. The loans were principally applied to the purchase of luxury motor vehicles from dealerships in Brisbane and on the Sunshine Coast.

In conjunction with the QPS (Operation Juliet Endorphin), our Organised Crime team identified organised criminal activity involving the theft of personal identification and the subsequent use of that identification to fraudulently obtain personal loans from financial institutions. The QPS seized equipment included a laminating machine, a computer scanner, a blank credit card embosser, laptop computers, blank Queensland Transport Department driver's licence documents, fake student cards and numerous forged or assumed identity documents.

The total value of the offences, which involved six financial institutions, was over \$1.1m. Approximately \$95 000 worth of assets were seized, and all vehicles relating to these offences were recovered. In December 2012, 9 persons were charged on a total of 87 offences.

## Intelligence activity underpins successful organised crime outcomes

Our intelligence capability represents a key element of our fight against organised crime. This work includes strategic assessment and reporting, target development and intelligence-related operational support.

The CMC's work in organised crime is largely shaped and directed by the activities of the Strategic Intelligence Unit (SIU). The SIU informs our understanding of organised crime markets and identifies the priority markets and syndicates of highest risk to Queensland. It then accesses information from a wide variety of sources to identify and assess potential tactical opportunities to ensure our organised crime resources are

focused in the most appropriate areas. The SIU also plays a principal role in the management of human sources by the CMC. The use of appropriate individuals as sources of intelligence and information is an essential strategy in the investigation of organised crime.

Our intelligence specialists also maintain an extensive liaison network with other local, interstate and overseas law enforcement and government agencies. This network supports the frequent exchange of information for law enforcement purposes. In 2012–13 we undertook 45 disseminations to a range of state, Commonwealth and foreign agencies.

## Operations Storm, Warrior and Rebel still putting offenders behind bars

In 2011–12, Operation Storm disrupted a multi-million-dollar drug distribution network operating between Sydney and South-East Queensland. The network was alleged to have distributed at least 20 kg of heroin with an estimated street value of \$25m. This year our Proceeds of Crime team restrained a principal target's interest in a range of assets including two Gold Coast properties, five cars and a boat, and 11 witnesses were examined in coercive hearings about their knowledge of and involvement in the drug network. Court proceedings are now pending.

Operation Warrior, CMC's landmark organised crime investigation, which targeted a large-scale organised drug distribution network based on the Gold Coast, continues to yield results. Although it was completed in 2010, a number of significant court outcomes were achieved this year. Operation Warrior targets have now been sentenced to a cumulative total of more than 100 years imprisonment.

Recent outcomes include:

- In May 2013, a high-level target of Operation Warrior, a 34-year-old man from Kangaroo Point, was sentenced to 13 years imprisonment, after being found guilty of 14 charges relating to the production and trafficking of dangerous drugs. He was first arrested in March 2010, when he was located in possession of methylamphetamine, MDMA tablets, GBL, and more than \$47 000 in cash. He was arrested again in August 2010 in possession of more than 3 kg of methylamphetamine.
- In August 2012, a 56-year-old man from Eight Mile Plains was sentenced to 9 years imprisonment on 8 charges of trafficking, supplying and possessing cannabis. Over a period of 5½ years the target made 177 return interstate trips and used couriers to transport substantial quantities of cannabis into Queensland for distribution. It was alleged he circulated approximately 2.5 tonnes of cannabis throughout Queensland and profited by at least \$900 000 from his trafficking activities.

- In July 2012, the principal target of Operation Warrior was sentenced to 14 years imprisonment for illicit drug offences after entering a plea of guilty on a total of 20 charges. They comprised 4 counts of trafficking in dangerous drugs – cannabis, methylamphetamine, MDMA ("ecstasy") and GHB ("fantasy") – and a further 16 drug-related charges, including the supply of dangerous drugs (MDMA and cocaine) and possession of dangerous drugs. The Court of Appeal has recently dismissed the target's appeal against this sentence.

This year also saw a target from Operation Rebel, an organised crime investigation commenced in 2010, sentenced to 4½ years imprisonment. The target was heavily engaged in the supply of methylamphetamine and fantasy to young persons in the Beenleigh–Logan area, and pleaded guilty to charges including trafficking dangerous drugs, receiving stolen property with a circumstance of aggravation, supplying a dangerous drug, and unlawful possession of a weapon.

Details of arrests and prosecution outcomes from Operations Storm and Warrior are on our website. See [www.cmc.qld.gov.au/crime-investigations](http://www.cmc.qld.gov.au/crime-investigations).

### Up-to-date reporting

The CMC is 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](http://www.cmc.qld.gov.au/crimeupdates).

## Proceeds of crime

Our proceeds of crime activity enables the recovery of illegal gains by criminals for the benefit of the people of Queensland. Confiscation also deters and prevents crime by attacking its profitability and removing funding for further criminal activity. Most proceeds of crime activity begins after a suspect has been charged – the team will move to restrain the illegally derived property of targets with a view to its ultimate forfeiture to the State.

The CMC works in partnership with the Queensland Police Service and the Director of Public Prosecutions in identifying and litigating proceeds of crime matters. It also deals extensively with the Public Trustee of Queensland, who is responsible for managing restrained property.

In 2012–13, \$17.091m in assets were restrained and \$16.983m in assets were forfeited. In addition, we obtained two proceeds assessment orders totalling \$16.759m. Although the annual target for restraints for this financial year of \$18m was not achieved, our target for forfeitures of \$7m was greatly exceeded. This was due to the forfeiture order granted in the Morehu-Barlow matter, which resulted in property to the value of \$11.880m being forfeited to the State (see Table 1, page 10 and Figures 1 and 2).

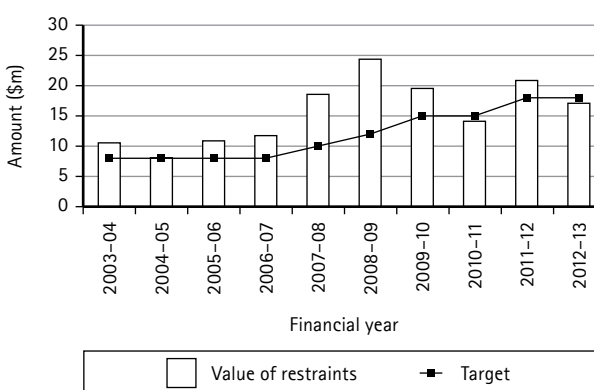
We fell short in the number of restraining orders obtained (48 against a target of 75) and the number of civil confiscation matters finalised (28 against a target of 40). Our performance here was affected by a high turnover of staff during the financial year and the resulting diversion of resources to train new employees (see discussion below on resourcing). Further, there was a 27 per cent reduction in requests by the QPS for confiscation assistance in comparison with the previous year. Five trials totalling 14 days and involving intensive pre-trial preparation (including the Morehu-Barlow matter) also limited our ability to commence new matters or to finalise other matters.

Currently, the Proceeds of Crime team is litigating 88 matters involving restrained property valued at \$64.916m.

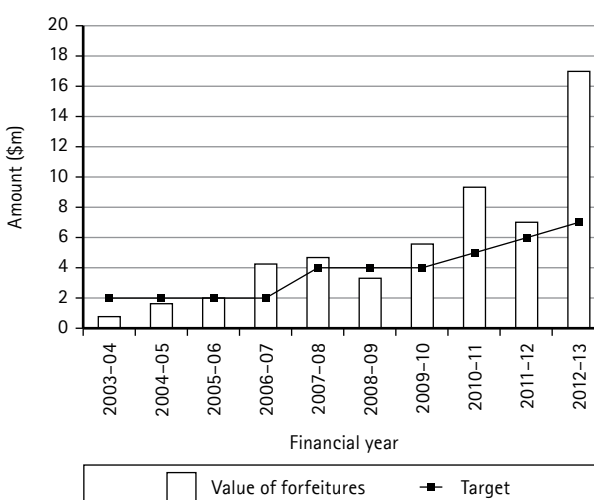
Recent amendments to the *Criminal Proceeds Confiscation Act 2002* will introduce new confiscation regimes targeting unexplained wealth and serious drug offenders. We will seek to integrate these regimes into our current proceeds of crime recovery framework.

The CMC's Proceeds of Crime team faces an ongoing challenge in attracting and retaining experienced staff to meet its current workload of matters and deal with new requests for confiscation assistance. In attempting to meet these challenges, we have converted two temporary positions to recurrent positions to increase the team's capacity. We will continue to explore other ways to build our capacity to meet current and future demands.

**Figure 1.** Estimated net value of criminal proceeds restrained (target compared with actual), 2003–04 to 2012–13



**Figure 2.** Net value of assets forfeited (target compared with actual), 2003–04 to 2012–13



## Morehu-Barlow update

In June 2013, the CMC, in conjunction with the Office of the Director of Public Prosecutions and the Public Trustee of Queensland, was successful in obtaining court orders in the confiscation proceedings against Hohepa Morehu-Barlow, which has resulted in property to the value of \$11.880m being forfeited to the State. The State was also awarded a proceeds assessment order in the amount of \$16.690m, being the amount of the fraud Mr Morehu-Barlow committed against Queensland Health, plus an additional amount of \$3.368m which represents the interest owed on the money fraudulently obtained.

### 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 this 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.

Recent amendments to the CPCA create additional confiscation schemes relating to unexplained wealth and serious drug offenders, for which the CMC will also be responsible.

### Proceeds of crime results since 2002

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

- \$162.934m in assets restrained
- \$55.519m in assets forfeited.

## Criminal paedophilia: focusing on online threats to children

To add value to the overall law enforcement effort against paedophilia and prevent child sex offending, the CMC Cerberus Team targets internet-based offending and networked or recidivist extra-familial offending. The CMC 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. We place particular priority on disseminating any information uncovered by our investigations to other jurisdictions worldwide, with the aim of identifying offenders in advance of any contact offending with children.

Our Forensic Computing Unit examines any computer seized during investigations. In this way, additional charges, often numbering in the hundreds, may be able to be laid against suspects.

In 2012–13, 13 persons were charged with 744 offences relating to the possession, production or transmission via the internet of child exploitation material. Since the CMC was established in 2002, its criminal paedophilia investigations have resulted in 173 offenders being charged with a total of 3914 offences.

### Blue card holder identified as distributor of child exploitation material

In November 2012, a joint CMC and QPS Task Force Argos investigation identified an offender in the Wide Bay-Burnett area using a Peer to Peer (P2P) program to share child exploitation material with a closed group of contacts. The suspect was a current "blue card" holder who had access to children via a martial arts academy. A search of the suspect's house located computers, hard drives and storage devices containing child exploitation material, and the offender was arrested.

Subsequent forensic investigations revealed that the offender was sharing with a group of contacts in Russia, Germany and Spain, and creating hand-drawn sketches of child sex images ordered by email and sent to users on demand.

In May 2013 the offender was further charged with 557 child sex offences, including 2 Commonwealth aggravated networking offences, and the making and distribution of child exploitation material. Information has been forwarded to international law enforcement agencies for ongoing investigation.

“”

*“Society owes a great debt to investigators who involve themselves in this kind of investigation, particularly, as I have observed some of the extremely distressing material that they must come across every day.”*

Sentencing remarks of Justice Atkinson, Brisbane Supreme Court, in the sentencing of a child sex offender in March 2013

### Offenders from past CMC investigations sentenced to substantial jail terms

Two offenders identified and charged in the previous reporting year were sentenced to 5 and 6 years imprisonment respectively.

- The first, a 38-year-old recidivist child sex offender who was arrested in February 2011, came to the attention of the CMC by using the State Library of Queensland's free WI-FI connection to share child exploitation material. The man, who was on the Australian National Child Offender Register (ANCOR), had posed as a 13-year-old boy in a bid to groom victims on social networking sites, ultimately persuading a 12-year-old girl to provide naked images of herself. Between December 2010 and February 2011, the man accessed approximately 1150 child exploitation images and videos and shared up to 40 child exploitation files with a network of other paedophiles. Appearing before Brisbane's Supreme Court in March 2013, the man pleaded guilty to 5 charges and was sentenced to 5 years imprisonment.
- The second, a 27-year-old man with close ties to local community youth groups, used an internet chat forum to groom a 13-year-old boy for contact sex offences. He was arrested in February 2012 and was charged with possessing almost 3800 child exploitation images and videos. He had shared more than 1450 images and videos with up to 94 contacts in an online paedophile network between November 2011 and February 2012. In the same period he transmitted more than 850 child exploitation files via two internet messaging programs. Appearing before Brisbane's Supreme Court in March 2013, the man pleaded guilty to 8 charges and was sentenced to 6 years imprisonment.

## Major Crime hearings: getting results

Our coercive hearings are used to gather information and evidence not available by other investigative means. Our hearings powers are most often used in relation to serious crimes such as murder, arson or rape, or in the course of organised crime investigations of networks involved in drug trafficking, armed robberies or weapons-related activity. The CMC holds hearings across the state to ensure that regional QPS investigations receive a similar level of support to those in metropolitan areas.

### Hearings held in 2012–13

This year we achieved record results in relation to our hearings work, owing to continuing demand by the QPS for hearings in support of its investigations, and our ability for much of the year to make two presiding officers available, enabling frequent concurrent hearings.

Our hearings team conducted an unprecedented 201 days of hearings in relation to 28 major crime investigations. This represents a 38 per cent increase in the delivery of our hearings service since 2011–12. Hearings were held in Brisbane, Bundaberg, Gympie, Mackay, Cairns and Chinchilla. All of our finalised hearings programs during 2012–13 were formally assessed by our QPS stakeholders as adding value to the major crime investigation in question, exceeding our current annual target of 95 per cent.

Our hearings spanned the areas of serious crime, organised crime and criminal paedophilia and included the following matters:

- 13 homicide investigations (including two suspected baby murders)
- the doing of grievous bodily harm to a baby
- 2 OMCG-related investigations (one of which also involved a murder)
- 5 armed robbery or weapons-related investigations
- 4 drug trafficking investigations
- a criminal paedophilia investigation.

### **Two persons arrested for murder on rural property**

In July 2012, the QPS commenced a murder investigation after receiving a report that a man had been shot on a remote rural property. The investigation was hindered by the absence of a body or murder weapon and by limited eyewitness evidence. In September 2012 the investigation was referred to the CMC and hearings were held over two consecutive weeks in October in both Cairns and Brisbane, including concurrent hearings held in both cities at the same time. In late October two persons were charged with murder. The matter remains before the courts.

### **Third person charged in "cold case" murder**

In September 2012, a man and a woman were committed to the Supreme Court to stand trial for a murder committed at the Gold Coast in 2001 but which did not come to light until the skeletal remains of the deceased were uncovered by flooding in the hinterland in 2008. The CMC conducted hearings into this case over a period of 35 days between August 2011 and July 2012. In September 2012, after CMC hearings in Brisbane and Bundaberg, a second man was charged with the murder.

### **Witness to OMCG-related murder pleads guilty to perjury charges**

A 22-year-old man pleaded guilty in the Brisbane District Court to two counts of perjury arising from false evidence given by him at a CMC hearing in June 2012. The investigation, conducted under our Hydra OMCG general referral, concerned the fatal shooting of a young man at a Brisbane shopping centre in April 2012 (see last year's report for further details). The witness, who had links to an OMCG, falsely swore that he was not an occupant of the motor vehicle from which the fatal shot was fired, and that he was not the owner of a mobile phone used to arrange a drug deal with the deceased man. The man was sentenced to 27 months imprisonment.

The investigation is continuing.

### **"Peeping Tom" criminal paedophilia investigation**

A CMC hearing held in February 2013 was successful in securing an admission from a male suspect in relation to spying on a sleeping girl. The evidence enabled police to identify the victim and lay additional charges in the case.

The man from the South Burnett had already been charged in September 2012 by QPS Task Force Argos with four offences in relation to the possession and distribution of child exploitation material. Forensic examination of the suspect's computer revealed self-recorded videos depicting the offender filming unsuspecting adult female victims inside their homes. Police were able to identify five complainants who had been secretly filmed.

In October 2012 the suspect was interviewed and admitted having engaged in "peeping Tom" style activity concerning a number of adult women, including engaging in unlawful sexual activity with sleeping women. He was then charged with 15 further offences that included stalking, burglary, stealing, sexual assault, and burglary to commit attempted rape.

Further forensic examination of the suspect's computer identified similar offending in relation to a young girl, who could not be identified, but the suspect denied having engaged in any such activity in relation to children.

In the CMC Crime hearing in February 2013, the suspect ultimately admitted having spied on a sleeping girl and provided sufficient information to enable the police to identify the child victim. Further charges were then laid against the suspect.

### Court outcomes from past hearings

This year saw a number of court outcomes in relation to some of our past joint QPS–CMC investigations in which CMC hearings provided vital evidence, including the following:

- The High Court upheld the conviction of a man charged with extortion on the Gold Coast in 2006, for which he and a co-offender had been jailed for 4½ and 6 years respectively. The CMC had held extensive hearings in support of this investigation in 2007 and 2008.
- A man and woman were found guilty of the murder of a man in Gladstone in 2010 by administering a “hotshot” of heroin to him. Both were sentenced to life imprisonment. The CMC had gathered significant evidence in support of this prosecution during hearings held in Gladstone in early 2011.
- During 2012 the CMC held extensive hearings in Brisbane and Gympie concerning the murder of a man at Maryborough in 2009, suspected of having been committed by two men and a woman, who then allegedly severed the deceased’s penis. In this reporting period one man was found guilty of the murder and sentenced to life imprisonment. The second man pleaded guilty to manslaughter and was sentenced to 12 years imprisonment. The Court of Appeal also upheld a 9-year sentence in relation to the female co-accused, who had previously pleaded guilty to manslaughter.

- In 2008 we held hearings in relation to the alleged murder by neglect of 18-month-old twins, whose parents were committed for trial in 2009.
- A woman charged with armed robbery and attempted murder on the Gold Coast was committed to the Supreme Court for trial, following hearings held by the CMC in late 2012.

Also during the reporting period, the State Coroner conducted three inquests which relied, in part, upon evidence obtained in hearings by the CMC, namely:

- The CMC held hearings in 2010 into the 1974 murder of two nurses at Murphy’s Creek near Toowoomba. Evidence obtained during these hearings played a significant part in the examination of witnesses during the inquest.
- Hearings were held in 2011 into the suspected hanging murder of a 15-year-old girl in Brisbane. A witness was sentenced to 6 months imprisonment for contempt for refusing to answer questions during the inquest.
- We held hearings in Cairns in 2008 concerning the deaths of two women on the Atherton Tableland in 1991. In March 2013, the State Coroner committed a man to trial for the murder of both women.

**Table 3.** CMC investigative hearings, 2008–09 to 2012–13

Use of CMC hearing powers	2008–09	2009–10	2010–11	2011–12	2012–13
Investigative hearing days	157	162	114	145	201
Witnesses attending on summons	174	157	106	132	182

## Significant legal issues this year

### Four offenders charged with or convicted of Commonwealth aggravated networking offence

As noted on page 16, this year saw significant court outcomes in two matters that commenced and were reported on in 2011–12. Following CMC investigations and extensive liaison with the Commonwealth Office of the Director of Public Prosecutions, two offenders were charged in 2011–12 with a Commonwealth aggravated networking offence for the first time in Queensland. The offence was introduced in 2010 and carries a maximum penalty of 25 years imprisonment. Both offenders pleaded guilty and received terms of imprisonment of 5 and 6 years respectively.

Two further offenders were charged with aggravated networking charges this year and court proceedings remain pending.

### The courts uphold the integrity and appropriate use of the CMC hearings power

As noted on page 17, a 22-year-old man pleaded guilty in the Brisbane District Court to two counts of perjury arising from false evidence given by him at a CMC Crime hearing held in June 2012, and was sentenced to 27 months imprisonment.

In 2012–13, contempt proceedings were brought in the Supreme Court of Queensland against 4 witnesses who refused to answer questions at Crime hearings. Of these, 2 witnesses who were remanded in custody pending the hearing of the contempt charges chose to purge their contempt and return to the CMC to answer relevant questions. In the third case, the alleged contempt was proved and the witness was sentenced to 3 months imprisonment (having already been in custody for a month). Contempt proceedings against the fourth witness remain pending in the Supreme Court.

In addition, a witness was charged with disclosing evidence she had given at a closed CMC hearing to an associate without the CMC's consent, contrary to section 202 of the Crime and Misconduct Act. The charge is currently before the Magistrates Court.

In other court matters:

- In an interlocutory matter, the Court of Appeal upheld a claim of public interest immunity by the CMC over operational documents sought in the context of a judicial review, and awarded the CMC costs.
- A second judicial review in a murder investigation was discontinued by the applicant after a suspect pleaded guilty to the murder, making further CMC hearings unnecessary.
- The Court of Appeal heard an appeal by the CMC against a Supreme Court judgment ruling that two witnesses in a CMC hearing had a reasonable excuse to refuse to answer a question. The court upheld the original ruling of the presiding officer that neither witness had a reasonable excuse for failing to answer the question posed, and awarded costs to the CMC.

## Terrorism: rapid response capability

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 2012–13.

## Crime prevention

The CMC has statutory functions to both investigate and prevent major crime. Our prevention efforts aim to 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 intelligence with the law enforcement community and, where possible, with the public, particularly those groups who may be vulnerable to exploitation. Our research findings enable us to recommend educative or preventative strategies to policy makers and legislators. This year some of our work in crime prevention included:

- 45 classified intelligence disseminations to the QPS and Commonwealth LEAs
- classified and declassified public versions of papers on organised crime markets (including organised property crime in Queensland) for law enforcement, government and public audiences
- specific law enforcement products: one on the growth of the drugs precursor market in Queensland, and an updated drug commodities and prices guide for police and law enforcement officers
- a paper on the diversion and misuse of fentanyl (a powerful synthetic opiate analgesic) produced by the CMC/ACC and provided to the Intergovernmental Committee on Drugs and to Commonwealth and state health officials
- publications on a range of issues, including technology trends affecting organised crime in Queensland; child homicide by parents; and child sexual victimisation offences under Queensland and Commonwealth criminal law
- current collaboration with the National Research Centre for Environmental Toxicology (Entox), based at the University of Queensland, on the Wastewater Drug Analysis Project, to monitor the prevalence of illicit drug use in the general community and identify emerging drug markets.

### Crime intelligence and research documents available on the web

The CMC is committed to sharing information with the community in order to keep people informed of current issues in law enforcement and crime prevention. All our declassified intelligence and research publications are available on our website.

See [www.cmc.qld.gov.au/crimepublications](http://www.cmc.qld.gov.au/crimepublications)

## Looking forward

In 2013–14 we will pursue our objective of reducing the impact of major crime in Queensland, using the strategies outlined in our *2013–17 Strategic Plan*. This will include to:

- Target and prevent crime in our highest-threat illicit drug market.
- Gain maximum impact from proceeds of crime activity, consistent with available resources.
- Enhance our internet investigative capabilities and skills through global and national networking and training.
- Use the intelligence priorities identified in the 2012–13 crime markets assessment to determine our operational activities and inform law enforcement and the community on organised criminal markets, trends and networks.
- Examine the criminal enterprises of outlaw motorcycle gangs and how to effectively respond to these threats.
- Finalise a review of the *Child Protection (Offender Prohibition Order) Act 2008*, a key part of Queensland's legislative framework regarding child sex offenders.

# A trustworthy public sector

This year, areas of focus for the CMC's Misconduct function were fraud, financial management and recruitment in the public sector, police use of force, and handling of confidential information.

## Achievements

- The CMC completed 87 official misconduct investigations. As a result, 7 people have been charged with 48 criminal offences and we have recommended to the ODPP that another 4 people be charged with 77 criminal offences; 37 people have been the subject of 128 disciplinary recommendations.
- We completed two audits of complaint matters considered high-risk or priority areas: police discharge of firearms and integrity systems within agencies. These audits resulted in 14 recommendations to police and public sector agencies (see pages 28, 34).
- The CMC's report *Multiple and prolonged Taser deployments* was tabled in Parliament and made three recommendations to improve reporting and oversight (see page 30).
- Our misconduct prevention officers made 116 procedural recommendations to public sector agencies in response to key gaps or issues identified through serious misconduct investigations.
- The CMC finalised 78 per cent of its official misconduct investigations within 12 months.
- We assessed 4578 complaints of official misconduct across the public sector, 82 per cent of which were assessed within 4 weeks.
- In our monitoring role, we finalised our reviews of matters we had referred to other agencies to deal with in a median of 13 days.

## Our challenges

- Continuing to effectively resource high-profile or sensitive assessments and investigations without compromising the quality and timeliness of other investigations.
- Implementing the objectives of the Independent Advisory Panel recommendations while continuing to be an effective investigative and oversight body.

### Misconduct investigations

87 serious official misconduct investigations completed

7 people charged with 48 criminal offences

4 people recommended to be charged with 77 criminal offences

37 people subject to 128 disciplinary recommendations

### Complaints assessed

4578 complaints of official misconduct across the public sector

82% assessed within 4 weeks

### Monitoring

Median of 13 days to finalise our reviews of matters

### Misconduct prevention

116 procedural recommendations to public sector agencies

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## Performance summary

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### Our role and jurisdiction

Our role is to promote a trustworthy public sector in Queensland and reduce the incidence of misconduct. Our 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. Our principal functions concern the receipt, assessment and investigation of allegations of misconduct; these are supported by research, intelligence and misconduct prevention activities.

The major components of our Misconduct role are:

- receiving and assessing complaints
- investigating the most serious misconduct matters
- monitoring and auditing how agencies manage complaints
- working with agencies to prevent misconduct.

This chapter first provides an overview of our Misconduct work across all sectors (page 24). It then describes in more detail our work with the Queensland Police Service (page 27) and the public sector (page 31).

### Promoting a trustworthy public sector: 2012–13

The CMC's receipt and assessment of complaints is one means by which we keep informed of current and emerging misconduct issues across the Queensland public sector. This year we saw a decrease in the number of complaints against both police officers and public sector officials (see pages 27 and 31 respectively).


In 2012–13, the CMC finalised 87 misconduct investigations, including joint investigations with other agencies. Our investigations into alleged official misconduct by police officers were mostly related to unlawful possession and supply of dangerous drugs, unauthorised release of confidential information, and assaults, while public sector investigations focused on recruitment practices and favouritism. High-profile issues this year included the finalisation of matters arising from the Flood Commission, allegations of medical misconduct, an enrolment matter at the University of Queensland and the major fraud at Queensland Health.

Our misconduct prevention function focused on high-risk issues or matters related to the appropriate use of public resources. In 2012–13, we delivered training throughout the state to ensure that local councils and regional government offices were made aware of misconduct risk areas and of their obligations to the communities they serve.

This year has been one of transition for the Misconduct function. We completed the Building Integrity Program, our long-term collaboration with core public sector agencies to implement improved integrity systems. As at 30 June 2013, we are awaiting the finalisation of several external reviews which will have implications for our structure and functions. These include the Independent Review of the Police Complaints, Discipline and Misconduct System (SETS), currently under government consideration, and the outcomes of the review by the Independent Advisory Panel (see also page 58).

#### How misconduct matters come to the CMC

Possible misconduct within the Queensland public sector is brought to the CMC's attention through complaints from the public or from whistleblowers and anonymous sources. CEOs (including Directors-General) of public sector agencies are also obliged by law to refer to the CMC any suspected official misconduct in their agency. More information is available on our website at

 [www.cmc.qld.gov.au/reportmisconduct](http://www.cmc.qld.gov.au/reportmisconduct).

## Key performance indicators

The following assesses our performance against the 2012–16 Strategic Plan and the service standards and other measures and targets identified in the CMC 2012–13 Service Delivery Statement.

Table 4 shows our continuing commitment to improving the timeliness of our operational areas. In our monitoring role we finalised our reviews of matters we had referred to agencies

in a median of 13 days, considerably shorter than our target of 20 days. Targets relating to agency integrity systems and acceptance of recommendations were met, and we completed our long-term strategy of collaborating with major public sector agencies to implement improved integrity systems (see page 35).

Our performance can also be reviewed against results over the previous four years provided in Appendix 1 (page 111).

**Table 4. Service Area: Public sector integrity**

	2012–13 Target/est.	2012–13 Actual	2013–14 Target/est.
<b>Service standards (SDS)</b>			
Percentage of agencies rated as managing their integrity systems to a satisfactory or better standard	70	100	n/a
Percentage of recommendations to agencies accepted	85	95	85
Median days to finalise a review matter	20	13	15
Percentage of investigations of police-related fatalities where Coroner has been satisfied with CMC's response <sup>1</sup>	100	n/a	n/a
<b>Other measures (SDS)</b>			
Percentage of significant agency-managed complaints matters reviewed <sup>2</sup>	15	15	n/a
Number of research, intelligence, capacity building, prevention and monitoring projects undertaken <sup>2</sup>	20	24	n/a
Number of serious matters retained for CMC investigation: <sup>2,3</sup>			
(a) Queensland Police Service matters	25	28	n/a
(b) Other agency matters	25	19	n/a
Percentage of investigated matters finalised within 12 months	80	78	85

The following notes explain significant variations between targets/estimates and actual performance.

1. The Memorandum of Understanding (MOU) between the CMC, the Queensland Police Service and the State Coroner is still to be finalised pending outcomes of the government's Independent Review of the Police Complaints, Discipline and Misconduct System. The MOU will define the roles, responsibilities and resourcing of each agency. In the interim, CMC investigators are attending police-related deaths in an overview capacity; they attended 11 in 2012–13.
2. In 2013–14 this measure will be discontinued for Service Delivery Statement (SDS) reporting purposes. Performance information will be available in the CMC annual report.
3. The outcome of this service standard is determined by the types of matters received that warrant further CMC investigation. In 2012–13, 47 serious matters (across both sectors) were retained for CMC investigation against a target of 50.

## Combating misconduct

To carry out our misconduct functions we:

- Receive and assess complaints from public sector agencies and the community (one complaint may include multiple allegations).
- Refer complaints to appropriate agencies to deal with, and monitor and/or audit how they are managed.
- Retain and investigate the most serious allegations of misconduct, including those with a strong public interest element.

See Figure 3 below.

The CMC is not a court, nor can it discipline anyone as a result of a misconduct investigation. Where it considers further action warranted, it can refer matters to the CEO of an agency to consider disciplinary action or to the Director of Public Prosecutions to consider prosecution. In the case of a disputed sanction, it can request review by the Queensland Civil and Administrative Tribunal (QCAT). In some cases, police officers seconded to the CMC can make arrests and instigate criminal charges.

## Receiving and assessing complaints

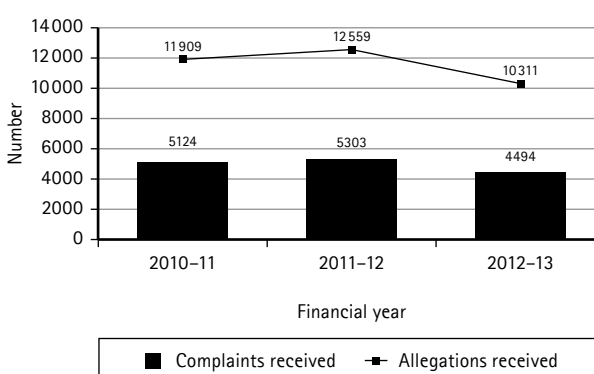
### New complaints and allegations

In 2012–13, the CMC received 4494 complaints, which involved 10311 separate allegations. Of the complaints received:

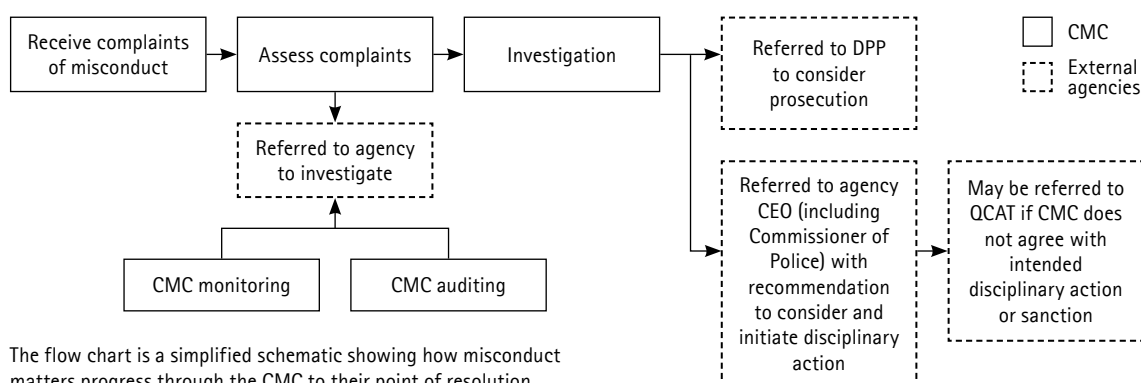
- 58 per cent were referred by public sector agencies
- 40 per cent came from members of the public
- 2 per cent came from government or were initiated by the CMC.

The number of complaints received represents a 15 per cent decrease compared with the previous year.

**Figure 4:** Complaints and allegations received between 2010–11 and 2012–13



**Figure 3.** Misconduct matters — from complaint to resolution



There are many factors that influence trends in the numbers of complaints being made to the CMC. We note this year that the number of allegations against public sector officials has declined and, specifically, that allegations against Queensland Health employees have decreased by 38 per cent. One possible factor influencing this outcome was the implementation of the *Health and Hospital Boards Act 2011*, which took effect in July 2012. As a result, 17 Hospital and Health Networks were established.

While this decrease relates primarily to the reporting of less serious matters, there was still a 15 per cent decrease in the number of more serious allegations. The CMC continues to offer guidance to the Hospital and Health Networks in identifying potential risk areas and reporting and managing misconduct, and ensuring that the more serious allegations of official misconduct are being reported in an ongoing way.

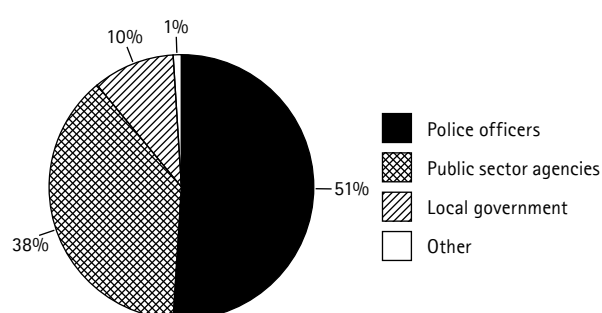
### Who the allegations were about

Of the allegations made in 2012–13:

- 51 per cent related to police
- 38 per cent related to public sector agencies (including government-owned corporations)
- 10 per cent related to local government.

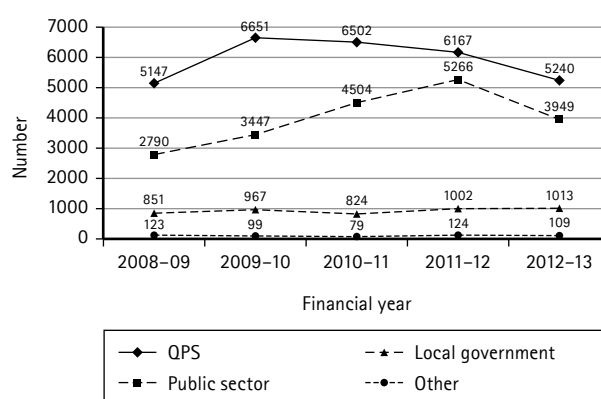
See Figure 5.

**Figure 5: 2012–13 allegations by sector**



Although allegations against police officers account for more than half of the allegations received by the CMC, the last four years have seen a 25 per cent downward trend in these allegations. Allegations against public sector officers decreased by 25 per cent in the last year. For further details of allegations in specific sectors, see pages 27 and 31–2.

**Figure 6: Allegations by sector, 2008–09 to 2012–13**

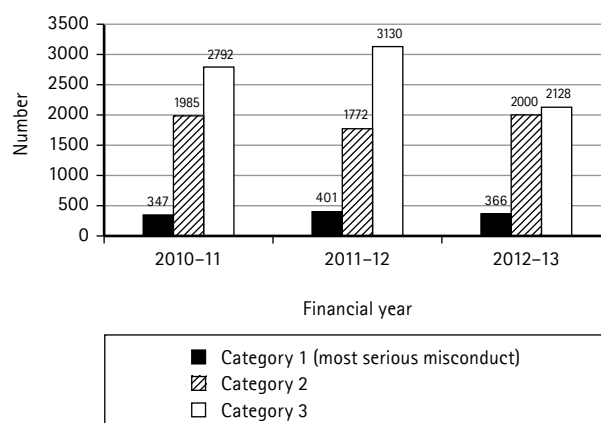


### Our assessment of complaints

As part of the assessment process, complaints received by the CMC are categorised based on their level of seriousness and sensitivity. Categories 1–3 are matters that fall within the CMC's jurisdiction, Category 1 matters being the most serious; Categories 4 and 5 are matters that do not meet the definition of police misconduct or official misconduct. See Figure 7.

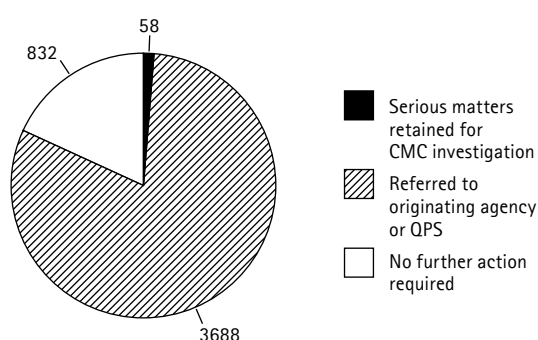
Of the 4494 complaints received in 2012–13, 82 per cent were assessed within 4 weeks of receipt.

**Figure 7: Assessment outcomes**



In 2012–13, the CMC retained 58 of the most serious matters for investigation, including joint investigations with other agencies. The majority of complaints assessed (81%) were referred to the originating agency or the QPS to deal with. Around 18 per cent of complaints required no further action. See Figure 8.

**Figure 8:** Outcomes of complaints assessed by the CMC<sup>1</sup>



1. The number of complaints assessed in 2012–13 is higher than the number of complaints received in the year due to complaints carried forward from earlier reporting periods.

## CMC oversight of complaints managed by agencies

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 particular public sector agency, action to prevent and deal with misconduct should generally happen within that agency.

Most complaints are dealt with by the relevant agency investigating the matter or taking managerial action, in some cases subject to specific monitoring by the CMC. For example, 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. Oversight of less serious matters is limited to the receipt of outcome advice only.

In 2012–13, the CMC completed 349 reviews of agency-managed complaints. The median time to complete a review was 13 days, considerably shorter than our target of 20 days.

Audits are another strategy that enable us to scrutinise how high-risk matters have been dealt with by an agency.

In 2012–13, we conducted two audits: one of police discharge of firearms and another of integrity systems within agencies. See pages 28 and 34.

## Serious complaints retained for CMC investigation

The CMC investigates the most serious cases of alleged official misconduct. These investigations are conducted by multidisciplinary teams comprising police, civilian investigators, lawyers, intelligence analysts, financial investigators and prevention officers. 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 is 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
- whether there is likely to be an increase in public confidence in having the misconduct dealt with by the CMC directly.

In 2012–13 the CMC commenced 63 investigations, including cooperative investigations.

## Outcomes of our investigations

In 2012–13 the CMC finalised 87 misconduct investigations. As a result of these investigations:

- 48 criminal charges were laid against 7 people
- 77 additional recommendations for criminal charges were made to the Office of the Director of Public Prosecutions against another 4 people
- 128 recommendations for disciplinary action against 37 people were made to the relevant agency.

Significant investigations completed this year are highlighted later in this report.

# Queensland Police Service

## Assessment of police complaints

In 2012–13, we received 2190 police complaints containing 5240 allegations against Queensland police officers. The number of complaints received was 15 per cent lower than in 2011–12. Overall, allegations against police represented about 51 per cent of the total allegations received by the CMC.

Allegations of assault/excessive force, official conduct (such as misuse of police powers), inappropriate demeanour or attitude, victimisation or harassment, and inappropriate access to and/or disclosure of confidential information accounted for almost 63 per cent of the total misconduct allegations against police (Figure 9).

Where possible, the CMC and the QPS record whether complaints about police involve incidents with Indigenous people. Similarly to last year, Indigenous complaints comprised 8 per cent of the total complaints made against police. The three most common allegations focus on interactions between Indigenous people and police – allegations of assault/excessive force, victimisation or harassment and demeanour/attitude accounted for 61 per cent of the total allegations made by Indigenous people against police.

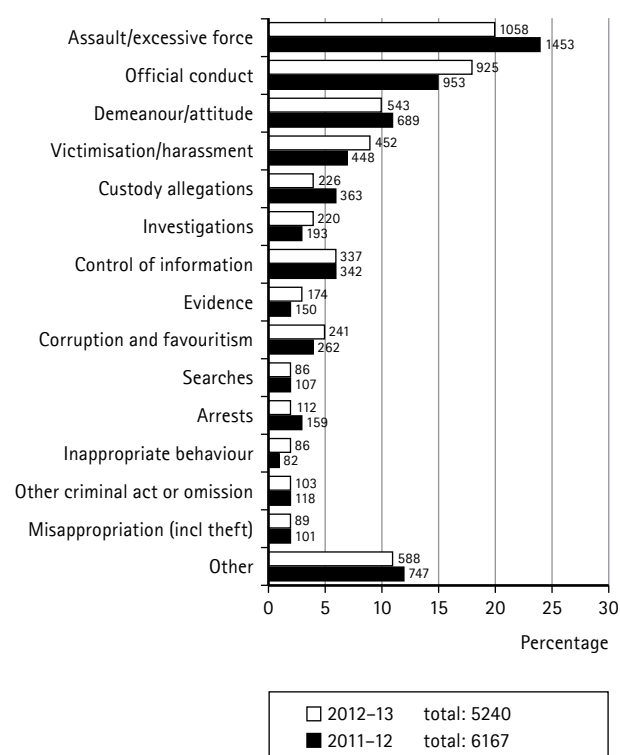
## CMC investigations into allegations of misconduct

In 2012–13, the CMC conducted 43 investigations into 192 allegations of police or official misconduct. The most common types of allegations investigated related to official conduct (duty failures), the unlawful possession (use) and supply of dangerous drugs by police officers, the unauthorised release of information from the QPS database, and assaults by police officers on members of the public. As a result of our investigations, we recommended that 42 criminal and 93 disciplinary charges be instituted against 27 persons.

### Investigations into police and drugs

This year we completed 3 separate investigations of 6 police officers alleged to be involved in the unlawful possession and supply of steroids, cocaine or ecstasy.

**Figure 9.** Allegations against police, 2011–12 and 2012–13



### Timely assessment of complaints against police

A Joint Assessment Committee (JAC) involving the CMC and the Ethical Standards Command of the QPS continues to assess the more serious complaints referred to the QPS to deal with. The focus of the JAC is to maintain the efficiency and timeliness of the complaint process, and provide for the best concentration of investigative effort.

The JAC meeting was convened on 41 occasions in 2012–13 and considered 143 matters: 6 per cent of matters were identified as not requiring further action, and a further 29 per cent were considered serious enough to warrant a full investigation. Of the remaining 65 per cent of matters, the committee reached agreement on the level of investigative effort required, expectations on the standard of investigation, and timeframes for finalising the matters.

As a result of the investigations, one officer was demoted and transferred. A disciplinary brief has been forwarded to the QPS with regard to a second officer, and the remaining four officers chose to resign from the Queensland Police Service after the investigations became overt.

These investigations also raised issues in relation to inappropriate use of QPS information systems and inappropriate associations with criminals. The CMC provided information about one officer's criminal associates to the QPS, which resulted in those associates being charged with drug offences. The CMC also made a number of prevention recommendations in relation to information system controls.

### **Unauthorised release of confidential police information**

In May 2011 the CMC received information in relation to two Queensland police officers. Our investigations identified that one of the officers and his wife, also a Queensland police officer, were allegedly conducting inquiries on the QPS database and releasing those details to a relative.

As a result of the investigation, the CMC in September 2012 referred a brief of evidence to the ODPP for consideration of possible prosecution proceedings. Following advice to the CMC from the ODPP in June 2013, three people, including an ex-police officer and a current serving police officer, were charged with a total of 42 offences.

### **Police assault and excessive use of force**

Over this reporting period the CMC conducted nine investigations involving alleged excessive use of force by police officers.

This included a joint CMC and QPS Ethical Standards Command (ESC) 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. The CMC completed its part of the investigation and also reviewed the investigation completed by the ESC. Although the victim declined to make a criminal complaint, the CMC agreed with the recommendations that two officers be subject to a disciplinary hearing. As at 30 June 2013, this matter remains ongoing.

As a result of community concern about use of force in police watch-houses, the CMC also commenced an independent audit of incidents of excessive force in police watch-house and holding areas. The results will be reported on in the 2013–14 period.

## **Monitoring QPS internal investigations of police complaints**

The CMC monitors the QPS's handling of complaints through various mechanisms. These include oversight of the investigation of serious incidents involving police (see case study 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.

### **Police discharge of firearms**

This project reviewed QPS "significant events" over a 12-month period in which firearms were discharged – in particular, where police shot at moving vehicles. The CMC expressed concern to the police following a perceived increase in such events in 2011–12, in circumstances that might not be in line with QPS policy and procedures.

The review considered each incident and examined the justification for the officer's actions, the investigation by the ESC, options available to police in these types of situations, and the public safety aspects of discharging a firearm in a public place at a moving vehicle.

The CMC review found that police investigators were sometimes inconsistent in their approach to crime scene management, did not fully exploit the use of video re-enactments, on occasion asked leading or closed questions preventing free memory recall, and were reluctant to consider criminal charges or propose disciplinary action.

The review also looked at the role of the Queensland Police Union of Employees (QPUE) attending these matters. The CMC recommended that, to avoid the possible contamination of information and evidence, the QPS and the QPUE agree on protocols for disclosure of information.

The CMC has written to the Queensland Police Commissioner notifying the QPS of the project's findings and recommendations.

This year, 114 police matters were the subject of individual close scrutiny through a case review. The CMC was satisfied with the way in which the QPS dealt with matters in 94 per cent of the cases, compared with 85 per cent in 2011–12.

In the remaining matters, we identified a range of concerns and raised them with the QPS, including conflicts of interest, unexplained delays in completing inquiries or investigations, and poor analysis of the available information.

### **CMC oversight of police-related deaths and other significant police incidents**

The CMC is informed of all police-related deaths as well as 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 discharged their firearm, regardless of whether there have been injuries or deaths).

This year the CMC responded to 11 police incidents across the state. They included traffic fatalities following police contact or police pursuits, and self-harm by civilians resulting in death. 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 is warranted, these matters have been referred accordingly.

### **Police discipline matters**

Under Chapter 5, Part 2 of the Crime and Misconduct Act, the CMC may apply to QCAT for a review of a "reviewable decision", which includes decisions relating to police misconduct made by the QPS against police officers. Once QCAT decides a matter, it is open to the CMC or the other parties involved (that is, the QPS decision maker and the officer who is the subject of the disciplinary matter) to appeal the matter to QCAT in its appeal jurisdiction. A further right of appeal lies from the QCAT appeal jurisdiction to the Queensland Court of Appeal.

In 2012–13 the CMC examined 102 reviewable decisions and made application to QCAT to review 7 cases; we considered that either the findings in those cases were inconsistent with the relevant law and facts or the sanctions were disproportionate to the facts. Three further review proceedings had been commenced by the CMC in the previous financial year and were still ongoing this financial year. Two matters involved appeals to the QCAT appeal jurisdiction and one involved an appeal to the Court of Appeal.

Of these matters, two cases were decided by QCAT (one in favour of the CMC, the other confirming the original decision of the QPS); two cases were heard and are awaiting decisions from QCAT; one case was discontinued by the CMC; and the balance of cases are awaiting determination.

Significant police discipline matters this year included:

- A review of the QPS decision to impose a suspended demotion on a police officer who failed to act after receiving a telephone call from a local resident regarding an abandoned vehicle parked in Wyandra. Five days later the body of the driver of the vehicle was located in bushland approximately 650 metres from his abandoned vehicle. QCAT's decision removed the suspension over the officer's demotion.
- A review of the QPS decision not to commence disciplinary action against a constable who was convicted of common assault against a member of the public. When the officer was convicted, the court found that "the force used in the application of the four knee strikes [against the man] was not authorised, justified or excused by law". The subject officer made an application to "strike out" the CMC's application, arguing QCAT had no jurisdiction to determine the matter; however, QCAT decided in favour of the CMC (that is, that the review should continue). The subject officer subsequently appealed against that decision to QCAT's appeal jurisdiction, and that appeal is ongoing.
- As reported last year, the CMC appealed in the QCAT appeal jurisdiction against a QCAT decision confirming the sanction (that is, a suspended demotion) the QPS had imposed on a sergeant. This sanction had been imposed for misconduct arising from the sergeant's lack of action as search and rescue coordinator with respect to the sinking of the *Malu Sara* vessel in October 2005,

in which five people perished. On 20 February 2013, QCAT allowed the CMC appeal and removed the suspension on the subject officer's demotion, concluding that a suspended sentence "cannot reasonably be said to reflect the seriousness of that misconduct" and that the misconduct "goes to the heart of the role the officer was undertaking in the course of part of his duties – protecting the community". The subject officer has appealed to the Court of Appeal.

### **QCAT review of QPS sanction in case of substantiated misconduct**

Early in 2013, QCAT undertook a review of a QPS decision in relation to sanctions imposed on a constable arising from three substantiated charges of misconduct. The sanctions imposed were a reduction in salary and a suspension from the service for 12 months. When the matter proceeded to hearing before QCAT, the CMC sought dismissal of the officer. QCAT's decision is pending, having reserved its decision after the hearing.

The misconduct had occurred across approximately a four-year period and comprised a range of behaviour, including that the officer had:

- inappropriately accessed and/or released QPS information
- inappropriately investigated a complaint of break and enter for a dwelling in which he resided and subsequently arrested a suspect for that offence (that is, there was a conflict of interest)
- engaged in an act of reprisal against another officer, by arranging for a can of dog food and a dog bowl to be given as a "secret Santa" gift to another officer whom he suspected of having reported discipline matters
- failed to report suspected misconduct relating to disclosure of information and identification of informants
- inappropriately discussed details of CMC coercive hearings, in which he was called as a witness, with another witness, including discussing the need to get their stories straight.

## **Research**

CMC 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.

### **Tasers**

In June 2013, the CMC tabled in Parliament a report on multiple and prolonged Taser deployments. We found that most multiple or prolonged deployments appeared to be appropriate, and were targeted at people who were displaying violent behaviour. In such situations, the use of a multiple or prolonged deployment may minimise the risk of injury to the police officer, the person concerned or bystanders.

The report included three recommendations to the QPS, including that police record the reason for, and effect of, each Taser cycle during an incident. This will enable an appropriate level of scrutiny of each deployment. In the next reporting period we will examine QPS use of force more broadly. See [www.cmc.qld.gov.au/tasers](http://www.cmc.qld.gov.au/tasers).

### **Police integrity**

In June 2013, we provided a research paper to the QPS which showed the importance of officers' perception of QPS ethical culture as a predictor of intention to report misconduct. This was a somewhat unexpected finding, as several previous studies had emphasised the importance of a range of job-related factors in understanding issues relating to police ethics and misconduct.

We found that the QPS can generate significant improvements in its ethical culture and improve misconduct reporting by ensuring that officers have a clear understanding about what is and is not acceptable behaviour, and that supervisors model ethical behaviour and communicate to officers the importance of doing "the right thing". See [www.cmc.qld.gov.au/ethical-culture-survey](http://www.cmc.qld.gov.au/ethical-culture-survey).

### **Indigenous people in policing roles**

In September 2012, we published a report on Indigenous people in policing roles (a follow-up review to the CMC's 2009 *Restoring order* report). This report confirmed that individuals in these roles can play an important part in improving police legitimacy in the community. For example, they can build relations between police and the community, assist the community to deal with crime and disorder, support the delivery of policing services by sworn officers, and help balance the enforcement of state laws and local lore and custom.

The report made 10 recommendations that focus the Indigenous policing roles on local crime and public safety priorities, and better manage the risks and challenges associated with performing the roles. The government is still considering its formal response to these recommendations. However, since publication of the report, in line with one of the recommendations, the QPS has taken full responsibility for day-to-day policing in the Torres Strait and now directly employs the Community Police Officers working in the region. See [www.cmc.qld.gov.au/indigenous-policing-roles](http://www.cmc.qld.gov.au/indigenous-policing-roles).

## Policing and crime prevention in remote and discrete Indigenous communities

This year we commenced a project that reviews crime and safety planning in discrete and remote Indigenous communities. Specifically, we are examining the degree to which police prioritise crime prevention strategies and how well these align with the crime prevention strategies identified in local plans. We will present the findings of this work in the next reporting period.

# Public sector (including local government)

## Assessment of public sector complaints

In 2012–13, the CMC received 2010 complaints containing 3949 allegations against public sector employees, 23 per cent lower than in 2011–12. As mentioned earlier, this decrease may reflect the reduction in complaints about Queensland Health officers following the implementation of the *Health and Hospital Boards Act 2011* in July 2012 (see page 25).

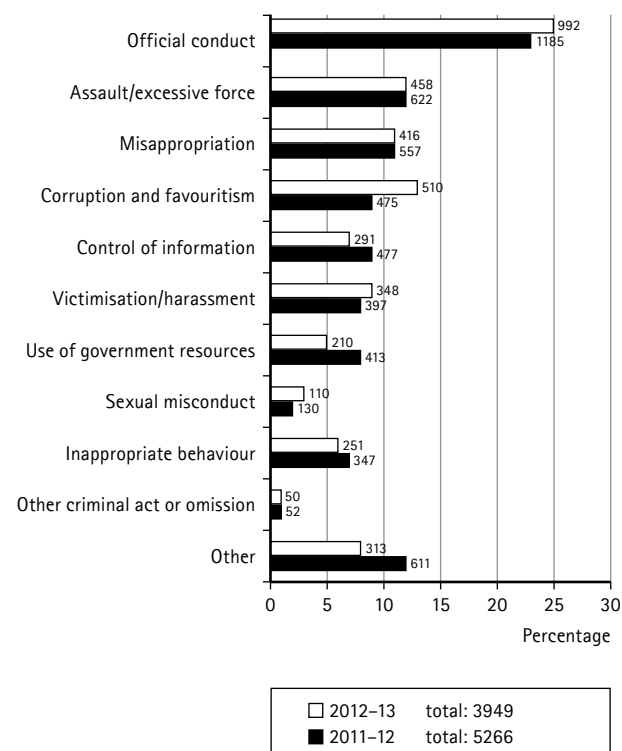
The 3949 allegations against public sector employees represented around 38 per cent of total allegations received by the CMC. Allegations of inappropriate official conduct, corruption and favouritism, assault, misappropriation, and victimisation or harassment accounted for 70 per cent of the allegations made against officers from public sector agencies, excluding local government (Figure 10).

In the local government area we received 417 complaints of official misconduct involving local governments, which is comparable to the previous year. The complaints contained 1013 allegations, or 10 per cent of all allegations made to the CMC. Of these:

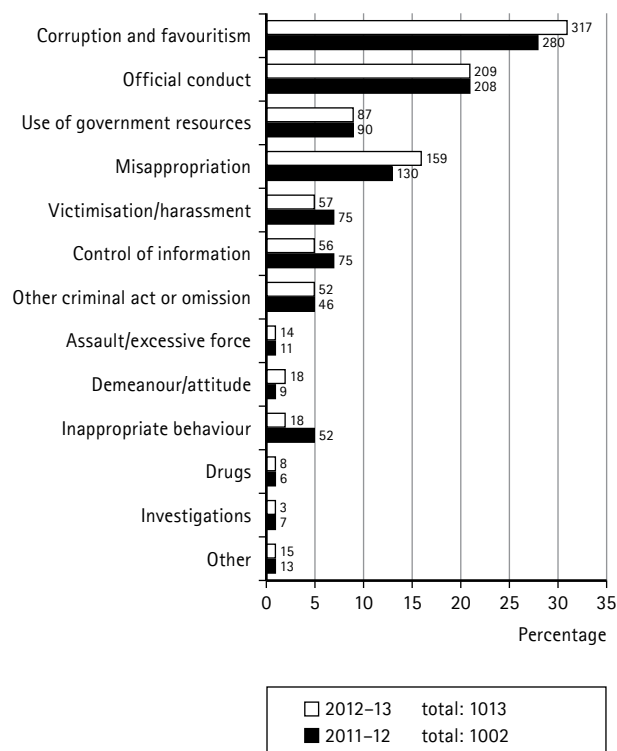
- 9 per cent involved local governments
- 16 per cent were against councillors
- 75 per cent were against local government employees.

Misconduct allegations of corruption and favouritism, inappropriate official conduct, and misappropriation accounted for 68 per cent of the allegations made against officers of local governments (Figure 11).

Figure 10: Types of allegations — public sector



**Figure 11. Types of allegations — local government**



In 2012-13 the CMC exercised its power pursuant to section 256 of the Crime and Misconduct Act to engage suitably qualified persons in order to deal efficiently with the assessment of three complex complaints of suspected official misconduct, each requiring consideration of the legislative frameworks of specialised public sector environments, as well as voluminous material.

### Queensland Floods Commission of Inquiry

In August 2012, retired Justice of the Queensland Court of Appeal John Jerrard QC finalised his examination of matters relating to the conduct of several engineers during the 2010-11 Queensland floods. The matter had been referred to the CMC by the independent Queensland Floods Commission of Inquiry (see last year's annual report).

According to Mr Jerrard's advice, an inherent contradiction existed between the manual's flood strategy flowchart (W1 to W4) and a definition of Strategy 2 W2, as later referred to in the manual. This contradiction provided an explanation for the engineers' inconsistent statements and descriptions of what they had done. On that basis the CMC was satisfied there was no evidence to suggest the conduct of the engineers amounted to official misconduct and/or a criminal offence.

### Independent assessment of health matters

In July 2012, retired Justice of the Queensland Court of Appeal Richard Chesterman AO RFD QC provided the PCMC with his final report relating to a series of allegations about medical matters (see last year's annual report). A redacted version of that report was tabled in the Legislative Assembly on 23 July 2012.

The report made four recommendations which highlighted the need for stronger legal participation in the review of complaints about medical cases. One recommended the appointment of an experienced criminal legal practitioner to examine previous disciplinary sanctions made by the Medical Board of Queensland, the Queensland Board of the Medical Board of Australia and the Australian Health Practitioner Regulatory Authority. The review would look at the last five years where a patient died or suffered serious bodily harm to determine if criminal charges should be laid.

In July 2012, the Minister for Health stated that each of the recommendations would be implemented. Notably, Mr Jeff Hunter SC was commissioned to review complaints about medical cases in which patients died or suffered serious bodily harm. As a result of Mr Hunter's review, the actions of six doctors were referred in March 2013 to the Queensland Police Service for consideration in terms of criminality. These included incidents reported from public and private hospitals, and private doctors' rooms and clinics located across the state.

### Concerns in relation to approval process of coal seam gas projects

In March 2013, the CMC received complaints concerning the then state government's approval of two major coal seam gas projects in 2010. The concerns focused on the approval process generally and, more specifically, on the environmental impact statement preparation and drafting of the Coordinator-General's report.

Due to the specialised and complex nature of the approval processes and the volume of material to be considered in assessing the matters, the CMC engaged the services of former Justice Stanley Jones AO QC to undertake the assessment. Judge Jones is to provide written advice to the CMC as to whether the material raises a reasonable suspicion of official misconduct. That assessment is ongoing.

## CMC investigations into allegations of official misconduct

During 2012–13 the CMC commenced a number of investigations into official misconduct, some of which have been the subject of considerable public interest and media attention. A recurring theme in these investigations has been allegations involving the misuse of power and authority, most notably in the area of appointments to positions in the public service. A large proportion of allegations have required the CMC to consider closely the use of a public official's power to appoint persons to temporary positions in the public service. These investigations continue to occupy a significant amount of the CMC's resources, and it is anticipated that these matters will be finalised during the next reporting period.

In 2012–13, the CMC completed 44 investigations into 253 allegations of official misconduct in the public sector (including local government). The two most common types of allegations investigated were inappropriate official conduct (duty failures) (47%) and corruption and favouritism (misuse of power and authority) (23%). As a result of our investigations, we recommended that 4 criminal and 35 disciplinary charges be instituted against 17 persons. A further 77 recommendations for criminal charges are awaiting advice from the ODPP. As at 30 June, two significant public sector investigations were having public reports finalised.

### Suspected official misconduct at the University of Queensland

As reported in last year's annual report, the CMC was finalising its activities in relation to a forced offer for entry into the University of Queensland's 2011 medical program (MBBS). In November 2012, the ODPP advised there would be no criminal charges against any person involved in the making of the forced offer.

The CMC's quality review made 49 recommendations to the University of Queensland in relation to the implementation or improvement of relevant policies, procedures and practices in key integrity areas, including complaints management, conflicts of interest, public interest disclosures, gifts and benefits, procurement/contracting, secondary employment, and fraud and corruption control. The university has noted and/or accepted the majority of the recommendations. The CMC will be following up on the implementation of all recommendations in the 2013–14 reporting period.

As at 30 June 2013, a public report into the matter was being finalised and this will be published in the next reporting period.

### How the CMC cooperates with public agencies in investigating misconduct

The CMC may investigate misconduct independently, but in some situations it may choose to conduct joint investigations with other agencies. This enables them to access the CMC's unique powers as well as in-house expertise in intelligence, financial analysis, forensic computing, research and prevention. Under the Crime and Misconduct Act, the CMC can also assume responsibility for an investigation 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.

### Major fraud at Queensland Health

As reported in last year's annual report, in December 2011 Hohepa Morehu-Barlow (aka Joel Barlow) was charged by the QPS with fraud offences against the then Queensland Health and other offences for allegedly misappropriating in excess of \$16.6m. In March 2013, Barlow pleaded guilty to a number of offences and was sentenced to 14 years imprisonment.

The CMC conducted a misconduct investigation, in conjunction with Queensland Health and the QPS, into the circumstances, including the actions of other employees, which surrounded the offences by Barlow. The investigation report was provided to the Department of Health in May 2013. As at 30 June 2013, a public report into the matter was being finalised and will be published in the next reporting period.

## Monitoring

In 2012–13, the CMC:

- Reviewed a total of 235 complaints investigated or otherwise dealt with by public sector agencies, including local governments. A range of concerns were identified across all agencies, including lack of timely response; the quality of investigations, particularly of interviews; unexplained delays in completing inquiries/ investigations; and the quality of material provided to the CMC for review. Overall, in 91 per cent of cases the CMC was satisfied with the way in which agencies dealt with these matters.
- Made over 430 procedural recommendations to approximately 20 public sector agencies. Recommendations focused on areas such as staff training, information security, workplace and client security, and reviews or amendments of policies and procedures in relation to procurement practices.
- Audited complaints from a general compliance and integrity perspective. The CMC found that agencies generally dealt appropriately with complaints referred to them by the CMC. Agencies identified prevention opportunities and put appropriate strategies in place. The CMC raised some concerns about the way agencies identified and assessed risk in relation to public interest disclosures.

The CMC noted increased outsourcing of investigations by public sector agencies in 2012–13. As such outsourcing is likely to represent a significant expense for government, the CMC will undertake an efficiency and effectiveness audit of these arrangements in 2013–14.

### General compliance and integrity audit

The CMC has a statutory obligation to monitor the way in which public sector agencies deal with matters of suspected official misconduct referred to them by the CMC. The CMC may perform this function by auditing the way the agencies deal with a complaint or class of complaints.

This year, the CMC conducted an audit of how the public sector and local governments (excluding the QPS) dealt with complaints, with a focus on compliance with the standards outlined in the CMC publication *Facing the facts*, of timeliness, integrity and appropriateness of outcomes. The results of the audit were used to identify the standards of practice applied by public sector agencies, build on examples of high standards, and address any individual or systemic deficiencies.

The audit results indicate that in most instances agencies appropriately deal with complaints in accordance with standards of compliance, integrity and timeliness. Most matters were dealt with by way of management action or investigation. The CMC recommends that agencies consider providing training opportunities for managers and supervisors in:

- recordkeeping practices
- assessing and managing public interest disclosures
- risk analysis and organisational analysis
- the evidentiary burden and standard of proof for administrative investigations
- encouraging feedback from complainants and other stakeholders to improve complaints management and integrity systems.

### Oversighting misconduct matters in youth detention centres

In 2012–13 the CMC and the Commission for Children and Young People and Child Guardian continued to liaise closely about alleged assaults against young people in detention (see last year's report). During this period, responsibility for detention centre staff moved to the Department of Justice and Attorney-General as a result of machinery-of-government changes. The CMC is now working with that department to ensure timely, independent reporting of possible misconduct and to resolve the identified cultural issues.

The CMC has also liaised with the Commission for Children and Young People and Child Guardian about updating our information-sharing protocol and other work that could jointly be done to inform young people in detention about complaint processes.<sup>1</sup>

<sup>1</sup> Note that in his final report delivered on 1 July 2013 to the Queensland Child Protection Commission of Inquiry, Commissioner Tim Carmody QC recommended the abolition of the Commission for Children and Young People and Child Guardian.

## Misconduct prevention

Under its legislation the CMC has a function of helping to prevent misconduct. Prevention officers are attached to our investigation teams, enabling them to review relevant systems, policies, procedures and work practices. They identify systemic weaknesses or gaps and may make recommendations, either agency-specific or more broad-based, to reduce opportunities for misconduct. Within the reporting year, agencies responded to 621 of our recommendations.<sup>2</sup> Of these 621, they accepted 95 per cent (591). This is comparable to the previous year.

### Prevention information — addressing potential risk areas

CMC prevention officers provide information to agencies, including councils, about areas that present opportunities for misconduct. This year the areas highlighted included:

- misconduct risks and decision making in the procurement chain
- fraud awareness
- social media, misconduct and public officials
- public interest disclosures (with the Queensland Ombudsman's office)
- corruption dangers in outsourcing and continuing risk mitigation — guarding against fraud in government procurement (with the Queensland Government Chief Procurement Office, the Queensland Audit Office and Queensland Treasury).

<sup>2</sup> Not all recommendations were made within this reporting period.

### 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. In 2012–13, through our Building Integrity Program (BIP), we have now worked with all core public sector agencies to help them implement improved complaints management and integrity systems. (For a full description of the project, go to our website [www.cmc.qld.gov.au/bip](http://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, the CMC assessed the integrity systems of 12 government departments in existence before the machinery-of-government changes that followed the 2012 elections. In 2012–13 we evaluated the three remaining departments (the Department of Transport and Main Roads, the (former) Department of Education and Training, and the (former) Department of Communities).

In evaluating these departments, the CMC:

- reviewed each department's integrity framework, including the related policies and procedures
- surveyed more than 2243 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 113 matters referred to them by the CMC.

### Outcomes and recommendations

The evaluation reports assessed the integrity frameworks of all these departments as being at least "effective", exceeding our performance target. Nonetheless, we were able to provide them (collectively) with 143 suggested actions for improvement. Across the departments there was scope for improving policies and procedures dealing with official misconduct, implementing recommendations dealing with systemic issues, and training managers and supervisors on issues such as identifying and managing conflicts of interest and secondary employment.

Since the integrity frameworks are broadly transferable, it is expected that agencies established under the most recent machinery-of-government changes will take with them the integrity systems from the parent agencies assessed by the CMC.

### Prevention initiatives for local government

- The councillor conduct guide released in October 2011 was updated to reflect changes to legislation which impact on the way councillors perform their role under the *Local Government Act 2009*.
- CMC prevention officers travelled through south-west Queensland to visit six regional councils and presented to approximately 70 people (including mayors, councillors, CEOs and other senior officers) on a range of topics including councillor obligations, reporting obligations under the Crime and Misconduct Act, and a range of misconduct prevention discussion points.
- The CMC attended two local conferences held by individual Local Government Managers Australia regional branches, thereby reaching out to over 20 councils.
- The CMC participated in two Local Government Association of Queensland (LGAQ) LocalBuy State Conferences, including panel discussions on the requirements of procurement in the Local Government Act, and misconduct risks associated with procurement.

- Prevention officers were invited to deliver training to 14 staff at Logan City Council on implementing procedural recommendations arising from misconduct investigations.
- A CMC prevention officer addressed the Far North Queensland Regional Organisation of Councils Buying Group Forum on the topic "Lessons learnt from the NSW Local Government toner cartridge fraud – could it happen in Queensland?"

### Regional corruption prevention workshop in Indonesia

In September 2012, the CMC provided a subject matter expert to participate in a joint training workshop in Bandung, Indonesia at the invitation of the Australian Transaction Reports and Analysis Centre (AUSTRAC) under an AusAID-sponsored capacity building project for the Indonesian Government integrity agencies. Three sessions titled "Corruption prevention and investigations using anti-money laundering tools" were delivered by the CMC's Principal Misconduct Prevention Adviser to 42 representatives of six Indonesian integrity agencies, along with two further sessions that were co-facilitated on money laundering and asset confiscation.

## Looking forward

In 2013–14, while pursuing the priorities listed in the *2013–17 Strategic Plan*, we will:

- Focus our resources to the greatest extent possible on assessing and investigating the most serious misconduct matters.
- Improve the timeliness of the most serious misconduct investigations conducted by the CMC.
- Implement any government-endorsed recommendations arising out of the Independent Review of the Police Complaints, Discipline and Misconduct System and the Independent Advisory Panel review, including any changes to processes and structures.
- Focus our research largely on policing issues including use of force, interviewing of police suspects, and crime and safety planning in remote Indigenous communities.

# An effective witness protection service

## Achievements

- All witnesses in our program were kept safe and were able to give their evidence in court (see page 39).
- We scoped and adopted a new assumed identities database to more efficiently manage confidential personnel data (see page 40).
- Our staff further developed the national witness protection course, which benchmarks national standards for witness protection practitioners, in preparation for course delivery in 2013–14 (see page 40).
- Through the annual Australasian Witness Protection Forum we contributed to procedures and systems to help overcome common jurisdictional problems and drive consistency in complementary legislation (see page 40).

### Witnesses

100% kept safe to give evidence

### Assumed identities

Scoped new database to manage confidential personnel data

### Benchmarking national standards

Development in national witness protection course for 2013–14

## Challenges

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

### 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.

### 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.

## Performance summary

### 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.

A witness protection function is vital for an effective judicial system. Without it, certain evidence would not be available to the courts, which could result in some offenders avoiding conviction or a person being wrongly convicted.

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.

### Performance

Table 5 details our performance in providing an effective witness protection service in 2012–13, 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 20 in Appendix 1 (see page 112).

### Trends and constraints in protecting witnesses

The performance data in Table 5 show little variation for both applications and program admissions compared with last year. Five-year data (see Appendix 1) confirm a downward trend, although for the past two years performance has seen less fluctuation, with comparable outcomes for applications and admissions.

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.

**Table 5.** Service Area: Witness protection

	2012–13 Target/est.	2012–13 Actual	2013–14 Target/est.
<b>Service standards (SDS)</b>			
Percentage of protected persons whose safety is maintained <sup>1</sup>	100	100	n/a
<b>Other measures (SDS)</b>			
Number of persons admitted to witness protection program <sup>1,2</sup>	50	42	n/a
Application for witness protection assessed (persons) <sup>1,3</sup>	100	89	n/a
Percentage of eligible persons offered interim witness protection within two days <sup>4</sup>	95	100	n/a

The following notes explain significant variations between targets/estimates and actual performance.

1. In 2013–14, this measure will be discontinued for Service Delivery Statement (SDS) reporting purposes. Performance information will be available in the CMC annual report.
2. The witness protection program is a voluntary program whereby persons offered admission can accept or reject any offer of protection.
3. The number of applications received for assessment is entirely dependent on requests made by law enforcement agencies, principally the Queensland Police Service.
4. In 2013–14, this service standard will measure the median time to conduct initial witness protection assessment, with a target of 48 hours.

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## Protecting witnesses

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We commit to providing interim protection within 48 hours to any eligible applicant wherever their location within Australia, ensuring a rapid and effective response to providing protection to witnesses at risk and assisting investigators.

This year we received 89 applications for protection, fewer than our estimate of 100 (see Table 5, page 38): all applications were assessed within 48 hours and appropriate assistance offered. Of the individuals offered protection, 42 people (fewer than the estimated 50) accepted the offer and entered the program.

All protectees were kept safe and were able to give their evidence at court, representing a 100 per cent success rate for the program over the last 26 years. Since its inception in 1987, more than 1650 individuals who were under threat have been protected.

### Securing convictions

Eyewitness evidence is critical to gaining successful prosecutions and combating serious and organised crime. The evidence provided by protected witnesses this year helped secure convictions in cases that included homicide, attempted murder, assault and trafficking dangerous drugs.

### 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 longer term or higher level protection, with specific provisions to ensure their continued safety. Appropriate measures are assessed and approved as necessary by the Chairperson.

Protectees entering the program must strictly comply with the conditions 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 accept these conditions, whether for family, financial or employment reasons or because of the limitations that the program imposes 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.

### 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, child custody responsibilities 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.

### Marketing protection services to peer agencies

To try to ensure that persons under threat can access 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. We maintained regular contact with QPS regional crime coordinators, who are involved in some of Queensland's most publicised serious crime investigations, to offer advice and assistance to witnesses or complainants who could be at risk through involvement in these investigations.

In 2012–13, we delivered six presentations to investigators, detective training courses and conferences, to raise awareness of the potential for our services to assist in investigations into major and organised crime, serious offences and other matters of significant public concern.

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## Targeting continuing improvement

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### Improving our systems

This year a new assumed identities database was adopted to better manage highly confidential personnel data. The new system offers an integrated search function to retrieve and manage large amounts of information, as well as automated features that link to administrative and operational activities. The database complements the witness protection case management system that was implemented in the last financial year.

This year the CMC also focused on intelligence processes – the gathering and sharing of strategic intelligence information – to more effectively collate and assess information about those posing a risk to persons on the witness protection program.

### Continuing to develop our skills

In collaboration with counterpart agencies, the national witness protection course and the national qualification (Advanced Diploma of Public Safety – Police Witness Protection) have been further developed in preparation for course delivery in 2013–14. The CMC facilitates the course and conducts all assessment towards the qualification. Competencies are benchmarked annually in relation to procedures and operational methodologies.

### Collaboration with peer agencies

Witness protection staff again participated in the annual Australasian Witness Protection Forum (AWPF), which promotes strategies and policies to ensure the continual improvement of witness protection standards and practices.

This year, AWPF discussions focused on a range of matters, including strategic relationships with other bodies such as the Australian Crime Forum, legislative impacts including telecommunications and travel issues, further development of a national database and alert system, biometrics, and liaison with federal and state agencies with common purposes.

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

### Looking forward

In 2013–14, 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.

# A high-performing organisation that communicates effectively

## Achievements

- Established a Human Research Ethics framework to ensure that all research involving human subjects meets the highest ethical and quality standards (see page 49).
- Concluded the Strategy, Structure and Resource Allocation project to better align structure and resources with strategic priorities (see page 61).
- Implemented Commission-wide initiatives from the Indigenous Engagement Strategy action plan (see page 42).
- Finalised the CMC Data Management Review project.
- Completed an internal audit of project management practices across the CMC.
- Implemented a program to review corporate policies and delegations, and the internal management of records and information (see pages 47–8).

Human Research Ethics framework established

New staff resourcing model adopted

Internal review of information and records management commenced

## Challenges

- Maintaining organisational flexibility during a time of structural and legislative change.
- Effectively managing high-risk projects and issues.

## Performance summary

This year the CMC improved corporate performance in several areas. A Human Research Ethics framework was established to guide the design and conduct of research projects involving human subjects.

An internal audit of project management practices across the organisation found that appropriate project management methodologies were adopted for significant projects. Further work is being undertaken to strengthen our management of large-scale projects and to ensure that project managers appropriately record and communicate decisions. In response to the PCMC Inquiry (Report No. 90), the CMC has developed project management guidelines based on the Queensland Government Project Management Methodology.

The Data Management Review project was completed, resulting in the adoption of initiatives to improve the management of performance information across the CMC.

The CMC Indigenous Engagement Strategy was released during NAIDOC Week in July 2012. Its accompanying action plan, setting out specific targets, was implemented throughout the year (see the box on page 42).

The final phase of the Strategy, Structure and Resource Allocation project was completed in 2012–13. A new resourcing model was adopted to align resources with the labour budget.

Despite these achievements, the CMC acknowledges the failure on its part to appropriately manage the historical Fitzgerald Inquiry records. To advance immediate improvements in this area, the CMC reviewed its records management system and commenced targeted training on matters of risk and compliance to staff across the CMC. (See pages 47–8.)

## Sharing information with our stakeholders

The work of the CMC attracts considerable interest from the government, media, law enforcement and integrity agencies, as well as the broader Queensland community. Our website provides information on the work that we do, and this year saw continued growth in the number of website visitors and subscribers. In 2012–13, information on our crime enforcement activities and convictions was enhanced, and we continued to focus on delivering timely and accurate content.

Following extensive redevelopment work in 2011–12, this year the CMC continued to use the intranet to communicate significant news and corporate information to employees across the organisation. The intranet is maintained by trained contributors and provides up-to-date information on current activities, outcomes of executive meetings, and changes to internal policies and procedures.

**Table 6.** Website statistics

	2011–12	2012–13
Visits	117 104	118 114
Unique visitors	75 380	77 353
Subscriptions	302	824

## Indigenous engagement

Strengthening our relationship with Aboriginal and Torres Strait Islander people, organisations and communities is fundamental to the CMC's work. This is reflected in the CMC's *2012–16 Strategic Plan* and in July 2012 the CMC released the Indigenous Engagement Strategy. Accompanying the strategy was an action plan which set out specific targets to be met in 2012–13.

Some of the activities completed throughout the year include:

- development of formal protocols for use at official CMC functions
- devising and implementing a communication strategy around the dissemination of the report on Indigenous people in policing roles (Action 47 report), producing an abbreviated version of the report and visiting Palm Island.
- development of an in-house training program for operational staff in relation to working with Indigenous stakeholders.

Looking forward, the CMC is committed to continuing to engage with Indigenous communities and identify strategies to improve complaints and investigation processes as a consequence of the recommendations of the two external reviews (the PCMC Inquiry and the Independent Advisory Panel review of the Crime and Misconduct Act).

## Looking forward

In 2013–14 we will:

- Respond to recommendations from the PCMC Inquiry (Report No. 90) and the review of the Crime and Misconduct Act.
- Improve our capacity to manage records and corporate information.

# Our governance

The CMC recognises that, while strong governance principles provide the foundation and processes for planning and evaluating the work that we do, unless they are properly applied public confidence in our work cannot be maintained.

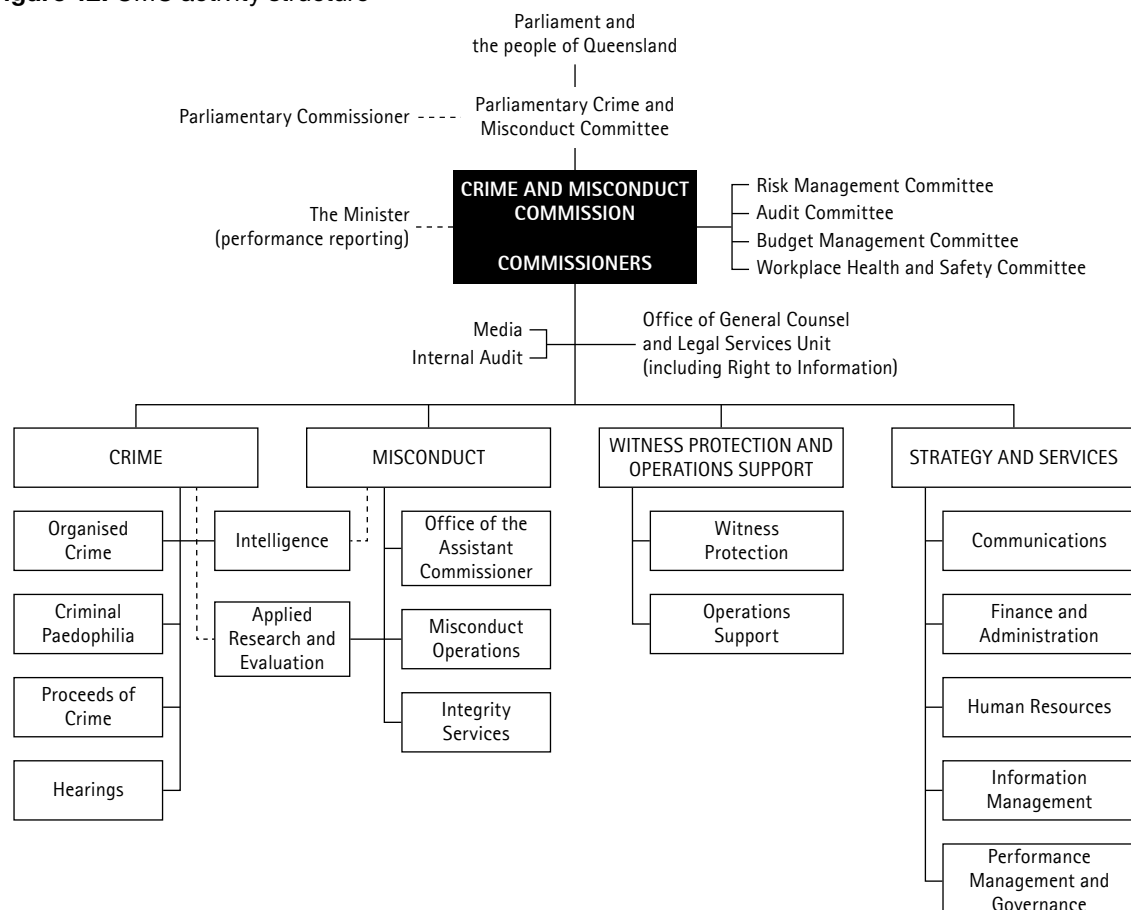
The effectiveness of the CMC's corporate governance framework was critically examined this year, with public hearings into the release and destruction of sensitive historical records. While our oversight Parliamentary Committee acknowledged the appropriateness of the CMC's governance framework, it also pointed to a failure to adequately manage risks associated with records management and to formally document significant decisions and outcomes.

To improve internal and external accountability, in 2012–13 we have focused on specific governance initiatives to:

- integrate risk management into organisational activities
- review and improve information management systems
- ensure that staff formally record and communicate decisions
- educate staff on key corporate policies, delegations and their responsibilities.

The administrative restructure of the CMC, which is being overseen by the Implementation Panel progressing outcomes of the review of the Crime and Misconduct Act and the PCMC Inquiry, will also address matters of internal accountability to ensure continuous improvement in this area.

**Figure 12. CMC activity structure**



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## Our Commission

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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 CM Act) requires that the CMC Chairperson must be a legal practitioner who has served or is qualified for appointment as a judge of the Supreme Court of any state, the High Court or the Federal Court.

The CM 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/appointmentcriteria](http://www.cmc.qld.gov.au/appointmentcriteria).

### Providing regular oversight

The Commission meets fortnightly, with 24 ordinary meetings held in the past year (see Table 7, page 46).

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 Manager of Performance Management and Governance also participate in Commission meetings but do not have voting rights.

In 2012–13, the Commission met with the PCMC four times (for more information, see page 57).

### Role and responsibilities

The Commission functions as the board of the CMC, and has primary responsibility for achieving the purposes of the CM 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 89) and are based on rates specified in the government guidelines for Remuneration of Part-time Chairs and Members of Government Boards, Committees and Statutory Authorities. Further details can be found at [www.psc.qld.gov.au](http://www.psc.qld.gov.au).

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

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

**Dr Ken Levy RFD, BA, BCom, LLB, PhD, FCA, FCPA, MAPS, CTA**

*Acting Chairperson, appointed 22 May 2013*

Dr Levy was appointed as CMC Chairperson in May 2013, following the resignation of Mr Ross Martin SC. Dr Levy has Bachelor degrees in Commerce and Arts (Psychology), a PhD from the University of Queensland and a Bachelor of Laws from the Queensland University of Technology. He has extensive experience and achievement in a range of fields which has included professional practice, research and teaching, and leadership in the private and public sectors.

He holds an appointment as Professor of Law at Bond University and as a part-time Senior Member of the Administrative Appeals Tribunal since 2004. He has also served as the Queensland and National President of CPA Australia.

Dr Levy has had a long career in the Queensland Public Service, retiring as Director-General of the Department of Justice and Attorney-General in Queensland in December 2003.

Dr Levy has also served many years with the Australian Army Reserve as a Lieutenant Colonel.

**Mr Ross Martin SC BA, LLB**

*Chairperson, appointed 5 March 2012;  
resigned effective 3 April 2013*

Mr Martin has Bachelor degrees in Arts and Law 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 Philip Nase BA, LLB, LLM**

*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 his 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, BA, DipEd, MA, PhD**

*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 sector 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.

**Mr George Fox BCom, LLB (Hons)***Commissioner, appointed 23 September 2011*

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 is currently a member of the University of Southern Queensland Council.

Mr Fox was Acting Chairperson from 20 to 22 May 2013.

**Ms Judith Bell BA, DipEd***Commissioner, reappointed 3 June 2011, term concluded 2 June 2013*

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.

**Table 7. Commission meetings from 1 July 2012 to 30 June 2013**

Name	Ordinary meetings (n = 24)	Ordinary meetings eligible to attend	Special meetings (n = 2)	Meetings with the PCMC (n = 4)	Meetings with the PCMC eligible to attend
Dr Ken Levy <sup>1</sup>	3	3	–	–	–
Mr Ross Martin SC <sup>2</sup>	15	17	2	4	4
Ms Judith Bell <sup>3</sup>	21	22	2	3	4
Mr Philip Nase	21	24	2	4	4
Professor Marilyn McMeniman AM	21	24	2	3	4
Mr George Fox <sup>4</sup>	22	24	2	4	4
Mr Warren Strange <sup>5</sup>	19	20	–	4	4
Ms Kathleen Florian <sup>6</sup>	22	24	–	4	4
Mr Michael Scott <sup>7</sup>	6	6	–	–	–
Mr Peter Barron	15	24	–	–	–
Ms Edith Mendelle	21	24	–	4	4
Mr Gary Adams <sup>8</sup>	16	17	–	–	–
Ms Michelle McKay <sup>9</sup>	1	1	–	–	–
Ms Deborah Cook <sup>10</sup>	4	6	–	–	–

1. Appointed Acting Chairperson 22 May 2013.

2. Resigned effective 3 April 2013.

3. Appointment expired on 2 June 2013. Last meeting attended 24 May 2013.

4. In the absence of Mr Warren Strange, Mr George Fox was Acting Chairperson from 20 to 22 May 2013.

5. Acting Chairperson, 12 to 15 November 2012; 10 to 14 December 2012; 25 February 2013 to 22 May 2013. Resigned effective 22 May 2013.

6. Acting Assistant Commissioner, Misconduct, 2 April 2013.

7. Acting Assistant Commissioner, Crime, 2 April 2013.

8. Mr Gary Adams, Manager, Performance Management and Governance, attended meetings from 12 October 2012 following the resignation of Ms Michelle McKay, Director, Office of the Commission.

9. Resigned effective 6 July 2012.

10. Resigned effective 21 September 2012.

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## How we ensure accountability and compliance

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The Commission also oversees a range of governance activities to ensure the organisation operates effectively and transparently.

### Risk management framework

The CMC's risk management framework and associated training programs provide guidance to help staff identify, evaluate and report risk.

To more effectively embed risk management within everyday business activity, this year the CMC initiated a number of training and education projects to raise staff awareness of risk and compliance responsibilities. A revised corporate training package focusing on corporate policies, delegation authorities and risk management has been developed for all staff. A more targeted training program will be provided to key decision makers (AO6 to SES levels) involved in identifying, assessing and managing organisational risk.

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 50).

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 53).

The CMC's risk management 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.

### Maintaining effective recordkeeping and information systems

The CMC remains committed to responsible lifecycle management of its information assets consistent with the requirements of the *Public Records Act 2002* and the State Government Information Standards (including IS40: Recordkeeping and IS31: Retention and Disposal of Public Records).

In March 2013 the CMC identified a serious breach of information security with the incorrect release and destruction of Fitzgerald Inquiry records, which resulted in a Parliamentary Inquiry into the matter (see pages 57). In support of the Parliamentary Inquiry, and as an initial response, the CMC immediately audited its recordkeeping systems. This work is ongoing and includes:

- developing detailed guidelines for determining and applying the restricted access period for all documents
- reviewing CMC destruction procedures, including the delegated authority of decision makers
- establishing formal protocols for capturing and recording decisions
- reviewing existing policies and procedures with a view to developing a comprehensive records management framework
- developing quality assurance measures to ensure that electronic systems accurately capture information kept on hard-copy files
- assigning formal recordkeeping responsibilities to new staff as part of their induction process, and providing ongoing training to all staff on their compliance obligations and recordkeeping responsibilities.

In response to specific PCMC Inquiry recommendations, the CMC also:

- developed a project plan to identify original Fitzgerald Inquiry documents on CMC files and replace original records with duplicate records, sourced from electronic or external sources
- commenced a review of Fitzgerald Inquiry records held by Queensland State Archives, assessing the status of those records.

Other improvements in information systems this year include an upgrade of TRIM software for our electronic document and records management system. Additional information for staff on how to use TRIM is published on our intranet, along with details of CMC recordkeeping protocols and policies.

During the year, audits of the CMC's warrants records were conducted by the Commonwealth Ombudsman and the Parliamentary Crime and Misconduct Commissioner and these confirmed that the CMC was complying with recordkeeping requirements.

## 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, a business continuity handbook, and supporting information 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.

In 2012–13 the Business Continuity Committee conducted an exercise to practise our response to a possible major interruption to our information technology capability.

The internal auditor audits the business continuity framework, scenario testing and committee activities every two to three years, with longer term recommendations monitored on an ongoing basis.

## 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 identifying opportunities for performance improvement, internal audit can make a valuable contribution to achieving the CMC's corporate objectives.

The CMC's Internal Auditor retains an independent and direct reporting relationship to the Chairperson and the Audit Committee.

The Internal Audit function 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 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 2012–13 financial year focused on:

- the CMC's response to information requests from the PCMC Inquiry
- covert surveillance digital system
- accounts payable, procurement and finance-related operations (including Witness Protection and Operations Support)
- project management arrangements
- business continuity follow-up
- legal compliance
- document classification and security review.

Additionally, the Internal Auditor prepared the Strategic and Annual Internal Audit Plans for 2013–17 and 2013–14 respectively.

## Encouraging ethical decision making

The CMC's Code of Conduct provides guidance to Commissioners and staff on appropriate behaviour, and 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 2012–13, mandatory refresher training was conducted for staff on the Code of Conduct. As part of the Achievement and Capability Planning process, behaviour of staff is monitored and assessed against the requirements of the Code of Conduct. In addition, new staff receive Code of Conduct training at induction. Ethical values congruent with the public sector ethics principles are also addressed through our strategic plan objectives and strategies.

The CMC also 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.

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 CMC's 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.

The CMC's Fraud and Corruption Prevention and Control Policy is published on our website,

🌐 [www.cmc.qld.gov.au/fraudpreventionpolicy](http://www.cmc.qld.gov.au/fraudpreventionpolicy).

## Human Research Ethics framework

In 2012–13, a Human Research Ethics framework was established to guide the design and conduct of research projects involving human subjects. Independent advisers have been appointed to the newly formed Human Research Ethics Advisory Panel to ensure that all research conforms to the highest ethical and quality standards.

## Independent legal advice

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 concerning:

- 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, 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.

## Strategic planning

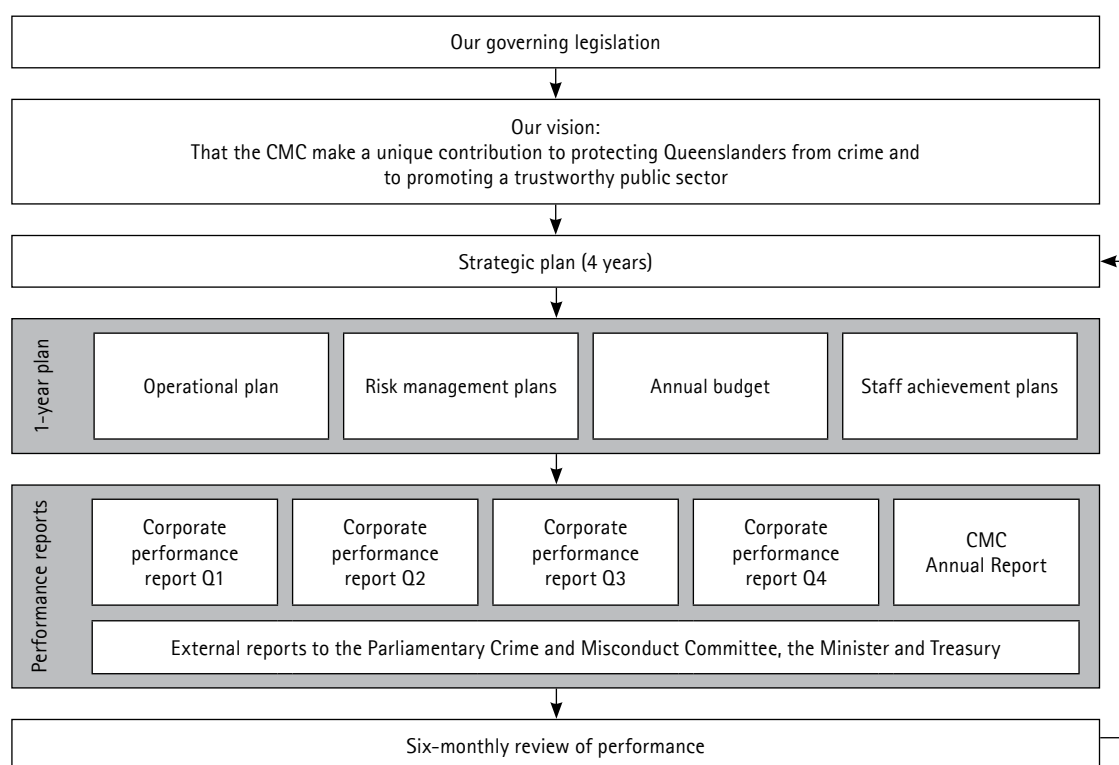
Strategic planning is an ongoing organisational process that helps the Commission determine its strategic objectives and priorities. Each year, the Commission reviews its strategic plan to ensure that the CMC remains responsive to emerging issues and challenges. The CMC's 2012–16 and 2013–17 strategic plans can be accessed at [www.cmc.qld.gov.au/strategicplan](http://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 13.

**Figure 13.** The CMC's planning cycle



## The Executive Leadership Group

The Executive Leadership Group (ELG) functions as the CMC's peak operational committee that drives corporate activities. 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 its key executive management personnel are given on pages 92–3.

Members of this group (in addition to the Chairperson) throughout 2012–13 were as below.

The appointment criteria for Assistant Commissioners and senior officers are available on our website at

[www.cmc.qld.gov.au/appointmentcriteria](http://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.

### **Ms Kathleen Florian BA, LLB (Hons)**

*Assistant Commissioner, Crime, appointed 9 January 2012; Acting Assistant Commissioner, Misconduct, 2 April 2013*

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 joining 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 BSc, LLB, LLM**

*Assistant Commissioner, Misconduct, appointed 14 June 2010; resigned 22 May 2013*

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.

### **Mr Michael Scott BA, LLB (Hons), LLM**

*Acting Assistant Commissioner, Crime, 2 April 2013*

Mr Scott studied Arts/Law at the University of Queensland and was admitted as a Barrister of the Supreme Court of Queensland in 1986. He later completed a Master of Laws degree at Queensland University of Technology. Mr Scott commenced his career at the Queensland Office of the Director of Public Prosecutions, where he was a Crown Prosecutor for several years. He has worked in legal roles at both of the CMC's predecessor organisations, the Criminal Justice Commission and the Queensland Crime Commission, and has been employed as a senior lawyer in the Office of the Assistant Commissioner, Crime since the CMC's inception. In 2012, Mr Scott was appointed to the position of Director of Crime Hearings and Legal Services.

### **Mr Gary Adams MA (App)**

*Manager, Performance Management and Governance*

Mr Adams has worked in the public sector and private enterprise, often in large agencies. His earlier work focused on policy development in public sector reform, management support activities, and the project management of initiatives to implement new legislation or institute organisational change.

### **Ms Michelle McKay BHSc**

*Director, Office of the Commission, appointed 31 October 2011; resigned 6 July 2012*

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. Prior to her appointment to the CMC, Ms McKay had focused on performance management and service planning.

## ELG achievements

In 2012–13, the Executive Leadership Group:

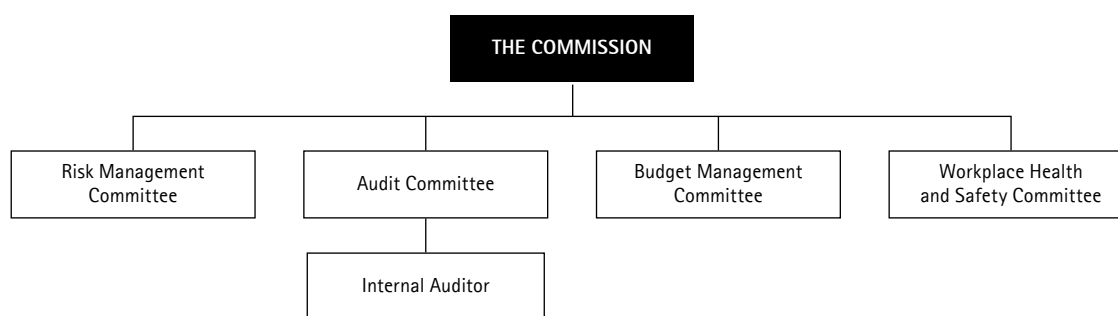
- assisted the Chairperson to provide information requested by the PCMC Inquiry and the Independent Advisory Panel reviewing the Crime and Misconduct Act
- endorsed the CMC's draft 2013–17 strategic plan
- assisted in developing and progressing recommendations of the Strategy, Structure and Resource Allocation project, resulting in the CMC's alignment of its staffing resources with its budget
- coordinated responses to PCMC recommendations published in its Report No. 90 by initiating a range of activities to build stronger corporate accountability
- monitored operational risks and took action to manage risk and maintain organisational productivity
- considered issues of performance and resourcing, arranging for matters to be referred to the Commission or relevant governance committees where appropriate.

## Our governance committees

Figure 14 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 as necessary), and support the Commission by ensuring internal transparency and developing best management practice within the CMC.

**Figure 14.** 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 page 47). The committee meets quarterly.

### Membership

The committee comprises six members, one of whom is an external member appointed by the Commission as an independent Chair (see Table 8). In 2012–13, this role was undertaken by Ms Marita Corbett of Risk Advisory Services, BDO (Qld) Pty Ltd. Ms Corbett was paid a retainer of \$1250 per meeting for her services as committee Chair. The Internal Auditor and Media Adviser hold a standing invitation to attend meetings.

### 2012–13 achievements

This year the Risk Management Committee:

- monitored the activities of the Business Continuity Committee
- monitored the progress of recommendations from the internal audit of the Business Continuity Plan
- monitored the reports of the Internal Auditor
- focused on risk incident reporting to identify trends and areas for further improvement
- monitored risks associated with information and communication technology (ICT) disaster recovery
- monitored and assessed the CMC's risk management plans and procedures.

**Table 8.** Membership of the Risk Management Committee

Name	Position	No. of meetings attended/Total held
Ms Marita Corbett	Chair (external)	4/4
Ms Judith Bell <sup>1</sup>	Commissioner	2/4
Ms Edith Mendelle	Executive General Manager	4/4
Mr Andrew Stapleton <sup>2</sup>	Manager, Electronic Collections Unit	2/4
Mr Rob Hutchings	General Counsel	1/4
Ms Karyn Worth	Senior Adviser, Performance Management and Governance	3/4
Mr Brendan Clarke	Internal Auditor (standing invitation)	3/4

1. Appointment expired 2 June 2013. Last meeting attended on 5 March 2013.

2. Chairperson nominee following the resignation of the Director, Intelligence, effective 18 September 2012.

## 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 has due regard to the Queensland Treasury's Audit Committee Guidelines.

The committee assisted the Commission to oversee 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 activities of the internal and external auditors for efficiency and effectiveness (see pages 48 and 59 respectively).

In 2012–13, the Audit Committee met on a quarterly basis. At the end of the year it conducted a self-assessment of its performance and met separately with the external and internal auditors, 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 (see Table 9). 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 and the Internal Auditor have standing invitations to attend committee meetings.

Mr Dowling was paid \$2000 per meeting for his services as committee Chair. Mr Mike Meintjes was paid \$1250 per meeting for his services as an external member of the committee.

### 2012–13 achievements

This year the Audit Committee:

- endorsed the Strategic Internal Audit Plan 2012–17 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
- reviewed internal audit reports and oversaw the implementation of their recommendations.

**Table 9.** Membership of the Audit Committee

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

1. Appointed external member 29 November 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 10.

### 2012–13 achievements

This year the Budget Management Committee:

- ensured that resources were allocated so as to maximise outputs from the strategic plan
- reallocated resources following a significant workforce restructuring exercise
- monitored expenditure against the budget, reviewing significant financial transactions and budget variances and recommending corrective action where necessary
- adopted a process of continuous improvement in budget management and reporting by ensuring that budgeting and forecasting tools were accurate and user-friendly.

**Table 10.** Membership of the Budget Management Committee

Name	Position	No. of meetings attended/Total held
Dr Ken Levy <sup>1</sup>	Chair	1/11
Mr George Fox <sup>2</sup>	Chair	1/11
Mr Philip Nase	Commissioner	9/11
Ms Kathleen Florian <sup>3</sup>	Acting Assistant Commissioner, Misconduct	10/11
Mr Michael Scott <sup>4</sup>	Acting Assistant Commissioner, Crime	4/11
Mr Peter Barron	Director, Witness Protection and Operations Support	6/11
Mr Daniel Mahon <sup>5</sup>	Acting Director, Witness Protection and Operations Support	2/11
Ms Edith Mendelle	Executive General Manager	11/11
Ms Radhika Munien	Finance and Administration Manager (Secretary)	10/11
Mr Ross Martin SC <sup>6</sup>	Chair	6/11
Mr Warren Strange <sup>7</sup>	Assistant Commissioner, Misconduct	8/11

1. Appointed Acting Chairperson 22 May 2013.

2. Acting Chairperson, 20 May 2013 to 22 May 2013, in the absence of Mr Warren Strange.

3. Acting Assistant Commissioner, Misconduct, 2 April 2013.

4. Acting Assistant Commissioner, Crime, 2 April 2013.

5. Acting Director, Witness Protection and Operations Support, 17 June 2013.

6. Resigned as Chairperson effective 3 April 2013.

7. Acting Chairperson, 12 to 15 November 2012; 10 to 14 December 2012; 25 February 2013 to 22 May 2013. Resigned effective 22 May 2013.

## 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 (see Table 11). Several core representatives are longstanding employees; others have been recruited in more recent years and bring new perspectives to their responsibilities.

## 2012–13 achievements

This year the Workplace Health and Safety Committee:

- maintained a free influenza vaccination program for employees, resulting in vaccinations being provided to 166 staff
- maintained specialist support services for staff engaged in covert activities that carry significant risk
- continued arrangements for, and monitored, our Employee Assistance Program, which is available to all employees
- assisted in the audit of our compliance with the recently 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 11.** 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 Bolland	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, Finance and Administration
Ms Beulah Davies	Intelligence Analyst, Misconduct Operations
Mr Jeffrey Farrah	Senior Legal Officer, Integrity Services

Name	Position
Mr Lance Vercos	Operations Coordinator, Crime
Mr Robbie Crease	Intelligence Analyst, Crime
Mr Sean Arthur	Senior Intelligence Analyst, Intelligence
Ms Sandra Hill	Support Officer, Integrity Services
Mr Chris Lee	Indigenous Adviser, Office of the Assistant Commissioner, Misconduct
Ms Sue Harbidge	Principal Legal Officer, Misconduct Operations
Ms Melissa Letondeur	Executive Assistant, Misconduct Operations
Ms Makeeta McIntyre	Senior lawyer, Misconduct Operations
Mr Norm Hung	Administration Manager, External Premises

## 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

As at 30 June 2013, the members of the PCMC were:

- Mrs Liz Cunningham MP, Chair, Member for Gladstone
- Mrs Jo-Ann Miller MP, Deputy Chair, Member for Bundamba
- Mr Peter Dowling MP, Member for Redlands
- Mr Jon Krause MP, Member for Beaudesert
- Mr Ian Kaye MP, Member for Greenslopes
- Ms Jackie Trad MP, Member for South Brisbane
- Mr Peter Wellington MP, Member for Nicklin.

### Activities of the PCMC

In March 2013, the PCMC held public hearings as part of its inquiry into the CMC's management of Fitzgerald Inquiry records. The committee's subsequent report, Report No. 90, was tabled on 5 April 2013. The CMC is currently responding to the committee's recommendations. The Implementation Panel progressing outcomes from the review of the Crime and Misconduct Act will also monitor the implementation of some PCMC recommendations.

The PCMC tabled its report on the three-year review of CMC activities (as prescribed by the Crime and Misconduct Act) in May 2012. The government's response was tabled on

8 November 2012. Many of the recommendations remain under consideration pending outcomes from the review of the Crime and Misconduct Act.

Other reports tabled in 2012–13:

- Report on the Crime and Misconduct Commission's assessment of a public interest disclosure (No. 87)
- Report on the Crime and Misconduct Commission's investigation of suspected improper conduct of a Crime and Misconduct Commission employee (No. 89)
- Report on a complaint by Mr Scott Flavell (No. 91).

The PCMC's reports are available at

🌐 [www.parliament.qld.gov.au](http://www.parliament.qld.gov.au).

### PCMC Inquiry into CMC management of Fitzgerald Inquiry documents: key dates

**6 March 2013:** CMC issued a press release acknowledging potential public access to Fitzgerald Inquiry documents between February 2012 and 4 March 2013.

**8 March 2013:** Attorney-General called for a Parliamentary Inquiry into the incorrect classification and release and destruction of Fitzgerald documents.

**13 March–28 March 2013:** Public hearings held.

**28 March 2013:** In a public statement to the Parliamentary Inquiry, the Acting CMC Chairperson acknowledged the failure of the CMC to appropriately manage the historical records of the Fitzgerald Inquiry.

**5 April 2013:** The PCMC Report (No. 90) *Inquiry into the Crime and Misconduct Commission's release and destruction of Fitzgerald Inquiry documents* was tabled in the Legislative Assembly.

Report No. 90 contained 24 recommendations aimed at improving the management of confidential historical information. The report also addressed broader organisational issues within the CMC.

The government-appointed Implementation Panel overseeing the recommendations from the review of the CM Act will also oversee some of the PCMC recommendations.

In 2013–14 the CMC will be implementing those PCMC recommendations that are not the responsibility of the Implementation Panel and/or specified other agency. The CMC will report to the PCMC on the progress of those recommendations.

## The Parliamentary Crime and Misconduct Commissioner

The Parliamentary Crime and Misconduct Commissioner (Parliamentary Commissioner) assists the PCMC to monitor and review 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.

Mr Paul Favell is the appointed Parliamentary Commissioner. In 2012–13, 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 an investigation into an allegation against a CMC staff member
- inspected the covert human intelligence sources register.

Where issues were raised by the audits and inspections, appropriate action was taken to address those issues.

## Relationship with the Minister

The Crime and Misconduct Act 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 CM 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).

On 11 October 2012 the Attorney-General and Minister for Justice announced the appointment of an Independent Advisory Panel to review the *Crime and Misconduct Act 2001*. The review was undertaken by former High Court Justice the Honourable Ian Callinan AC and University of Queensland Professor Nicholas Aroney.

### Review of the *Crime and Misconduct Act 2001*: key dates

**11 October 2012:** Independent Advisory Panel (the Panel) appointed by the Attorney-General and Minister for Justice to review the *Crime and Misconduct Act 2001*.

**3 April 2013:** The Panel released a summary of its conclusions and recommendations.

The Panel's executive summary contained 17 recommendations aimed at ensuring the effective operation of the CMC, including a stronger focus on major crime and the management of high-level misconduct.

**18 April 2013:** The Panel's full report (redacted version) *Review of the Crime and Misconduct Act and related matters: Report of the Independent Advisory Panel* was tabled in the Legislative Assembly.

**3 July 2013:** Government released its response to matters raised through the Panel's review of the Crime and Misconduct Act and the PCMC Inquiry.

This report included details on the Implementation Panel to advise government on the review recommendations and some recommendations from the PCMC Inquiry of 2013, including oversight of the organisational and administrative restructuring of the CMC. The Acting CMC Chairperson was appointed to the Panel.

Government agreement on implementation action and the shape of draft legislation giving effect to accepted recommendations will be finalised in 2013. The implementation of all accepted recommendations is expected to be finalised by March 2014.

The Independent Advisory Panel's executive summary is available at [www.justice.qld.gov.au](http://www.justice.qld.gov.au). The report is available at [www.parliament.qld.gov.au](http://www.parliament.qld.gov.au).

## 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).

## The courts

The courts, in particular the Supreme Court of Queensland, play a significant role in the use of our coercive powers, including applications for warrants, in the review of our decisions and in deciding 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 Court of Appeal 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](http://www.cmc.qld.gov.au/ourpowers).

## External audit

The CMC's financial statements are audited by the Queensland Audit Office in accordance with the *Financial Accountability Act 2009* and other applicable statutes. As in previous years, in 2012–13 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.

# Our people

The CMC recognises that committed and capable employees are central to achieving its 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 2013, the CMC had a workforce that equated to 302.97 full-time equivalent staff in various full-time and part-time roles. Compared with 30 June 2012, our full-time equivalents (FTEs) decreased by 38 permanent employees.

Table 12 shows the allocation of full-time equivalent permanent and temporary employees across the functional areas compared with the previous two years.

**Table 12. Workforce profile**

Functional area	Full-time equivalents*		
	30/6/11	30/6/12	30/6/13
Crime (including Intelligence)	79.6	87.0	<b>84.93</b>
Misconduct (including Applied Research and Evaluation)	118.3	134.3	<b>99.84</b>
Witness Protection and Operations Support	53.0	54.0	<b>50.00</b>
Strategy and Services (including Office of the Commission)	73.9	82.2	<b>68.20</b>
<b>Total</b>	<b>324.8</b>	<b>357.5</b>	<b>302.97</b>

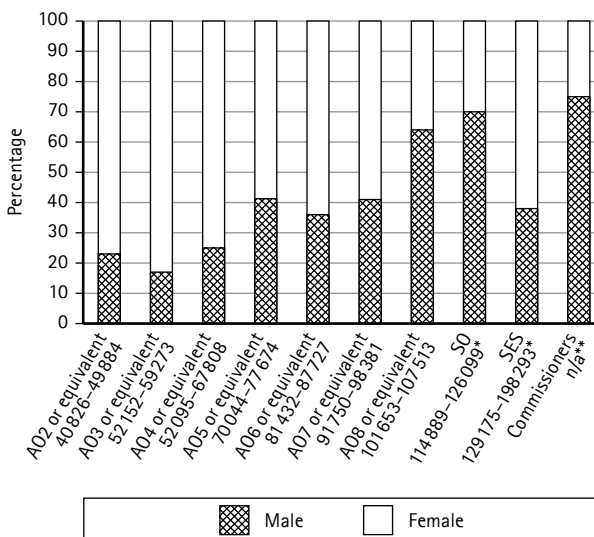
\*Full-time equivalents refer to all permanent and temporary staff.

Note: the CMC had a total of 315 permanent positions as at 30 June 2013.

## Workforce composition by gender and age groups

Women comprise 61.36 per cent of our permanent, non-police workforce. Women fill 45.95 per cent of all positions at and above A07 and equivalent classifications, and 50 per cent at the senior executive levels (which include Senior Executive Staff and Commissioners). See Figure 15.

**Figure 15. Profile of annual earnings and classification level by gender**

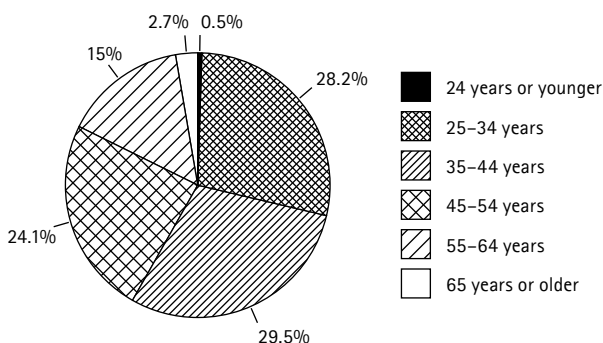


\*Superannuable salary.

\*\*No salary range quoted as Commissioners work on a part-time basis.

Figure 16 shows that 41.8 per cent of our permanent, non-police staff are aged 45 years and over, and 17.7 per cent are aged 55 years and over.

**Figure 16. Profile of staff by age group**



**Table 13.** Equity and diversity measures

	Percentage of permanent staff
Women	61.36
Men	38.64
Aboriginal and Torres Strait Islanders	1.36*
People with a disability	0.90*
People from non-English speaking backgrounds	7.27*

\*These results may not be fully representative as the data were gathered from responses to the CMC's annual EEO census.

## Retention

This year our permanent employee retention rate was 94.09 per cent (compared with 89.4 per cent last year). Our permanent employee separation rate was 17.72 per cent, well up on last year's 11 per cent (see Table 14). This is due, in part, to our program of redundancies (see "Early retirement, redundancy and retrenchment").

We are unable to compare this with the public service annual separations because the Public Service Commission 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 14.** Permanent staff separation rate, 2008–09 to 2012–13

2008–09	2009–10	2010–11	2011–12	2012–13
14%	12.7%	14.8%	11%	17.72%

## Early retirement, redundancy and retrenchment

A program of redundancies was implemented during 2012–13 as part of the CMC's project to align the organisation's establishment with the labour budget. During the period, 13 permanent employees received redundancy packages at a cost of \$981 567 (gross).

In 2012–13, no employees received early retirement packages.

# Workforce management and planning

## Promoting a sustainable workforce

In 2011–12, as part of the CMC's Strategy, Structure and Resourcing Allocation project, a project team was established to consider resourcing options for strengthened service delivery in line with our labour budget. This work continued in 2012–13; following a review of positions across the Commission, 28 permanent positions were disestablished and a number of temporary contracts were not renewed. In the review, none of the employees in positions identified for disestablishment were identified as suitable for transfer or redeployment. (As already noted, 13 permanent employees received redundancy packages.)

This year the CMC's Agency Appointment Review Committee continued to review all appointments to ensure the ongoing sustainability of our workforce, given available resources. This initiative supports the Queensland Government's commitment to achieving better control of establishment numbers and realising savings through greater scrutiny over recruitment decisions.

In 2013–14 the outcomes of the organisational and administrative restructure of the CMC, which is being overseen by the Implementation Panel progressing recommendations from the review of the Crime and Misconduct Act and the PCMC Inquiry, are likely to affect the shape and focus of future workforce planning activities.

## Restructure in police positions

Due to planned restructure in the QPS, the CMC's contingent of seconded police has undergone some change. As a consequence of the restructure, three Inspector positions were reclassified to Senior Sergeant positions, and a Chief Superintendent position was disestablished. This resulted in the redundancy of two police officers seconded to the CMC. Despite these changes there was no disruption to CMC operational activities.

## Workforce continuity

Reflecting demographic trends throughout Australia, the CMC has an ageing workforce. The CM 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 identified operational and management roles linked to workforce continuity, and determined the competencies required in these roles. This analysis will inform the development of the CMC's workforce continuity plan.

## **Attraction**

The CMC offers 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, the skills and experience acquired through working at the CMC also make many of our specialised staff highly sought after by other employers.

We are committed to attracting and retaining staff, particularly with respect to professional groupings such as lawyers and accountants.

## **Providing flexible employment conditions**

The CMC supports flexible work practices that help staff balance their work and home lives. Our flexible working arrangements incorporate options such as part-time work, flexible start and finish times, access to accrued time off, compressed working arrangements and flexible leave options, including "purchasing" additional recreation leave through salary averaging.

In the period, part-time work arrangements were in place for 11.82 per cent of our permanent, non-police staff. Of these staff, 63 per cent are at or below AO5 (and equivalent), while 37 per cent are at or above AO6 (and equivalent).

To promote greater workplace flexibility, this year the CMC implemented a new telecommuting policy. We also reviewed a number of existing policies for part-time work and job-sharing arrangements. The final phase of our review of the hours of duty policy has been delayed subject to the outcomes of the enterprise bargaining process.

## **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, including appropriate workplace behaviour, workplace health and safety, and salary and superannuation arrangements. Job-specific induction focuses on role requirements and business unit expectations.

This year, in support of the objectives of our Indigenous Engagement Strategy, the CMC commenced cultural intelligence training for all staff. Other organisation-wide training conducted in 2012–13 focused on Code of Conduct refresher training, recruitment and selection processes, effective communication, and online training for the Microsoft Office 2007 suite of programs.

To ensure that specialist staff maintain and enhance their skills, staff were given opportunities to attend a range of workshops, seminars and conferences.

## **Support for professional development**

We helped 24 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 23 staff either 50 per cent or 100 per cent of their professional membership fees.

## **Managing staff performance**

To promote workplace productivity and a performance-based culture, we continued to implement a revised Achievement and Capability Planning (ACP) framework. 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. This year the CMC implemented an updated version of the ACP to include temporary staff in the performance management process.

## **CMC officer charged**

A CMC officer was charged with an alleged contravention of secrecy under the Crime and Misconduct Act. The charge related to the alleged unauthorised release of information contained in a confidential CMC research report prepared for law enforcement agencies only. In November 2012, the CMC officer appeared before the Brisbane Magistrates Court and entered a plea of guilty. The officer was sentenced to eight months imprisonment, wholly suspended for a period of 18 months. A conviction was recorded.

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## Ensuring a safe and healthy work environment

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In 2012–13, we had nine 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 Work Health and Safety Act

The CMC maintains a comprehensive health and safety program consistent with the *Work Health and Safety Act 2011*. In 2012–13, we completed a revised Work Health and Safety manual and updated a number of related policies. We also provided due diligence and harmonisation training for all senior managers.

### Promoting staff wellness

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.

The CMC Wellness Program was established to promote health and wellbeing among our staff. Two seminars were held in 2012–13: Change Management and Will Writing and Power of Attorney. Under the Wellness Program, we sponsored staff to compete in the Corporate Games 2013 by subsidising their enrolment fees by 50 per cent. We also continued our corporate flu vaccinations program in March–April 2013, with 166 staff being vaccinated.

The CMC Consultative Forum provides opportunity for staff to raise matters of concern to them and management, and to provide timely and ongoing feedback on current issues. During 2012–13 the forum considered matters related to the enterprise agreement ballot process, the CMC redundancy program and the corporate awards program.

### Recognising staff achievements

At our corporate awards ceremony in February 2013, we recognised the performance of:

- 16 staff with Work Achievement awards
- 1 staff member with a Learning and Development award
- 1 staff member with a Conduct award.

Forty-five staff also received recognition for meritorious service:

- 26 staff received a 5-year award
- 10 staff received a 10-year award
- 2 staff received a 15-year award
- 4 staff received a 20-year award
- 3 staff received a 25-year award.

### Industrial environment

Eighty-five of our staff are employed under the CMC Employees Award — State 2012, 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 had a nominal expiry date of 31 July 2012. For the first time, in 2012–13 the CMC was included in the State Government Departments Certified Agreement 2012 negotiations, which are ongoing.

# 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 relevant 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 reasons to the Review Commissioner. In 2012–13, 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. 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, or
- a Commissioner of the former Criminal Justice Commission, or
- 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, 2012–13

In 2012–13, 36 applications for review were lodged (see Table 15). Of these, approximately 30 per cent were withdrawn before the hearing and 16 matters were heard (see Table 16). For the 16 completed, the recommendations were that appointment decisions be affirmed in 5 cases, varied in 3, set aside in 6 and ruled “no jurisdiction” in 2 (see Table 17).

Although a relatively low number of reviews were received during the 2012–13 reporting period, there was an increase in applications to review “non-appointments”. This term refers to a range of situations, including when an officer who has applied for a position and been the preferred applicant has not been appointed due to a vetting issue. In that case, that non-appointment as well as the promotion of the second preferred applicant are “reviewable decisions”. Similarly, if there is a preferred applicant and an appointment is not made to the position, that non-appointment is reviewable. These reviews are the result of legal advice received in 2011.

Tables 15 and 16 show the types, status and number of applications lodged over the last five years. Although the numbers of applications received declined in 2012–13, some of the reviews received this year were quite complex and time-consuming.

## 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.

From 1 July 2013, the Central Convenors Units in Brisbane and Townsville will be abolished. Pending any changes to the promotion and transfer selection process policy, panels will be formed in the region, command or division, with the relevant Senior Executive Officer responsible for forming the panel.

## Advice on jurisdiction of Review Commissioners

Review Commissioners are independent of the CMC and the QPS and only provide recommendations to the Commissioner of Police. If the applicant of a matter is aggrieved by the decision of the Commissioner, they may apply for a Judicial Review of the decision with the Supreme Court.

**Table 15.** Types of applications lodged, 2008–09 to 2012–13

Type	2008–09	2009–10	2010–11	2011–12	2012–13
Promotion	44	31	95	86	26
Transfer	5	2	6	12	1
Lateral transfer / Unapplied transfer	3	6	5	2	3
Stand-down	1	1	–	1	–
Suspension	5	–	–	1	–
Disciplinary	–	–	–	1	2
Dismissal	–	–	–	–	–
Other <sup>1</sup>	–	1	3	1	4
<b>Total</b>	<b>58</b>	<b>41</b>	<b>109</b>	<b>104</b>	<b>36</b>

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
- 2012–13: reviews of non-appointment.

**Table 16.** Status of applications lodged, 2008–09 to 2012–13

Status	2008–09	2009–10	2010–11	2011–12	2012–13
Matters lodged <sup>1</sup>	58	41	109	104	36 <sup>3</sup>
Matters withdrawn before hearing	37	14	41	76 <sup>2</sup>	11
Matters out of jurisdiction	3	5	15	3	4 <sup>4</sup>
Matters awaiting hearing at 30 June	7	7	9	5	5 <sup>5</sup>
Matters heard	11	13	43	19	16

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. Note also that the number of matters lodged does not match the number of outcomes listed for any year, as not all matters will be resolved within each financial year.
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.
3. One matter lapsed following the death of the applicant.
4. One application was received "out of time" and not considered by the Review Commissioner.
5. One matter is currently held in abeyance pending investigation of a complaint.

**Table 17.** Resulting recommendations in matters heard by Review Commissioners, 2012–13

Type of application	Awaiting outcome	Affirmed	Varied	Set aside	No jurisdiction	Total
Promotion	–	4	1	5	–	10
Transfer	–	1	–	–	–	1
Lateral transfer / Unapplied transfer	–	–	2	–	–	2
Stand-down	–	–	–	–	–	–
Other	–	–	–	1	2	3

# Financial summary

## Financial results

	2008–09 \$m	2009–10 \$m	2010–11 \$m	2011–12 \$m	2012–13 \$m
State Government Grant	41.652	43.752	48.288	49.077	49.661
Other Grants and Contributions	0.079	1.081	0.370	0.350	0.482
Other Revenue	0.616	0.951	0.904	1.013	0.734
<b>Total Revenue</b>	<b>42.347</b>	<b>45.784</b>	<b>49.562</b>	<b>50.440</b>	<b>50.877</b>
Employee Expenses	30.191	31.100	34.354	36.598	36.005
Supplies and Services	5.935	6.178	8.145	6.658	6.364
Operating Lease Expenses	4.487	3.893	4.499	4.358	4.399
Depreciation and Amortisation	1.640	1.751	2.158	2.280	2.544
Other Expenses	0.288	1.228	0.642	0.636	0.709
<b>Total Expenditure</b>	<b>42.541</b>	<b>44.150</b>	<b>49.798</b>	<b>50.530</b>	<b>50.021</b>
Operating Surplus (Deficit)	(0.194)	1.634	(0.236)	(0.090)	0.856
Net Assets	14.445	16.079	15.843	15.389	14.894
State Government Grant/Total Revenue	98%	96%	97%	97%	98%
Employee Expenses/Total Expenditure	71%	70%	69%	72%	72%

The CMC's financial result for 2012–13 was that revenue exceeded expenses by \$0.856m, resulting in an operating surplus (2011–12, \$0.090m operating deficit). Refer to pages 68–9, "Comparison of budget and actual results", for further details about the 2012–13 operating surplus.

### Revenue

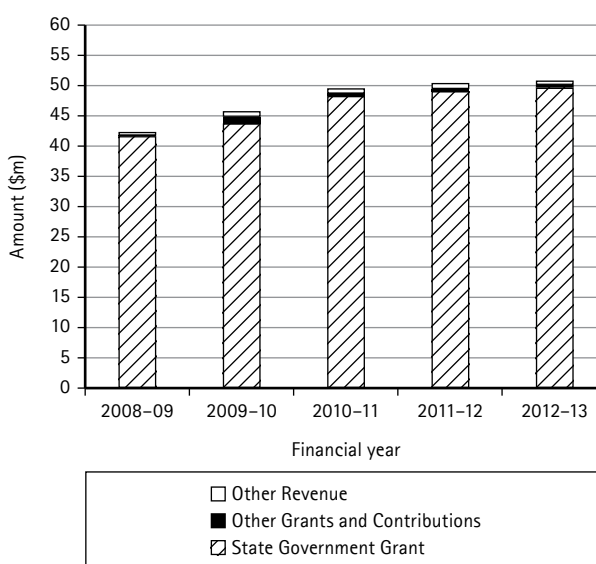
The CMC is predominantly funded through grant funds received from the Queensland Government. In 2012–13, \$49.661m or 98% of total revenue was received from the Queensland Government (2011–12, \$49.077m or 97% of total revenue). See Figure 17.

In addition, the CMC recognised contributions of \$0.475m (2010–11, \$0.335m) for services received free of charge, mainly from other Queensland Government agencies. An equal amount has been recognised as expenditure.

Other revenue mainly consists of interest of \$0.611m earned on cash balances throughout the financial year (2011–12, \$0.844m).

Total revenue for 2012–13 was \$50.877m, an increase of \$0.437m, or almost 1%, from the previous year, mainly as a result of one-off grant funding received from the Queensland Government for severance payments incurred as part of the Commission's strategy to realign the staff establishment to its labour budget.

**Figure 17. Revenue \$m, 2008–09 to 2012–13**



### Expenses

The CMC's major expenditure consists of employee costs, which in 2012–13 comprised 72% of total expenditure or \$36.005m (2011–12, 72% or \$36.598m). See Figure 18.

In line with the government's focus on savings, total expenditure decreased by 1%, or \$0.509m, from the previous year.

Employee expenses have decreased by 1.62% or \$0.593m from the previous year. As noted in "Our people" (page 61), 28 permanent positions were disestablished during the financial year and 13 permanent employees received severance and supplementary payments (comparable to the Queensland Government staff redundancy package) totalling \$981 567. The total number of employees, including both full-time and part-time employees, measured on a full-time equivalent (FTE) basis was 302.97 FTEs for the 2012–13 financial year (2011–12, 357.5 FTEs).

Supplies and services expenditure has decreased by almost 5% or \$0.294m from the previous year, mainly due to lower expenditure on consultants and contractors (a decrease of 49%) and travel-related expenses (a decrease of 29%). However, legal costs increased by 41% or \$0.209m, partly due to legal costs paid for the PCMC Inquiry into the release and destruction of Fitzgerald Inquiry documents.

All other expenditure remained relatively consistent with the previous financial year.

## Capital Acquisitions

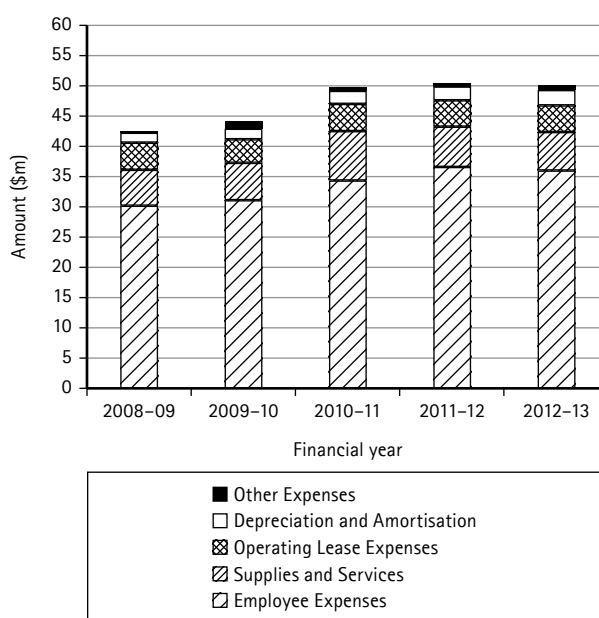
The CMC invested \$1.051m in capital acquisitions during the 2011–12 financial year (2011–12, \$1.836m), mainly as part of the ongoing asset replacement and maintenance program. In accordance with the Commission's Asset Strategic Plan, \$0.488m was spent on motor vehicle purchases (2011–12, \$0.556m) and \$0.563m was spent on computer and other equipment (2011–12, \$0.984m).

The Commission did not make any leasehold improvements in the 2012–13 financial year (2011–12, \$0.084m), but an adjustment was made to the provision for restoration costs for its leased premises. An estimated amount of \$1.607m (2011–12, \$1.761m) is included in the cost of leasehold improvements, relating 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.

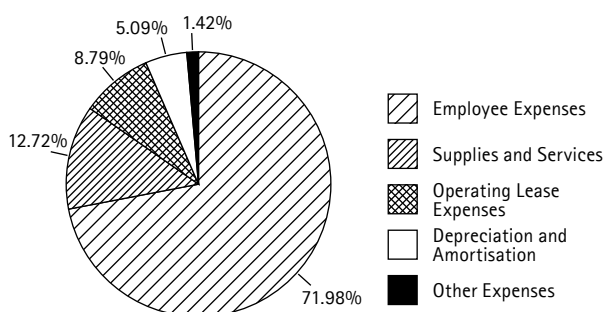
The Commission did not purchase any software above the asset recognition threshold of \$0.100m in 2012–13 (2011–12, \$0.212m).

Further information on capital acquisitions can be found in Notes 14 and 15 of the Financial Statements.

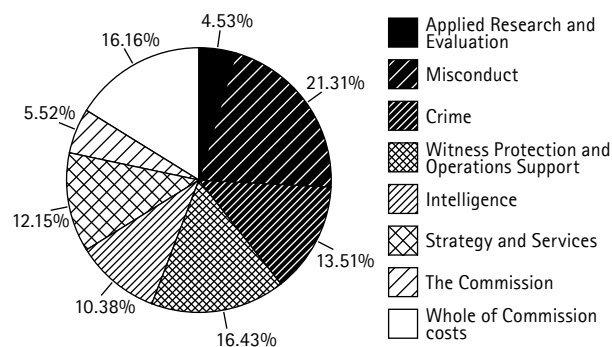
**Figure 18.** Expenditure \$m, 2008–09 to 2012–13



**Figure 19.** Expenditure by type, 2012–13



**Figure 20.** Expenditure by functional area



## Assets

As at 30 June 2013, the CMC assets were valued at \$24.447m, decreasing by \$1.806m since 2011–12, mainly due to the return of cash reserves of \$1.351m to the Queensland Treasury, via a non-appropriated equity withdrawal.

## Liabilities

As at 30 June 2013, the CMC's liabilities were valued at \$9.553m, decreasing by \$1.311m since 2011–12. The decrease is mainly attributable to lower amounts owing to trade creditors at 30 June 2013, a decrease in lease liabilities, and a decrease in the value of employee annual leave entitlements owing, as a result of annual leave payouts on termination, coupled with a decrease in annual leave balances due to the Commission's commitment to work-life balance by monitoring and addressing excessive annual leave balances.

# Comparison of budget and actual results

## Statement of Comprehensive Income

	2012–13 Budget \$m	2012–13 Actual \$m	2012–13 Variance \$m
Grants and Contributions	49.668	50.143	0.475
Interest Revenue	0.659	0.611	(0.048)
Other Revenue	0.133	0.123	(0.010)
<b>Total Income</b>	<b>50.460</b>	<b>50.877</b>	<b>0.417</b>
Employee Expenses	36.490	36.005	(0.485)
Supplies and Services	6.810	6.364	(0.446)
Operating Lease Expenses	4.420	4.399	(0.021)
Depreciation and Amortisation	2.588	2.544	(0.044)
Other Expenses	0.152	0.709	0.557
<b>Total Expense</b>	<b>50.460</b>	<b>50.021</b>	<b>(0.439)</b>
<b>Operating Surplus/(Deficit)</b>	<b>–</b>	<b>0.856</b>	<b>0.856</b>

## Significant variances

### Grants and Contributions

The increase in grants and other contributions is due to the recognition of contributions for goods and services received free of charge or for nominal value, mainly from other Queensland Government agencies. Contributions for goods and services are recognised only if the goods and 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 expense.

(Refer to Financial Statements – Note 2 – Grants and Other Contributions – Goods and services received below fair value).

### Interest Revenue

Interest revenue was \$0.048m less than budgeted due to lower than anticipated interest rates.

### Employee Expenses

Employee expenses were underspent due to lower than budgeted staff training and development expenditure (budget saving of almost \$0.200m). Further, as a result of the review of the Crime and Misconduct Act, the CMC took a proactive approach in curtailing activities in areas that were the focus of the review. Consequently, some vacant positions in these areas were not filled, resulting in budget savings at the end of the financial year.

### Supplies and Services

In line with the government's focus on savings, spending has been cautious throughout the 2012–13 financial year, resulting in supplies and services expenditure being under budget by \$0.446m. Main areas of budget savings include travel-related expenditure, telecommunications and information retrieval costs, motor vehicle operating costs and computer equipment costs.

### Other Expenses

The increase in other expenses is mainly due to the recognition of goods and services received free of charge mainly from other Queensland Government agencies of \$0.475m. In addition, the Commission made special payments of \$0.069m during the financial year (refer to Note 10 in the financial statements for further details).

### Operating surplus

The operating budget surplus of \$0.856m was mainly due to budget savings in employee expenses and supplies and services expenditure, as detailed above.

## Statement of Financial Position

	2012–13 Budget \$m	2012–13 Actual \$m	2012–13 Variance \$m
Current Assets	11.062	10.728	(0.334)
Non-Current Assets	13.681	13.719	0.038
<b>Total Assets</b>	<b>24.743</b>	<b>24.447</b>	<b>(0.296)</b>
Current Liabilities	5.573	4.221	(1.352)
Non-Current Liabilities	5.034	5.332	0.298
<b>Total Liabilities</b>	<b>10.607</b>	<b>9.553</b>	<b>(1.054)</b>
<b>Total Equity</b>	<b>14.136</b>	<b>14.894</b>	<b>0.758</b>

### Significant variances

#### Current Assets

The decrease in current assets is mainly due to a lower than budgeted cash balance due to higher than budgeted creditor payments at the end of the financial year.

#### Non-Current Assets

The increase in non-current assets is mainly due to lower than anticipated asset disposals during the financial year.

#### Current Liabilities

Current liabilities were lower than expected due mainly to lower than anticipated trade creditors and accrued employee benefits at 30 June 2013.

#### 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 mainly due to the 2012–13 operating surplus of \$0.856m.

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## Financial risk management

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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 ongoing training and development of finance staff.

### Purchasing and Expense Management

The CMC manages its procurement processes in accordance with the *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 in relation to procurement outcomes. We do this by ensuring compliance with the CMC's policies and procedures, ongoing 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 the 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 stocktaking 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 2013, 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 2013.

The financial statements consist of five parts:

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

## Statement of Comprehensive Income

The Statement of Comprehensive Income (SOI) measures the entity's financial performance over a specific period (usually 12 months). The SOI 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 SOI 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 2013, the CMC's revenue exceeded expenditure by \$0.856m, resulting in an operating surplus.

## 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 2013, the CMC's equity decreased by \$0.495m, comprising its current year operating surplus of \$0.856m and a return of cash reserves of \$1.351m to Queensland Treasury via a non-appropriated equity withdrawal.

## 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 that 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 2013, the CMC's non-current assets of \$13.719m 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 where there is 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 2013.

## 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 \$12.221m 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 withdrawals of \$0.372m in the 2011–12 financial year and \$1.351m in the 2012–13 financial year.

The accumulated surplus of \$2.665m at 30 June 2013 consists of current year and the 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 2012–13 financial year, the CMC received \$52.634m (2011–12, \$52.452m) in cash and paid out \$50.754m (2011–12, \$50.358m) in cash to manage its operating activities. In addition, cash comprising \$0.835m (2011–12, \$1.595m) was spent to invest in capital acquisitions.

The CMC's cash balance at 30 June 2013 was \$9.269m compared with \$9.575m at 30 June 2012. The decrease in cash is mainly due to the return of cash reserves to Queensland Treasury, offset by lower capital acquisitions than in the previous financial year.

## 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*, which reports directly to the Queensland Parliament.

For financial reporting purposes, the Commission is a statutory body in the terms of the *Financial Accountability Act 2009*, and is subsequently consolidated into the whole-of-government financial report.

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 website at [www.cmc.qld.gov.au](http://www.cmc.qld.gov.au).

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 2013

	Notes	2013 \$'000	2012 \$'000
<b>Income from Continuing Operations</b>			
Grants and other contributions	2	50,143	49,427
Other revenue	3	693	993
<b>Total Revenue</b>		<b>50,836</b>	<b>50,420</b>
Gains from sale of property, plant and equipment	4	41	20
<b>Total Income from Continuing Operations</b>		<b>50,877</b>	<b>50,440</b>
<b>Expenses from Continuing Operations</b>			
Employee expenses	5	36,005	36,598
Supplies and services	7	10,763	11,016
Depreciation and amortisation	8	2,544	2,280
Finance costs	9	58	71
Other expenses	10	651	565
<b>Total Expenses from Continuing Operations</b>		<b>50,021</b>	<b>50,530</b>
<b>Operating Result from Continuing Operations</b>		<b>856</b>	<b>(90)</b>
<b>Other Comprehensive Income</b>			
<u>Items that will not be reclassified subsequently to Operating Result:</u>			
Increase (decrease) in asset revaluation surplus	21	—	8
<b>Total Other Comprehensive Income</b>		<b>—</b>	<b>8</b>
<b>Total Comprehensive Income</b>		<b>856</b>	<b>(82)</b>

The accompanying notes form part of these statements.

# Statement of Financial Position

## as at 30 June 2013

	Notes	2013 \$'000	2012 \$'000
<b>Current Assets</b>			
Cash and cash equivalents	11	9,269	9,575
Receivables	12	952	619
Other	13	507	462
<b>Total Current Assets</b>		<b>10,728</b>	<b>10,656</b>
<b>Non-Current Assets</b>			
Intangible assets	14	511	626
Property, plant and equipment	15	13,202	14,915
Other	13	6	56
<b>Total Non-Current Assets</b>		<b>13,719</b>	<b>15,597</b>
<b>Total Assets</b>		<b>24,447</b>	<b>26,253</b>
<b>Current Liabilities</b>			
Payables	16	2,429	3,123
Lease liabilities	17	309	309
Accrued employee benefits	18	1,481	1,733
Other	20	2	3
<b>Total Current Liabilities</b>		<b>4,221</b>	<b>5,168</b>
<b>Non-Current Liabilities</b>			
Lease liabilities	17	2,825	3,049
Accrued employee benefits	18	705	749
Provisions	19	1,802	1,898
<b>Total Non-Current Liabilities</b>		<b>5,332</b>	<b>5,696</b>
<b>Total Liabilities</b>		<b>9,553</b>	<b>10,864</b>
<b>Net Assets</b>		<b>14,894</b>	<b>15,389</b>
<b>Equity</b>			
Contributed equity		12,221	13,572
Accumulated surplus		2,665	1,809
Asset revaluation surplus	21	8	8
<b>Total Equity</b>		<b>14,894</b>	<b>15,389</b>

The accompanying notes form part of these statements.

# Statement of Changes in Equity

## for the year ended 30 June 2013

	Accumulated Surplus	Asset Revaluation Surplus (Note 21)	Contributed Equity	TOTAL
	\$'000	\$'000	\$'000	\$'000
<b>Balance as at 1 July 2011</b>	<b>1,899</b>	<b>–</b>	<b>13,944</b>	<b>15,843</b>
Operating result from continuing operations	(90)	–	–	(90)
<i>Other Comprehensive Income</i>				
- Increase/(Decrease) in asset revaluation surplus	–	8	–	8
<i>Total Comprehensive Income for the year</i>	<b>–</b>	<b>8</b>	<b>–</b>	<b>8</b>
<i>Transactions with Owners as Owners:</i>				
- Non Appropriated equity withdrawal	–	–	(372)	(372)
<b>Balance as at 30 June 2012</b>	<b>1,809</b>	<b>8</b>	<b>13,572</b>	<b>15,389</b>
<b>Balance as at 1 July 2012</b>	<b>1,809</b>	<b>8</b>	<b>13,572</b>	<b>15,389</b>
Operating result from continuing operations	856	–	–	856
<i>Transactions with Owners as Owners:</i>				
- Non Appropriated equity withdrawal	–	–	(1,351)	(1,351)
<b>Balance as at 30 June 2013</b>	<b>2,665</b>	<b>8</b>	<b>12,221</b>	<b>14,894</b>

*The accompanying notes form part of these statements.*

# Statement of Cash Flows

## for the year ended 30 June 2013

	Notes	2013 \$'000	2012 \$'000
<b>Cash flows from operating activities</b>			
<b>Inflows</b>			
Grants and other contributions		49,668	49,092
Interest receipts		650	825
GST input tax credits from ATO		2,187	2,259
GST collected from customers		35	28
Other		94	248
<b>Outflows</b>			
Employee expenses		(37,974)	(37,049)
Supplies and services		(10,393)	(10,866)
GST paid to suppliers		(2,185)	(2,234)
GST remitted to ATO		(32)	(28)
Other		(170)	(181)
<b>Net cash provided by operating activities</b>	22	<b>1,880</b>	<b>2,094</b>
<b>Cash flows from investing activities</b>			
<b>Inflows</b>			
Sales of property, plant and equipment		217	49
<b>Outflows</b>			
Payments for property, plant and equipment		(1,052)	(1,432)
Payments for intangibles		—	(212)
<b>Net cash used in investing activities</b>		<b>(835)</b>	<b>(1,595)</b>
<b>Cash flows from financing activities</b>			
<b>Outflows</b>			
Equity withdrawals		(1,351)	(372)
<b>Net cash used in financing activities</b>		<b>(1,351)</b>	<b>(372)</b>
Net increase in cash and cash equivalents		(306)	127
Cash and cash equivalents at beginning of financial year		9,575	9,448
<b>Cash and cash equivalents at end of financial year</b>	11	<b>9,269</b>	<b>9,575</b>

The accompanying notes form part of these statements.

## Notes to and forming part of the Financial Statements 2012–13

### Objectives and principal activities of the Commission

<b>Note 1</b>	Summary of Significant Accounting Policies
<b>Note 2</b>	Grants and Other Contributions
<b>Note 3</b>	Other Revenue
<b>Note 4</b>	Gains
<b>Note 5</b>	Employee Expenses
<b>Note 6</b>	Key Executive Management Personnel and Remuneration
<b>Note 7</b>	Supplies and Services
<b>Note 8</b>	Depreciation and Amortisation
<b>Note 9</b>	Finance Costs
<b>Note 10</b>	Other Expenses
<b>Note 11</b>	Cash and Cash Equivalents
<b>Note 12</b>	Receivables
<b>Note 13</b>	Other Assets
<b>Note 14</b>	Intangible Assets
<b>Note 15</b>	Property, Plant and Equipment
<b>Note 16</b>	Payables
<b>Note 17</b>	Lease Liabilities
<b>Note 18</b>	Accrued Employee Benefits
<b>Note 19</b>	Provisions
<b>Note 20</b>	Other Current Liabilities
<b>Note 21</b>	Asset Revaluation Surplus
<b>Note 22</b>	Reconciliation of Operating Surplus to Net Cash from Operating Activities
<b>Note 23</b>	Commitments for Expenditure
<b>Note 24</b>	Contingencies
<b>Note 25</b>	Financial Instruments
<b>Note 26</b>	Trust Transactions and Balances
<b>Note 27</b>	Australian Public Sector Anti-Corruption Conference (APSACC)
<b>Note 28</b>	Events Occurring after Balance Date

## Notes to and forming part of the Financial Statements 2012–13

### Objectives and principal activities of the Crime and Misconduct Commission

The objectives of the Commission are threefold.

#### **1. *Reduced impact of major crime in Queensland***

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. *A trustworthy 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. *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 because of 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 Queensland Treasury and Trade's Minimum Reporting Requirements for the year ending 30 June 2013, 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 2012–13

**(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. The accounting treatment for contributions of goods or services is explained in Note 1(r).

**(e) Special Payments**

Special payments include ex gratia expenditure and other expenditure that the Commission is not contractually or legally obligated to make to other parties. In compliance with the *Financial and Performance Management Standard 2009*, the Commission maintains a register setting out details of all special payments greater than \$5000. The total of all special payments (including those of \$5000 or less) is disclosed separately within Other Expenses (Note 10). However, descriptions of the nature of special payments are only provided for special payments greater than \$5000.

**(f) 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.

**(g) 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 were written off as at 30 June.

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.

**(h) Prepayments**

Invoices paid in advance for goods and services yet to be received are recognised as a prepayment if the value of the invoice is greater than or equal to \$1000. Recognition occurs at the time the invoice is processed for payment.

## Notes to and forming part of the Financial Statements 2012–13

### (i) 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*.

### (j) Property, Plant and Equipment

Items of property, plant and equipment with a cost or other value equal to or in excess of \$5000 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.

### (k) 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 and Trade'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 revalued its artwork during the 2011–12 financial year (refer to Notes 15 and 21).

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

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

### (l) Intangible Assets

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

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 2012–13

## (m) Amortisation and Depreciation of Intangibles and Property, Plant and Equipment

Property, plant and equipment are 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
<b>Plant and Equipment:</b>		
General and technical equipment and furniture	1.5–33.33	3–10 years
Computer equipment	12.5–33.3	3–8 years
Motor vehicles	12.5–33.3	3–8 years
Leasehold improvements	7.3–14.5	7–13 years
<b>Intangible Assets:</b>		
Software	11.1–25	4–9 years

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

## (n) 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. The Commission did not impair any assets during the financial year.

## (o) 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.

## Notes to and forming part of the Financial Statements 2012–13

**(p) 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.

**(q) 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. Apart from cash and cash equivalents, the Commission holds no financial assets at fair value through profit or loss.

All other disclosures relating to the measurement and financial risk management of financial instruments held by the Commission are included in Note 25.

**(r) 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.

**(s) 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

## Notes to and forming part of the Financial Statements 2012–13

### (s) Employee Benefits (cont'd)

Government bonds of similar maturity, after projecting the remuneration rates expected to apply at the time of likely settlement.

#### *Long service leave*

Under the Queensland Government's long service leave scheme, a levy is made on the Commission to cover the cost of employee's long service leave. Levies are expensed in the period in which they are payable. Amounts paid to employees for long service leave are claimed from the scheme quarterly in arrears.

No provision for long service leave is recognised in the Commission's financial statements, the liability being held on a whole-of-government basis and reported in those financial statements, pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

#### *Superannuation*

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

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

#### *Key Executive Management Personnel and Remuneration*

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

### (t) 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.

### (u) 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.

### (v) 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.

### (w) 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).

## Notes to and forming part of the Financial Statements 2012–13

### (x) Issuance of Financial Statements

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

### (y) 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).

The Australian government passed its Clean Energy Act in November 2011 which resulted 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 judgments.

### (z) Rounding and Comparatives

Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest \$1000 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.

### (aa) New and Revised Accounting Standards

Accounting policies applied during 2012–13 were only amended where required by Australian accounting standards. Australian accounting standard changes applicable for the first time for 2012–13 have had minimal effect on the Commission's financial statements, as explained below.

*AASB 2011-19 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income* (AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049) became effective from reporting periods beginning on or after 1 July 2012. The only impact for the Commission is that, in the Statement of Comprehensive Income, items within the "Other Comprehensive Income" section are now presented in different sub-sections, according to whether or not they are subsequently classifiable to the operating result.

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

## Notes to and forming part of the Financial Statements 2012–13

**(aa) New and Revised Accounting Standards (cont'd)**

At the date of authorisation of the financial report, new or amended Australian Accounting Standards and Interpretations relevant to the Commission (as listed below) had been issued, which have mandatory application dates for future reporting periods.

<b>Standard/Interpretation</b>	<b>Applicable for annual reporting periods beginning on or after:</b>
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 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 1055 <i>Budgetary Reporting</i>	1 July 2014
AASB 9 <i>Financial Instruments</i>	1 January 2015
AASB 2010-7 <i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)</i>	1 January 2015

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.

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.

## Notes to and forming part of the Financial Statements 2012–13

### **(aa) New and Revised Accounting Standards (cont'd)**

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 to Note 1(s)).

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 and Trade is the regulator. Queensland Treasury and Trade's policy decision requires the Commission to adopt Tier 1 reporting requirements. Therefore, the release of AASB 1053 and associated amending standards will have no impact on the Commission.

AASB 1055 *Budgetary Reporting* applies from reporting periods beginning on or after 1 July 2014. From that date, based on what is currently published in the Queensland Government's Budgetary Service Delivery Statements, the Commission will need to include the original budgeted statements for the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, and Statement of Cash Flows, in these financial statements.

These budgeted statements will need to be presented consistently with the corresponding (actual) financial statements, and will be accompanied by explanations of major variances between the actual amounts and the corresponding budgeted financial statements.

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(q) 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.

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 2012–13

	2013 \$'000	2012 \$'000
<b>Note 2: Grants and Other Contributions</b>		
Queensland Government grant	49,661	49,077
Goods and services received below fair value*	475	335
Other	7	15
<b>Total</b>	<b>50,143</b>	<b>49,427</b>
 <b>*Received from</b>		
	<b>Goods/Services</b>	
	Archival services	
Department of Public Works	(July 2011 to April 2012)	271
Department of Science, Information	Archival services	
Technology and Innovation	294	52
Queensland Police Service	Salary and training costs	12
Australian Security Academy Pty Ltd	Training provided	–
<b>Total</b>	<b>475</b>	<b>335</b>
 <b>Note 3: Other Revenue</b>		
Interest	611	844
Australian Public Sector Anti-Corruption Conference (APSACC)*	–	44
Car Parking	44	40
Other	38	65
<b>Total</b>	<b>693</b>	<b>993</b>
 *Refer to Note 27.		
 <b>Note 4: Gains</b>		
Gain on sale of property, plant and equipment	41	20
<b>Total</b>	<b>41</b>	<b>20</b>
 <b>Note 5: Employee Expenses</b>		
<b>Employee Benefits</b>		
Wages and salaries	25,440	26,489
Annual leave expense*	1,698	1,962
Employer superannuation contributions*	3,542	3,631
Long service leave levy*	598	617
Termination benefits**	1,019	9
Other employee benefits	1,484	1,464
 <b>Employee Related Expenses</b>		
Workers compensation premium*	382	146
Payroll tax*	1,546	1,587
Other employee related expenses	296	693
<b>Total</b>	<b>36,005</b>	<b>36,598</b>

## Notes to and forming part of the Financial Statements 2012–13

**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:

	2013	2012
Number of employees**	302.97	357.5

\*Refer to Note 1 (s).

\*\*As part of the Commission's strategy to re-align the staff establishment to its labour budget, 28 permanent positions were disestablished during the financial year. As part of this process, 13 permanent employees received severance and supplementary payments (comparable to the Queensland Government staff redundancy package) that totalled \$981,567.

**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.

	2013 \$'000	2012 \$'000
Ann Gummow (term expired 20 August 2011)	-	6
Judith Bell (term expired 2 June 2013)	43	47
Phillip Nase*	47	65
Marilyn McMeniman	47	46
George Fox (commenced 23 September 2011)*	47	36
<b>Total</b>	<b>184</b>	<b>200</b>

\* Commissioner George Fox acted as Chairperson for a brief period without financial compensation during the financial year (2012: Commissioner Philip Nase's remuneration includes an amount of \$17,856 for acting as Chairperson).

# Notes to and forming part of the Financial Statements 2012–13

## 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 2012–13. Further information on these positions can be found in the body of the Annual Report under the section relating to leadership and executive management.

Position	Responsibilities	Current Incumbents	
		Contract classification and appointment authority	Date appointed to position (Date resigned from position)
Chairperson	Responsible for the efficient, effective and economic administration of the Commission.	<b>Outgoing</b> – CEO / <i>Crime and Misconduct Act 2001</i>	5 March 2012 (3 April 2013)
		<b>Acting</b> – CEO / <i>Crime and Misconduct Act 2001</i>	Various periods during the financial year (Temporary assignment)
		<b>Acting</b> – CEO / <i>Crime and Misconduct Act 2001</i> (Refer to Note 6a)*	20 May 2013 – 22 May 2013 (Temporary assignment)
		<b>Acting</b> – CEO / <i>Crime and Misconduct Act 2001</i>	22 May 2013 – current (Temporary assignment)
Assistant Commissioner, Misconduct	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.	<b>Outgoing</b> – SES4 / <i>Crime and Misconduct Act 2001</i>	14 June 2010 (22 May 2013)
		<b>Acting</b> – SES4 / <i>Crime and Misconduct Act 2001</i>	2 April 2013 – current (Temporary assignment)
Assistant Commissioner, Crime	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.	<b>Current</b> – SES4 / <i>Crime and Misconduct Act 2001</i>	9 January 2012
		<b>Acting</b> – SES4 / <i>Crime and Misconduct Act 2001</i>	2 April 2013 – current (Temporary assignment)
Executive General Manager	Responsible for participating collaboratively in the overall management of the Commission and, in particular, to achieve objectives set by the Commission for overall organisational performance and corporate service functions.	<b>Current</b> – SES4 / <i>Crime and Misconduct Act 2001</i>	27 April 2011
Director, Office of the Commission*	Responsible for providing independent advice to the Commission in relation to issues such as compliance, strategic planning, governance and the achievement of Commission priorities.	<b>Outgoing</b> – SES2 / <i>Crime and Misconduct Act 2001</i>	31 October 2011 (6 July 2012)

\* Subsequent to the resignation of the incumbent, this position was disestablished as part of the Commission's strategy to re-align its staff establishment to its labour budget.

## Notes to and forming part of the Financial Statements 2012–13

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

#### (c) Key Executive Management Personnel Remuneration

##### Chief Executive's Remuneration

The remuneration paid to the Chairperson is determined by the Governor in Council and is equivalent to the superannuable salary of the President of the Court of Appeal as provided for under the *Judicial Remuneration Act 2007*.

The current Acting Chairperson's condition of employment includes an expense of office allowance, a motor vehicle allowance equivalent to that of a Chief Executive Officer of a Queensland Government Department appointed under the *Public Service Act 2008*, and non-monetary benefits consisting of car parking benefits, leave equivalent to the public service, and superannuation benefits.

The Chairperson is not eligible for a performance bonus.

##### Senior Executive Remuneration

Remuneration policy for the Commission's senior executive personnel is based on rates set by the Queensland Public Service Commission as provided for under the *Public Service Act 2008*, and approved by the Minister. The remuneration and other terms of employment for the key executive management personnel are specified in employment contracts.

For the 2012–13 year, the remuneration of senior executive personnel increased by 2.2% 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 expensed for the entire part or for that part of the year during which the employee occupied the specified position.
  - 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 amounts expensed in respect of long service leave.
- Post-employment benefits include amounts expensed in respect of employer superannuation obligations.
- 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.
- Performance bonuses are not paid under contracts in place.

## Notes to and forming part of the Financial Statements 2012–13

**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 2012 – 30 June 2013

Position	Short-Term Employee Benefits		Long-Term Employee Benefits	Post-Employment Benefits	Termination Benefits	Total Remuneration
	Base \$'000	Non-Monetary Benefits \$'000				
Chairperson (resigned 3 April 2013)	365	26	17	40	11	459
Acting Chairperson Various periods during the financial year	116	–	–	8	–	124
Acting Chairperson 22 May 2013 - current	53	–	1	6	–	60
Assistant Commissioner, Misconduct (resigned 22 May 2013)	132	22	4	14	2	174
Acting Assistant Commissioner, Misconduct 2 April 2013 – current	52	–	–	7	–	59
Assistant Commissioner, Crime	160	21	5	18	–	204
Acting Assistant Commissioner, Crime 2 April 2013 – current	54	–	–	4	–	58
Executive General Manager	229	–	18	23	–	270
Director, Office of the Commission (resigned 6 July 2012)	4	–	–	–	–	4
<b>Total Remuneration</b>	<b>1,165</b>	<b>69</b>	<b>45</b>	<b>120</b>	<b>13</b>	<b>1,412</b>

## Notes to and forming part of the Financial Statements 2012–13

**Note 6: Key Executive Management Personnel and Remuneration (cont'd)****(c) Key Management Personnel Remuneration (cont'd)****1 July 2011 – 30 June 2012**

<b>Position</b>	<b>Short-Term Employee Benefits</b>		<b>Long-Term Employee Benefits</b>	<b>Post-Employment Benefits</b>	<b>Termination Benefits</b>	<b>Total Remuneration</b>
	<b>Base \$'000</b>	<b>Non-Monetary Benefits \$'000</b>				
Chairperson (resigned 18 November 2011)	85	–	–	10	–	95
Acting Chairperson 25 August 2011 to 4 March 2012	150	–	–	9	–	159
Chairperson (appointed 5 March 2012)	147	5	3	8	–	163
Assistant Commissioner, Misconduct	142	19	6	16	–	183
Acting Assistant Commissioner, Misconduct 21 November 2011 to 4 March 2012	48	–	–	4	–	52
Assistant Commissioner, Crime (resigned 21 November 2011)	67	20	3	9	–	99
Acting Assistant Commissioner, Crime 22 November 2011 to 6 January 2012	27	–	–	2	–	29
Assistant Commissioner, Crime (appointed 9 January 2012)	104	6	2	12	–	124
Executive General Manager	214	12	4	23	–	253
Director, Office of the Commission (appointed 31 October 2011)	124	–	2	13	–	139
<b>Total Remuneration</b>	<b>1,108</b>	<b>62</b>	<b>20</b>	<b>106</b>	<b>–</b>	<b>1,296</b>

# Notes to and forming part of the Financial Statements 2012–13

	2013 \$'000	2012 \$'000
<b>Note 7: Supplies and Services</b>		
Rental expense – operating lease	4,399	4,358
Computer costs	716	659
Consultants and contractors	396	775
Corporate service providers	127	126
Electricity	293	291
Furniture and equipment (non asset)	224	365
Telecommunications and access costs	1,147	1,063
Legal costs	723	514
Building and equipment maintenance	344	335
Motor vehicles	475	532
Operational expenses	584	498
Security	445	443
Travel	354	502
Other supplies and services	536	555
<b>Total</b>	<b>10,763</b>	<b>11,016</b>
<b>Note 8: Depreciation and Amortisation</b>		
Depreciation and amortisation were incurred in respect of:		
Motor vehicles	365	342
Computer equipment	485	340
General and technical equipment	197	188
Leasehold improvements	1,382	1,334
Software	115	76
<b>Total</b>	<b>2,544</b>	<b>2,280</b>
<b>Note 9: Finance Costs</b>		
Unwinding the discount*	58	71
<b>Total</b>	<b>58</b>	<b>71</b>

\* 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 2012–13

## Note 10: Other Expenses

	2013 \$'000	2012 \$'000
External audit fees*	62	67
Insurance	29	22
Services received free of charge (see Note 2)	475	335
Losses from disposal of property, plant and equipment	6	49
Special payments**		
Ex-gratia payments	69	19
APSACC – seed money for future conferences***	–	44
Other	10	29
<b>Total</b>	<b>651</b>	<b>565</b>

\* Total audit fees paid to the Queensland Audit Office relating to the 2012–13 financial statements are estimated to be \$64,000 (2012: \$64,000). There are no non-audit services included in this amount.

\*\*Included in special payments is an amount of \$38,930 paid to external legal counsel for legal assistance provided to staff involved with the Parliamentary Crime and Misconduct Committee (PCMC) Inquiry into the release and destruction of Fitzgerald Inquiry documents, in March 2013. Refer to Note 1(e).

\*\*\*Refer to Note 27.

## Note 11: Cash and Cash Equivalents

Imprest accounts	25	30
Cash at bank	1,946	1,973
Term deposits*	7,298	7,572
<b>Total</b>	<b>9,269</b>	<b>9,575</b>

\* Term deposits are held with major banking institutions, and earned interest rates between 3.93% and 5.90% (2012: 5.23% and 6.20%). Included in term deposits is a bank guarantee of \$48,600 pursuant to a lease agreement.

## Note 12: Receivables

Trade debtors*	14	23
GST receivable	384	386
GST payable	(5)	–
	379	386
Long service leave reimbursements	463	73
Interest receivable	84	122
Other*	12	15
<b>Total</b>	<b>952</b>	<b>619</b>

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

## Notes to and forming part of the Financial Statements 2012–13

	2013 \$'000	2012 \$'000
<b>Note 13: Other Assets</b>		
<b>Current</b>		
Prepayments	507	462
<b>Total</b>	<b>507</b>	<b>462</b>
<b>Non-Current</b>		
Prepayments	6	56
<b>Total</b>	<b>6</b>	<b>56</b>
<b>Note 14: Intangible Assets</b>		
Software		
At cost	752	752
Less: Accumulated amortisation	(241)	(126)
	<b>511</b>	<b>626</b>
<b>Total</b>	<b>511</b>	<b>626</b>

## Notes to and forming part of the Financial Statements 2012–13

**Note 14: Intangible Assets (cont'd)****Intangibles Reconciliation**

	Software		Software Work in Progress		Total	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Carrying amount at 1 July	626	490	–	–	626	490
Acquisitions	–	–	–	212	–	212
Transfers between classes	–	212	–	(212)	–	–
Amortisation	(115)	(76)	–	–	(115)	(76)
Carrying amount at 30 June	<b>511</b>	<b>626</b>	<b>–</b>	<b>–</b>	<b>511</b>	<b>626</b>

Amortisation of intangibles is included in the line item "Depreciation and amortisation" in the Statement of Comprehensive Income.

The Commission's software comprises software licensing and implementation costs (including capitalised salary costs) for the TRIM Electronic Document and Records Management System (\$0.490m) and the Web Content and Intranet Management System (\$0.212m). The cost of the software is being amortised on a straight-line basis over the period of the expected benefit to the Commission, namely 9 and 4 years respectively.

## Notes to and forming part of the Financial Statements 2012–13

	2013 \$'000	2012 \$'000
<b>Note 15: Property, Plant and Equipment</b>		
Motor vehicles:		
At cost	1,134	1,117
Less: Accumulated depreciation	(436)	(364)
	698	753
Computer equipment:		
At cost	2,364	2,288
Less: Accumulated depreciation	(987)	(885)
	1,377	1,403
General and technical equipment:		
At cost	1,590	1,539
Less: Accumulated depreciation	(901)	(754)
	689	785
Leasehold improvements:		
At cost	16,476	16,630
Less: Accumulated depreciation	(6,071)	(4,689)
	10,405	11,941
Cultural and art assets:		
At fair value	33	33
<b>Total</b>	<b>13,202</b>	<b>14,915</b>

The Commission has plant and equipment with an original cost of \$1.703m (2012: \$1.694m) and a written down value of zero still being used in the provision of services.

The Commission revalued its artwork during the 2011–12 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 Notes 1(k) and 21.

# Notes to and forming part of the Financial Statements 2012–13

## 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	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Carrying amount at 1 July</b>	<b>753</b>	<b>809</b>	<b>1,403</b>	<b>840</b>	<b>785</b>	<b>892</b>	<b>11,941</b>	<b>12,758</b>	<b>33</b>	<b>25</b>	<b>—</b>	<b>—</b>	<b>14,915</b>	<b>15,324</b>
Acquisitions	488	556	459	903	104	81	(154)	433	—	—	—	84	897	2,057
Disposals	(178)	(270)	—	—	(3)	—	—	—	—	—	—	—	(181)	(270)
Transfers between classes	—	—	—	—	—	—	—	84	—	—	—	(84)	—	—
Revaluation increments (Note 21)	—	—	—	—	—	—	—	—	—	8	—	—	—	8
Depreciation	(365)	(342)	(485)	(340)	(197)	(188)	(1,382)	(1,334)	—	—	—	—	(2,429)	(2,204)
<b>Carrying amount at 30 June</b>	<b>698</b>	<b>753</b>	<b>1,377</b>	<b>1,403</b>	<b>689</b>	<b>785</b>	<b>10,405</b>	<b>11,941</b>	<b>33</b>	<b>33</b>	<b>—</b>	<b>—</b>	<b>13,202</b>	<b>14,915</b>

# Included in leasehold improvements is an amount of \$1.607m (2012: \$1.761m) 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 2012–13

	2013 \$'000	2012 \$'000
<b>Note 16: Payables</b>		
Trade creditors*	2,310	2,965
Other	119	158
<b>Total</b>	<b>2,429</b>	<b>3,123</b>

\* Included in trade creditors is an amount of \$1.244m (2012: \$0.827m) owing to Queensland Police Service (QPS) for reimbursement of staff salaries and related on-costs for police seconded to the Commission.

## Note 17: Lease Liabilities

### Current

Lease incentive liability	309	309
<b>Total</b>	<b>309</b>	<b>309</b>

### Non-Current

Lease incentive liability	2,129	2,438
Deferred lease liability	696	611
<b>Total</b>	<b>2,825</b>	<b>3,049</b>

## Note 18: Accrued Employee Benefits

### Current

Wages outstanding	72	113
Annual leave	1,283	1,493
Long service leave levy payable	118	125
Other	8	2
<b>Total</b>	<b>1,481</b>	<b>1,733</b>

### Non-Current

Annual leave	705	749
<b>Total</b>	<b>705</b>	<b>749</b>

## Note 19: Provisions

Restoration costs	1,802	1,898
<b>Total</b>	<b>1,802</b>	<b>1,898</b>

### Movements in provisions

#### Restoration Costs

Balance at 1 July	1,898	1,394
Provision recognised	(154)	433
Unwinding the discount	58	71
<b>Balance at 30 June</b>	<b>1,802</b>	<b>1,898</b>

## Notes to and forming part of the Financial Statements 2012–13

**Note 19: Provisions (cont'd)**

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 using a rate that reflects current market assessments and risks specific to the liability.

**Note 20: Other Current Liabilities**

Unearned revenue

**Total****2013**  
**\$'000****2012**  
**\$'000**

2

**2**

3

**3****Note 21: Asset Revaluation Surplus****Heritage and Cultural Assets**

Balance at 1 July

Revaluation increment

**Balance at 30 June**

8

—

**8**

—

8

**8****Note 22: Reconciliation of Operating Result to Net Cash from Operating Activities**

Operating result from continuing operations

Depreciation expense

Loss on sale of property, plant and equipment

Gain on sale of property, plant and equipment

Unwinding the discount on provision for restoration costs

856

2,544

6

(41)

58

(90)

2,280

49

(20)

71

Change in asset and liabilities:

(Increase)/decrease in trade debtors

(Increase)/decrease in GST input tax receivable

(Increase)/decrease in long service leave reimbursement receivable

(Increase)/decrease in interest receivable

(Increase)/decrease in other receivables

(Increase)/decrease in prepayments

Increase/(decrease) in accounts payable

Increase/(decrease) in accrued employee benefits

Increase/(decrease) in GST payable

Increase/(decrease) in provisions

Increase/(decrease) in unearned revenue

Increase/(decrease) in lease liability

9

2

(390)

38

3

5

(694)

(296)

5

—

(1)

(224)

**1,880**

57

25

191

(19)

47

72

(422)

98

(2)

(170)

—

(73)

**2,094****Net cash from operating activities**

# Notes to and forming part of the Financial Statements 2012–13

	2013 \$'000	2012 \$'000
<b>Note 23: Commitments for Expenditure</b>		
<b>(a) Non-Cancellable Operating Lease</b>		
Commitments under operating leases at reporting date are inclusive of anticipated GST and are payable as follows:		
Not later than one year	5,257	5,054
Later than one year and not later than five years	10,914	16,171
<b>Total</b>	<b>16,171</b>	<b>21,225</b>
Operating leases are entered into as a means of acquiring access to office accommodation, equipment and storage facilities.		
Operating leases for accommodation have a renewal option that is exercisable at market prices.		
Lease payments are generally fixed, and no lease arrangements create restrictions on other financing transactions.		
<b>(b) Vehicle Lease Commitments</b>		
Commitments under vehicle leases at reporting date are inclusive of anticipated GST and are payable as follows:		
Not later than one year	136	209
Later than one year and not later than five years	37	178
<b>Total</b>	<b>173</b>	<b>387</b>
<b>(c) Capital Expenditure Commitments</b>		
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
<b>Total</b>	<b>–</b>	<b>35</b>
<b>(d) Other Expenditure Commitments</b>		
Other expenditure inclusive of anticipated GST, committed at the end of the period but not recognised in the accounts are as follows:		
Payable:		
Not later than one year	580	554
Later than one year and not later than five years	11	–
<b>Total</b>	<b>591</b>	<b>554</b>

## Notes to and forming part of the Financial Statements 2012–13

**Note 24: Contingencies****Litigation in progress**

As at 30 June 2013, the following cases were ongoing before various courts, naming the Commission as either an applicant or respondent:

	<b>2013</b> <b>Number of cases</b>	<b>2012</b> <b>Number of cases</b>
Court of Appeal/High Court	2	—
Supreme Court	5	4
Queensland Civil and Administrative Tribunal (QCAT)	9	6
Family Court	1	—
<b>Total</b>	<b>17</b>	<b>10</b>

It is not possible to make a reliable estimate of the final costs that could be recovered or is payable from these cases at this time.

The Commission is insured against general liability with the Queensland Government Insurance Fund (QGIF). Under the QGIF, the Commission would be able to claim back, less a \$10,000 deductible, the amount paid to successful litigants.

**Note 25: Financial Instruments****(a) Categorisation of Financial Instruments**

The Commission has the following categories of financial assets and financial liabilities:

<b>Category:</b>	<b>Note</b>	<b>2013</b> <b>\$'000</b>	<b>2012</b> <b>\$'000</b>
<b>Financial assets</b>			
Cash and cash equivalents	11	9,269	9,575
Receivables	12	952	619
<b>Total</b>		<b>10,221</b>	<b>10,194</b>
<b>Financial liabilities</b>			
Payables	16	2,429	3,123
<b>Total</b>		<b>2,429</b>	<b>3,123</b>

**(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.

# Notes to and forming part of the Financial Statements 2012–13

## Note 25: Financial Instruments (cont'd)

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:

Category:	Maximum Exposure to Credit Risk	Note	2013 \$'000	2012 \$'000
<b>Financial Assets</b>				
Cash and cash equivalents		11	9,244	9,545
Receivables		12	952	619
<b>Total</b>			<b>10,196</b>	<b>10,164</b>

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:

### 2013 Financial Assets Past Due But Not Impaired

	Overdue				Total
	Less than 30 days \$'000	30–60 days \$'000	61–90 days \$'000	More than 90 days \$'000	\$'000
Receivables	–	–	–	8	8
<b>Total</b>	–	–	–	8	8

### 2012 Financial Assets Past Due But Not Impaired

	Overdue				Total
	Less than 30 days \$'000	30–60 days \$'000	61–90 days \$'000	More than 90 days \$'000	\$'000
Receivables	–	–	–	22	22
<b>Total</b>	–	–	–	22	22

## Notes to and forming part of the Financial Statements 2012–13

**Note 25: Financial Instruments (cont'd)****(d) Liquidity Risk**

Liquidity risk refers to the situation where the Commission may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

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

The following table sets out the liquidity risk of financial liabilities held by the Commission. It represents the contractual maturity of financial liabilities, calculated based on undiscounted cash flows relating to the liabilities at reporting date.

	Note	2013 Payable in			Total
		< 1 year	1–5 years	> 5 years	
		\$'000	\$'000	\$'000	\$'000
<b>Financial liabilities</b>					
Payables	16	2,429	–	–	2,429
<b>Total</b>		<b>2,429</b>	<b>–</b>	<b>–</b>	<b>2,429</b>
	Note	2012 Payable in			Total
		< 1 year	1–5 years	> 5 years	
		\$'000	\$'000	\$'000	\$'000
<b>Financial liabilities</b>					
Payables	16	3,123	–	–	3,123
<b>Total</b>		<b>3,123</b>	<b>–</b>	<b>–</b>	<b>3,123</b>

**(e) Market Risk**

Market risk comprises three types of risk — namely, currency risk, interest rate risk and other price 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 articulated in the Commission's Financial Management Practice Manual.

**(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 \$92,440 (2012: \$95,450). This is mainly attributable to the Commission's exposure to variable interest rates on cash deposited in interest bearing accounts.

## Notes to and forming part of the Financial Statements 2012–13

**Note 25: Financial Instruments (cont'd)****(f) Interest Rate Sensitivity Analysis (cont'd)**

Financial Instrument	Carrying amount \$'000	2013 Interest rate risk			
		-1%		+1%	
		Operating Result \$'000	Equity \$'000	Operating Result \$'000	Equity \$'000
Cash and cash equivalents	9,244	(92)	(92)	92	92
<b>Potential impact</b>		<b>(92)</b>	<b>(92)</b>	<b>92</b>	<b>92</b>

Financial Instrument	Carrying amount \$'000	2012 Interest rate risk			
		-1%		+1%	
		Operating Result \$'000	Equity \$'000	Operating Result \$'000	Equity \$'000
Cash and cash equivalents	9,545	(95)	(95)	95	95
<b>Potential impact</b>		<b>(95)</b>	<b>(95)</b>	<b>95</b>	<b>95</b>

**(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 2013, the Commission held \$9,361 (2012: \$4,061) in trust for a number of benefactors as a result of operational activities.

The Queensland Audit Office performed the audit of the Commission's trust transactions for 2012–13.

## Notes to and forming part of the Financial Statements 2012–13

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### **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 Queensland's Crime and Misconduct Commission (CMC), the New South Wales Independent Commission against Corruption (ICAC) and Western Australia's 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 had been finalised and audited by Grant Thornton Audit Pty Ltd. Based on the recommendations from the 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 to Note 3 and Note 10.)

The ICAC will host the fourth Australian Public Sector Anti-Corruption Conference in Sydney in November 2013.

### **Note 28: Events Occurring after Balance Date**

The Commission underwent two major reviews during the financial year — namely, the review of the *Crime and Misconduct Act 2001* and related matters by the Independent Advisory Panel and the Parliamentary Crime and Misconduct Committee Inquiry into the release and destruction of Fitzgerald Inquiry documents.

There will be some organisational and structural change and budgetary considerations resulting from the implementation of any government-approved recommendations arising from those reviews. Measures will be introduced to ensure that the Commission continues its operations in accordance with the Commission's strategic objectives within the approved budget.

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## Certificate of the Crime and Misconduct Commission

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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 2013 and of the financial position of the Commission at the end of that year.

Sighted and signed



Radhika Munier CPA  
Finance and Administration Manager

Date: 26 August 2013

Sighted and signed



Dr Ken Levy  
Acting Chairperson

Date: 26 August 2013

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# Independent Auditor's Report

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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 2013, 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 Acting Chairperson and Finance and Administration 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 Commission, as well as evaluating the overall presentation of the financial report including any mandatory financial reporting requirements approved by the Treasurer for application in Queensland.

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

## *Independence*

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can 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*

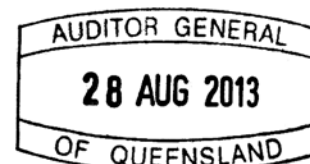
In accordance with s.40 of the *Auditor-General Act 2009*:

- (a) I have received all the information and explanations which I have required
- (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
  - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of Crime and Misconduct Commission for the financial year 1 July 2012 to 30 June 2013 and of the financial position as at the end of that year.

## **Other Matters - Electronic Presentation of the Audited Financial Report**

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.

  
A M GREAVES FCA FCPA  
Auditor-General of Queensland



Queensland Audit Office  
Brisbane

# Appendix 1:

## CMC Service Delivery Statement performance, 2008–09 to 2012–13

**Table 18.** Service Area: Crime fighting and prevention

Service standards and other measures (SDS)	2008–09	2009–10	2010–11	2011–12	2012–13
Percentage of tactical operations resulting in charges, restraints or seizures	100	95	96	95	100
Net value of criminal proceeds restrained (\$'000)	24 374	19 543	14 116	20 858	17 091
Net value of assets forfeited (\$'000)	3 304	5 568	9 325	7 007	16 983
Cost per \$1 million restrained (\$)	n/a	n/a	n/a	98 549	112 150
Cost per \$1 million forfeited (\$)	n/a	n/a	n/a	293 344	112 859
Percentage of coercive hearings that add value to major crime investigations	n/a	n/a	n/a	93	100
Number of tactical operations undertaken	29	43	28	26	37
Research and intelligence projects undertaken <sup>1</sup>	13	14	15	15	17
Number of criminal proceeds restraining orders obtained	78	97	44	64	48
Number of civil confiscation matters finalised	23	42	48	36	28
Expenses to achieve strategic objective in Crime Fighting and Prevention services	\$14.0m	\$14.5m	\$16.4m	\$17.6m	\$16.4m

1. Before 2011–12, this service standard was worded as "Research, prevention and intelligence projects undertaken".

**Table 19.** Service Area: Public sector integrity

Service standards and other measures (SDS)	2008–09	2009–10	2010–11	2011–12	2012–13
Percentage of agencies rated as managing their integrity systems to a satisfactory or better standard	n/a	n/a	n/a	100	100
Percentage of recommendations to agencies accepted <sup>1</sup>	n/a	n/a	n/a	96	95
Median days to finalise a review matter <sup>2</sup>	n/a	n/a	n/a	14	13
Percentage of investigations of police-related fatalities where Coroner has been satisfied with CMC's response <sup>3</sup>	n/a	n/a	n/a	n/a	n/a
Percentage of significant agency-managed complaints matters reviewed	n/a	n/a	15	18	15
Number of research, intelligence, capacity building, prevention and monitoring projects undertaken	42	31	27	31	24
Number of serious matters retained for CMC investigation: <sup>4</sup> <ul style="list-style-type: none"> <li>Queensland Police Service matters</li> <li>other agency matters</li> </ul>	n/a	n/a	77	23 28	28 19
Percentage of investigated matters finalised within 12 months	71	90	60	79	78
Expenses to achieve strategic objective in Public Sector Integrity services	\$23.5m	\$24.4m	\$27.6m	\$29.6m	\$27.7m

1. 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.

2. Before 2011–12, this service standard measured the percentage of reviewed matters finalised within 4 weeks.

3. This service standard was introduced in 2011–12. Measure in 2011–12 and 2012–13 not possible. See page 23.

4. Since 2011–12, the CMC has recorded separately the matters retained relating to the Queensland Police Service and other public sector agencies.

**Table 20.** Service Area: Witness protection

Service standards and other measures (SDS)	2008–09	2009–10	2010–11	2011–12	2012–13
Percentage of protected persons whose safety is maintained <sup>1</sup>	100	100	100	100	100
Number of persons admitted to witness protection program	51	46	51	39	42
Applications for witness protection assessed (persons)	104	135	114	90	89
Percentage of eligible persons offered interim protection within two days	100	95	100	98	100
Expenses to achieve strategic objective in Witness Protection services	\$5.0m	\$5.2m	\$5.9m	\$6.3m	\$5.9m

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, as at 30 June 2013

Executive member	Committee membership	Responsibility
Dr Ken Levy RFD, BA, BCom, LLB, PhD Acting Chairperson	Commission Audit Committee Budget Management Committee Crime Reference Committee Crime Operations Review Committee Information Steering Committee Misconduct Operations Review Committee Human Research Ethics Advisory Panel Research Committee Agency Appointments Review Committee  Controlled Operations Committee Integrity Committee Justice Statutory Authority Group Implementation Panel <sup>1</sup>	Chair ex officio Chair member member member member Chair Chair Chair  member member member member
Ms Kathleen Florian BA, LLB (Hons) Acting Assistant Commissioner, Misconduct	Commission Budget Management Committee Misconduct Assessment Committee Misconduct Operations Review Committee Research Committee Information Steering Committee  Prostitution Licensing Authority	ex officio member Chair Chair member member  Statutory member
Mr Michael Scott BA, LLB (Hons), LLM Acting Assistant Commissioner, Crime	Commission Budget Management Committee Crime Reference Committee Crime Intelligence & Research Review Committee Crime Operations Review Committee Research Committee Information Steering Committee  Queensland Joint Management Group	ex officio member Chair Chair Chair member member  member
Ms Edith Mendelle BA (Hons), MBA Executive General Manager	Commission Audit Committee Budget Management Committee Business Continuity Committee Information Steering Committee Risk Management Committee Workplace Health & Safety Committee Witness Protection Advisory Committee Agency Appointments Review Committee	ex officio ex officio member Chair Chair Chair member Chair member
Mr Gary Adams MA (App)	Commission	ex officio

1. The Implementation Panel was appointed by government to progress outcomes from the review of the Crime and Misconduct Act as well as some recommendations from the PCMC Report No. 90.

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## Abbreviations

ACC	Australian Crime Commission
ACLEI	Australian Commission for Law Enforcement Integrity
ACP	Achievement and Capability Planning
ANCOR	Australian National Child Offender Register
AWPF	Australasian Witness Protection Forum
AUSTRAC	Australian Transaction Reports and Analysis Centre
BIP	Building Integrity Program
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
ESC	Ethical Standards Command
JAC	Joint Assessment Committee
LEA	law enforcement agency
LGAQ	Local Government Association of Queensland
NSW	New South Wales
ODPP	Office of the Director of Public Prosecutions
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>
QCAT	Queensland Civil and Administrative Tribunal
QPS	Queensland Police Service
QPUE	Queensland Police Union of Employees
SDS	Service Delivery Statement
SIU	Strategic Intelligence Unit
Tas	Tasmania
Vic	Victoria
WA	Western Australia
WHS	workplace health and safety

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ISSN: 1447-4034

This report is available at  
 [www.cmc.qld.gov.au/annualreport](http://www.cmc.qld.gov.au/annualreport).

Printed by LitSupport on Revive Laser which is manufactured in Australia from 70 per cent recycled fibre (cover) and 100 per cent recycled fibre (pages).

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