
Queensland Crime Commission
Annual Report
1998-99

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Commissioner's Overview

The 1998–99 year was the Crime Commission's first full year of operation, and as such represented a significant milestone in its development. As its achievements this year show, while much still remains to be done, the Commission has taken great strides forward.

For last year's annual report, the Commission had been operational for just six weeks after the transfer of the organised crime function from the Criminal Justice Commission (CJC) on 15 May 1998. The initial focus had been on establishing the various functional areas of the Commission and working towards the attainment of full investigative status.



*Tim Carmody,
Crime Commissioner*

At the commencement of the 1998–99 year, the Commission had a modest staffing complement of 22 to create the organisational capabilities required by the *Crime Commission Act 1997*. Today, thanks largely to the cooperation and commitment of QCC's officers and staff, QCC has started to fulfil its potential and claim its rightful place in the law enforcement community.

The last year has seen the Commission address, in a discriminating, proportionate and responsible way, its full range of responsibilities. For example, use of its hearings power, which differentiates the Commission from other state based law enforcement agencies, enables it to add real value to investigative outcomes in the area of major and organised crime and paedophilia. It allows the Commission to take investigations further than they may have been able to go using powers ordinarily available to police. That's not to say the QCC works in isolation from investigating police — on the contrary, for the hearings process to be effective, the QCC must have a close working relationship with police officers in joint task forces who are working at the coalface of investigations. QCC hearings have contributed to notable advances in organised and major crime investigations, particularly drug trafficking and money laundering investigations during the year, and have greatly assisted the investigative and intelligence gathering process for Project Axis.

Another highlight of the year was the completion of Project Krystal. This Project had three purposes — firstly to provide a compass for QCC organised crime investigations that identified high risk criminal markets, the nature of those markets, and the threats and challenges they present to law enforcement and the wider community. Secondly it provided specific intelligence upon which to develop more tactically focused investigations. Finally, Project Krystal was intended to inform the Queensland community of just how great a problem and a threat organised crime represents to society. For example, the size of the heroin market alone in Queensland is \$400–548 million, and an estimated \$3.5 billion worth of the proceeds of crime are laundered in Australia annually.

These figures give some indication of the size of illegal industries, and the financial incentives for involvement in organised crime. The Project Krystal report acknowledged that to more effectively combat organised crime, law enforcement needs to more effectively undermine the profits and the profit motives that feed its existence and expansion.

During the year, the Crime Commission has made a number of submissions to Government in conjunction with other criminal justice agencies on a variety of legislative initiatives, in line with Project Krystal recommendations. These include measures to assist law enforcement, such as civil confiscation of the proceeds of crime and controlled operations. In each instance the State Government has proved willing to listen to, and consider, the case put.

Project Axis is intended to provide better understanding of child sex offending and a blueprint for the development of better protective and investigative methodologies. Understandably, the project has absorbed a considerable amount of the Commission's energy during the year in recognition of the importance of this issue to the community. The project was significantly expanded in order that it could more comprehensively address a number of developing issues — such as legislative reforms both in Australia and overseas, policy changes and court rulings. The strength of Project Axis is its collaborative approach with other State Government agencies, universities and individuals with specialist knowledge — which means that collectively a model can be developed for protection against child sex offending in Queensland that takes account of the different disciplines, skills and approaches necessary to be effective.

The QCC has also had numerous investigative successes, many of which cannot be published for investigative reasons, but, nevertheless, are part of the QCC getting on with the job. This annual report contains some operational highlights of the year, that give an indication of the sorts of investigative operations that form part of QCC's day to day activities.

QCC has also accomplished many other things during the year, that are perhaps not as high profile as those already mentioned, but have nevertheless been vital to the Commission's development. Recruiting appropriately qualified staff; establishing the systems, policies and processes essential to the smooth operation of an organisation such as this; and monitoring their effectiveness are the fundamental issues that ensure QCC can focus on the big issues, and fulfil its statutory objectives successfully.

I would like to extend my thanks to members of the Management Committee for their support, advice and assistance during the year. In addition, I extend sincere thanks to Marshall Irwin, the Brisbane Member of the National Crime Authority and Commissioner of Police Jim O'Sullivan for their cooperation and unstinting support. The QPS, in particular, has played a major role in providing the Commission with investigative and other resources, without which the QCC simply could not have operated as effectively. It is because of this support that the QCC's successes are equally shared with our partner agencies.

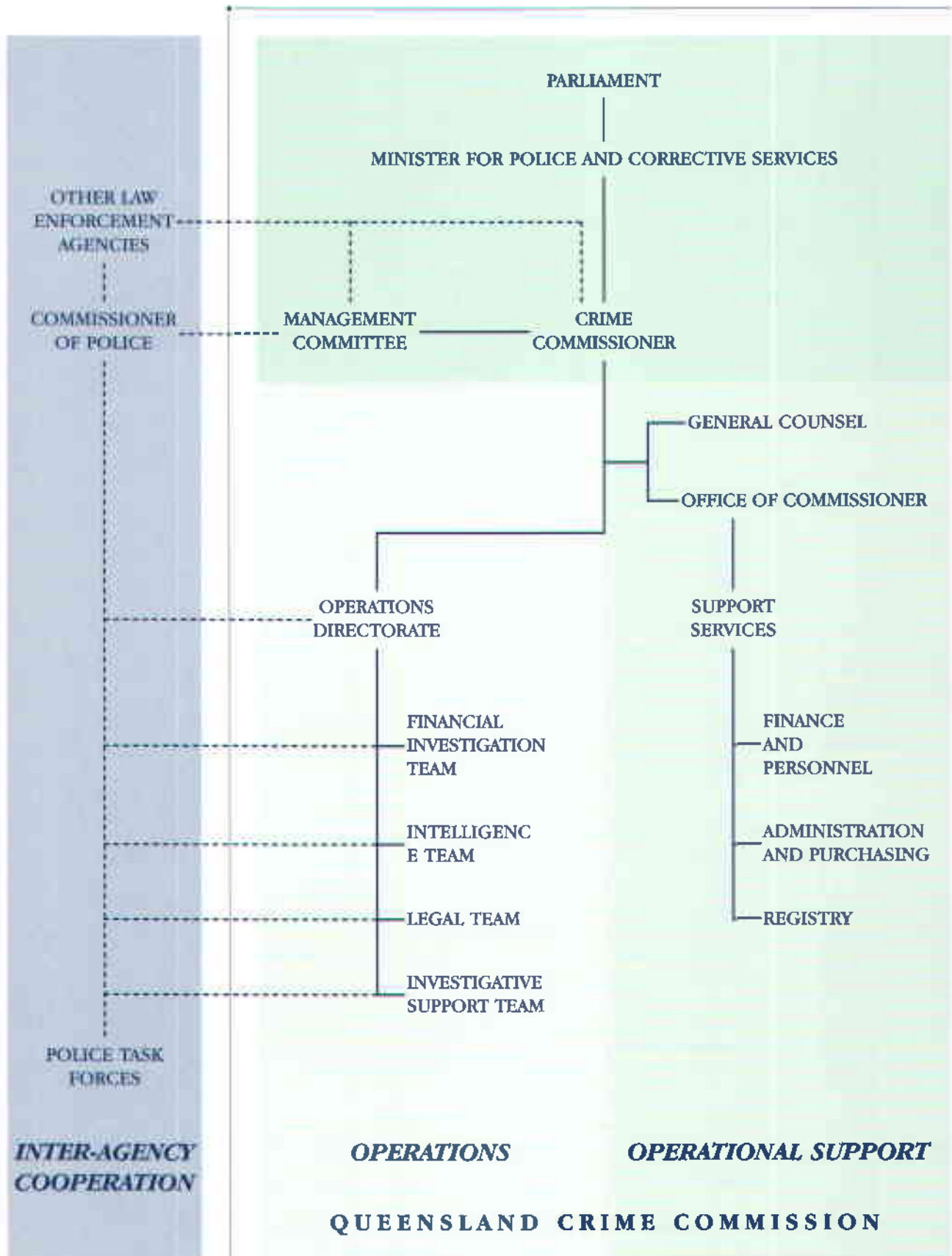
Finally, I would like to thank QCC staff whose outstanding efforts have contributed to the QCC's successes this year, and will ensure that the Commission will go from strength to strength as it moves quickly through infancy to adolescence.



Tim Carmody
Crime Commissioner



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QCC Mission

To combat organised and major crime and criminal paedophilia by utilising specialised, innovative, dynamic and effective law enforcement services and expertise.

The Queensland Crime Commission plays a significant role in the fight against organised and major crime and paedophilia. The Commission is a tightly structured, highly specialised and focused organisation that concentrates its crime fighting efforts on matters referred to it.

QCC's effectiveness as a law enforcement agency comes from its highly strategic, research-based and intelligence-driven approach to dealing with criminal activities. This strategy permits the QCC to be proactive rather than reactive in fulfilling its statutory responsibilities. In addition, the discriminating and proportionate use of the Commission's statutory powers, coupled with its specialist investigative teams enable it to deliver a highly effective crime fighting service to the Queensland public.

A cooperative approach

The Commission works in partnership with other law enforcement agencies to make optimal use of available resources.

The Commission adds value to the Queensland criminal justice system by fulfilling those functions that cannot be appropriately or effectively carried out by the Queensland Police Service (QPS) or other state based agencies. The QCC does not have exclusive jurisdiction to investigate all criminal activity within its statutory responsibility.

Accountability

The Crime Commissioner is responsible for reporting to the Parliament through the Minister for Police and Corrective Services.

As an important accountability measure, a nine-member Management Committee chaired by the Crime Commissioner oversees the Commission's activities. The Management Committee generates references that initiate the operational functions of the organisation. The Commission also has a standing reference to investigate criminal paedophilia.

The Parliamentary Criminal Justice Commissioner monitors and reviews the efficiency and integrity of the Commission's intelligence function. This includes conducting an annual review of QCC's intelligence service to consider whether there is unnecessary duplication of information, and whether the QCC and other agencies (the QPS and the Criminal Justice Commission) are working cooperatively to achieve optimal use of resources and data.

In addition, a Public Interest Monitor (PIM) audits the QCC's compliance with the *Crime Commission Act 1997*, and the *Police Powers and Responsibilities Act 1997* in relation to applications for surveillance warrants and covert search warrants. The PIM acts as a civil liberties advocate and contests all applications for

listening devices, surveillance or covert search warrants before the relevant issuing authority, by asking questions, cross-examining and making submissions on the appropriateness of granting a warrant application.

Structure

The Queensland Crime Commission has a multi-disciplinary team structure capable of delivering a range of professional investigative services.

The Commission has four operations units — a Financial Team, Intelligence Team, Legal Team, and an Investigative Support Team. These teams work collaboratively to proactively investigate organised and major crime and criminal paedophilia. In addition, QCC and QPS form joint task forces to provide essential operational personnel and resources to support QCC investigations.

Project and other specialist groups also are formed to conduct research for special projects and to assist in identifying current and emerging forms and patterns of criminal activity.

QCC staff include personnel drawn from investigative, intelligence, criminology, information technology, legal and accounting disciplines.

Functions and responsibilities

The functions and responsibilities of the Crime Commission are outlined in s. 28 (1) of the *Crime Commission Act*, which states the functions of the QCC are:

- (a) to investigate relevant criminal activity or major crime referred to it by the Management Committee;
- (b) when conducting investigations, to gather evidence for:
 - (i) the prosecution of persons for offences; and
 - (ii) the recovery of the proceeds of relevant criminal activity or major crime;
- (c) to refer evidence of official misconduct in its possession to the CJC;
- (d) to undertake tasks the Management Committee may lawfully ask QCC to undertake;
- (e) to maintain an effective intelligence service about relevant criminal activity and major crime, and to monitor the intelligence data collected with a view to forecasting trends in relevant criminal activity and major crime;
- (f) to liaise with, provide information to, and receive information from, other law enforcement agencies, including agencies outside the State or Australia, about relevant criminal activity and major crime.

Jurisdiction

The Crime Commission is tasked with investigating criminal activity referred to it and in particular, criminal paedophilia and major and organised crime. The QCC Management Committee may issue references on the basis that investigations are unlikely to be effective using ordinary police powers, it is a justifiable use of resources, and a QCC investigation is in the public interest.

Under the Crime Commission Act *'criminal paedophilia'* means activities involving offences of a sexual nature committed in relation to children; or offences relating to obscene material depicting children. It is immaterial whether the offence is committed in Queensland or elsewhere if the offender or the child is ordinarily resident in Queensland.

'Major crime' means criminal activity, other than relevant criminal activity, that involves an indictable offence punishable on conviction by a term of imprisonment not less than 14 years.

'Organised crime' means criminal activity that involves:

- indictable offences punishable on conviction by a term of imprisonment not less than seven years; and
- two or more persons; and
- substantial planning and organisation or systematic and continuing activity; and
- a purpose to obtain profit, gain, power or influence.

'Relevant criminal activity' is defined as activity that involves criminal paedophilia or organised crime or is something that is:

- preparatory to the commission of criminal paedophilia or organised crime; or
- undertaken to avoid detection of, or prosecution for, criminal paedophilia or organised crime.

A reference to criminal paedophilia, major crime, organised crime or relevant criminal activity includes, in the context of investigation, suspected criminal activity.

Powers

The QCC's statutory powers include:

- the convening of investigative hearings;
- requiring a person to attend a QCC hearing and compulsorily answer questions about a matter under investigation;
- requiring the production of any record or thing by issuing a written notice;
- with Supreme Court approval, requiring a person to attend a hearing immediately in circumstances where delay might result in the commission of an offence, the escape of a suspected offender, the loss or destruction of evidence or prejudice an investigation;
- applying to a magistrate, or in specific circumstances, a Supreme Court Judge for search warrants;
- installing, with judicial approval, surveillance devices; and
- with judicial approval, covertly searching a place and seizing evidence.



Role and functions

The Management Committee is a nine-member body established under the *Crime Commission Act* to oversee the activities of the Crime Commission and to refer matters to the Commission for investigation. The Crime Commission is monitored and reviewed by the Management Committee generally and is bound by any directions or guidelines issued by the Committee regarding the performance by the QCC of its functions or its management.

The QCC's investigative functions are activated strictly on a referral basis from the Management Committee. This mechanism provides an important foil against the inappropriate exercise of the QCC's special powers.

References from the Committee are granted only in specific circumstances. The Management Committee has the authority and power to end an investigation the Committee considers is more appropriate or more effective for another entity to investigate, or an investigation is not a justifiable use of resources. In addition, the Committee may place limits on a QCC investigation, including determining the powers that may be exercised.

The Management Committee may refer 'relevant criminal activity' to the QCC for investigation on its own initiative, or at the request of either the Commissioner of Police or the Crime Commissioner. However, the Crime Commission has a standing general reference to investigate criminal paedophilia that does not rely on the Management Committee referral process.

The Committee is also responsible for making arrangements to establish police task forces to assist with QCC investigations, approving operational agreements with other entities and giving approval for QCC to hold public sittings or public hearings.

Complaints against the QCC, its members and employees are dealt with by the Management Committee. The Committee is statutorily obliged to refer matters of suspected official misconduct to the Criminal Justice Commission which has appropriate jurisdiction in this area.

Membership

Membership of the QCC Management Committee is provided for by the *Crime Commission Act*, and comprises:

- Crime Commissioner (Chairperson)
- Commissioner of Police
- Chairperson of the Criminal Justice Commission
- Chairperson of the National Crime Authority
- Chairperson of the Parliamentary Criminal Justice Committee
- Deputy Chairperson of the Parliamentary Criminal Justice Committee
- Children's Commissioner
- Two community representatives, of whom at least one must be female and one must have a demonstrated interest in civil liberties.

The two community representatives on the Management Committee are appointed by the Governor in Council on a part-time basis for a maximum of three years.



Management Committee Members. Seated (L-R): Brendan Butler, John Broome, Tim Carmody (Chairman), Assistant Commissioner Graham Williams (deputised member for Jim O'Sullivan). Standing (L-R): Robin Sullivan, Vince Lester MLA, Sherrie Meyer, Marshall Irwin (deputised member for John Broome), Paul Lucas MLA, Susan Johnson.

There were several changes to the Management Committee during the 1998–99 financial year. The Management Committee welcomed Mr Brendan Butler as the new Chairman of the Criminal Justice Commission. Mr Butler's appointment to the Management Committee took effect on 7 December 1998. Similarly, Mrs Robin Sullivan commenced service on the Management Committee from December 1998 in her capacity as Children's Commissioner, replacing Mr Norm Alford. Mr Paul Lucas, MLA was appointed to the Management Committee with regards his position as the Chairman of the Parliamentary Criminal Justice Committee in the 49th Parliament. Mr Vince Lester, MLA who previously served on the Management Committee in his role as Chairman of the Parliamentary Criminal Justice Committee in the 48th Parliament, continued his participation on the Committee as the Deputy Chairman of the Parliamentary Criminal Justice Committee, replacing Mr Gordon Nuttall, MLA. Mr Lucas began his appointment in August 1998, while Mr Lester recommenced his membership of the Management Committee in October 1998.

The newly appointed members of the Management Committee have contributed greatly to the oversight and administration of the Crime Commission in 1998–99.

Special acknowledgement also needs to be given to the contribution of those members of the Management Committee who have served continuously since its inauguration on 2 March 1998. Commissioner of Police, Mr Jim O'Sullivan and Chairperson of the National Crime Authority, Mr John Broome, have continued to contribute their support, counsel and considerable law enforcement expertise. Similarly, Ms Susan Johnson and Mrs Sherri Meyer, who represent the civil liberties interest and the wider Queensland community respectively, have also provided significant input and guidance in respect of the many issues determined by the Management Committee.

Mention should also be made of the assistance provided by deputised Management Committee attendees, who act in the stead of statutory Management Committee members unable to attend every Committee meeting. This notably includes Mr Marshall Irwin, the Brisbane-based Member of the National Crime Authority and Assistant Commissioner Graham Williams of the Queensland Police Service.

Member's Profiles

Crime Commissioner (Chairperson)

Mr Tim Carmody LL.B., LL.M. (Hons) was appointed the inaugural Crime Commissioner in March 1998. A former Queensland police officer, university law lecturer and published legal writer, Mr Carmody was admitted to the Queensland Bar in 1982 and has specialised in major criminal trial and appeal work. Mr Carmody was Counsel Assisting the Connolly–Ryan Inquiry into the Effectiveness of the Criminal Justice Commission, which examined the future role, structure, powers and operations of the CJC. He has led prosecutions initiated by the Fitzgerald Commission of Inquiry's Special Prosecutor's Office, the CJC's Joint Organised Crime Task Force and the Australian Securities Commission (ASC), and has acted as a legal consultant to both the ASC and QPS in relation to major fraud and crime investigations. During the Fitzgerald Inquiry Mr Carmody led some of the Inquiry's most notable organised drug trafficking and vice investigations.

Commissioner of Police

Mr Jim O'Sullivan was appointed Commissioner of the Queensland Police Service in November 1992. In 1987, Mr O'Sullivan was seconded to the Fitzgerald Inquiry as Officer in Charge of all operations and investigations, and in 1989 was promoted to Detective Superintendent attached to the Inquiry. In 1990 Mr O'Sullivan achieved the rank of Commander (Assistant Commissioner), North Coast Region and in 1991 was promoted to Deputy Commissioner, Operations.

Chairperson of the Criminal Justice Commission

Mr Brendan Butler SC has practised as a criminal lawyer in Queensland for 22 years. From June 1987 to September 1989, Mr Butler was Counsel Assisting the Fitzgerald Commission of Inquiry and during that time, he appeared before the Commission as Counsel and led an investigative team of barristers and detectives. Between June and December 1990, Mr Butler was seconded as Counsel Assisting the Ward 10B Commission of Inquiry in Townsville, and from November 1989 to July 1996, served as Deputy Director of Public Prosecutions, including two periods as Acting Director. Mr Butler is also co-author of the current edition of Carter's Criminal Law of Queensland.

Chairperson of the National Crime Authority

Mr John Broome was appointed Chairperson of the National Crime Authority in February 1996. Mr Broome is a lawyer with extensive experience in government, having held senior positions in the Federal Attorney-General's Department and in the Department of Prime Minister and Cabinet. Mr Broome has also served as Deputy Chairman of the Trade Practices Commission, and currently chairs the Commonwealth Law Enforcement Board which advises the Commonwealth on national law enforcement issues.

Chairperson of the Parliamentary Criminal Justice Committee

Mr Paul Lucas, MLA began his Parliamentary career in October 1996 with his election to the seat of Lytton. He was appointed Chairman of the Parliamentary Criminal Justice Committee in July 1998, having previously served as Chairman of Estimates Committee G during 1998 and as a member of the Scrutiny of Legislation Committee from December 1996 to May 1998. Mr Lucas serves on several Ministerial Legislative Committees, including the Police and Corrective Services portfolio, and was a solicitor prior to his election to Parliament.

Deputy Chairperson of the Parliamentary Criminal Justice Committee

Mr Vince Lester, MLA represents the State seat of Keppel and has been a member of the Queensland Legislative Assembly since 1974. Apart from his appointment as Deputy Chairman of the Parliamentary Criminal Justice Committee in July 1998, he served as Chairman of the PCJC between April 1996 and July 1998 and as a PCJC member between 1992 and 1995. He is currently the Shadow Minister for Environment and Heritage and Natural Resources, and has held a number of ministerial posts during his Parliamentary career, including a period as Minister for Police, and various employment, industrial affairs and training ministerial portfolios.

Children's Commissioner

Mrs Robin Sullivan was appointed Acting Children's Commissioner in November 1998 having served as a Deputy Director-General of the Queensland Education Department. During her career Mrs Sullivan has worked as a teacher and principal and has been a member of numerous Queensland and national committees and boards, including the Department of the Premier and Cabinet CEO's Committee on Youth Suicide, and the state representative on a national ministerial task force dealing with child abuse in schools.

Community representative and civil liberties advocate

Ms Susan Johnson is a consultant on legal and research matters in the criminal justice and policing spheres. Ms Johnson served seven years at the Research and Co-ordination Division of the Criminal Justice Commission, rising to Assistant Director. She participated in the review of police powers and prostitution laws, and as a Crown Prosecutor specialised in child abuse matters. Ms Johnson has also worked with the Legal Aid Office and represents a broad range of community interests and views through her involvement in public consultations on major criminal justice policy issues.

Community Representative

Mrs Sherrie Meyer has extensive experience as a community representative and victim advocate both in Australia and in the United States. Mrs Meyer co-founded and was inaugural President of the Queensland Homicide Victims Support Group, and is currently the group's North Queensland Coordinator. She is the national representative of the United States based organisation Parents of Murdered Children, and acts as a liaison officer for the Cairns Region of the Compassionate Friends. As a Registered Nurse since 1978, Mrs Meyer has worked with and represented abused children through abuse detection and prevention pilot programs, and as a court advocate for children involved in legal proceedings.



The 1998–99 financial year continued the busy and challenging pace for the Management Committee that characterised the first four months of the Commission's existence. Several new references were sought during the year. In total six new references were issued during the 1998–99 financial year — three related to organised crime and three major crime references. Six organised crime references and one criminal paedophilia reference issued in 1997–98 were carried over into 1998–99, and four of these references were finalised during the year.

Two new references issued in November 1998 were particularly significant. In approving the first two references under the QCC's major crime jurisdiction, the Committee established a new direction for Queensland law enforcement. The significance of this event was acknowledged by the Committee, which expressed a need for caution in determining to grant such references, but also recognised the Queensland Parliament's intention that where circumstances require it, QCC's special powers should be used in the investigation of major crime.

The Committee was mindful of the ongoing role it had in monitoring the progress of all references and its power to impose conditions on an investigation, including major crime investigations, should it determine this was the appropriate course of action. Of particular importance when considering major crime references, was the need for the Committee to develop a consistent approach to such matters, consideration of the public interest and whether QCC was able to add value to an investigation by the use of its powers. After having noted the circumstances of each of the two major crime reference requests, the Committee concluded there were compelling reasons to approve major crime references 10/98 and 11/98. A third major crime reference, 2/99 was subsequently approved in June 1999 applying the criteria determined by the Management Committee.

In terms of organised crime, the Committee brought QCC's reference structure into line with that of the National Task Force References which had shifted focus from specific criminal groups to umbrella organised criminal activity. The law enforcement shift from investigating defined groups to investigating broader criminal activity recognises the changing criminal environment, methodologies and alliances used by criminals in pursuit of their criminal objectives. QCC reference 8/98 reflects these changes in law enforcement approaches and closely parallels the revised National Crime Authority (NCA) Freshnet Reference.

The QCC reference No. 9/98 reflects the revised NCA Swordfish and Limbeck References. The criminal activities targeted under the new QCC reference 9/98 include money laundering (which carries a 20 year maximum penalty). The new reference closely follows the terms of the Commonwealth money laundering reference. This new reference enables the NCA and the QCC to act jointly against money laundering activities while also allowing QCC access to records maintained under the requirements of the Commonwealth *Financial Transaction Reports Act 1988*.

The remaining reference issued by the Management Committee during 1998–99 financial year (1/99) related to organised crime. The Management Committee determined that, on balance, the investigation was unlikely to be effective using conventional policing powers, and that there were compelling public interest reasons for the use of QCC investigative assistance.

The Committee continued its vigorous review of operational matters proceeding under new and existing references. Situation reports presented at each Management Committee meeting, coupled with the opportunity, if necessary, to question officers directly involved in investigations, ensured the Committee was able to satisfy itself that QCC powers were being utilised appropriately. This included briefings of criminal paedophilia matters, which do not require a reference from the Management Committee.

As part of the exercise of its statutory function, the Committee approved the establishment of three joint task forces between QCC and, in these instances, QPS. The Management Committee noted the arrangements between the Crime Commissioner and the Police Commissioner in this regard, including instruments establishing task forces. The Committee further acknowledged the commitment of the QPS to providing support and resource allocations for task forces.

Under s. 31 of the Act, agreements with non-law enforcement entities, including liaison and exchange of information with such entities, are required to be approved by the Management Committee. During the year under review, the Committee gave its approval to expand the list of entities with whom the QCC could seek to establish agreements and formal operational arrangements. Importantly, approval was also specifically sought for the QCC to liaise and exchange information with the Forde Commission of Inquiry. It was generally agreed that it was mutually beneficial for the Forde Inquiry and the Commission to work cooperatively in the pursuit of their particular activities and to be able to exchange information in accordance with their terms of reference.

The Committee was also informed of the reassessment of existing arrangements for the Standing Committee on Organised Crime and Criminal Intelligence (SCOCCI), and its impact on the Crime Commission. During the year, SCOCCI was undertaking a consultative program with member agencies to enhance national strategic development and direction setting.

Other highlights of the year included the presentation of the Parliamentary Criminal Justice Commissioner's Intelligence Review of the QCC. The report on the QCC's intelligence holdings was noted and the Committee gave its authority for the dissemination of the review findings to the QPS and the CJC. The Committee also monitored progress in the proposal to establish an Assistant Crime Commissioner position to assist the QCC's hearings program. The Committee was appraised of legislative and procedural requirements in relation to the appointment of an Assistant Commissioner. In addition, the Management Committee approved the conduct of a public sitting under s. 34 of the Act for the launch of Project Axis in August 1998. The Committee also noted the release of a public version of the Project Krystal report.

In terms of its monitoring of the effective management of the QCC, and to ensure it met its statutory and operational responsibilities, the Committee was regularly briefed on the Crime Commission's budgetary status. This detailed review of budgetary matters enabled the Committee to ensure the QCC was expending its resources both effectively and efficiently.

Reference status

Reference No.	Description	Status
1/98	Organised crime	Finalised
3/98	Organised crime	Finalised
5/98	Organised crime	Finalised
6/98	Criminal paedophilia	Finalised
2/98	Organised crime	Reference granted March 1998, and carried over into the 1998–99 year, relating to drug production and distribution in south east Queensland.
4/98	Organised crime	Reference granted March 1998, and continued into the 1998–99 year, related to a major distribution network involving dangerous drugs.
7/98	Organised crime	An umbrella organised crime reference granted in June 1998 that mirrors the NCA Blade/Panzer Reference.
8/98	Organised crime	Umbrella organised crime reference granted in August 1998 — based on the NCA new Freshnet Reference.
9/98	Organised crime	Reference granted August 1998 to cover money laundering activities. This reference reflects the NCA Limbeck/Swordfish References.
10/98	Major crime	A November 1998 reference into a disappearance and suspected murder.
11/98	Major crime	Murder reference granted November 1998.
1/99	Organised crime	Reference granted March 1999 covering alleged financial impropriety by officials of a community organisation.
2/99	Major crime	A June 1999 reference into an unlawful killing.
Standing reference*	Criminal paedophilia	

* The standing reference on criminal paedophilia is statutorily based and does not require a specific reference issued by the Management Committee.



Organisational Structure



QCC Principal Officers. Seated (L-R): Executive Group — Det. A/Chief Supt. Jan Lidicky, Director Operations; Tim Carmody, Crime Commissioner; John Callanan, General Counsel. **Standing (L-R):** Brian Hodge, Executive Officer; Det. Insp. Ross Barnett, Operations Coordinator; Ian Thomas, Manager Operational Support; Michael Scott, Principal Legal Officer. **Absent:** Shane Neilson, A/Principal Intelligence Analyst; Phil Bennett, Principal Financial Investigator and Liz Foulger, Principal Intelligence Analyst.

The Crime Commission is comprised of two sections — Operations, which conducts the core investigative and intelligence outputs of the QCC; and Operational Support, which provides the essential administrative and support services that enable the QCC to effectively fulfil its statutory obligations. An Executive Group consisting of the Crime Commissioner, the Director Operations, and General Counsel, and supported by the Executive Officer, provides strategic level management for the Commission.

Operations

The Crime Commission's capacity to carry out successful organised crime investigations in particular, is enhanced by its multi-disciplinary team approach. The sophisticated and multi-faceted nature of contemporary organised crime demands that investigations blend a range of professional disciplines to contribute to the effective examination of all aspects of organised crime.

The Commission's Operations Directorate is divided into four teams that provide the specialised expertise to support QCC investigations:

- Financial Investigations Team
- Intelligence Team
- Legal Team
- Investigative Support Team

It is the explicit legislative intention that the investigation of criminal activity be conducted by the Crime Commission and other law enforcement agencies working cooperatively to achieve optimal use of available law enforcement resources. In this respect, the Crime Commission's operations teams work alongside police task forces assigned to referenced QCC investigations, in order to make effective use of available resources and maximise investigative outcomes.

The **Operations Directorate** heads QCC's four operations teams. The Directorate monitors performance and facilitates the multi-disciplinary approach at management level. In consultation with QPS management, the Operations Directorate participates in the development of strategic operational directions and guidelines for QCC and task force investigations. The Directorate is responsible for facilitating interaction with other law enforcement agencies, to ensure mutual cooperation and prevent duplication.

QCC's **Financial Investigations Team** draws on the skills of financial investigators to detect money trails and identify the profit makers behind targeted criminal activities. The team conducts meticulous financial investigations to complement standard investigative methods, and to help build a more detailed picture of a criminal target or enterprise. It conducts proactive probes in partnership with QCC's Intelligence Team, particularly into suspected criminal enterprises and money laundering matters. The team also prepares matters for court presentation and provides professional evidence as required.

The **Intelligence Team** is comprised of intelligence analysts who proactively assess and target high risk areas. The team provides strategic intelligence assessments and forecasts regarding organised criminal activity and major crime, and delivers an ongoing overview of criminal paedophilia. The team continuously monitors and evaluates available data and conducts proactive intelligence probes to identify criminal activities and develop new targets. Intelligence analysts work in partnership with other law enforcement agencies and contribute tactical and operational support to task forces carrying out QCC or joint task force investigations.

The **QCC Legal Team** provides legal expertise to enhance the effectiveness of the QCC's wide range of law enforcement powers. The team provides legal advice to investigations and task forces, as well as providing legal support to the Intelligence and Financial Teams in the conduct of their duties. The Legal Team participates in QCC hearings as required, assists in the preparation of notices, warrant applications and other documents and has carriage of all applications for judicial approval of the use of QCC's coercive powers.

QCC's **Investigative Support Team** includes experienced police officers who deliver vital operational support services. The team helps the Financial, Intelligence and Legal Teams to fulfil their duties by facilitating and performing field interviews or helping with the conduct of investigative hearings. One of the key functions of the team is to develop and maintain information sources as appropriate, and participate in the interviewing, assessment and registration of informants. The Investigative Support Team is made up of police officers who may exercise the powers of an 'authorised QCC officer', as well as the powers ordinarily available to Queensland police officers under the *Police Powers and Responsibilities Act 1997*.

Police Task Forces

Police task forces provide essential operational personnel and resources, including field support, technical assistance and surveillance to assist QCC investigations. They are under the control and direction of the Commissioner of Police unless the Management Committee determines otherwise.

Operational Support

Operational Support provides essential services to ensure the Crime Commission is able to fulfil its statutory functions and responsibilities and meet its operational objectives effectively. The Commission's operational support teams have a range of functions that ensure the agency operates with independence, integrity, accountability, professionalism and efficiency.

Operational Support is divided into two key areas:

- Office of the Commissioner and General Counsel
- Support Services

To avoid unnecessary duplication, and in order to maximise the agency's operational capabilities, higher level corporate support is provided by the Queensland Police Service on a remunerative basis.

The **Office of the Commissioner** provides coordination, strategic level advice and executive support to the Commissioner to assist in the management of the Commission. The Office coordinates other functional areas of the Commission to aid in policy development and to enhance the effective and integrated management of the Commission's key functions. It further establishes and maintains appropriate liaison between the Commission and Executive Government, the QPS, other law enforcement agencies and other entities. The Office of the Commissioner is also the executive secretariat of the Management Committee, and as such is responsible for supporting the Committee in its statutory role of reviewing and monitoring the work of the Commission.

In addition, specialist library and research services are provided to the Commission's operational groups by the Office of the Commissioner. The library/research unit undertakes special project work across the span of QCC functions. The Office of the Commissioner also provides information management services essential to the integrity and security of QCC's information systems.

General Counsel is attached to the Office of the Commissioner. General Counsel provides advice and assistance to the Commissioner in relation to legal, evidentiary and procedural issues affecting the performance of functions and exercise of investigative powers under the *Crime Commission Act*.

The **Support Services** group provides professional administrative support essential to the efficient and independent operation of the Commission. The group is comprised of three sections — Registry, Administration and Purchasing, and Finance and Personnel. The Registry provides records management services for the Commission. Apart from providing an information retrieval and dissemination service, the unit preserves records pertaining to the use of the Commission's statutory powers, including notices to produce, attendance notices and arrest warrants. The Registry also maintains registers relating to surveillance and covert search warrants, as required under the *Crime Commission Act*. The section also keeps a register of exhibits that lists exhibits obtained through hearings and warrants. QCC utilises the QPS secure storage facility for certain types of evidentiary material.

The Finance and Personnel section provides human resource management and financial services to the Commission. Responsibilities include assisting in the formulation of the QCC budget, and contributing to the development and implementation of policies, procedures and management systems to support the Commission's operations. Administration and Purchasing provides administrative support to the Commission, ensuring all purchases, contracts and tenders comply with State purchasing policy guidelines, as well as providing asset management services.



Output 1: Investigations

Description

Combat organised and major crime and criminal paedophilia

Strategies

1. Conduct proactive, multi-disciplinary investigations of relevant criminal activity and major crime.
2. Make astute and strategic use of hearings and compulsory powers.
3. Identify and target the proceeds of crime for confiscation.
4. Undertake focused joint operations with other agencies.
5. Obtain evidence for the prosecution of persons involved in criminal activity.

Measures

Quantity:

- Number of tactical operations undertaken
- Number of notices to attend
- Number of notices to produce

Quality/effectiveness of service:

- Number of offenders charged
- Number of charges laid

Output 2: Intelligence

Description

Maintain an effective intelligence service

Strategies

1. Maintain an integrated, accurate and relevant criminal intelligence service.
2. Provide timely, reliable information and analytical support to investigations.
3. Provide risk management based target identification.
4. Participate in the exchange of information and take part in joint operations with external agencies.
5. Monitor and analyse intelligence holdings to forecast threats, trends and opportunities relating to organised and major crime and criminal paedophilia.

Measures

Quantity:

- Number of strategic intelligence projects undertaken
- Number of intelligence database source documents

Quality/effectiveness of service:

- Stakeholder satisfaction with intelligence reports
- Number of target development proposals generated by QCC
- Number of intelligence reports disseminated

Output 1: Investigations

Strategies:

- Strategy 1:** Conduct proactive, multi-disciplinary investigations of relevant criminal activity and major crime.
- Strategy 2:** Make astute and strategic use of hearings and compulsory powers.
- Strategy 3:** Identify and target the proceeds of crime for confiscation.
- Strategy 4:** Undertake focused joint operations with other agencies.
- Strategy 5:** Obtain evidence for the prosecution of persons involved in criminal activity.

Measures:

Quantity of service provided —

- Number of tactical operations undertaken
- Number of notices to attend
- Number of notices to produce

Quality/effectiveness of service —

- Number of offenders charged
- Number of charges laid

1998–1999 Performance

Projected performance

- Generate tactical operations from Project Axis, targeting serial and systematic paedophile activities.
- Progress investigations being conducted under seven existing QCC references current at 1 July 1998, and investigate matters under any new references issued by the Management Committee.
- Realise the Commission's investigative hearings capacity to advance referenced operations.
- Finalise operational agreements with other law enforcement agencies and other entities.
- Continue joint operations with QPS and other law enforcement agencies.

Actual performance

Tactical Task Force Axis has initiated five tactical operations.

Six new references were issued in 1998–99, four references issued in 1997–98 have been finalised and three are continuing. The QCC also has a standing reference to investigate criminal paedophilia.

Forty-five days of hearings were conducted during 1998–99, with 63 witnesses attending.

The Management Committee has approved a list of 89 entities with whom QCC may liaise in the pursuit of its functional responsibilities.

QCC participated in eight joint task forces with QPS and other law enforcement agencies during the year.

Proactive, multi-disciplinary investigations

The QCC has, in the 1998–99 year, continued to focus its available resources on the proactive identification of relevant criminal activity. This approach has been supported by the Intelligence Team through Operation Silhouette, which ranked organised crime identities in Queensland, and Project Krystal, which provided a contemporary strategic overview of organised crime in Queensland and ranked significant illegal industries, markets and commodities according to risk. QCC focused its investigative attention on shutting down entire criminal enterprises, as well as arresting the individuals involved in a criminal activity.

Preliminary assessments and investigation of suspected criminal activity were conducted by QCC multi-disciplinary teams comprising members of the Investigative Support Team, Financial Investigation Team, Intelligence Team and the Legal Team.

Investigations into identified relevant criminal activity are then progressed by joint QCC–QPS task forces under the operational control of the Commissioner of Police. The QCC contributes multi-disciplinary expertise to these task forces and provides the option of the use of its coercive powers conditional on the Crime Commissioner determining the use of such powers is necessary and appropriate.

In referred major crime investigations, the QCC continued to work closely with the QPS in progressing investigations that have been ineffective using powers ordinarily available to police officers. Depending on the individual circumstances of each matter, a joint QCC–QPS task force may be formed, or alternatively a nominated QPS case officer works with a QCC team. Irrespective, the QCC provides assistance through the deployment of multi-disciplinary team members with a particular emphasis on the involvement of legal officers in planning the use of, and maximising the operational effectiveness of a range of coercive powers.

Number of charges by type of charge resulting from referenced QCC/QPS joint operations

Charge	1997-98	1998-99
Murder		1
Robbery with violence		2
Perjury		3
Corrupting a witness		1
Fabricating evidence		1
Grievous bodily harm		1
Attempt to commit grievous bodily harm		2
Threats		2
Deprivation of liberty		5
Indecent dealing		121
Indecent treatment of girls under 16 years		18
Procure a child by false pretences		17
Procure youth for carnal knowledge		2
Attempt to have carnal knowledge		1
Possession of a child abuse computer game		3
Unlawfully possess motor vehicle	23	3
Possess tainted property	40	11
Possess dangerous drug	2	23
Possession of utensil		7
Possession of weapon		9
Traffic dangerous drug		4
Produce dangerous drug		4
Supply dangerous drug		7
Possession of thing		8
Unlawfully take electricity		2
Misappropriation		6
Stealing		2
Burglary		1
Housebreaking		3
Possess property used in the commission of an offence		1
Goods in custody		2
Outstanding warrants/warrant of commitment		13
Fail to secure firearms		1
Obstruct police		1
State false name		1
Unlicensed driving		1
TOTAL	65	290

During the 1998–99 year, the QCC conducted a total of 26 referenced operations, each using a varying degree of resources — 12 organised crime operations, three related to major crime and 11 related to criminal paedophilia. All of the operations were conducted through joint task forces with the QPS or other agencies. One criminal paedophilia matter was finalised in the reporting period.

Financial Investigations Team

Members of the Financial Investigations Team are involved in most organised crime investigations undertaken by the QCC or conducted jointly with the QPS. In some cases the QCC's principal contribution to joint task forces has been the provision of specialist financial investigators. Financial analysts work with police and intelligence operatives in the day to day running of an operation. During the year, financial investigators have accompanied police in the execution of search warrants and have assisted in the search for documentary evidence — to ensure relevant information is not overlooked. Financial investigators and police have also worked closely with legal officers and counsel in hearings relevant to organised crime references.

During the year, the team was responsible for financial investigations in 13 tactical operations conducted by QCC, or joint operations with the QPS and other law enforcement agencies. Most of the operations related to suspected drug trafficking activities and the financial information collected was used to determine the period of time the alleged trafficking was carried out, the extent of the trafficking and the economic benefit derived by the alleged trafficker. The team prepared financial profiles on targets, their money flows and asset accumulation and that of their associates. Financial investigations concentrated on identifying persons or entities helping suspects to launder money derived from criminal activities. In non-drug related matters investigated during the year, financial analyses have sought to determine benefits obtained by suspects.

Property seized resulting from referenced QCC–QPS joint operations

Property	\$ Value
1988 BMW 535I	38,000.00
.44 calibre handgun, 100 rounds	-
.22 rifle	-
Computer hardware and software (x 2 operations)	-
Cash	71,235.00
Clothing, manchester, jewellery	12,500.00
9mm semi-automatic handgun	-
Jewellery	20,000.00
TOTAL	141,735.00

Legal Team

Members of the Legal Team were involved to varying degrees in almost all QCC investigations during the 1998–99 financial year. Activities of QCC legal officers included the provision of legal advice at all stages of investigations, the review of all proposals to invoke QCC's coercive powers, the preparation of, and appearance at, court applications relative to search or surveillance warrants, and the preparation of, and participation in, QCC investigative hearings.

Throughout the year QCC lawyers gave operational advice to assist investigations. This advice was wide-ranging and addressed issues such as the legality of proposed methodologies, the jurisdictional limits of the investigations, the availability and appropriateness of particular coercive powers and the identification of any evidential gaps that needed to be addressed prior to the conclusion of an operation.

Preparation for, and conduct of, QCC investigative hearings represented a major part of the activities undertaken by the Legal Team during the year. Hearings were held on 45 days during the year, relating to ten separate operations. At each hearing, a member of the team appeared as Counsel Assisting and questioned the witness or witnesses before the Crime Commissioner, who presided at each hearing. Preparation for hearings involved close liaison with investigating police and officers of other disciplines, where appropriate, and a review of the often voluminous evidence or information gathered in the course of a particular investigation.

Three applications were also made to the Supreme Court during the year for the issue of covert search warrants (under the *Crime Commission Act*) empowering authorised QCC officers to covertly enter a nominated place, and search for and seize evidence relevant to a QCC investigation. Members of the team were involved in the preparation of lengthy affidavit material required to be placed before the court in support of the applications, liaison with the Public Interest Monitor and appearances before a Supreme Court judge to support the applications. In addition, in the case of each warrant issued, team members arranged a further hearing before the issuing judge after the warrant was executed to deal with any necessary orders arising from the seizure of exhibits during the covert search. All three applications for covert search warrants were successful.

Investigative Support Team

During the 1998–99 year the QCC's Investigative Support Team, comprised of two police detectives, provided assistance to the preliminary assessment and investigation of criminal activity. Both strategic and tactical support were provided to the Intelligence, Financial Investigations, and Legal Teams of the QCC. However the team also assisted joint QCC–QPS operations. During the course of the year, the team interviewed a substantial number of people, arrested two persons and assisted in the arrest of a further two persons in QCC generated investigations and in joint QCC–QPS tactical operations. The arrests were related to criminal paedophilia and major illicit drug offences.

QCC detectives participated in the closure of two major tactical operations, where the primary targets were charged with money laundering, heroin trafficking and other related offences. Additional highlights included the arrest of an alleged offender on 19 child sexual offences using proactive intelligence gathered from an advertisement in a community newspaper. This offender has since been extradited to NSW to face further child abuse charges. Another offender was found in possession of over 200 000 child abuse images on a personal computer and subsequently pleaded guilty to five charges under the *Classification of Computer Games and Images Act 1995*.

Other activities of the team included the execution of three search warrants under both the *Police Powers and Responsibilities Act* and the *Crime Commission Act*. In addition, the team prepared briefs of evidence for criminal court proceedings, and interviewed, cultivated and managed confidential sources to enhance the QCC's intelligence base. The team undertook static surveillance and area appraisal of specific locations, for future surveillance activities to be conducted on relevant targets.

Operational highlights

Organised crime

Operation Fluid

Operation Fluid was a joint QCC–QPS organised crime investigation under QCC reference 4/98 into the activities of office-bearers of an outlaw motor cycle gang (OMCG), and their associates in Brisbane, the Gold Coast and interstate. The organised criminal activities of the targets included heroin and amphetamine trafficking and associated money laundering.

Evidence was gathered using powers ordinarily available to police, coupled with the use of QCC investigative hearings and specialist financial investigations by QCC financial analysts. This operation resulted in the arrest of 19 persons on 59 charges, including trafficking, supplying and possessing dangerous drugs, numerous property and firearms offences and charges of witness corruption and perjury. In addition, the investigation provided significant intelligence in respect of OMCG activity, organisation and culture.

Operation Jovian

Operation Jovian was a joint QCC–QPS and Australian Federal Police (AFP) organised crime investigation in which QCC was involved pursuant to reference 8/98. The investigation was instigated as a result of intelligence gathered, collated and analysed by QCC Project Silhouette. Four people identified in the intelligence project, and against whom evidence was obtained during the investigation, have been arrested on nine charges of heroin trafficking and possession of dangerous drugs. Seizures resulting from the operation included four ounces of methyl amphetamine, nine ounces of rock heroin, \$60 350 cash, a hydroponic cannabis cultivation plant, two rifles, four handguns and six pen guns. Significant intelligence was also gained in relation to other current Queensland and interstate drug trafficking enterprises.

Operation Hibiscus

This is a joint QCC–QPS organised crime investigation in which QCC is involved pursuant to reference 8/98, issued at the request of the QPS. The investigation focuses on suspected organised criminal activity involving loan sharking, extortion and associated money laundering, drug production and distribution. An established QPS investigative task force had undertaken extensive inquiries prior to the involvement of QCC resulting in the arrest of 24 persons on a range of charges, including production and possession of trafficable quantities of cannabis, extortion and firearms offences.

QCC investigative hearings were conducted over an aggregate period of six days, and extensive financial investigations were undertaken. Evidence obtained during the investigation was provided to the Office of Fair Trading which moved to restrain the assets of persons identified in the investigation, pending regulatory action against such persons. A further ten persons were arrested on charges including production and possession of a dangerous drug, grievous bodily harm, deprivation of liberty, extortion, housebreaking and burglary and weapons offences.

Major Crime

Operation Wetlands

Operation Wetlands was an investigation into the disappearance and suspected homicide of Bowen teenager Rachel Antonio in April 1998. The operation was carried out under QCC reference 10/98, granted at the request of the Commissioner of Police. Prior to the granting of the reference, extensive police investigations had been undertaken and the subsequent QCC investigation proceeded in close consultation with investigating police. QCC investigative hearings were conducted over a period of a week, and a suspect has since been charged with murder.

Criminal paedophilia

Operation Dovetail

Information provided to Project Axis, the QCC's strategic intelligence assessment of child sex offending in Queensland, led to a coordinated QCC-QPS investigation that identified the first suspected commercial, Internet-based child pornography website compiled in Australia. Search warrants were executed resulting in the seizure of computer hardware and software containing in excess of 100 000 images. These images have been the subject of forensic computer examination and have been referred to the State Censor. Cooperation with United States law enforcement agencies — United States Customs and the Federal Bureau of Investigation — led to action against the United States Internet service provider hosting the website.

Use of hearings and coercive powers

QCC's investigative hearing and other coercive powers differentiate it from traditional law enforcement and enable it to add value to regular law enforcement efforts. These special investigative powers represent the most efficient, effective, and in some cases, the only practical way of tackling sophisticated and complex crime, and advancing investigations where other investigative methods have failed, or are likely to fail. The hearings power has been made available to the Commission by Parliament so that overall investigative outcomes can be improved, not only in relation to organised crime and criminal paedophilia but also major crimes — for example, cases of murder that would otherwise remain unsolved.

QCC's most coercive investigative power refers to its capacity to compulsorily question suspects and witnesses on oath. The requirement to attend a QCC hearing also places ordinary citizens under a duty not recognised at common law to assist a law enforcement agency in a criminal investigation. These departures from the traditional common law rights based approach to criminal investigation are significant and satisfy the Parliament's main purpose of providing the community with the most effective means of bringing organised or major criminal offenders to justice.

QCC is, however, mindful of the responsibility it bears in the appropriate and proportionate use of its conferred statutory powers. Management Committee oversight provides a practical guarantee against overreaching or oppressive use of such powers. The coercive and/or intrusive nature of some of these powers require that their use be approved only after careful consideration by the Crime Commissioner of all relevant statutory provisions and public interest considerations. In a number of instances in the period under review, the Crime Commissioner exercised his discretion not to utilise available powers.

Importantly, QCC-QPS task forces do not rely solely on the special powers available to the Crime Commission to advance investigations. Task forces also make effective use of powers available under the *Police Powers and Responsibilities Act* to investigate Crime Commission references.

Use of powers under Police Powers and Responsibilities Act in organised and major crime and criminal paedophilia investigations

Section	1997-98	1998-99
s. 28 Search warrant	4	6
s. 68 Listening device warrant	-	5*
s. 74 Covert search warrant	-	1
s. 82 Surveillance warrant	-	1
s. 108 Application to retain thing seized	-	1

* one device not installed

Hearings

The Commission convened its first investigative hearing in July 1998, and during the year held 45 hearing days in total, relevant to ten operations. Of the ten operations subject to hearings, six operations related to organised crime investigations, two were major crime operations, one operation related to criminal paedophilia and one was a proactive intelligence probe. Sixty-five notices to attend a QCC hearing were issued, however only 63 witnesses actually attended and provided evidence. The remaining two witnesses agreed to cooperate with investigating police and their attendance notices were subsequently vacated by the Crime Commissioner.

Preparation for hearings was, in most instances, a multi-disciplinary effort, with specialists from each area of the Commission working with General Counsel and members of the Legal Team to develop the most productive and effective hearings strategy. For example, members of the Financial Investigations Team provided detailed briefings in relation to suspect financial transactions and helped determine key focus areas for questions during hearings.

Number of hearing days and witnesses per operation type

Operation type	Number of days	Number of witnesses
Organised crime	23	37
Major crime	13	16
Criminal paedophilia	8	9
Intelligence	1	1
TOTAL	45	63

Perjury charges

In May 1999, six perjury charges were laid against a 54-year-old man arising from testimony given to a Crime Commission investigative hearing. The man appeared as a witness at a hearing in relation to Project Axis, the Crime Commission's strategic intelligence assessment of child sex offending in Queensland. The man's alleged perjury was exposed in subsequent interviews with police regarding related matters. The perjury charges carried a maximum penalty of 14 years imprisonment.

The Commission viewed the alleged perjury as a serious matter. Witnesses in investigative proceedings are required to answer questions truthfully, and can claim privilege against self-incrimination. The Commission's inquisitorial powers

are intended to find the truth, and in instances where witnesses are compelled to answer questions over an objection that the truth may incriminate them, their testimony is inadmissible in any legal proceedings against them. The effectiveness of the QCC's investigative powers is dependent on witnesses giving truthful testimony, and it is essential that the integrity of the hearings process is preserved — therefore witnesses who perjure themselves will be prosecuted and their false answers before the Commission are admissible in such prosecution proceedings.

Appeals

The *Crime Commission Act* provides that a person may claim a reasonable excuse or legal professional privilege against answering a question or producing a document or thing. The Commission is required to determine whether such a claim of privilege is justified. However under s. 109 of the Act, a person may seek leave to appeal to the Supreme Court against a decision by the Commission. During 1998–99 there were no applications or appeals under s. 109 of the Act.

Financial assistance for legal representation

The *Crime Commission Act* allows for grants of financial assistance for the legal representation of witnesses required to appear at Crime Commission investigative hearings. Legal representation includes provision of a lawyer to be present and to represent a person giving evidence at an investigative hearing. Under special circumstances approved by a presiding member at a hearing, this includes financial assistance for the legal representation of a person who is not giving evidence, but whose interests may be adversely affected by evidence at a hearing.

Under the *Act*, persons who have been given a notice to attend a QCC hearing or who wish to appeal, or have appealed to the Supreme Court under s. 109 of the Act are entitled to apply to the Attorney-General for financial assistance to obtain legal representation. The level of the assistance and any conditions attached to it are determined by the Attorney-General. The cost of the financial assistance must be met by QCC. There were three applications to the Attorney-General for legal assistance by QCC witnesses during 1998–99. In each instance, the Attorney-General requested the provision of assistance by Legal Aid.

Use of powers under the Crime Commission Act in 1998–99

Powers	Section	Quantity
Notice to a unit of public administration	73	6
Search warrant	74	2
Search to prevent loss of evidence	76	0
Surveillance warrants	82	0
Emergency use of surveillance devices	83	0
Covert search warrants	88	3
Notice to produce	93	286
Attendance notice	95	65
Arrest warrant	97	0
General power to seize evidence	99	0
Hearings	100	45

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Use of powers under Police Powers and Responsibilities Act in organised and major crime and criminal paedophilia investigations

Section	1997-98	1998-99
s. 28 Search warrant	4	6
s. 68 Surveillance warrant	-	5*
s. 74 Covert search warrant	-	1
s. 108 Application to retain thing seized	-	1

* one device not installed

Notices to produce

During the financial year, the QCC issued 286 notices to produce (s. 93 of the *Crime Commission Act*) and six notices to units of public administration (s. 73). The vast majority of these requested financial information about operational targets and were issued at the request of financial investigators to advance investigations and to gather evidence. In total, 244 notices to produce were issued to financial institutions, 18 to other financial information providers, four to legal practitioners, three to accountants, nine notices to government agencies and 14 notices to other entities. Of the nine notices to government agencies, six were issued under s. 73 and three were issued under s. 93 of the *Crime Commission Act*.

Proceeds of crime

The joint QCC-QPS Project Krystal reported that profit is the purpose of organised crime, and provides sustenance for its continuation, concealment and expansion. The report set a new investigative direction for QCC that goes beyond traditional ethnocentric conceptual models of organised criminal activities, structures and memberships. Instead, the report established a framework for the Crime Commission to examine the economic and commercial, in addition to the organisational, relationships that drive organised crime.

To more effectively target organised crime, the QCC is concentrating on methods to attack and undermine the profit motive and financial benefits that underpin all forms of organised crime. This includes identifying and taking action to restrain or confiscate the assets of organised criminals under the existing conviction-based *Crimes (Confiscation) Act 1989*. Currently, the QCC's Financial Investigations Team has carriage of this aspect of QCC operations. However, the QCC is considering establishing an Enterprise Crime Team as a specialised unit within QCC to concentrate on the proactive identification of criminal targets and their associated assets, and the confiscation of the proceeds of their criminal activities.

During the financial year, the Crime Commission was party to the restraint of \$182 000 in cash, belonging to a man charged with a number of drug trafficking, firearm and property offences. The charges resulted from a joint task force operation conducted by the QCC, QPS and the NCA. The man is awaiting committal proceedings. If convicted, his restrained assets are likely to be subject to an application for a pecuniary penalty order (PPO). If the pecuniary penalty order is granted the subject assets will be forfeited to the state.

Opportunities to confiscate criminal proceeds are always considered in any tactical operation involving the Financial Investigations Team. As at 30 June 1999, the QCC was involved in nine tactical organised crime operations. Five of these operations have the potential for confiscation action at a future date, and are being monitored accordingly. The amount of money involved in these investigations is difficult to determine accurately at this stage. However sums exceeding \$1 million are involved. In addition, the QCC has also undertaken strategic probes into groups suspected of being directly involved in organised crime, or in helping organised criminal elements. These probes have the potential to uncover large amounts of illegally gained money and property.

Joint operations with other agencies and inter-agency cooperation

The QCC works in close partnership with the QPS and in close cooperation with other law enforcement agencies and other relevant entities. The QCC actively pursues the philosophy that real success in combating organised crime can only be achieved through law enforcement cooperation, and the collective use of available resources where appropriate. The Commission's Management

Committee also serves to enhance liaison and cooperation between key criminal justice agencies in Queensland such as the QPS, CJC, AFP and NCA. However, QCC participates in many multi-agency forums to promote cooperation and the effective use of resources.

Liaison and coordination

Senior officers from the QCC and QPS met fortnightly as the Joint Executive Group to oversee the progress of joint investigations and projects and to provide strategic direction. In addition, the QCC was represented at the National Coordination Committee of National Organised Crime Task Forces, convened by the NCA to coordinate investigations under national organised crime references. Participating agencies include state police services, the New South Wales Crime Commission, Australian Federal Police, New Zealand Police, Australian Customs Service, Department of Immigration and Multicultural Affairs (DIMA), Australian Taxation Office, the Australian Transaction Reports and Analysis Centre (AUSTRAC) and the Australian Securities and Investment Commission (ASIC).

The QCC also participated in a similar, state-based forum of law enforcement agencies — the Regional Joint Agencies (Queensland). Other member agencies are the QPS, and regional offices of the AFP, NCA, Customs, DIMA, ATO and AUSTRAC. Regional Joint Agencies meetings are held monthly and provide a platform for coordinating organised crime enforcement in Queensland.

In addition, QCC is a member of the QPS Target Committee. The Committee processes applications from all police regions and commands for covert operations and for crime matters that may be considered beyond the capacity of regional resources.

At an operational level, QCC officers met regularly with all law enforcement agencies to ensure that tactical objectives and operational effectiveness were achieved. QCC projects and intelligence assessments were conducted in close partnership with the QPS and other state and federal agencies. QCC legal and intelligence officers also met on a regular basis with their counterparts at the QPS, CJC, AFP and NCA to discuss respective issues arising in the course of joint covert tactical investigations.

Joint task forces

The structure of the QCC and its intended relationship with the QPS, mean that it does not have extensive internal investigative resources. QCC references and associated investigations are progressed primarily by the formation of joint task forces under the control and direction of the Commissioner of Police. QCC has established a close and very effective working relationship with other law enforcement agencies, and in particular with QPS, to achieve optimal use of professional investigative and other operational support resources. This includes surveillance activities, interviews of criminal suspects, witness interviews, assistance with hearings, execution of warrants, location of persons, service of production and/or attendance notices, and additional intelligence support. During 1998–99 eight joint QCC–QPS task forces were formed to conduct 26 referenced QCC investigations.

In the period under review the QCC also undertook organised crime investigations, or shared operational information with the Northern Region of the AFP, the Brisbane office of the NCA and the CJC, as well as interstate agencies including the New South Wales Crime Commission and New South Wales Police Service Crime Agencies.

Operational agreements

QCC may give information to other entities under s. 32 of the Crime Commission Act. If QCC has evidence of an offence against a law of the State, the Commonwealth or another State, it may give the evidence to the law enforcement agencies it considers appropriate.

The QCC Management Committee has approved a list of 89 agencies with whom QCC may liaise in the pursuit of its functional responsibilities. Where appropriate, memoranda of understanding or operational agreements have been or are in the process of being finalised with relevant agencies. QCC has received from, and extended full cooperation to, other local and national law enforcement agencies with regard to the exchange of information.

Arrangements have been made with Federal Government agencies during the financial year to address requirements for the release of information under Commonwealth statutes. Changes have also been made to the Commonwealth *Taxation Administration Act 1953*, and amendments to the *Telecommunications Act 1997* and the *Telecommunications (Interception) Act 1979* are expected to be finalised in 1999–2000.

Official misconduct and corruption matters

The QCC continues to enjoy a close working relationship with the Criminal Justice Commission. Several matters involving suspected official misconduct on the part of persons holding appointments in units of public administration have come to light in the course of QCC investigations and have been referred to the CJC for investigation. In addition, QCC has liaised closely with the CJC in several organised crime investigations in which issues of official misconduct or corruption have arisen or are considered likely to arise.

Obtain evidence for prosecutions

The majority of QCC operations are in fact referenced joint QCC–QPS operations, and arrests are predominantly made by QPS officers working in QCC–QPS joint task forces. As the subsequent prosecution of offenders is predominantly handled through QPS and the Director of Public Prosecutions (DPP), it is an extremely difficult, time consuming and resource intensive task to track the outcome of every prosecution action. The QCC provides as complete a record of prosecutions as possible given the mentioned constraints.

During the 1997–98 year, six offenders were arrested on 65 charges. Of the prosecutions able to be tracked, one pleaded guilty to multiple charges, one was convicted on drug charges, one has been committed to trial on 19 charges (ongoing), and two offenders had their charges withdrawn by the QPS and by the DPP respectively.

The majority of offenders arrested during the 1998–99 year are awaiting a committal hearing. As at 30 June 1999, 11 matters — predominantly, but not exclusively, drug related — were awaiting a committal hearing. Three other matters were committed for trial in the Supreme Court, and one in the District Court, on matters including producing, trafficking and possessing dangerous drugs. As at 30 June 1999 guilty pleas were entered for two other matters. Convictions were achieved in 13 other matters. In six instances, charges were withdrawn, either by QPS or the DPP.

Outlook 1999-2000

- QCC intends to appoint a part time Assistant Crime Commissioner to assist in enhancing the operational capabilities of the Commission. Investigative hearings must be conducted by the Crime Commissioner or an Assistant Crime Commissioner.
- Establish an Enterprise Crime Team aimed at reducing the profitability of criminal enterprises, and detecting and prosecuting money laundering offences.
- The Commission plans to further develop and effectively utilise modern methodologies and innovative strategies to proactively identify and prosecute child sex offenders.
- The Commission will foster and promote to partner agencies a strengthening of the multi-agency approach to organised crime investigations, particularly for matters identified as high priorities by the risk assessment approach adopted in Project Krystal.

Output 2: Intelligence

Strategies

- Strategy 1:** Maintain an integrated, accurate and relevant criminal intelligence service.
- Strategy 2:** Provide timely, reliable information and analytical support to investigations.
- Strategy 3:** Provide risk management based target identification.
- Strategy 4:** Participate in the exchange of information and take part in joint operations with external agencies.
- Strategy 5:** Monitor and analyse intelligence holdings to forecast threats, trends and opportunities relating to organised and major crime and criminal paedophilia.

Measures

Quantity:

- Number of strategic intelligence projects undertaken
- Number of intelligence database source documents

Quality/effectiveness of service:

- Stakeholder satisfaction with intelligence reports
- Number of target development proposals generated by QCC
- Number of intelligence reports disseminated

1998–1999 Performance

Project performance

- Complete Project Krystal with QPS and develop strategic direction for QCC's future organised crime investigations.
- Identify targets for tactical organised crime investigations.
- Complete Project Axis
- Participate in information and intelligence sharing with other enforcement agencies.

Actual performance

Project Krystal, a strategic assessment of organised crime in Queensland, was completed in June 1999. Project Krystal ranked illegal industries, markets and commodities according to risk, providing a prioritised, strategic reference point for organised crime operations. Three QCC projects have evolved from Project Krystal.

Operation Silhouette identified and ranked organised crime identities in Queensland, generating two successful joint tactical operations with the QPS and the AFP.

Project Axis was significantly expanded during 1998–99, and its scheduled release date was subsequently revised to the 1999–2000 year.

QCC disseminated 80 intelligence reports during 1998–99, exceeding its target of 60 disseminations for the year.

Maintain an integrated, accurate and relevant criminal intelligence service

The Crime Commission's effectiveness as a law enforcement agency is derived from its highly strategic, research-based and intelligence-driven approach to the criminal environment in Queensland. This integrated approach is enhanced by the multi-disciplinary team environment and permits the QCC to be proactive rather than reactive in fulfilling its investigative objectives. The additional combined application of the intelligence cycle and risk assessment methodologies means that the QCC can provide a systematic monitoring capability and a highly effective intelligence service.

The Intelligence Team is comprised of intelligence analysts who perform a mixture of strategic and tactical intelligence roles. Those team members with strategic intelligence responsibilities assess and forecast trends in organised crime and criminal paedophilia by continuously monitoring and evaluating data from a variety of sources. Intelligence data, intelligence derived from tactical operations, and open source information are collated and analysed continually. Strategic intelligence analysts provide the framework and context for the QCC's tactical investigations and the development of new targets.

Team members with tactical responsibilities conduct intelligence probes to proactively target assessed high risk areas of criminal activity. These analysts work as members of multi-disciplinary teams in partnership with investigators from other law enforcement agencies, lawyers and financial analysts to support QCC investigations and joint task forces. The different professional disciplines contribute to an enhanced intelligence product. For example, investigators may provide surveillance services or interview informants, producing new intelligence; while financial analysts can provide a picture of a target's assets and financial 'comings and goings'.

Both the QCC's strategic and tactical intelligence streams use the Commission's investigative hearings process to enhance intelligence gathering and progress investigations.

The risk assessment process ensures that while all activities, including new and emerging threats, are monitored, only high priority threats become the subject of tactical operations. The QCC's use of different professional disciplines, and the integration of tactical and strategic responsibilities, ensures investigations are meaningful, target identified criminal 'hot-spots' and lead to tangible outcomes.

An important measure of the effectiveness of the QCC's intelligence service, is its ability to generate operations and investigative projects through proactive intelligence gathering. During the year, the Intelligence Team originated four tactical investigations as a result of its strategic intelligence activities, and conducted six intelligence projects. Through its various intelligence activities, QCC is continuing to expand its intelligence holdings in relation to the organised crime and criminal paedophilia areas.

The intelligence database

QCC's intelligence database is a central component of its provision of integrated intelligence services. During the year, the QCC consolidated its criminal intelligence database system, which utilises the Australian Criminal Intelligence Database (ACID) administered by the Australian Bureau of Criminal Intelligence (ABCI). ACID is now both the QCC's internal database and a mechanism for prompt dissemination of criminal intelligence to both intrastate and interstate law enforcement partners. Apart from disseminations of intelligence via ACID, the QCC also disseminated material to agencies in terms of the NCA's national task forces, in response to requests from external agencies or at the QCC's own initiative. Information obtained by the QCC pursuant to its functions is coordinated through the Information Retrieval Centre (IRC) in the intelligence section. All requests for information and responses are subject to regular internal audit to ensure their consistency with legislation applicable to the QCC and were requested for purposes consistent with QCC's functions.

The intelligence database is an important analytical tool that enables intelligence officers to overview both tactical and strategic intelligence reports, to add new information and to create links between persons of interest and their activities — thereby creating a value-added and up to date intelligence product.

Apart from an annual review of QCC's intelligence activities by the Parliamentary Criminal Justice Commissioner, QCC database entries go through an internal audit and review process to ensure the relevance and accuracy of information entered on the system. Every three months a review of caveated information is conducted, to determine whether caveats placed on external agencies accessing QCC intelligence are still considered necessary.

During 1998–99 a total of 79 source documents — comprising information reports, offender profiles, assessments and intelligence reports — concerning organised crime, criminal paedophilia and incidental criminal activity were produced by the intelligence section and disseminated to other agencies via the ACID network. This figure will increase significantly during 1999–2000 as analysts who devoted much of 1998–99 to strategic projects such as Krystal and Axis contribute to tactical probes and investigations.

Source documents include information or intelligence reports and offender profiles generated by QCC and entered on the ACID system. In addition to source documents, the QCC entered information classified as 'other entities', for example — persons of interest, addresses of interest, vehicles, phone numbers, and business details. This information created a number of associations or links between information entered on the database system. Just 239 entries or 2.9% of QCC information lodged on ACID was caveated.

Source documents	79
Other entities	1634
Associations	6428
TOTAL	8141

Oversight by the Parliamentary Criminal Justice Commissioner

The Parliamentary Criminal Justice Commissioner is required by the *Crime Commission Act* to conduct an annual review of intelligence data in the possession of QCC, the Police Service and the Criminal Justice Commission. The purposes of the review are:

- to consider whether intelligence data held by each agency is appropriately held by the agency with regards its functions; and
- to consider whether there is unnecessary duplication of intelligence data held by the agencies; and
- to consider whether the agencies are working cooperatively as partners to achieve optimal use of available intelligence data and the resources used to collect, collate or record the data; and
- to consider whether an agency is placing inappropriate restrictions on access to intelligence data by other agencies.

The Parliamentary Criminal Justice Commissioner must then provide written advice on the review, containing the Commissioner's findings and recommendations to the QCC Management Committee.

The first review of QCC's intelligence function by the Parliamentary Criminal Justice Commissioner was conducted in the early months of the 1998–99 financial year and completed in September 1998. The review related to QCC's performance in the 1997–98 financial year, and acknowledged that the QCC had existed for four months in that period, and had an operational capacity for only six weeks. In tabling the Parliamentary Criminal Justice Commissioner's report, the Management Committee acknowledged the progress and satisfactory development of QCC's intelligence capability. The Committee further noted the review provided a useful benchmark by which the QCC could evaluate its future progress in the fulfilment of its intelligence function.

Provide support to investigations

During the 1998–99 financial year, the intelligence section provided support to 24 referenced strategic and tactical projects and investigations. Fourteen related to organised crime and ten were related to criminal paedophilia.

The rationale behind the QCC's provision of intelligence support to tactical investigations is that intelligence analysts are at a premium in the Queensland law enforcement community relative to the number of investigative officers and the range and diversity of organised crime targets. Hence, the QCC believes that by providing effective intelligence support it can add value to the total law enforcement effort. Moreover, the QCC has undertaken to ensure that lessons learned from specific operations are not lost to future organised crime investigations.

QCC intelligence analysts produce detailed, objective and self-critical post operational assessments for each operation in which the QCC has had an intelligence role. These assessments are then disseminated within the law enforcement community so agencies benefit from operational successes and avoid problems that have been noted during particular operations. These assessments are merged with QCC's strategic intelligence overviews to add to our evolving knowledge of the organised crime environment in Queensland.

Proactive intelligence support

In May 1999, the QCC received limited information from a member of the public in relation to a suspected child sex offender. An intelligence analyst was assigned to conduct an intelligence assessment of the information received.

While the alleged offender had no criminal history, a complainant report dating from 1997 enabled the QCC to positively identify the offender, and comprised the basis for a tactical investigation to proceed.

The 1997 information enabled analysts to track the original and other complainants, while the analysis of archival records helped to establish timelines in relation to the activities of the offender over a 20-year period. This also resulted in the identification of additional complainants. The target was subsequently charged with 21 child sex offences committed against five complainants. The offender pleaded guilty to all charges.

Target identification

In terms of both strategic and tactical intelligence, the QCC evaluates relevant threats and risks to the community within a structured risk assessment framework to give direction to tactical priorities, and to ensure that law enforcement resources are directed where they can be most effective. The risk assessment process is used particularly effectively for target development — firstly to determine high risk illicit industries (this was done through the QCC-QPS Project Krystal) and secondly to determine high risk criminals operating in those industries.

QCC's target development proposals are considered by the QCC-QPS Joint Executive Group, which determines targets that will become the subject of tactical investigations, based on available investigative resources (QCC has limited investigative capacity in its own right and relies on the QPS to provide investigative task force resources). During the year QCC generated eight target development proposals for the consideration of the Joint Executive Group — all of which were accepted as targets, and some of which are currently the subject of tactical investigations.

Project Silhouette

In July 1998, the intelligence section commenced Project Silhouette — the QCC's first proactive target development project. QCC officers met with representatives of all Queensland law enforcement agencies and developed a list of significant criminal identities whom the QCC considered worthy of investigation, but who, for various reasons, were not at that time being investigated. A QCC analyst was assigned to examine the intelligence holdings on, and criminal histories of, the persons in question, and subsequently evaluated the risk they posed to the Queensland public using the RAM methodology adopted by Project Krystal. In November 1998 the Silhouette report ranked 12 high risk criminal identities engaged in drug trafficking in priority order for investigation.

The two highest ranked individuals then became targets in tactical investigations involving the QPS and AFP, with the QCC providing intelligence support. During the reporting period the target persons were arrested and charged with heroin trafficking and a number of related offences. Other persons recommended for investigation by Project Silhouette may be targeted in the future depending on available resources.

While this approach provided useful indicators about the motivations and methodologies of some individuals and groups involved in organised crime, it has proven less useful as criminals have moved outside of and between recognised 'milieu'. Moreover, intelligence derived from law enforcement investigations over the past three decades has tended to disprove rather than confirm the theory that Australian organised criminal activity conforms with the overseas models. The project team found that the labelling of alleged organised crime groups on the basis of ethnicity or ethos has also, to a large extent, influenced public perception of organised crime to the point where it bears little resemblance to the current situation in Queensland.

A new picture

The more recent picture that has emerged is that of a loosely associated criminal 'milieu' of persons from a variety of backgrounds driven predominantly by their individual greed. There is increasing evidence of a greater diversity, and more interactions and partnerships between organised crime groups and individual identities, in an environment of unprecedented mobility and internationalism, variety and profitability, and potential for power. Associations between such criminal identities are not defined simply by ethnicity or ethos but by their common desire to embrace commercial opportunism as the primary rationale for engaging in criminal activity.

The Project Krystal team argued that to arrive at a more comprehensive picture of organised crime in Queensland, the analysis of organised crime identities and networks must be integrated with an assessment of the illicit markets within which they operate. Recent analyses of organised crime in Queensland illustrated that the basic operating principles of an illicit market differ little from those of legitimate business practice. They are invariably affected by the relationship between demand and supply, and revolve around cash flow.

Risk assessment

The QCC Risk Assessment Matrix (RAM) was adapted from an Australian Security Intelligence Organisation (ASIO) model for use during Project Krystal and other QCC intelligence projects. It provides a process for the assessment of organised crime that takes into consideration what is currently known about organised criminal identities and groups operating in Queensland, the illicit commodities they trade, the external environmental factors that facilitate or inhibit these activities, and the impacts of these criminal activities on the Queensland community.

The RAM methodology was applied to nine key commodities and services that are illegally traded in Queensland. The risks associated with these illicit market were rated as very high for heroin; high for amphetamine, cocaine, money laundering and fraud; medium for cannabis and property crime (including motor vehicle theft); and low for wildlife crime and prostitution.

Law enforcement impact

The Krystal report found that law enforcement interventions to date have had little sustained effect on illicit markets, and in particular, on disrupting the trade in 'high risk' commodities and/or services. The reasons for this are primarily related to the increasingly complex nature of the illicit marketplace.

Persons involved in organised crime may often be involved in dealing in commodities from more than one market segment and form associations both within and between market segments. Furthermore, underpinning the entire market structure, irrespective of the commodity being traded, is the generation and conversion of 'dirty' money. A major criminal industry in itself, the money

laundering market is an environment in which the line between legitimate and illegitimate business interests is often blurred. This is because of the nature of money laundering where criminal money is often mixed with legitimate earnings to conceal its illegal origins.

Money laundering

Illicit drug trafficking and fraud, two high risk commodities, are also significant generators of 'dirty' money. The ability to 'clean' such money is a critical factor that underpins the success of most organised crime. For example, the overriding motivation for any substantial involvement in the illicit drug market is financial gain. However in order to enjoy the profits, criminals must find a method for legitimising their illicit proceeds. This is often done by investing the proceeds in real estate, making substantial cash purchases, or investing in legitimate business activities, or transferring the proceeds offshore. Increasingly the transfer and/or conversion of the proceeds of crime are unwittingly facilitated by ethical professional advisors, or alternately by unethical advisors who may also, from time to time, form part of the criminal network.

Key findings

Project Krystal concluded that organised crime, as defined by the *Crime Commission Act*, is entrenched and widespread in Queensland, with a large number of individuals operating at varying levels of complexity, particularly concentrated along the eastern seaboard. Organised criminal networks in Queensland tend to be fluid, opportunistic, loosely structured and overwhelmingly driven by greed. The report found that the varying levels of complexity, and the diversity of the illicit marketplace, require state law enforcement agencies to adopt an approach that focuses more heavily on undermining the financial motivations of organised crime.

Project Axis

Project Axis, a joint strategic assessment of child sex offending in Queensland by QCC-QPS, was launched in August 1998 and work commenced on a substantive collection plan from that date. Since its inception, and as a result of early analysis of the collection plan, the project was substantially expanded to include necessary and relevant information, including legislative reform, policy developments and recent court rulings in relation to child sex offending. Throughout the life of the project, issues such as sex offender registration and community notification have received greater prominence, and as a result, research into this and other issues has been extended.

The first paper to be released by the project will be a comprehensive whole of government information and discussion paper. This will examine the current situation in relation to child sex offending, the victims and offenders, child protection and criminal justice systems, correctional and rehabilitative approaches, and systemic deficiencies. The paper will also examine interstate and international best practice models for child protection where the potential for child sexual assault exists.

A number of individuals and government agencies have made a significant contribution to the project, including drafting chapters and sections of the information and discussion paper. Those who have made contributions of this nature include the Research and Prevention Division of the Criminal Justice Commission, the Children's Commission of Queensland, the Department of Families, Youth and Community Care, Education Queensland, Queensland Health, Department of Corrective Services, the School of Criminology and Criminal Justice at Griffith University and the Queensland University of Technology School of Justice Studies.

One substantial gap in the information base relating to Project Axis was the lack of Australian data on child sex offenders. In collaboration with the School of Criminology and Criminal Justice at Griffith University, the QCC applied for and was successful in securing a \$26 000 grant from the Criminology Research Council. As a condition of the research grant being approved, the QCC was required to contribute a further \$26 000 to the project. It is anticipated that the research will be completed during the 1999–2000 year.

During the 1998–99 financial year submissions were invited from the public, other law enforcement agencies, government departments, churches and other interested stakeholders. Additionally, surveys were administered to educational facilities, support services, youth organisations and survivors of child sexual abuse. Interviews were also conducted with child sex offenders currently incarcerated, in an attempt to gain further insight and understanding of this phenomena. Relevant information has also been elicited from offenders appearing before the Commission as part of the investigative hearing process.

In addition to the extensive research and intelligence components of the project, a tactical task force (Task Force Axis) was established in January 1999 to further develop and investigate information received by the project team. The task force, a joint initiative of QCC–QPS, has resulted in a considerable number of charges against alleged child sex offenders. Offences have ranged from possession of child abuse games to multiple counts of indecent dealing.

Following the release of the information and discussion paper the public and stakeholder agencies will be invited to respond to findings and assessments, and make submissions on the issues raised. A final report providing specific conclusions and recommendations on a best practice model to prevent and detect child sex offending in Queensland will then be produced, together with a law enforcement-in-confidence intelligence report.

Outlook 1999–2000

- The Commission will continue to assess the criminal environment in Queensland and through the risk evaluation process identify organised criminal activity and enterprises causing and potentially causing risk to the safety and prosperity of people in Queensland.
- Project Ramson will continue to target assessed high risk areas of organised crime and provide the QCC with an ongoing reliable and comprehensive monitoring capability.
- Project Monarch will target heroin trafficking and money laundering by identifying money laundering methodologies and facilitators.
- Complete Project Axis Information and Discussion Paper (phase one).
- Begin phase two of Project Axis – a second public report with final conclusions and recommendations, plus a supporting law enforcement-in-confidence intelligence report.



Operational Support Activities

Strategies

- Strategy 1:** Facilitate the Commission's accountability to the Management Committee, the Minister and the public.
- Strategy 2:** Coordinate the Commission's management systems and ensure compliance with its statutory obligations.
- Strategy 3:** Provide an open, supportive, proactive and productive environment for the recruitment, retention and development of staff through sound and innovative human resources management practices.
- Strategy 4:** Provide advice, research services and operational and administrative support to internal and external clients.
- Strategy 5:** Promote understanding and education of the Commission's role in the criminal justice system, its activities and the criminal environment.

Measures

- Management Committee satisfaction with QCC performance.
- Compliance with best practice management models and statutory obligations.
- External requests for information and advice.
- Participation in a variety of forums to provide information and education about the QCC.

1998–1999 Performance

Projected performance

- Establish QCC's first Enterprise Bargaining Agreement.
- Finalise EEO Management Plan and prepare Human Resources Management Plan and Code of Conduct.
- Finalise the Commission's first Strategic Plan, Information Management Strategy and Physical Assets Strategic Plan.
- Finalise detail of second tier corporate support arrangements with QPS.
- Draft submissions on law reform issues including amendments to the Crime Commission Act, confiscation of the proceeds of crime, telephone interception and covert operatives.
- Complete implementation of QCC's recruitment strategy.

Actual performance

Agreement certified by the Industrial Relations Commission in November 1998.

QCC completed its EEO Management Plan, finalised a draft Code of Conduct for dissemination and discussion, and significantly progressed its human resources management manual.

The Commission completed a draft strategic plan for the years 1998–2002, commenced an information management strategy and completed a draft physical assets strategic plan.

A letter of agreement between the two agencies was finalised.

Joint agency submissions on these proposals were completed.

QCC recruited personnel according to priority operational requirements and available resources.

Accountability

As an agency conferred with extraordinary powers by the Parliament, the Crime Commission is highly conscious of the need to be scrupulous in its accountability. This includes accountability to the Management Committee, the Executive through the Minister for Police and Corrective Services, and by extension, to the Parliament and to the Queensland public.

The Commission reports periodically to the Management Committee, which is required to review and monitor generally the work of QCC, and is empowered to give directions imposing limits on QCC investigations, including limitations on the exercise of QCC powers. The Committee may also give directions or guidelines about the performance of its functions or its internal management, that must be complied with. The QCC must also comply with any request from the Management Committee for information regarding the performance of its operations.

During the year the Committee has not issued directions imposing limits on investigations or the use of powers. However, the Committee has offered informal advice to the Commission about its management and activities and has regularly asked for additional information or clarification of matters before the Committee.

There were no complaints or concerns lodged with the Management Committee about the conduct of the QCC's activities or of any QCC officer during the reporting period.

The Crime Commissioner is required to give the Management Committee reasonable administrative services and support to enable the Committee to perform its functions. The Office of the Commissioner provides the secretariat for the Management Committee and coordinates all of its meetings, agenda, minutes, supporting papers and officers to appear before the Committee. During the year, the Committee met on nine occasions. In addition, the Commission expended a total of \$46 799.75 on the Management Committee — comprised of airfares, accommodation and an annuity for each of the two community representatives on the Management Committee.

The Commission is also accountable to the Minister for Police and Corrective Services, and met with the Minister ten times during the reporting period, and on each occasion provided progress reports of QCC activities. When combined with other formal reporting arrangements, this consultation assists the Minister to inform the Executive and Parliament on the progress of QCC activities.

In addition, the QCC's activities are overseen by the Parliamentary Criminal Justice Commissioner and the Public Interest Monitor. The Parliamentary Criminal Justice Commissioner conducts an annual audit of QCC's intelligence function and completed the first such audit in September 1998. QCC officers met the Parliamentary Criminal Justice Commissioner on a number of occasions during the 1998–99 year to update her of QCC activities. The Public Interest Monitor provides an important civil liberties advocacy role when the QCC submits an application for a covert search warrant or to install a surveillance device. The Monitor is required to appear before the issuing authority, and may cross examine and make submissions to test the validity of the application. The Monitor appeared before the relevant issuing authority on three occasions where applications for covert search warrants were made under the Crime Commission Act.

Freedom of information and whistleblower protection

The Commission did not receive any freedom of information requests during the 1998–99 year. Similarly there were no public interest disclosures under the *Whistleblowers Protection Act 1994* to the Commission in the reporting period.

Management systems and compliance with statutory obligations

Strategic plan

A draft strategic plan was completed for the 1999–2002 period based on the Government's new Managing for Outcomes initiative. The Commission defined two key outputs as its core business — investigations and intelligence — which form the reporting structure for the 1998–99 Annual Report. The strategic plan will be revised and updated during the 1999–2000 year to reflect the Commission's growth and enhancement of its operational capabilities. Refinements to the strategic plan will also include improved methods to capture, collate and report performance measurement data.

Policies and procedures

QCC commenced documenting policies and procedures to govern its operational and support activities. The Commission has adopted QPS Operational Procedures as they apply to the activities of police officers. As part of the development of its policy and procedures manual, the Commission is examining the policies and procedures of a number of law enforcement and criminal justice agencies, including the QPS, NCA, CJC, NSW Crime Commission and the Independent Commission Against Corruption (ICAC).

Information management

QCC information management systems provide state of the art operational support and information collection. Specialist tools and systems are directed at case management and information analysis.

Major information management activities during 1998–99 included the comprehensive year 2000 testing of QCC's hardware, software applications and data, and the completion of remedial action where it was necessary to achieve certified compliance. The Commission also commenced a year 2000 contingency plan covering such occurrences as electricity failure and security system failure, fuel supply shortage and staffing exigencies.

An information security audit was also completed by QPS information security specialists, with recommendations arising from the audit in the process of being addressed in 1998–99. All outstanding matters from the audit are expected to be addressed during the 1999–2000 year subject to the availability of financial resources. As part of an upgrade of information system security, the QCC purchased network monitoring software to protect the QCC network and information systems from internal or external attack.

A business continuity plan was developed to implement procedures for minimising business or operational downtime on the internal network. Network systems were improved with the rectification of faulty data outlets and patch panels and an upgrade of cabling to category five compliance — enhancing the performance of the network and meeting current government and industry standards. A plan was also implemented to optimise the use of existing hardware and software installations.

Finance

During the financial year, QCC transferred its financial reporting system from program based reporting to output reporting — in line with the whole of government move towards managing for outcomes. Accordingly, the QCC converted its financial management system to the whole of government financial information reporting system (Tridata). This entailed implementing an activity based costing system to accurately capture project or investigative expenses, including the cost of staff hours and resources used. The system enables the QCC to effectively monitor the progressive cost of investigations or projects, and assists in budget planning and reporting.

The QCC has commenced drafting a financial management procedures manual as required under the Queensland Government's *Financial Administration and Audit Act 1977* and the supporting *Financial Management Standard 1997*.

QCC's financial records are audited annually by the Queensland Audit Office — with the audited financial statements for the 1998–99 year recorded in this annual report.

Physical assets strategic plan

The QCC completed a draft physical assets strategic plan during the 1998–99 year, which provides the framework for the identification of QCC assets, places all assets on a depreciation and replacement schedule, and enables the effective management and maximisation of the use of the Commission's existing assets. The asset plan also assists in identifying the QCC's emerging asset requirements, based on both planned and existing projects, investigations and activities. These forward projections of asset requirements form part of the budget planning process.

The asset plan divides QCC assets into seven key areas — operational equipment, computer equipment, office equipment, radio (physical security) equipment, fixtures and fittings, leasehold improvements and motor vehicles. Significant asset purchases for the year included upgraded security software, a network upgrade, additional computer hardware, an upgrade of the physical security system, safes and a car for the Investigative Support Team.

A stocktake of assets was also completed, as required under the Financial Management Standard 1997, which entailed recording fixed assets (items with a value of greater than \$1000) on the QPS SAP R/3 asset register. Portable and attractive items (of a value less than \$1000) were bar coded and registered on the QCC asset register system. There were no losses of assets or attractive items during the financial year.

Purchasing policy

A QCC purchasing policy was drafted during the year, formulated in accordance with the State Purchasing Policy and covers such issues as purchasing guidelines and responsibilities, procedures for purchases from standing offer arrangements, the assets register and disposal procedures.

Records management

QCC's registry section is responsible for records management at the Commission — including cataloguing and tracking files of all security classifications (such as documents, video and audio tapes) and exhibits collected through hearings and/or other investigative activities. The registry section also maintains database registers for all warrants, disseminations, notices to attend and notices to produce issued by the QCC.

During the year registry holdings grew to a total of 383 files — consisting of 111 highly protected files, 149 protected files and 123 in-confidence or standard files. The registry also catalogued and stored 217 exhibits. Drugs and cash recovered in the course of investigations are not held at QCC, but handed to the QPS secure exhibit storage facility. Registry personnel have also ensured that material received is appropriately and securely stored according to the classification of the material.

Suitable office accommodation

The QCC's office accommodation has required little modification in 1998–99, as the purpose designed premises were acquired from another law enforcement agency. Minor alterations focused predominantly on security issues such as an upgraded security door in the Registry and an additional security door for hearings purposes. Adjustments were also made to some work stations.

Travel

No international travel was undertaken by QCC personnel during 1998–99.

Recruitment, retention and development of staff through human resource management practices

Human resource management manual

Work commenced on a comprehensive human resource management manual, documenting relevant policies and procedures for the management of QCC employees and the maintenance of appropriate records.

Staffing, recruitment and selection

All staff at the QCC, apart from the Crime Commissioner, are employed under the *Public Service Act 1996* as required by s. 25 (1) of the *Crime Commission Act*. The Crime Commissioner is employed under the *Crime Commission Act*. Staff employed at the Commission are either employed on a temporary basis, or seconded from home agencies, up to 1 December 2002.

During the year all positions advertised have been independently evaluated using Job Evaluation Management System (JEMS) standards and appropriately qualified JEMS evaluators. Positions have been compared across other agencies for classification relativity. The Commission also adopted standard public service policies and procedures for the recruitment and appointment of staff.

Staff recruitment has proceeded in 1998–99 using an incremental approach. As at 30 June 1999 there were 35 staff employed at the QCC, compared with 22 at 30 June 1998. The total QCC staff complement consisted of the Crime Commissioner, General Counsel, two sworn police officers, 24 operations staff and seven operational support staff. The QPS provides additional investigative staff to participate in joint task forces, however, these staff are employed by the QPS and remain under the control of the Commissioner of Police.

During 1998–99, QCC completed an induction manual to orient newly appointed staff to QCC structures, appropriate policies and procedures and other relevant information.

Staff development and training

The QCC developed and implemented a performance planning and review process during the year, in line with initiatives under its enterprise bargaining agreement. Performance reviews are conducted every six months. Staff training requirements are highlighted in these documents and are costed and utilised for the budget submission process.

QCC places great emphasis on the training and professional development of employees. In May 1999 a QCC intelligence analyst attended the revised and enhanced National Strategic Intelligence Course, conducted by the Australian Bureau of Criminal Intelligence, in affiliation with Charles Sturt University. The analyst was awarded one of two scholarships to Charles Sturt University to study criminal strategic intelligence.

Conferences and training courses attended by QCC staff during 1998–99 included: Ethics in Policing, QPS Intelligence Training Program, the Australian Institute of Professional Intelligence Officers (AIPIO) Conference on Preparing Analysts for the 21st Century, AIPIO Intel '98 Conference, AIPIO Workshop on Risk Management and Threat Assessment, ASIO Intelligence and Risk Assessment Seminar, Analyst Notebook training, the Australian Drug Strategy Conference, QPS CRISP and POLARIS training, Symposium '99, the Australian Institute of Criminology Conference on Children and Crime, Recfind International User Conference, Queensland Purchasing Seminar, and Queensland Treasury Financial Management and Asset Management seminars.

Anti-corruption strategies

With the assistance of the QPS and the CJC, the Crime Commission commenced documenting its own risk management and anti-corruption strategies to meet the requirements of Government policy and the expectations of the community. While these policies have been under development, the QCC has observed the directives and guidelines outlined by the QPS. A draft code of conduct has been developed to complement the induction manual and related material. The QCC also participates in the CJC Liaison Officer Network which focuses on corruption prevention practices.

All QCC staff have been subject to a security clearance as part of their terms of employment. These clearances have been conducted with due regard to the privacy of staff. In addition, QCC's security system offers a high level of physical security. The system provides fully auditable access to QCC premises at all times. Similarly, regular audits are undertaken of information management systems and procedures in conjunction with QPS information management security staff.

Enterprise agreement

As a recently created statutory authority, the QCC was required by legislation to generate its own certified enterprise bargaining agreement. QCC's inaugural enterprise agreement, covering all staff employed under the *Public Service Act 1996* was certified by the Queensland Industrial Relations Commission on 23 November 1998. A staff committee participated in formulating the agreement, which provides progressive pay increases over an 18 month period when specified performance standards and targets are achieved. Commission employees were paid the first productivity increase under the terms of the agreement from 1 July 1998.

Employee assistance scheme

A confidential employee assistance scheme was implemented to help staff deal with issues that may be affecting their work satisfaction or performance. The Commission entered into an agreement with a professional counselling service to provide a set number of client visits during the year at no cost to employees. The scheme was promoted to staff through the induction process, brochure distribution and internal electronic mail.

EEO management plan

During the year an equal employment opportunity (EEO) management plan was drafted to guide the development of EEO initiatives, including promoting awareness among QCC staff of equal employment opportunity issues. The EEO Management Plan 1998–2001 is intended to:

- enable members of target groups to effectively compete for recruitment, selection, promotion and transfer, and successfully pursue careers at the QCC and/or other agencies;
- eliminate unlawful discrimination against members of target groups with respect to employment matters.

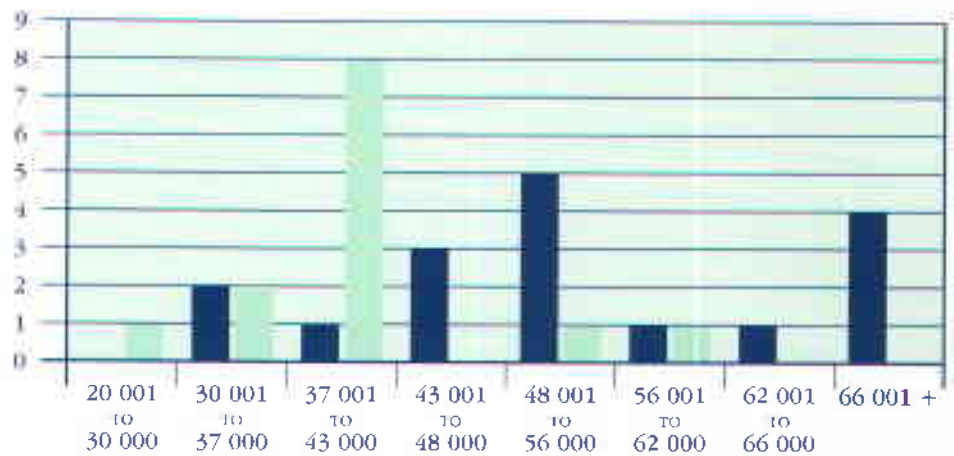
Strategies are currently being developed to monitor and evaluate the implementation of the EEO Management Plan to assess whether objectives are being achieved. The results of the 1998–99 EEO survey according to four EEO target groups (women, people from a non-english speaking background, Aboriginal and Torres Strait Islanders and people with a disability) are shown in the following table and figures. The EEO survey is an annual survey based on staffing levels at 30 June.

Membership of EEO target groups — 1997-98 and 1998-99

	Women	NESB	ATSI	People with disabilities
1997-98	45.5%	9%	0%	0%
1998-99	43%	13%	0%	0%

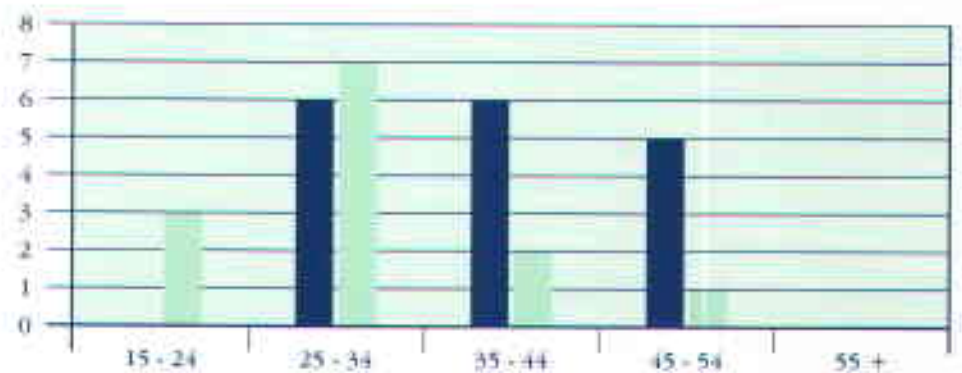
Employees by sex and salary level

■ Male ■ Female



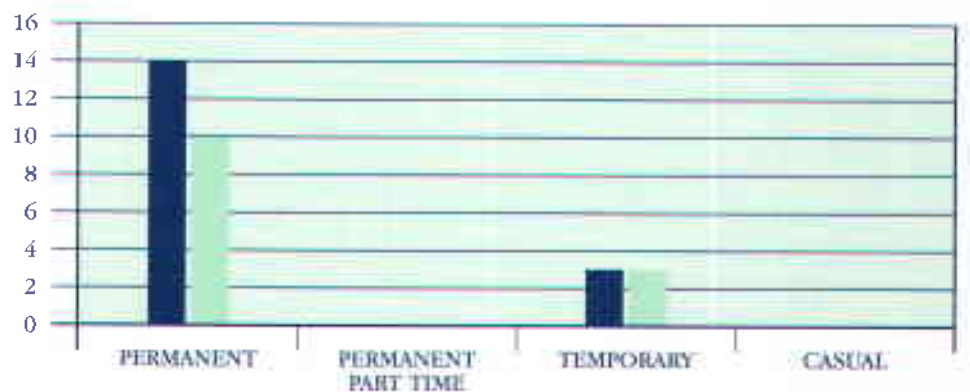
Employees by sex and age

■ Male ■ Female



Employees by employment status

■ Male ■ Female



Advice, research, operational and administrative support

Research

The Queensland Crime Commission has a research-based, intelligence-driven approach to undertaking investigative, intelligence and project functions. Research services and support are provided to all sections of the agency through the QCC library, which is staffed by a research officer.

During the 1998–99 year the QCC Library has established cooperative arrangements with libraries and library professionals from the QPS, CJC, the AFP and the NCA, as well as other agencies. This is a cost-effective means of maximising the use of available resources and ensuring that QCC's library collection consists only of material considered necessary to the Commission's operation. Inter-agency arrangements include the sharing of relevant information via use of inter-library loans and circulation of current awareness bulletins and on-line services.

<i>Inter-library loans 1998–99</i>		
Source library	Qty	% of total loans
QPS libraries	248	52%
Other law enforcement agencies (CJC, NCA and AFP libraries)	83	18%
Other libraries (e.g. universities)	143	30%
TOTAL	474	100%

QCC's library holdings have grown during the year to 1856 items. As at 30 June 1999 this included 590 monographs (including books and reports), 49 subscriptions or periodicals, 30 annual reports and 7 loose-leaf services. The library also provides a substantial news-clipping collection of major Queensland, national and interstate newspapers. In addition, the QCC Library has pursued a shift from paper based information resources towards a more cost effective electronic information base. Therefore many research resources, such as legislation, subordinate legislation and regulation are accessed through CD-ROM products and the Internet, either from open source information or by subscription to on-line information services. QCC subscribes to five CD-ROM services and one on-line legal database information service.

Collaborative research projects

QCC has received cooperative assistance from a number of agencies and individuals in undertaking research and intelligence projects during the 1998–99 financial year. Twelve departments, agencies and individuals have played an active role in the drafting of material for inclusion in the Project Axis Information and Discussion Paper. In February 1999, the QCC and the Griffith University School of Criminology and Criminal Justice received funding approval from the Criminology Research Council (CRC) for a study grant to examine the characteristics of child sex offenders and child sexual abuse in Queensland. The CRC's independent assessor noted there has previously been no large scale study of this nature done in Australia. The results of this research are likely to have practical and policy relevance in police investigation, management of offenders in correctional and community settings, and the development of treatment programs.

Provide advice

During 1998–99 the QCC liaised extensively with the QPS, CJC and NCA on criminal law reform matters of mutual interest and, in concert with the other agencies, has prepared submissions to government advocating law reform in the areas of civil confiscation of the proceeds of crime, controlled operations, telecommunications interception and witness protection and anonymity.

Promote understanding and education of the QCC

As a new agency in Queensland's criminal justice landscape, the QCC is mindful of the need to provide education about the Commission's role, functions, powers and activities. During the year the Commission received approximately 80 requests for general information about the Commission — most of which were satisfied by providing extracts from open source information such as the annual report.

Annual and other reports

The annual report is one of the QCC's primary vehicles for disseminating information about the Commission and its activities to key stakeholders including the State Government, the Parliament, other law enforcement agencies, universities and other educational institutions, the media and the general public. QCC's inaugural annual report, covering its establishment and first four months of operation in the 1997–98 year was tabled in the Legislative Assembly in November 1998 and directly distributed to stakeholder groups.

The Commission produced two publications for public release in June 1999 — *Project Krystal: A strategic assessment of organised crime in Queensland* and a Crime Bulletin. Both publications were intended to provide the Queensland community with information about the nature and extent of organised crime in the State and QCC's approach to it. The QCC will release specific reports on the outcomes of individual projects such as Krystal and Axis as required. QCC Crime Bulletins are intended to inform the Queensland community of issues relating to organised crime and criminal paedophilia, or to highlight important aspect of the Commission's work, and will be published from time to time.

Conferences, lectures and seminars

Participation in various conferences and seminars and providing lectures on the QCC, and aspects of its activities, are an important means of communicating its objectives to specialist audiences. During the 1998–99 year, Commission officers presented numerous lectures to police around the State, to provide a detailed explanation of the Commission's place in the law enforcement environment, and its relationship with the QPS. For example, numerous lectures about the QCC were provided to the QPS major and organised crime course, the homicide investigation course and to the detective training course. Addresses were also given to recruits studying at the Queensland Police Academy, and a module regarding the QCC has been added to the PROVE training curriculum.

Other lectures delivered by the Crime Commissioner and other staff in 1997–98 and 1998–99, include:

Date	Title	Audience
22 April 1998	The role, function and powers of the QCC	Rotary
28 April 1998	QCC and its place in Queensland's criminal justice system	QPS Chief Superintendent's Forum
29 April 1998	The role, function and powers of the QCC	Queensland Council for Civil Liberties
13 May 1998	Hearings power and procedures of the Queensland Crime Commission	International Council of Jurists
7 June 1998	QCC's role, functions and powers	MENSA
24 June 1998	Accountability	QPS Academy
26 August 1998	QCC's role and functions	QPS Metro South and Ipswich Crime Summit
4 September 1998	Value adding in the fight against crime	Crime Stoppers National Conference
7 September 1998	The Crime Commission	Northern Regional Intelligence Group
16 September 1998	Project Axis	Heads of Criminal Intelligence Agencies Conference — ABCI
21 September 1998	The Crime Commission	QPS Regional Criminal Intelligence Coordinators
16 November 1998	The Crime Commission's role in criminal intelligence and investigation	QPS Academy – Management Development Program
18 November 1998	Crime Commission hearings and trial fairness	Criminal Law Association
7 January 1999	The Crime Commission	QPS Regional Crime Coordinators Conference
9 February 1999	Civil forfeiture: taking the profit out of crime	Australian Institute of Criminology
9 March 1999	The Crime Commission	Victims of Crime Compensation
13 March 1999	The role, functions and powers of the State Crime Commission	Symposium 99 – Queensland Law Society and the Bar Association of Queensland
17 March 1999	Project Krystal and Project Axis	Heads of Criminal Intelligence Agencies Conference — ABCI
23 April 1999	The Crime Commission and Commonwealth Investigations	AFP Northern Region — Commonwealth Investigators Conference
14 May 1999	White collar crime	United Services Club
17 June 1999	Project Axis	Australian Institute of Criminology — Conference on Children and Crime
23 June 1999	Representing a Crime Commission Witness	Bar Practice Course

In September 1998 the QCC conducted a two day seminar for stakeholder groups involved in Project Axis, providing information about the Commission and detailed information about the project. A further seminar was held for survivors of child sexual abuse in January 1999.

The media

The media played an important role in communicating the Commission's activities during the period under review. The Commission held two formal media conferences during the year — the first, in August 1998 was for the public launch of Project Axis and the second, in June 1999 was for the release of the Project Krystal report and Crime Bulletin. Commission officers also participated in four media interviews, and answered approximately 40 queries from media representatives. The QCC also formulated policy guidelines for QCC contact with the media during the year.

Outlook 1999–2000

- QCC will continue to progress and finalise enterprise bargaining commitments during 1999–2000 and negotiate a new Certified Agreement.
- Revise and update QCC's strategic plan.
- Finalise QCC policy and procedures manual.
- Progress human resources management manual and review EEO Management Plan.
- Commence development of QCC risk management policy.
- Finalise the financial management procedures manual
- Launch the QCC internet home page.

QUEENSLAND CRIME COMMISSION
OPERATING STATEMENT
for the year ended 30 June 1999

	<i>Note</i>	1999 \$'000	2/3/98 to 30/6/98 \$'000
Operating Expenses			
Employee expenses	3	1,977	471
Supplies and services	4	846	434
Depreciation expense	5	263	25
Other expenses		14	3
Total Operating Expenses		3,100	933
Operating Revenues			
Other – Services received free of charge		..	85
Other Revenue	6	40	..
Total Operating Revenues		40	85
NET COST OF SERVICES	14	3,060	848
Revenue from Government			
Grant through the Department of Police		3,066	1,325
Total Revenue from Government		3,066	1,325
Increase (decrease) in Net Assets before abnormal items		6	477
Abnormal Item	7	22	..
Increase (decrease) in Net Assets after abnormal items	13	28	477

QUEENSLAND CRIME COMMISSION
STATEMENT OF FINANCIAL POSITION
as at 30 June 1999

	<i>Note</i>	1999 \$'000	1998 \$'000
CURRENT ASSETS			
Cash	8	141	23
Other	9	33	4
Total Current Assets		174	27
NON-CURRENT ASSETS			
Property, plant and equipment	10	751	796
Total Non-Current Assets		751	796
TOTAL ASSETS		925	823
CURRENT LIABILITIES			
Creditors	11	106	70
Provisions (Employee Entitlements)	12	141	80
Total Current Liabilities		247	150
NON-CURRENT LIABILITIES			
Provisions (Employee Entitlements)	12	173	196
Total Non-Current Liabilities		173	196
TOTAL LIABILITIES		420	346
NET ASSETS		505	477
EQUITY			
Accumulated Surplus	13	505	477
TOTAL EQUITY		505	477

QUEENSLAND CRIME COMMISSION
STATEMENT OF CASHFLOWS
for the year ended 30 June 1999

	<i>Note</i>	1999 \$'000	2/3/98 to 30/6/98 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Inflows:</i>			
Interest Income		40	..
<i>Outflows:</i>			
Employee expenses		(1,940)	(196)
Supplies and services		(817)	(291)
Other		(13)	..
Net cash used in operating activities	14	(2,730)	(487)
CASH FLOWS FROM INVESTING ACTIVITIES			
<i>Outflows:</i>			
Payments for property, plant and equipment		(218)	(815)
Net cash used in investing activities		(218)	(815)
CASH FLOWS			
<i>Inflows:</i>			
Grant through the Department of Police		3,066	1,325
Total Revenue provided		3,066	1,325
Net increase/(decrease) in cash held		118	23
Cash at beginning of financial year		23	Nil
Cash at end of financial year	8	141	23

QUEENSLAND CRIME COMMISSION
NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
for the year ended 30 June 1999

1. Funding of the Commission

The Commission is funded through parliamentary appropriation via a grant from the Department of Police.

2. Summary of Significant Accounting Policies

(a) Basis of Accounting

The financial statements are general purpose financial statements and have been prepared in accordance with the *Financial Administration and Audit Act 1977*, the *Financial Management Standard 1997*, Australian Accounting Standards and Urgent Issues Group Abstracts.

The financial statements have been prepared in accordance with the historical cost convention except for certain non-current physical assets which are at deprival value.

The accrual basis of accounting has been adopted.

Transactions and balances relating to the Commission's expenses, revenues, assets and liabilities are set out in the Operating Statement and Statement of Financial Position.

(b) The Reporting Entity

The financial statements include all assets, liabilities, revenues, expenses and equities of the Queensland Crime Commission. The Commission has established companies as from 29 June 1999. These companies have not traded during the year ending 30 June 1999.

(c) Appropriations and Grants

The Commission is funded through a grant from the Department of Police that is appropriated by Parliament. Grants are recognised as revenues when the Commission obtains control over the relevant assets. The Commission has full discretion in the use of the funds in achieving its objectives.

(d) Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at bank that is used in the day-to-day cash management function of the Commission.

(e) Acquisition of Assets

The cost method of accounting is used for the initial recording of all acquisitions of assets owned by the Commission. Cost is determined as the fair value given as consideration plus costs incidental to the acquisition and all other costs incurred in preparing the assets ready for use.

QUEENSLAND CRIME COMMISSION
NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
for the year ended 30 June 1999

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition.

(f) Property, Plant and Equipment

All items of property, plant and equipment with a cost, or other value, of \$1,000 or greater, are capitalised in the year of acquisition. All other items with a cost, or other value, less than \$1,000 are expensed.

(g) Depreciation of Property, Plant and Equipment

Depreciation of plant and equipment is calculated on a straight line basis so as to write off the cost or other value of each depreciable asset, less its estimated residual value, progressively over its estimated useful life.

Class of Asset	Depreciation
Computer Equipment (Hardware/Software)	33.33%
Network Computer Equipment (Hardware/Software)	20.00%
Office Equipment – Furniture and Workstations *	33.33%
Office Equipment – Photocopier	20.00%
Office Equipment (Facsimile, Shredders, E/Whiteboards)	10.00%
Office Equipment – Safes	2.50%
Leasehold Improvements	2.00%
Radio Equipment (Alarm Systems, Recording equipment)	33.33%
Motor Vehicles	30.00%
Photographic Equipment (Audio visual)	14.30%

* Second hand furniture and workstations.

(h) Revaluations of Non-Current Physical Assets

A revaluation policy is currently being developed and will be finalised by June 2000. When assets are revalued, they will be valued on a deprival value basis in accordance with the *Financial Management Standard 1997* and the Treasury's Policy on "Recording and Valuation of Non-Current Physical Assets".

(i) Employee Entitlements

Wages, Salaries and Annual Leave

Liabilities for wages, salaries and annual leave are recognised, and are measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date, and include related on-costs.

QUEENSLAND CRIME COMMISSION
NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
for the year ended 30 June 1999

Long Service Leave

A liability for long service leave is recognised and is measured by the use of a shorthand method derived by the Queensland State Actuary. The result of this method does not differ materially from that which would be arrived at should a calculation estimating the present value of expected future payments be made in respect of services provided by employees up to the reporting date. The method used incorporates consideration of expected future wage and salary levels, experience of employee departures and periods of service. The assumed rate of salary inflation and discount rate are based on Commonwealth Government bond yields at the reporting date and the expected long term gap between salary inflation and investment return.

Superannuation

The superannuation expense for the financial year is determined by the Queensland State Actuary. No liability is shown for superannuation in the Statement of Financial Position, as the liability is held by the Queensland Government.

(j) Taxation

The Commission's activities are exempt from all forms of Commonwealth taxation except Fringe Benefits Tax.

(k) Resources Received Free of Charge or for Nominal Value

Resources received free of charge or for nominal value that can be reliably measured are recognised as revenues and assets as appropriate.

(l) Insurance

In accordance with Government policy, assets are not insured, and losses are expensed as they are incurred. This includes any losses on the outcome of pending litigation.

(m) Rounding

Amounts included in the financial statements have been rounded to the nearest \$1,000, or where that amount is \$499 or less, to zero.

(n) QCC Operational Dates

Queensland Crime Commission commenced operations on 2 March 1998. Accordingly, the comparative figures in the Operating Statement and Statement of Cash Flows are for the period 2 March 1998 to 30 June 1998.

QUEENSLAND CRIME COMMISSION
NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
for the year ended 30 June 1999

	1999 \$'000	1998 \$'000
3. Employee Expenses		
Wages, salaries, annual leave and long service leave	1,660	442
Superannuation and pension payments	177	12
Other related expenses	140	17
	1,977	471
4. Depreciation Expense		
Depreciation was charged in respect of:		
Office Equipment	59	5
Motor Vehicles	35	8
Computer Equipment	123	8
Radio Equipment	46	4
	263	25
5. Other Expenses		
Audit Fees	6	3
Lease - Operating	8	..
	14	3
6. Other Revenue		
Interest Income	40	..
	40	..
7. Abnormal Item		
Assets not previously recognised	22	..
	22	..
8. Cash		
<i>Current</i>		
Cash on hand	1	1
Cash at bank	140	22
	141	23
9. Other Assets		
<i>Current</i>		
Prepayments	33	4
	33	4

QUEENSLAND CRIME COMMISSION
NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
for the year ended 30 June 1999

	1999 \$'000	1998 \$'000
10. Property, Plant and Equipment		
<i>Non-Current</i>		
Office Equipment		
- At Cost	227	215
- Accumulated Depreciation	(64)	(5)
Written Down Value	163	210
Motor Vehicles		
- At Cost	156	128
- Accumulated Depreciation	(43)	(8)
Written Down Value	113	120
Computer Equipment		
- At Cost	482	343
- Accumulated Depreciation	(136)	(8)
Written Down Value	346	335
Radio Equipment		
- At Cost	178	135
- Accumulated Depreciation	(50)	(4)
Written Down Value	128	131
Other Plant and Equipment		
- At Cost	1	..
- Accumulated Depreciation	(..)	(..)
Written Down Value	1	..
Total Property, Plant and Equipment		
- At cost	1,044	821
- Accumulated depreciation	(293)	(25)
Total Property, Plant and Equipment		
- net book value	751	796
11. Creditors		
<i>Current</i>		
Trade creditors	96	70
Other creditors – Salaries, Wages and FBT	10	Nil
	106	70
12. Provisions		
<i>Current</i>		
Recreation Leave	141	80
	141	80
<i>Non-Current</i>		
Long Service Leave	173	196
	173	196

QUEENSLAND CRIME COMMISSION
NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
for the year ended 30 June 1999

The aggregate employee entitlement liability includes an amount for long service leave which, as explained in Note 2(i), is measured by use of the shorthand method derived by the Queensland State Actuary. This method is equivalent to the calculation of the present value of payments expected to arise in the future in respect of services provided by employees up to the reporting date, assuming:

- a) weighted average rate of increase in annual employee entitlements to settlement of the liabilities of 3.73% per annum;
- b) weighted average discount rate of 6.23% per annum; and
- c) weighted average term to settlement of the liabilities is 14 years.

	1999 \$'000	1998 \$'000
13. Changes in Equity		
Balance at 1 July	477	Nil
Increase/(decrease) in net assets	28	477
Balance at 30 June	505	477
14. Reconciliation of Net Cost of Services to Net Cash Used in Operating Activities		
Net cost of services	(3,060)	(848)
<i>Non-cash items:</i>		
Depreciation	263	25
Abnormal items	22	..
Change in assets and liabilities		
(Increase)/decrease in Prepayments	(29)	(4)
Increase (decrease) in creditors	36	64
Increase (decrease) in provisions	38	276
Net cash used in operating activities	(2,730)	(487)

15. Contingency

(a) Litigation

There are no known material contingent liabilities arising from litigation, potential claims or the like outstanding against the Queensland Crime Commission as at 30 June 1999.

(b) Year 2000 Compliance

The year 2000 issue concerns the potential failure of computer systems, personal computers, and a wide variety of devices utilising microprocessors as a result of ambiguity in the recognition of the turn of the century dates or in some instances, at times prior.

QUEENSLAND CRIME COMMISSION
NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
for the year ended 30 June 1999

In December 1998, the Commission established a Year 2000 project to facilitate and coordinate the Year 2000 activities including modification of existing computer programs and the development of contingency plans to ensure continuity of critical operating systems.

Computer hardware and software applications have been reviewed. All non-compliant computer hardware has been replaced and all critical software applications are expected to be modified or replaced with year 2000 compliant software by November 1999.

Contingency plans are currently being finalised and all necessary testing of the contingency plans are expected to be completed by 30 November 1999.

16. Financial Instruments

(a) Terms, Conditions and Accounting Policies

The Commission's accounting policies, including the terms and conditions of each class of financial liability, both recognised and unrecognised at the balance date, are as follows:

Financial Instrument Principal	Related Financial Statement Note	Accounting Policy	Terms and Conditions
Trade creditors and accruals	11	Recognition – upon receipt of goods or services received irrespective of whether an invoice has been received.	As per invoice or within 30 days of months end of receipt of invoice.

(b) Interest Rate Risk Exposure

The Commission is exposed to interest rate risk through financial assets and financial liabilities. The following table summarises interest rate risk for the Commission, together with effective interest rates at balance date. All other assets and liabilities have no interest rate exposure.

QUEENSLAND CRIME COMMISSION
NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
for the year ended 30 June 1999

1999 Financial Instrument	Floating Rate	1year or Less	Non- Interest Bearing	TOTAL	Weighted Average Effective Interest Rate
	1999 \$'000	1999 \$'000	1999 \$'000	1999 \$'000	1999 %
Financial Assets					
Cash	140		1	141	4.00
Total Financial Assets	140		1	141	
Financial liabilities					
Trade Creditors and Accruals			106	106	
Total Financial Liabilities			106	106	

(i) Floating Interest rate represents the most recently administered market rate applicable to the instrument at 30 June.

1998 Financial Instrument	Floating Rate	1year or Less	Non- Interest Bearing	TOTAL	Weighted Average Effective Interest Rate
	1998 \$'000	1998 \$'000	1998 \$'000	1998 \$'000	1998 %
Financial Assets					
Cash	22		1	23	3.75
Total Financial Assets	22		1	23	
Financial liabilities					
Trade Creditors and Accruals			70	70	
Total Financial Liabilities			70	70	

(j) Floating Interest rate represents the most recently administered market rate applicable to the instrument at 30 June.

QUEENSLAND CRIME COMMISSION
NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
for the year ended 30 June 1999

(c) **Net Fair Values**

The carrying amount of Cash, Trade Creditors and Accruals approximates fair value.

(d) **Credit Risk Exposures**

As the Commission does not envisage having accounts receivable, there would be minimum credit risk exposure.

17. Events Occurring after Balance Date

Following a change in Government policy, from 1 July 1999, the long service liability of the Crime Commission has been assumed by the whole-of-Government reporting entity. In future, this liability will be reported under AAS 31 *Financial Reporting by Governments*. The Commission's liability for long service leave at 30 June 1999 will be extinguished and an adjustment made direct to equity in the next reporting period. Future payments in respect of long service leave contributions attributable to the Commission's employees will be accrued and recognised as an expense.

Certificate of the Queensland Crime Commission

The foregoing Financial Statements have been prepared pursuant to the provisions of the *Financial Administration and Audit Act 1977*. We certify that:

- (a) the foregoing financial statements and notes to and forming part thereof are in agreement with the accounts and records of the Queensland Crime Commission;
- (b) in our opinion –
 - (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the foregoing statements have been drawn up so, in accordance with the *Financial Management Standard 1997* so as to present a true and fair view of the transactions of the Queensland Crime Commission for the period 1 July 1998 to 30 June 1999, and the financial position as at 30 June 1999.

IAN B THOMAS
Manager, Operations Support
08 October 1999

TIMOTHY E. CARMODY
Crime Commissioner
08 October 1999

Independent Audit Report

To: The Commissioner, Queensland Crime Commission:

Scope

I have audited the financial statements of the Queensland Crime Commission for the year ended 30 June 1999. The financial statements comprise the Operating Statement, Statement of Financial Position, Statement of Cash Flows, Notes to and forming part of the financial statements and certificates given by the Commissioner and person responsible for financial administration as required by the *Financial Administration and Audit Act 1977*.

The Queensland Crime Commission is responsible for the preparation and the form of presentation of the financial statements and the information they contain. I have audited the financial statements in order to express an opinion on them.

The audit has been conducted in accordance with *QAO Auditing Standards*, which incorporate the Australian Auditing Standards, to provide reasonable assurance as to whether the financial statements are free of material misstatement. Audit procedures included the examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with prescribed requirements which include Australian Accounting Standards so as to present a view which is consistent with my understanding of the entity's financial position, and the results of its operations and its cash flows.

The year 2000 issue has been addressed only in the context of my existing audit responsibility under Australian Auditing Standards to express an opinion of the financial statements. Plans and associated actions to address the year 2000 issue have been reviewed for action taken to date, but the adequacy of those plans has not been assessed. Accordingly, the audit of the financial statements does not provide specific assurance, nor is a specific opinion expressed that the systems of the Queensland Crime Commission or other systems such as those of suppliers, vendors, service providers, customers, associates, joint venture parties or third parties are year 2000 compliant.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In accordance with the provisions of the *Financial Administration and Audit Act 1977*, I certify that I have received all the information and explanations I have required and, in my opinion –

- the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and

- the statements have been drawn up so as to present a true and fair view in accordance with the prescribed accounting standards and other prescribed requirements of the transactions of the Queensland Crime Commission for the financial year ended 30 June 1999 and of the financial position as at the end of that year.



J HARTEN

Acting Assistant Auditor-General – Audit

(As Delegate of the Auditor-General of Queensland)

19 October 1999

**Queensland Audit Office
Brisbane**

