



PARLIAMENTARY CRIME AND MISCONDUCT COMMITTEE

Members present:

Mrs EA Cunningham MP (Chair)
Mrs JR Miller MP (Deputy Chair)
Mr MJ Crandon MP
Mr MJ Pucci MP
Mr JM Krause MP
Ms J Trad MP
Mr PW Wellington MP

Staff present:

Ms A Honeyman (Research Director)
Mr P Rogers (Principal Research Officer)

PUBLIC REPORT ON THE CRIME AND MISCONDUCT COMMISSION'S ACTIVITIES

TRANSCRIPT OF PROCEEDINGS

FRIDAY, 23 AUGUST 2013

Brisbane

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Committee met at 9.00 am

FLORIAN, Ms Kathleen, Acting Assistant Commissioner, Misconduct, Crime and Misconduct Commission

FOX, Mr George, Commissioner, Crime and Misconduct Commission

LEVY, Dr Ken, Acting Chairperson, Crime and Misconduct Commission

McMENIMAN AM, Professor Marilyn, Commissioner, Crime and Misconduct Commission

MENDELLE, Mrs Edith, Executive General Manager, Strategy and Services, Crime and Misconduct Commission

NASE, Mr Philip, Commissioner, Crime and Misconduct Commission

SCOTT, Mr Michael, Acting Assistant Commissioner, Crime, Crime and Misconduct Commission

CHAIR: I declare the public meeting with the CMC open. I welcome the CMC commissioners and staff and thank the Acting Chairperson, Dr Ken Levy, for the public report on the CMC's activities. Dr Levy, would you like to make an opening statement?

Dr Levy: Perhaps I will, Madam Chair. Thank you for the opportunity. This is the first of these public hearings I have attended. The commission is represented by all of the commissioners and the senior staff today, although we have one vacancy which is yet to be filled.

In the period that the committee is considering today, the major issues I think for the commission, in addition to or superimposed on all of the ongoing work of the commission, are the matters that we have to deal with about the Callinan-Aroney recommendations, as well as the PCMC report recommendations. For the Callinan-Aroney recommendations, there is an implementation panel, which I sit on as a member but it is chaired by the Director-General of the Department of Justice and Attorney-General, and it has the Public Service Commissioner and the Director-General of the Department of the Premier and Cabinet on it as well. We have got to the stage where legislative amendments have been getting priority—those things that would require legislative amendments. Nothing has been finalised yet, although we are coming reasonably close to getting towards the end of that phase. Then there will be the review of the organisation of the CMC itself, and that will start reasonably shortly.

The issues that the PCMC in its report raised are certainly progressing with some degree of vigour by officers of the commission. In the period that is under review, the commissioners have been actively involved with many of the day-to-day more difficult matters that the commission is now facing. I must say I have been grateful for the time and effort they have put in, particularly when I have asked them for additional time. That has always been forthcoming.

Apart from the day-to-day business, there have been some major issues for us to deal with both internally and at major events such as the estimates committee and preparation for other events. Finance and the running of all of the organisation and the status of all parts of the organisation have been having some attention, and we look forward to talking with you about those today. Perhaps that will be my opening statement for the moment, Madam Chair.

CHAIR: Thank you. I omitted to advise that this meeting will be recorded in accordance with standing order 210. It is a public meeting. We will open the proceedings for questions. In your report you have talked about a number of meetings that you have attended and then you passed to the UQ matter where you state, 'A draft public report is in its final stages.' Given the amount of time since that investigation commenced, have you got a firm date yet when that report will be available?

Dr Levy: There are a few things in the time I have been there that have had more attention than that report from both myself personally and the commissioners. Of course the staff have always had a deep involvement in that. We think we are getting to the final stage of the issues that seemed to be intransigent for some time. We have actually met face to face with the executive of the university on two occasions just in the last month. We have finalised an external legal advice. We would expect the draft, which is virtually in its final form now, to be finalised—without trying to put an absolute time on it—within a couple of weeks. So that is when we would hope that that would be absolutely finalised and forwarded to the committee.

Mrs MILLER: Dr Levy, I refer to a *Courier-Mail* article last year 'AMA calls for investigation into claims surgeons operating on private patients in public hospitals pocket enormous sums'. Could you give the committee an update in relation to that investigation, please?

Dr Levy: I might ask Ms Florian to answer that, if you do not mind.

Ms Florian: The CMC is not currently doing anything on that particular matter. That is a matter that has been progressed by the Audit Office. I understand that the Audit Office tabled in parliament recently pieces of work that represented the first two phases of that work, and they expect to table a third phase later this year. We remain in contact with the Audit Office and have briefings on a regular basis and, if there are matters which arise out of their work which involve a need for the CMC to exercise its misconduct jurisdiction, then we will be assessing those matters in the normal course.

Mrs MILLER: So do you have a time line in relation to when the Queensland Audit Office will finish its third report?

Ms Florian: The Queensland Audit Office has given us an indication of the time line, but I am loath to commit another agency to a time line. Needless to say, I do not think it is an extended time line.

Mr KRAUSE: Dr Levy, when you were talking about the University of Queensland matter you referred to the finalisation of an external legal advice or legal opinion.

Dr Levy: Yes.

Mr KRAUSE: What do you mean by that?

Dr Levy: There were some legal issues and questions that were raised in our discussions with the University of Queensland, as well as I think the letter from—

CHAIR: Dr Levy, could you just move the microphone towards you, as we have the member for Nicklin on the phone and he may not be able to hear you. You have a quiet voice.

Dr Levy: My apologies. There have been some matters which were raised with the CMC by the university itself. As well, there were some questions that the commission had about the status of various aspects and phases of the investigation and the first draft report. So the most recent advice was really just to get independent advice about the status of those so that we can make a final decision and make a recommendation to the PCMC. Sorry, that is leaving you in some doubt, obviously. There were some matters about part of the investigation which we will include in the report. But just so that we were not reporting in isolation of an issue that has been raised with us by the university, we have tried to make sure that we have independent advice about the resolution of those differing points.

Mr KRAUSE: Okay.

Mrs MILLER: Ms Florian, I note in the communications section that you did a presentation to the Queensland Public Sector Young Leaders Conference. I am just wondering whether you would be able to provide a copy of your presentation for the benefit of our committee?

Ms Florian: Thank you for your question, member for Bundamba. Certainly we can do that.

Ms TRAD: Dr Levy, I note from your opening remarks that you are sitting on the implementation committee to look at the implementation of the Callinan-Aroney report recommendations. Given that your tenure at the CMC is scheduled to finish in November, can you advise what sort of supplementary arrangements are in place to ensure that the implementation is as seamless as possible?

Dr Levy: Do you mean succession beyond November? I am sorry I cannot. I have had no discussions with anybody, neither the minister nor anybody in the department. I did not think it was appropriate for me to raise that.

Ms TRAD: No. Just in terms of the internal governance arrangements at the CMC, how are the implementation discussions and suggestions and the implementation work plan being devolved internally within the CMC to ensure that, should you not continue at the CMC, that work is seamlessly implemented?

Dr Levy: From the start there has been a senior officer of the commission who has come to all of the implementation panel meetings.

Ms TRAD: Good.

Dr Levy: Of course there is a senior officers group of all of the departments concerned. Certainly, in terms of all of the detailed negotiation about where we arrive at potential legislative amendments or propose that we put to government, there is a deep familiarity by the senior officer and the commission.

Ms TRAD: Who is the senior officer from the CMC?

Dr Levy: Dianne McFarlane.

Ms TRAD: Thank you. Earlier this year some conversations that had been recorded by Dr Bruce Flegg had made it into the *Courier-Mail*. They relate to an investigation conducted by the CMC in 2011 about possible inducement offered to Dr Flegg to vacate his seat of Moggill. The tapes go into some suggestion of a position, an overseas posting, being offered to Bruce Flegg in return for him vacating his seat. I am wondering whether the CMC is following up an investigation into this matter.

Dr Levy: It is. I might ask Ms Florian to address that.

Ms Florian: The CMC of course completed an investigation in relation to that matter some time previously and found that there was no evidence at that time that the allegations then made were made out. Following the publication of those tapes, the CMC, of course, further assessed that matter in light of those tapes coming to light, and investigation into that matter is ongoing.

Mrs MILLER: Dr Levy, during estimates you said that the Caltabiano issue would be finalised within a couple of months. I am just wondering whether you can provide us with an update on where that is at?

Dr Levy: Yes, the CMC's work on finalising the investigation has been completed and a brief has been referred to the Director of Public Prosecutions.

CHAIR: Dr Levy, on page 7 of your report you talked about Operation Lithium. You mentioned the distribution of precursor chemicals. Is there a prevalence or a growing prevalence of that and are there any public comments that you could make in relation to that problem?

Dr Levy: Perhaps I will ask Mr Scott to answer that.

Mr Scott: That operation was very much focused on the importation of the particular type of precursor described here: it is Contact NT. It is commonly available in China and other parts of Asia. It is effectively pseudoephedrine, or pseudoephedrine can be extracted from that particular precursor and, as is the case, that can then be used to manufacture methylamphetamine.

We have done a lot of work in the area of precursors. Our Intelligence division has recently published a paper on the status of precursor activity in Queensland and trends in that space in terms of criminal groups either importing precursors that are highly regulated in Australia from places elsewhere where there is little or no regulation and other methodologies that have been used in terms of reconstructing the chemistry of drugs that are occurring. I think that is a law enforcement only paper at this stage. Unfortunately, I am not able to provide a copy of it or go into too much detail about it. It is certainly an area in which we are very active. In our investigations we are typically looking at precursors as much as the completed drug products that are being trafficked.

CHAIR: On page 16 you talk about your completion—or almost completion—of a paper focusing on changes in organised crime behaviour. I know that there has been discussion from the implementation panel's point of view in terms of the breadth of involvement of the CMC in some of this documentation production. How effective have those trend papers proven to be over time?

Mr Scott: I think they are very well received. They are mainly law enforcement only documents. We try to publish public documents where we can. They are distributed to all of our peer agencies, our partner agencies, around the country. The feedback that we get—and we seek specific feedback on each product—is generally of a very high order. They are very well received. The particular paper you are referring to there is the one about the OMCGs as I understand it.

CHAIR: Yes.

Mr Scott: That is still in preparation. I have not personally seen a draft of it yet, but I am told it is very close to being finalised. It will then go through our internal processes of checking and crosschecking and then it will go up to our Communications unit.

CHAIR: On the next page you talk about the hot spots in relation to methamphetamines and other drugs. Have those hot spots changed recently?

Mr Scott: I am just trying to see the reference.

CHAIR: It is in relation to the wastewater sampling where you can identify production hot spots et cetera. Have they changed?

Mr Scott: I do not know that they have changed. It is a very useful project that can identify spikes in the use of particular kinds of drugs by reference to very broad geographical areas. It is not specific to a type of population group; it is broader than that. As it is being rolled out, it is my understanding that it will be used in a whole range of places including regional cities, mining centres, tourist centres and to coincide with particular events like schoolies week, Big Day Out and those kinds of events. They do see particular spikes relative to some of those activities. Into the future I see it as a very useful research tool. It is very broadly based, but I think it will be of much value.

Ms TRAD: Ms Florian, can I draw your attention to the non-confiscation based civil confiscation scheme that is administered by the CMC? I know that this is an issue that has come up previously in the last public hearing and in other forums. Do you feel that there are effective resources in place to manage the confiscation of this property?

Ms Florian: Thank you for your question. There are a number of issues, of course, about how proceeds of crime legislation is developing. In terms of the civil confiscation scheme, we have been administering the civil confiscation scheme for some time. We have a small team. That team has not been able to meet the demand on proceeds of crime by law enforcement agencies in Queensland. As a consequence, we have moved to a queue system where we have to prioritise matters for proceeds of crime confiscation activity.

Quite a separate issue is the issue of how, moving forward, the CMC will deal with the new aspects of the jurisdiction for proceeds of crime. That includes the new unexplained wealth legislation and the new—what we call—SDOCO legislation, which is serious drug offender legislation. That legislation is yet to be passed. We anticipate that that legislation will have minimal impact in the first year of operation because it will take some time for the legislation to come in—part of the way through the year—and then for matters to start progressing through the system.

Ms TRAD: How big is the queue?

Ms Florian: The size of the queue is probably not something which is appropriate to comment on in a public forum.

Ms TRAD: Fair enough. Essentially, what you are telling us is that the government needs to allocate more resources in order for the Proceeds of Crime unit to function to adequately deal with the amount of work that is being sent its way?

Ms Florian: What I am saying is that the demand for proceeds of crime activity at the moment cannot be met by current resources.

Mrs MILLER: Dr Levy, thanks for your response in relation to the Caltabiano matter where a brief of evidence has gone to the DPP. Can you advise us when and if the CMC intends to publish its report into the Caltabiano matters?

Dr Levy: I might get Ms Florian to answer that.

Ms Florian: There is no intention to publish a public report in relation to the Caltabiano investigation.

Mrs MILLER: No intention at all?

Ms Florian: There is no intention at all.

Mrs MILLER: At any time?

Ms Florian: At any time.

Mr PUCCI: Dr Levy, I notice that the CMC has completed two audits of the public sector matters across high-risk areas and they resulted in 14 recommendations to assist the public sector to continuously improve. Can you tell us if the CMC monitors those outcomes?

Dr Levy: Ms Florian?

Ms Florian: Thank you for your question. Could I just clarify the question again—the commencement of it?

Mr PUCCI: Page 31 of the report refers to achievements. You said that the CMC has completed two audits of public sector complaint matters across high-risk or priority areas.

Ms Florian: Yes.

Mr PUCCI: Those audits resulted in 14 recommendations to assist the public sector agencies to continually improve how they deal with allegations. Can you tell us if the CMC monitors the outcomes of such recommendations?

Ms Florian: Yes, we certainly do. The purpose of those two audits is we look at areas in any given year that we think may be a high profile or high risk in terms of misconduct activities. We focus in on those areas to conduct audits, to assess to what extent—particularly investigations which are carried out by other public sector agencies. We monitor or overview how they are undertaken, whether they are undertaken in an efficient and appropriate way, whether the outcomes are within the range of appropriate outcomes and whether they are timely.

CHAIR: Peter, do you have any questions at this time?

Mr WELLINGTON: I have a follow-up question to Dr Levy as a result of the answer the member for South Brisbane received from Ms Florian in relation to queuing. Dr Levy, do you intend to make a request to the department for additional resources or funding as a result of the queuing of those matters?

Dr Levy: Yes, I do. In fact, I have a number of matters that I intend to raise with the Attorney. That is not quite finalised. In relation to the resourcing for Proceeds of Crime, I certainly intend to raise, particularly in relation to current work, the need for additional resources, which at this stage indicates about one team—there are presently three teams of five people—though there were 27 matters as of yesterday which have been started but not progressed terribly far. That would indicate roughly about one-third of a team. It is a bit of a moving feast in some respects. If you go back a couple of years you can look at figures and say we had 25 two years ago and we have roughly about the same. Some of these things have taken up to 10 years and I think resources would not change the time line of some of those matters, but certainly to be able to advance those more quickly—

Mr WELLINGTON: Can I just make a comment? The reason for the question is that, when members of this committee have questioned the Attorney-General either during the recent estimates hearing or previous estimates hearings, the Attorney-General's stock response has been that it is up to the CMC to make a submission if they believe they need additional resources. I am simply saying that it is very hard for members of this committee to assist you in getting additional resources unless it is very clear that the applications or requests for those resources have come from your organisation to the Attorney-General.

Dr Levy: Yes, I appreciate that. The matter I am looking at currently in preparing a submission—and I intend to go and talk to the Attorney about it. There are a couple of matters in the organisation about which I would like to raise with him about potential for additional resources. Even though that is unlikely to be formally considered until the end of the year when they have the half yearly Cabinet Budget Review Committee meetings, I wanted to get this to the Attorney so there is adequate time for him both to have it in the forefront of his mind and also to be able to be familiar with it when it goes to the CBRC.

CHAIR: Dr Levy, on page 31 of your report in your achievements you state that the CMC completed 87 serious official misconduct investigations in 2012-13 resulting in the resolution of 445 allegations, and seven people have been charged with 48 criminal offences as a result of the investigations. You have recommended a further four people be charged with 77 criminal offences. Additionally, 37 people have been the subject of 128 disciplinary recommendations. Are there any areas of increased concern in relation to official misconduct?

Dr Levy: I might just ask Ms Florian to make a comment. I might perhaps make another one. She can give some more detail.

Ms Florian: I suppose I would reflect on probably two areas that have been a focus of some attention in the last year. Currently those areas relate to financial management within public sector agencies and ensuring that fraud controls are in place and not only that there are policy and procedures which properly address financial management within those public sector agencies, but

also the staff are culturally accepting of those policy and procedures and are applying them on a day-to-day basis. Another area I think of particular focus for us has been around recruitment and particularly around temporary positions and the appropriateness of recruitment decisions in that context.

Dr Levy: Since I have been at the CMC I have taken a bit of an interest in that major fraud that occurred in Health in recent times. It seems to me that when I look at the circumstances of that matter one weakness I think is that, just using that as an example, in that particular case the offender actually asked a very senior officer to delegate some of his powers to the offender. What that indicates is that there is not necessarily an understanding these days or an insight about internal controls where a weakness might result. So I do not think knowledge of accounting and internal control processes were all that strong in some respects, but that is a knowledge base thing.

The other matter is this. More and more one is seeing people who are more senior in organisations who somehow breach ethical requirements. I do wonder whether there is not a case for having criminal history checks done on people who enter the senior executive service at least. Years ago it was done for everybody who entered the government. I realise the world has moved on. I would not suggest that the people who come in and out of the Public Service—so it does not have to be done on everybody. I think it should be done for very senior positions, particularly those in the senior executive service. That is my way of giving a shorthand answer to that. I think that is a group that it might be considered probably should have criminal history checks done.

CHAIR: In the Barlow matter, the criminal history check would have to include an overseas history check.

Dr Levy: Absolutely, and that was not done in that case.

CHAIR: And that would be what you would envisage where they have had overseas service?

Dr Levy: Sometimes it might not be intuitively obvious whether they have had overseas service or not, but criminal history checks used to be done of not only the local QPRIME database but also central crime intelligence. So I would think if we are going to do criminal history checks that that is only a small additional extra to be included in it.

CHAIR: Thank you.

Mr PUCCI: Dr Levy, on page 16 under the intelligence activity section it states that the CMC's work in major crime is largely shaped by the activities of the Strategic Intelligence Unit. The report also provides that the SIU through its target development program has continued to identify significant organised crime groups and networks for referral to the CMC organised crime team. Can you tell us how many referrals have been made and provide any information regarding the proposed outcomes of those referrals?

Dr Levy: Mr Scott will be able to deal with that.

Mr Scott: I will deal with that. Thank you for the question, Mr Pucci. The Strategic Intelligence Unit undertakes strategic intelligence and then target development activity. You used the word 'referral'. It is the case that at any given point in time they will have several matters that are in a stage of preparation with a view to being passed on to the internal organised crime team at the CMC for investigation. For various reasons some of those matters cannot be taken up by the organised crime team, in which case those matters are disseminated to other law enforcement agencies in the hope that into the future they will take on those matters. In terms of statistics, at any given time I would have thought that there are about four or five matters that are actively under investigation by the SIU with a view to onward dissemination or take-up by the organised crime team.

Mr PUCCI: So there have not been any referrals made to them yet, or there are referrals? I understand that the SIU has some four or five matters, as you say, at any time.

Mr Scott: Yes, at any given time. They have been operating for years and over time of course matters have been taken up by organised crime and taken through to full investigation or, alternatively, if not taken up by us—and there are many reasons for that; it might be simply a capacity thing—they are then onwardly disseminated to law enforcement generally. The QPS, for example, or the Australian Crime Commission might well have an interest in one or other of those groups. Of course they do not stand still in time. They morph and migrate et cetera and we revisit some of these groupings. So it is an ongoing activity. It is a continuum, if you like.

CHAIR: On page 32 of your report you have a graph of the complaints received cumulative year to date and in each month there is a reduction. Have you identified any reasons for that?

Dr Levy: That would be one for Ms Florian.

Ms Florian: This graph is based on the data which has been collected over the last financial or performance year and overall it demonstrates that there has been a 15 per cent decrease in complaints received by the Crime and Misconduct Commission over that performance year. It is difficult to provide any reliable information about the reasons why we have seen a decrease in those complaints. There have been some areas within the public sector where there has been a larger decrease than in others. We have done some analysis around that and we are corresponding with relevant areas of the public sector where there has been a significant drop in complaints, not so much where there has been a drop in lower-level complaints but where there has been a drop in particular in the more serious category 1 or category 2 level complaints.

CHAIR: Just in the official misconduct area again, have you identified any systemic issues in departments?

Ms Florian: We obviously analyse on an ongoing basis the sorts of complaints that come in and at what level and which departments reflect the most serious complaints. They are important guides for us in relation to audit activity as the question from the member for Logan connects into. So if we see that there is either a particular thematic area around, for example, procurement or if we see that there is a departmental area which is a matter of some concern, then we can focus audit activity on that thematic area or that departmental area to try to get to the bottom of what it is that may be the problem.

That links in also with our prevention activities because it allows us then to focus prevention or educative aspects on departments or areas where there are concerns. So, for example, where there have been concerns around procurement, then we focus prevention activities in the public sector on procurement. Where there are issues that we perceive may create greater risk in certain departments—for example, the transition of the health department into the health networks—then we can focus prevention activities around those new health networks in order that we can support those networks to get up to date and to move hopefully seamlessly into that complaints system and ensure that there are no problems.

Mrs MILLER: I have a question for Dr Levy in relation to the resourcing for the Proceeds of Crime area. In your submission to the Attorney-General will you be making a case in relation to the fact that if you get another team you will actually get more money so that the proportion of the cost in relation to increasing the staff numbers will in fact result in benefits for the proceeds of crime?

Dr Levy: I have done some rough estimates of the fact that it is profitable to do it, so I will probably undoubtedly make the point you raise but I was going to approach it by actually showing actual figures about what it costs to run the Proceeds of Crime unit versus what the revenue is and therefore we otherwise would not get the revenue.

Mrs MILLER: Yes. I would be very grateful if you could just make that very clear to the Attorney-General.

Dr Levy: Yes, very well.

Mr Scott: If I could perhaps supplement that answer, member for Bundamba, I think it is in the public report. Putting aside the Barlow matter, and that is an aberration of course, we are tracking at, I think, about a 188 per cent return on investment in our work in proceeds of crime. So I would imagine that point would be strongly made to the Attorney that it is money that will come back in spades.

Mrs MILLER: Yes, exactly, and that is my point. I think the case needs to be really clearly made to the Attorney-General that it is not a cost; you will actually, as Dr Levy said, make a profit. So I think that is very important.

Mr Scott: Since the scheme commenced in 2003, the proceeds of crime activity has returned \$56 million to the coffers of Queensland, to the taxpayers of Queensland.

Mrs MILLER: And that is very important. We want to see more come as well.

Mr CRANDON: Ms Florian, you talked about sort of a pecking order as far as the proceeds of crime are concerned. It is interesting that you talk about a 188 per cent return on investment and so forth, but is the selection process based on dollars? How do you base it? In other words, are we getting to a period or an area where there is a potential diminished return for those that we are not quite getting to at the moment? Do you get my meaning?

Dr Levy: That might be a question for Mr Scott.

Mr Scott: Yes, thank you; I am happy to take that question and thank you for the question. With regard to the so-called queue, as it is, the system is one of referral. The QPS will undertake an investigation throughout the state; regions of the QPS conduct organised crime investigations. In

the aftermath of arrests et cetera, they refer those matters to the CMC and we have a benchmark of assessing them for suitability for restraint within 48 hours, and we very much meet that target. Because of the high level of demand for our services, it is simply not possible to pass those matters immediately to one of the three teams. They have a maximum workload of about 30 files each or 30 matters each, and that is pretty much the limit that they can take on. So something of a triage process occurs by the Manager, Financial Investigations. He assesses matters for their suitability for confiscation. He particularly looks at those matters where there are liquid assets that are at high risk of dissipation if a restraining order is not sought immediately. In those cases of course they are fast-tracked so that early restraint action can be taken. In other matters where the assets are more fixed and there is a lesser risk, they may well be parked, if that is the right word for it, but subject to ongoing review, because things can change over time. He regularly reviews the status of any given matter and if he thinks the risk is elevated or there is some other unique circumstance that might warrant early action being taken it is taken.

Mr CRANDON: Are there any in the queue that you never actually ever get to?

Mr Scott: I do not know that I can answer that question. I would imagine over the passage of time that matters work their way up the queue. As matters get finalised in the teams, of course then capacity arises for matters to migrate.

Mr CRANDON: Unless other more urgent matters come into the queue.

Mr Scott: Of course.

Mr CRANDON: Could you find out for us?

Mr Scott: Yes. The queue system has been operational, I think, for about 18 months or two years now, so it would be a matter of looking back over that period to see how matters have actually moved up the list.

Dr Levy: If I may add an additional comment, I have spoken with the manager of that unit and there is now 10 years of statistics which is quite informative. While it is probably perhaps more useful to look at averages, there is still one matter outstanding from 2002-03. Sometimes these matters sort of get a life and then there are all sorts of reasons why perhaps they get delayed such as negotiation with solicitors when they get prosecuted. Some people play a harder game to negotiate than others. But there are also cases where along the way the matters get discontinued because it is just not seen to be profitable to continue the matter. In the last 10 years out of 165 matters that were not finalised, I think about 30 per cent of the total get discontinued along the way. Notwithstanding that, the cost of dealing with those is still a profitable scheme overall though. So there are myriad circumstances with these. Some might take up to 10 years to finalise, but some are very successful of course and get finalised very quickly.

CHAIR: In your report you talked about the difficulty of recruitment. If there are more staff positions allocated to this area, how will you address the recruitment issue, because you have said that that is an area of difficulty in retaining staff?

Mr Scott: Retention has been a difficulty for us indeed. I think we have had almost 100 per cent turnover of PO3s in the last financial year simply because other agencies pay better or the private sector. If we are able to secure those extra resources and create an extra team, recruitment will occur in the normal course through public advertising et cetera. What I can say about that is that we have looked over time at the proficiency of those new recruits and experience suggests that at the PO3 intake level it takes about 12 months to train up a financial investigator to be of maximum utility in the area of proceeds of crime because it is so specialised. For the PO5 level intakes, it is about 18 months and obviously there are a lot of internal costs in terms of training and accreditation et cetera that goes forth with that. You have particularly asked about recruitment and I have discussed with the Director, Financial Investigations perhaps whether in fact we are advertising in the right places and whether there are other publications. Indeed, instead of just putting in the usual adverts that we put for any CMC vacancy, perhaps we need to be more targeted as to where we place those adverts in the *Financial Review* and the like or even possibly overseas. So that is an area that we are actively looking at so that we can get the right people.

Dr Levy: If I could just make one final comment about that. Clearly when we lose significant resources like that—the number we have lost in the last year or so—that also affects the capacity to be able to push these things through, so that adds to arrears. As Mr Scott pointed out, it takes a while to get these people up to scratch. So it is important that that training occur and also that we try to retain those people, or we go through this period on repeated occasions otherwise.

Ms TRAD: Dr Levy, can I take you to pages 38 to 41 of your report, particularly the applied research and evaluation section of your report. In that section there are about 10 projects—some that have just been completed, others that are in the pipeline for the next financial year to be conducted and completed. I know I speak on behalf of other members of the committee when I say that some of these research and evaluation reports have been tremendous in terms of their wealth of information and their analysis. A recent one was the multiple and prolonged taser deployments. Given that the Aroney-Callinan report suggested that this function of the CMC no longer be conducted, what happens to the current research projects that are in the pipeline for this financial year?

Dr Levy: I anticipate they will continue. This is subject, of course, to the second phase of the Callinan-Aroney review, which will look at resourcing. The point made by the Callinan-Aroney review that perhaps the research division should not be doing some of these sorts of reports, the implementation panel, while it is not finalised, have accepted that it should exist without any legislative change, although with some of the way we arrive at the research program there might be some procedural issues we go through.

Ms TRAD: Like seeking approval from the Attorney-General.

Dr Levy: Perhaps. Anyway, it has not been finalised. So I cannot make any final comment about that. At least the implementation panel has been receptive to the fact that that particular recommendation will be not adopted strictly the way the recommendation appears. So the existing projects, therefore, would continue to finalisation, but in the new program we would also look at if there are other new and relevant things that might be done as well.

Ms TRAD: Can I say, Dr Levy, that I think that is a very good thing for Queenslanders and also for the parliament and our democracy that that function continue regardless of the Aroney-Callinan recommendation. Ms Florian, just following up on my earlier question regarding the recordings by Dr Bruce Flegg in relation to an alleged inducement, can you tell me what the time frame around that investigation is?

Ms Florian: Thank you for your question, member for South Brisbane. I can say that that investigation is progressing very well. I cannot provide a time frame at this point and it would be inappropriate for me to further comment on an ongoing investigation.

Ms TRAD: I understand. Thank you, Ms Florian.

CHAIR: Thank you, member for South Brisbane. Just back on the applied research and evaluation, just as a follow-up question, you reported on the multiple and prolonged taser deployments. Has the QPS responded in a way that it is going to address the issues that you have raised?

Dr Levy: I am not sure, Madam Chair. Ms Florian might be able to answer that.

CHAIR: You are earning your keep today, Ms Florian.

Ms Florian: Thank you, Madam Chair, for your question. As you know, that report was tabled in parliament and one of the implications of tabling a report in parliament is that then there is some follow-up on whether the recommendations are adopted or not. We have been working through the taser issues very much in conjunction with the QPS. The QPS was briefed on the report in detail before it was tabled and, as I understand it, welcome it and see it as a very positive report. The recommendations relate to a number of areas around where the oversight and reporting around multiple and prolonged taser use occurs. We would hope that those recommendations will be adopted in due course.

CHAIR: Thank you. Member for Logan?

Mr PUCCI: On page 36 for the financial year 2012-13 it shows the CMC receiving allegations against a public sector employee reduced by 23 per cent from the previous 2011-12 year. This decrease is reflected in complaints about Queensland Health following the implementation of the health and hospital boards, which resulted in the establishment of 17 hospital and health networks. Can you tell us what kind of support the CMC is providing to the health and hospitals network regarding potential risk areas and reporting and managing misconduct?

Ms Florian: Thank you, member for Logan, for your question. I can indicate that the CMC has provided a presentation to the executive staff of the Central Queensland Hospital and Health Services in Rockhampton dealing with suspected official misconduct and how to deal that misconduct, risks, awareness management, dealing with suspected official misconduct and ethics issues. The material that was used to brief that particular hospital and health network has also been supplied to the other hospital and health networks.

It was our intention to go through and separately brief each hospital and health network. As you would know, the Callinan-Aroney recommendations indicate that the educative function of the CMC prevention service is in question. It may be the case that this is the sort of area which in the future the Public Service Commission will take over. Because there is that question mark over to what extent our prevention function will continue, we have not been filling positions in our prevention area. Of course, it would be inappropriate for us to do so if the end result was that we had no ongoing employment for those positions. So as a consequence we also have a reduced capacity now to undertake those prevention activities.

CHAIR: Thank you. Could we go to page 51 in relation to the Office of General Counsel and the Legal Services Unit. In the public inquiry that the committee held prior to your appointment, Dr Levy, one of the issues that arose was a lack of documentation of decisions and directions within that department. Has that been addressed?

Dr Levy: Ms Mendelle will be able to answer that.

CHAIR: Thank you.

Ms Mendelle: Thank you for that question, Madam Chair. We have conducted an internal review of the Office of General Counsel and the Legal Services Unit. It will be informing the greater administrative review that is yet to commence. During the review we looked at reporting structures, documentation and all the relevant areas have been addressed. We have spoken with the Legal Services Unit and the Office of General Counsel to a great extent to ensure that the recommendations would be implemented.

CHAIR: Thank you.

Mr CRANDON: In relation to the statistics, the chair brought up the fact that there has been a decline in the number of complaints received over the year versus the 2011-12 year. Among those figures I see that slightly less than half of the complaints relate to police and just on 50 per cent or 51 per cent of the allegations relate to police in the current year. I am just curious. Is there a trend? Is that typical going back in time? Is it normally around half of the complaints, or half of the allegations relating to police officers? Can you give me some feedback there? Is it on the decline?

Ms Florian: Yes. Thank you, member for Coomera, for your question. Generally, historically, police complaints have been higher. We have seen over the last four years a 25 per cent reduction in police complaints. We see that as a very positive sign and so, of course, does the Queensland Police Service. I think that indicates that the system that we have going in terms of misconduct and police misconduct is working quite effectively.

Mr CRANDON: Thank you. I have just a follow-on question if I may. On page 33 you make the point that, where possible, the CMC and the QPS record whether complaints about police involve incidents with Indigenous people. Indigenous complaints remain consistent for the year, comprising eight per cent of the total. Is there any merit in either the CMC or the QPS capturing data about complaints made by other groups, given that we have a multicultural society? We have a massive growth, certainly in the Gold Coast area. I am very aware, as a northern Gold Coast member, that we have a very mixed group of people from the Cook Islands and other areas. Is there any value in trying to capture data as to ethnicity?

Ms Florian: Thank you, member for Coomera, for your question. I think potentially there is value if there is good reason for capturing that data in that the data leads to instituting more effective law-enforcement responses and creating better relationships between policing and communities. Of course, historically, the relationship between police and the Indigenous community has been a high-risk area and it consequently has been an area that we have monitored very closely. We have not seen that level of risk emerge in an ongoing way between policing and other ethnic communities but, were that to be case, then I think that definitely you make a very valid point.

Mr CRANDON: How do you know? The Indigenous complaints always grabs media attention, but how do you know without gathering the information that there is not a surge in particular areas of ethnic communities or, for that matter, people suffering mental health issues and so forth? If you are not gathering the information, how do you know there is not?

Ms Florian: When you say that there are particular issues, are you talking about a number of arrests, or connections between law enforcement and those communities?

Mr CRANDON: I am referring to page 33 of your document where you specifically talk about—

Ms Florian: Complaints.

Mr CRANDON: Indigenous complaints remain consistent for the year at eight per cent. But then you made the statement that there is nothing apparent in other areas but, if there were, then it would be worth starting to keep the statistics. How do you know there is nothing if you are not keeping the statistics?

Ms Florian: Anecdotally, there is nothing, but I take your point that it is a valid one and we will look into that.

Mr CRANDON: Thank you.

Dr Levy: I was just going to make another comment in answer to the member for Coomera's question. Sometimes research can be done after the event, though. I recall some years ago now—almost a decade ago perhaps—that there was a spike in the number of people over 50 who were committing criminal offences. Normally criminal behaviour starts to dissipate as people get older. But it was evident that this group of people who were offending were, in fact, part of the ethnic community. The real reason behind it was the fact that most of them were unemployed. Some almost could not afford to live, so they resorted to petty crime. So there are other indicators sometimes from which we may be able to get good information.

Mr CRANDON: Thank you.

CHAIR: Member for Bundamba.

Mrs MILLER: Thank you. I refer to page 36 of the report where it talks about public sector, including local government, complaints. Just as a general issue, I note that local government these days is setting up private companies, including development companies, and they are excluded from the Crime and Misconduct Act in those roles. I am just wondering whether the commission has a view in relation to councillors being councillors in their ordinary roles as well as councillors and staff of local authorities being directors of these private companies, because at the moment they are actually not caught in their roles in these private companies under the Act.

Ms Florian: Thank you, member for Bundamba, for your question. I can indicate that the CMC does have some concern about this practice and that the CMC has recommended that consideration be given to bringing the local government formed corporate entities within the governance framework of the CM act and also the Public Interest Disclosure Act 2010 but these recommendations were not adopted by the Local Government and Other Legislation Amendment Act 2012.

Mrs MILLER: Can I ask a follow up question on that? Were any reasons given as to why the government did not take on board the CMC's obvious concerns in relation to this matter?

Ms Florian: Thank you again for your question. That is a level of detail which I am not across. I will certainly make sure that I get across that and respond back to you either through a letter or at the next meeting, whichever you would prefer.

Mrs MILLER: Thank you very much. Can I just make a comment, Madam Chair? It just seems to me that now there are more local governments that are in fact setting up these companies for competitive purposes, development companies in competition with private development companies, and yet they are not caught under this Act. Thank you very much for indicating that you will be getting back to us in relation to that matter.

CHAIR: Thank you, member for Bundamba. Member for Beaudesert?

Mr KRAUSE: Dr Levy, during the recent inquiry held in March and early April, one of the findings of that inquiry into the release of Fitzgerald inquiry documents was that a failure by a number of officers to comply with internal governance policies may have contributed to the issue that was being addressed in that inquiry and also perhaps a failure of the chairperson at that time to report that matter to this committee. During your tenure so far—it has been around three months—have any other matters come to your attention where there has been a failure to comply with those policies or even a failure to report matters to the committee which would fall under section 329 of the act?

Dr Levy: I am certainly not aware of any that have not been reported to the committee. Ms Florian has just brought to my attention that there was an issue in this ongoing investigation into the University of Queensland where there was a question about whether a matter should have been reported or reported earlier, but that has been dealt with in our report.

CHAIR: Thank you, Acting Chair. Can I turn back the clock a little bit. I want to go back to page 13 of the report. It is more just a query to clarify it in my own mind. There were internet based investigations. I congratulate the CMC on their work with internet child abuse and similar matters. You talked about investigations that led to identification of two suspected child sex offenders located in New South Wales. You have joined up with the New South Wales Sex Crime Unit under a joint agency agreement. Is ICAC involved in that or, if not, why not?

Dr Levy: I am involved in misconduct rather than crime, but Mr Scott might help you.

Mr Scott: I am familiar with that investigation, Madam Chair. ICAC is a public sector regulatory agency in New South Wales. It would not have any jurisdiction in relation to alleged child sex offenders. These persons are civilians.

CHAIR: That answers the question, thank you.

Mr Scott: It was very much a police to police or CMC and New South Wales police operation.

CHAIR: Thank you.

Mr CRANDON: I have a question. Once again just coming back to or reflecting, if you like, on the number of complaints and allegations that come through the system and the number retained by the CMC for investigation—I will simply put the question: is it the intention of the CMC to, for whatever reason, whether it be a budgetary issue or whatever, limit the number of investigations the CMC undertakes? In other words, are you looking to push as much as you can back to the departments or to the organisations that are involved. Is there an intention to limit?

Dr Levy: The CMC can always give a direction under section 40. That could occur at any time. But the intention clearly under the Callinan and Aroney recommendations is that the CMC should not have a flood of relatively minor matters, but should be focused only on the most serious matters. One of the matters that we are looking at, as recommended by the Callinan and Aroney report, is the definition and therefore the threshold before which a matter would then be investigated by the CMC. That bar will be raised. In other words, then other matters would go back to departments. That has not been finalised, but that is the recommendation that is certainly being debated. Undoubtedly I think we accept that the CMC should be doing the most important and most serious offences compared to the ones which are less serious, of course.

Mr CRANDON: I imagine it is difficult sometimes to try to work out where the bar is given the complexity of some of the matters.

Dr Levy: That is one of the problems of working through most of these recommendations. Sometimes you look at a matter in its simple form and it sounds appealing but in fact when you come to try to implement it is not. We have considered whether Indigenous communities might be disadvantaged or particular groups of people might be disadvantaged. So trying to come to that definition is one of those things. We have actually been working on it for eight weeks now. I think it is always possible to draft or craft a solution to it, but it is not so much the drafting but it is actually trying to see who will get caught and who will miss out, so to speak.

CHAIR: Member for South Brisbane?

Ms TRAD: Just a follow up from Mr Crandon's question, Dr Levy. Given that you are sitting on the implementation committee and given that some of the Callinan-Aroney recommendations, and not just the threshold issue in relation to complaints, but other recommendations have been accepted by the government including that a statutory declaration be attached to complaints made to the CMC and that there be provisions of penalties for those making vexatious or insignificant complaints to the CMC, has any modelling been done by the implementation committee to assess the reduction in complaints that would follow this automatically? I would assume, given the resource discussions that would be happening, that the implementation committee is trying to grapple with what the complaint volume would look like post all of these changes being implemented.

Dr Levy: Thank you for that question. It is an important matter which the implementation panel has been wrestling with. We have actually done some modelling more generally about the definition: if you move the definition in particular ways what effect does that have in terms of number of complaints we have to deal with. But the issue about the statutory declarations though on the face of it is not an easy one to solve. But rather than just looking at modelling we have actually looked at who would be disadvantaged if we required a statutory declaration in all matters.

Ms TRAD: Quite a few people, I assume.

Dr Levy: The experience is that many of the more serious matters come via an anonymous complaint.

Ms TRAD: Absolutely.

Dr Levy: While it has not been resolved, I think we have some flexibility and some agreement about how we would respond to that recommendation.

Ms TRAD: But you are doing modelling around these changes?

Dr Levy: We have done modelling about the definition, about where that bar is finally set and what effect that would have on the CMC and therefore consequentially on departments or units of public administration that have to look after matters themselves. But in relation to your questions about the statutory declarations, we have not extended that modelling but rather looked at what effect that has on people being able to put in a genuine complaint. I do not think I should say any more than that at the moment given that certainly I do not chair the implementation panel and the government has not seen or made a determination about it. But I can say that the implementation panel has come up with a recommendation which I think most people think is very workable and we expect the government will accept it. I think it will be a positive outcome, let me put it that way.

Ms TRAD: We hope so. Thank you, Dr Levy.

CHAIR: Member for Nicklin, do you have any questions at this time?

Mr WELLINGTON: No, thank you.

CHAIR: Could I ask Professor McMeniman, have you any comments you would like to make?

Prof. McMeniman: No, not at this point.

CHAIR: Mr Fox?

Mr Fox: No, thank you.

CHAIR: Mr Nase?

Mr Nase: No, not at this point, thank you.

CHAIR: I want to make sure everyone has a chance to have their say. Are there any other questions from members of the committee? Do you have any closing comments that you would like to make, Dr Levy?

Dr Levy: No, not at this time, thank you.

CHAIR: Can I thank the chair, the panel members and staff of the CMC. Thanks to the committee, too. We appreciate the opportunity to have this discussion. Thank you to Hansard, we appreciate that, and to the media. I declare the meeting closed. We will reconvene at 10.30 am in the Dandiir Room.

Committee adjourned at 10.11 am