



## Annual Report 2000 – 2001

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 September 2001

Senator the Hon. Chris Ellison  
Minister for Justice and Customs  
Parliament House  
Canberra ACT 2600

Dear Minister

In accordance with section 67 of the *Australian Federal Police Act 1979*, I have pleasure in submitting the Australian Federal Police Annual Report for the year 1 July 2000 to 30 June 2001.

The report has been prepared in accordance with the guidelines issued by the Department of Prime Minister and Cabinet in June 2001 and includes information required under section 18(2) of the *Complaints (Australian Federal Police) Act 1981* and section 8 of the *Freedom of Information Act 1982*.

The AFP is in a sound corporate and operational position and is well able to continue meeting the current and future law enforcement challenges such as transnational crime, electronic crime and the increasing globalisation of organised crime. The forging of new relationships and the maintenance of those already existing with overseas law enforcement organisations and agencies will no doubt continue to provide valuable returns.

A cultural change within the organisation has seen the AFP become more performance-driven, and this report highlights the AFP's new capability to measure its success by benchmarking against other organisations around the world. Business Activity Analysis (BAA) is an initiative introduced during the reporting period, that has provided significant benefits to the AFP in improving business planning by measuring both inputs and outputs.

In addition, the Government's commitment to adequately resourcing and funding the AFP and the continuation of the reform process has strengthened our ability to deliver effective law enforcement services.

Most importantly, the dedication and commitment of our people and the support from our stakeholders have contributed greatly to the organisation's solid performance during the year.

Yours sincerely

  
M J Keelty



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# CHAPTER 1 – INTRODUCTION

## 1.1: Executive Review



Commissioner Mick Keelty

by the Commissioner

In this Executive Review I will focus on some specific issues, but will comment more generally on the issues facing federal law enforcement in order to place in context the more detailed reporting that appears in subsequent chapters.

### Reforms and Achievements

During the reporting period the AFP completed a three-year program of targeted reforms, implemented following Government's consideration of the Review of the AFP's resourcing needs conducted by Mr Tony Ayers AC in 1998. The resulting AFP Reform Program was designed to augment an internal reform program commenced in 1995. Key funding elements included an increase in AFP staffing, an enhanced training program and an operational re-equipment program. The reforms, along with other significant funding measures such as those provided under the National Illicit Drug Strategy (NIDS) and those to combat people smuggling, have contributed to an unprecedented year of operational achievements.

These operational achievements include:

- support to the New South Wales Police Service for the security overlay for the Sydney 2000 Olympic Games;
- the seizure of 357 kg of heroin, believed destined for Australia, in a multi-national, multi-agency investigation in Fiji;
- ongoing record seizures of illicit drugs with partner agencies;
- the arrest and sentencing of more than 300 people in relation to people smuggling activities since amendments to the *Migration Act 1958* came into effect in July 1999; and
- the expansion of the AFP's Overseas Liaison Officer network to 33 officers in 21 countries including Burma, Colombia and The Netherlands – this network has been critical to the AFP's success in fighting transnational crime.

The AFP's implementation of the AFP Reform Program has been closely monitored by a committee comprising independent management experts. The monitoring committee is expected to make its final report to Government on the AFP's implementation of the reforms early in the new financial year. The AFP is

confident that this report will positively reflect its commitment to performance improvement.

The reform program has provided the foundations which will allow the AFP to deal with immediate and future challenges facing the organisation. We have also made a concerted effort to improve the quality and relevance of the services we provide to our clients including an enhanced accountability regime focusing on the achievement of outcomes and outputs. Business planning and review has now become a significant part of the AFP's corporate management arrangements.

In recent times the AFP has experienced a change in the way it does business and has become a more performance driven organisation. Data gathered and maintained by our Executive Information System (EIS) and the Police Real Time On Line Management Information System (PROMIS) is regularly provided to each General Manager to assist in managing the operational performance of their areas.

The Business Activity Analysis (BAA) was introduced during the reporting period as another valuable performance management tool. It resembles the Comstat Business System used by the New York Police Department and post-operational reviews used by some State police services in Australia, and critically examines the actual activities and performance of local business units through on-site reviews by the Commissioner and Deputy Commissioner. These reviews address, amongst other things, the effectiveness of referral arrangements, prioritisations, investigations, data quality and relationships with stakeholders.

## **Our People**

It is perhaps timely, in this context, to note three senior management appointments during the reporting period. Mr Simon Overland was appointed to the position of Chief Operating Officer; Mr John Murray to the position of Chief Police Officer for the ACT; and Ms Marion Cowden to the position of General Manager People and Finance. All three appointments have significantly strengthened the senior executive team.

The profile of persons joining the AFP has changed considerably in recent years and this is reflected in intakes during the reporting period. Our most recent recruits have an average age of 27 years, more than 70 per cent have a tertiary qualification and more than 30 per cent have second language skills. These newer members complement more experienced staff in providing the skills base needed to respond to the changing criminal environment.

## **Electronic Crime**

The re-profiling of our workforce comes at a time when e-crime issues are firmly on the agenda. According to recent estimates, cyber crime is costing companies worldwide approximately three trillion dollars a year. Further, an estimated 50,000 Australian companies suffered heavy losses as a result of infection by the 'Love Bug' and 'Anna Kournikova' viruses. Earlier this year, hackers tapped into computer



switchboards of 12 of Australia's largest corporations and ran up \$12 million worth of untraceable phone calls.

Australia is under pressure to establish a national cyber crime centre similar to those in the UK and USA. The AFP believes that private enterprise has significant responsibilities which, until recently, have not been openly or readily accepted, despite attempts to engage the sector through business forum discussions on e-crime.

Apart from fraud committed through e-commerce, the Internet is providing ample opportunities for other crimes as a means of anonymous communication for serious and organised crime syndicates. Consorting laws of yesterday which prevented criminals from gathering together to plan their crimes are irrelevant in cyberspace.

Legislators will need to consider establishing appropriate legal frameworks for dealing with this borderless and anonymous environment. Equally important, the AFP will need to ensure we have the skills to deal with electronic crime scenes and we have embarked upon a development program to train our people at the basic, intermediate and expert levels.

## Drugs

The traditional fight against drugs, along with international partner agencies, is taking on new dimensions. A worrying trend for law enforcement is that traditional heroin producers are now able to diversify their production into methamphetamines and authorities are seeing a flood of these drugs into Asia. Some 13 million ecstasy tablets were seized during just two recent operations in Thailand.

Methamphetamine is posing an increasing challenge to law enforcement due to the fact that it is widespread. While we believe that most methamphetamine is still produced domestically, we are starting to see major importations from Asia. Law enforcement agencies must continue to focus on reducing supply, but also to support harm minimisation and demand reduction. This three-pronged strategy is now broadly accepted amongst Western countries and an increasing number of Australia's regional neighbours such as Thailand and the Philippines.

A strategy aimed at reducing heroin supply is crop substitution in opium growing areas, but this has been difficult to implement. It is hard to establish a crop that will compete in the marketplace, such as coffee, because these new crops have to survive in an already competitive marketplace and the returns to the people involved are very poor.

During the reporting period there have been calls to decriminalise all drugs as a way of controlling the problem. The AFP believes decriminalisation is not the answer. If the evidence is examined of what occurs when drugs are legally available, for example alcohol and tobacco, the social and economic costs associated with the use of these drugs are significant. A search of the Department of Health and Aged Care website found links to nearly 1500 websites dealing with the problems of alcohol abuse alone. Alcohol is associated with one-third of fatal road crashes, around one quarter of workplace accidents and 15 to 30 per cent of all fatal

accidents at work. The cost to the Australian community in 1992 was \$4.7 billion or 24 per cent of the total cost of drug abuse of \$18.8 billion.

Any legalisation of narcotic drugs is likely to have similar catastrophic effects and will be much harder to deal with. Police currently have breathalysers and other tools to detect drink drivers. The detection of other drugs is far more complex and the impact these have on behaviour in areas such as driving ability and workplace liability would need to be established before the courts.

The law enforcement community has however significantly changed the way in which it views the problem of illicit drugs. Drug dependency is now seen as a health issue and not a matter for the courts. Law enforcement has shifted its focus towards the higher end of the process in an attempt to get to the 'Mr Bigs' behind the drug trade. In most states police no longer attend non-fatal drug overdoses and have not done so for some time, recognising the health issues ahead of the criminal behaviour dimensions.

It is important to recognise that drug traffickers and transnational crime syndicates are basically business operators. They move to markets where the profits are highest and the risks are lowest. Recent successful operations involving the AFP, Australian Customs Service (Customs) and partner law enforcement agencies have resulted in the seizure of several hundred kilograms of drugs, plus luxury items such as boats and other assets. These results are making Australia an increasingly unattractive place for drug syndicates to do business.

Recent proposals for new Proceeds of Crime legislation would provide a further significant deterrent and place the onus on those suspected of accumulating assets from criminal activity to prove to a court that these assets were obtained legitimately.

## **The Region**

Engagement in the Region is another critical strategy for combating transnational crime. It is important because law enforcement agencies, particularly in drug source countries, are not resourced to the same degree as in developed countries. The AFP is providing strategic assistance and training to our law enforcement partners and this is paying major operational dividends. During the reporting period the AFP has provided peacekeepers and peace monitors to perform duties in both East Timor and the Solomon Islands. There is a nexus between our peacekeeping operations and institutional strengthening. This in turn creates a framework for effective policing and criminal investigations, which is important for the security, not only of the region, but also of our domestic environment. The AFP is well placed to capitalise on this for the Australian Government.

## **Community Policing**

Community policing in the ACT is one of the key outcomes for the AFP. During the reporting period some observers questioned the current arrangements whereby the AFP provides community policing services, under a Purchase Agreement, to the

ACT Government. It is the firm view of the AFP that the people of the ACT, and both the ACT and Federal governments are best served by the current arrangements.

The problems created by two separate police services operating in a jurisdiction like the ACT were well documented by Sir Robert Mark in 1978 and his arguments are still valid today. The seamless jurisdiction has been operating extremely well from an operational perspective and complements the diverse demands placed on the AFP in its national and international roles. This was demonstrated by the AFP's involvement in the Sydney 2000 Olympics at local, national and international levels.

## Outlook

In terms of wider operational priorities for the forthcoming year, these will remain as they are currently directed: focussing a high proportion of our resources on investigations assessed as having a high or very high impact; the continuation of the policing agreement to provide community policing services in the ACT; the supply reduction initiatives associated with the 'Tough on Drugs Strategy'; the investigation of organised crime behind people smuggling activities; continuing our peacekeeping obligations in Cyprus, East Timor and the Solomons; and moving from cooperation to collaboration with our law enforcement partners in the fight against transnational crime.

In terms of our people, the AFP intends to maximise the effective use of technology to make life better, rather than more onerous, for our workforce. With the advent of modern information systems there was an expectation that these would create a paperless office and yield an efficiency dividend. This has not been the case and the availability of mass communication systems has probably added to workloads rather than diminished them. The AFP wants to turn this around and ensure that technology works for us and not vice versa. The introduction of CrimTrac and the development of DNA technology will further enhance the AFP's capability to deal with the emerging complex and sophisticated criminal environment.

The AFP's funding allocations for 2001–02 provides us with the resources to meet these objectives. The Budget provided nearly \$114 million over four years to consolidate the successfully implemented reforms and build on the progress made in improving operational performance. In particular it enables the AFP to maintain its current policing level through a regular rather than ad hoc recruiting program, to continue specialised operational training and continue to invest in specialist technical and forensic equipment. This renewal of funding is an indication of Government's confidence in the AFP to deliver effective law enforcement services and we are determined to do just that.

**M J Keelty**

**AFP Commissioner**

## 1.2: Overview of the AFP

The AFP was established in 1979 by the *Australian Federal Police Act 1979*, and is today responsible to the Federal Minister for Justice and Customs, Senator the Hon. Chris Ellison.

Law enforcement functions performed by the AFP include, but are not restricted to, enforcing laws relating to drug trafficking, fraud against government revenue and expenditure, other forms of organised crime such as money laundering and people smuggling, and politically sensitive matters including corruption. The provision of witness protection services and close personal protection to Very Important Persons (VIPs) are also responsibilities of the AFP, as is the provision of community policing services to the Australian Capital Territory.

In its mission to provide dynamic and effective law enforcement to the people of Australia, the AFP today works in partnership with state and territory police services, government agencies and international law enforcement agencies. In particular, the AFP has a strategic alliance with the National Crime Authority (NCA) and close links with the Australian Transaction Reports and Analysis Centre (AUSTRAC) and the Australian Customs Service (Customs). The AFP also provides administrative support to the Australian Bureau of Criminal Intelligence (ABCI), the Australasian Centre for Policing Research (ACPR) and the Australian Institute of Police Management (AIPM).

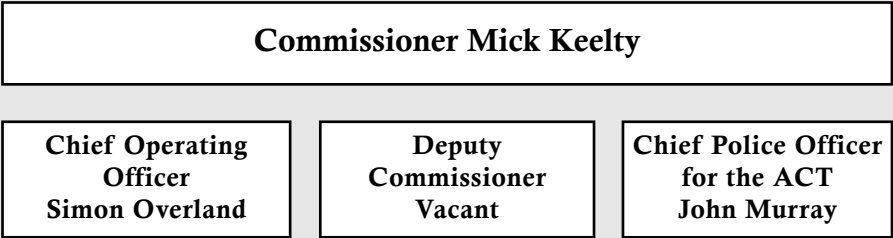
Further, the AFP provides the Australian National Central Bureau (NCB) for the International Criminal Police Organisation, Interpol. The NCB represents all Australian police services and provides a direct link with the 179 member countries of Interpol.

Globally, as at 30 June 2001, the AFP had 33 liaison officers in 21 countries. It provides members for United Nations (UN) operations in Cyprus and East Timor, the International Peace Monitoring Team in the Solomon Islands, and police services for the Commonwealth territories of Christmas Island, Cocos (Keeling) Islands, Norfolk Island and Jervis Bay.

Nationally, the AFP's corporate head office and its community policing base are in Canberra, with operational offices in the capital cities of Sydney, Melbourne, Hobart, Adelaide, Perth, Darwin and Brisbane. Smaller offices are located in Cairns, Coffs Harbour, the Gold Coast, Newcastle and Townsville. Federal agents are also stationed in Broome, Port Hedland and Thursday Island.

The AFP's chief executive, spearheading its vision to fight crime and win, is Commissioner Mick Keelty, who was appointed on 2 April 2001. Commissioner Keelty is a career police officer with 27 years policing experience and is the first AFP Commissioner to be appointed to the position from within the AFP. The previous commissioner, Mick Palmer, retired after seven years service with the AFP on 14 March. The AFP's executive and managerial structure is depicted at *Figure 1* and the AFP organisation chart is shown at *Figure 2*.

# Executive Team



# General Managers

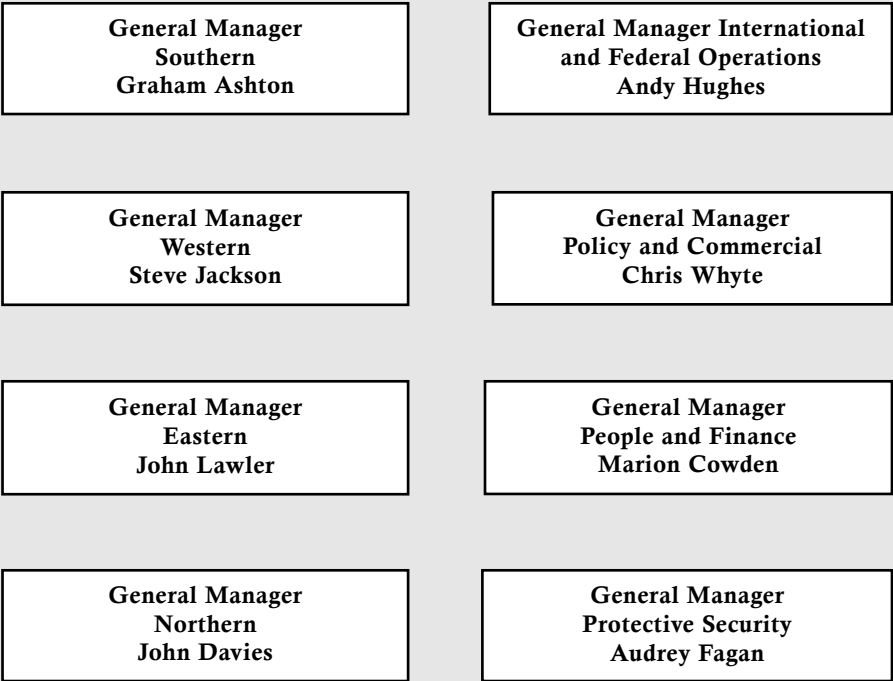
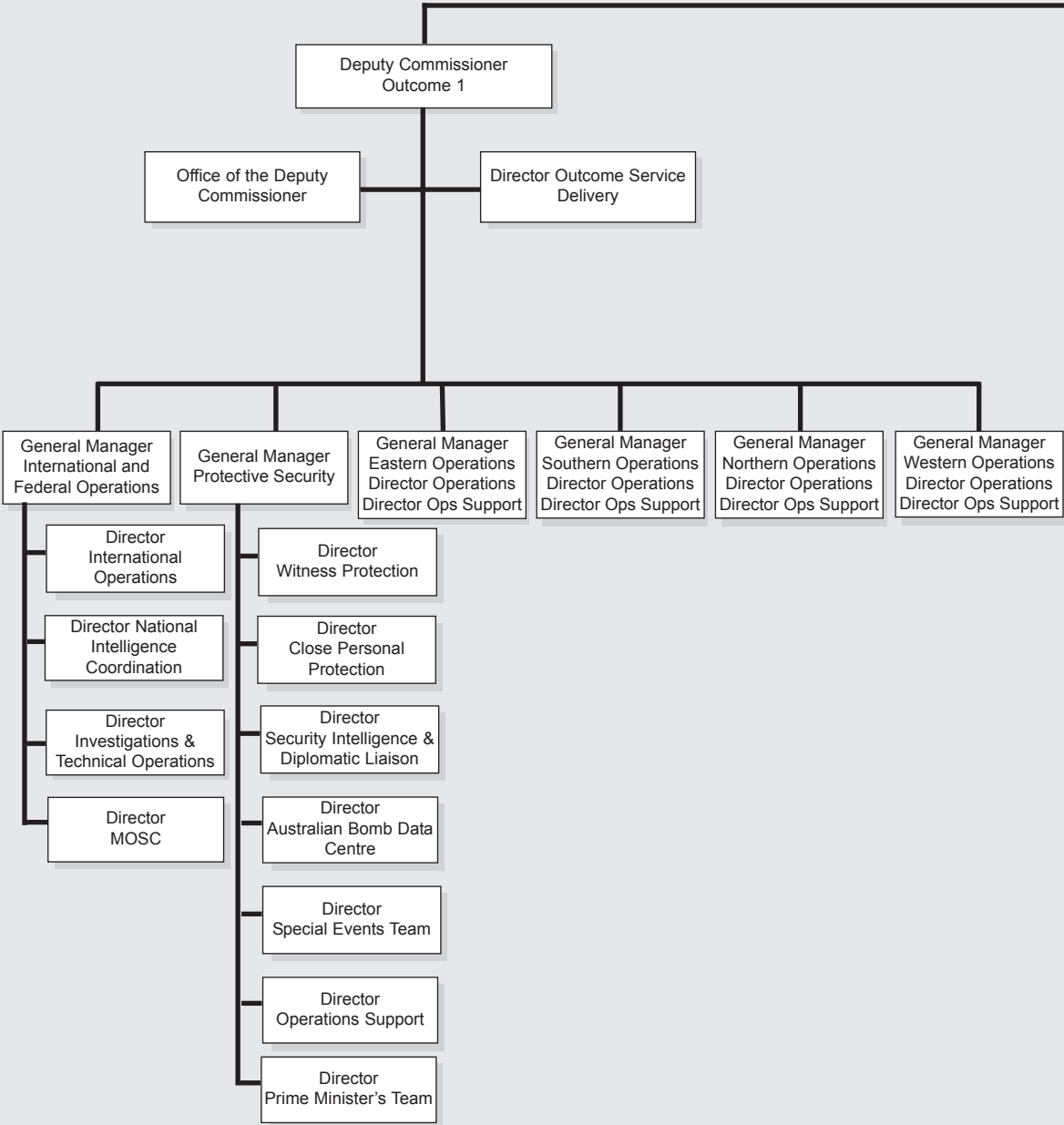


Figure 1: The executive and managerial structure of the AFP as at 30 June 2001.

# Organisation Chart



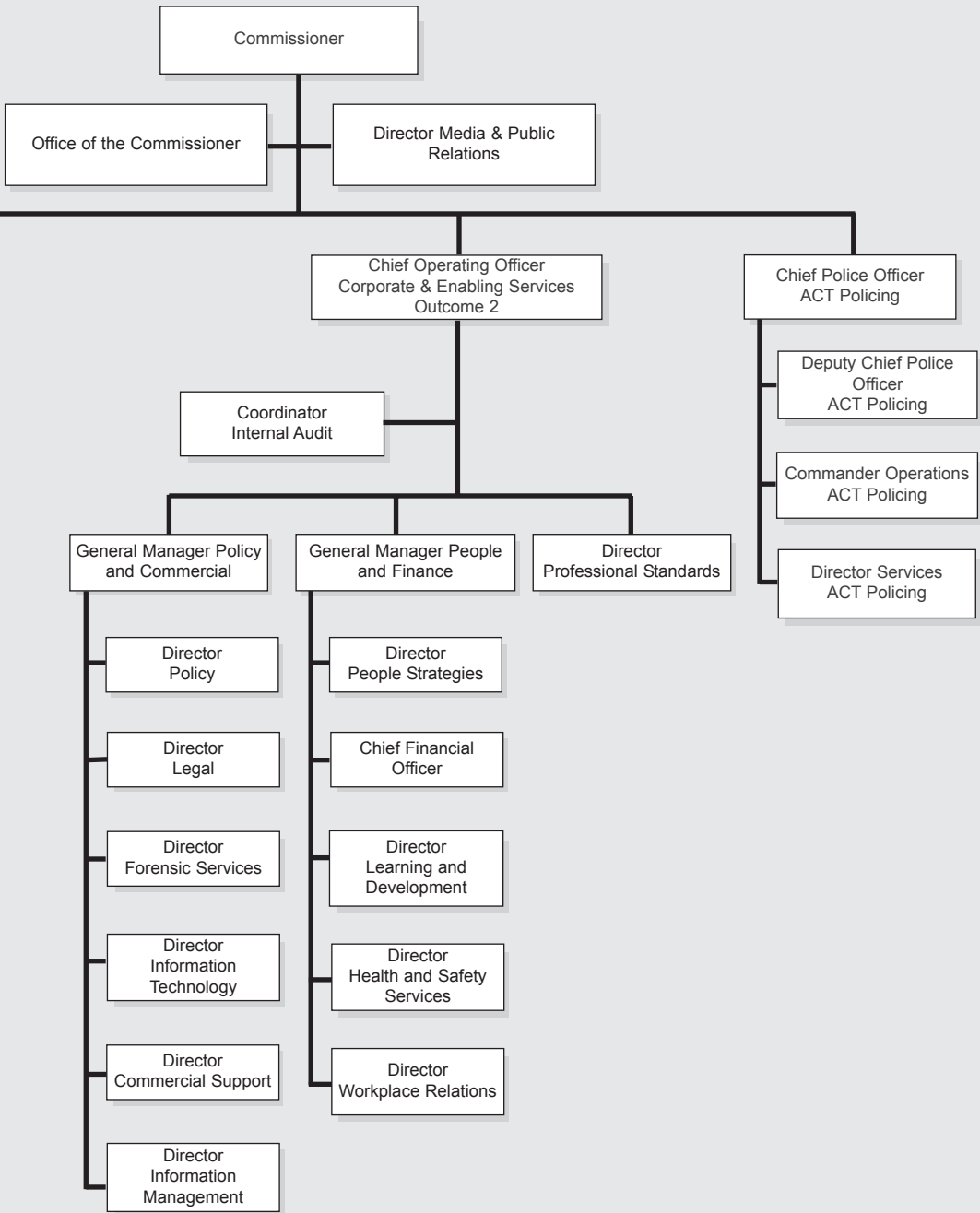


Figure 2: The AFP organisation chart as at 30 June 2001

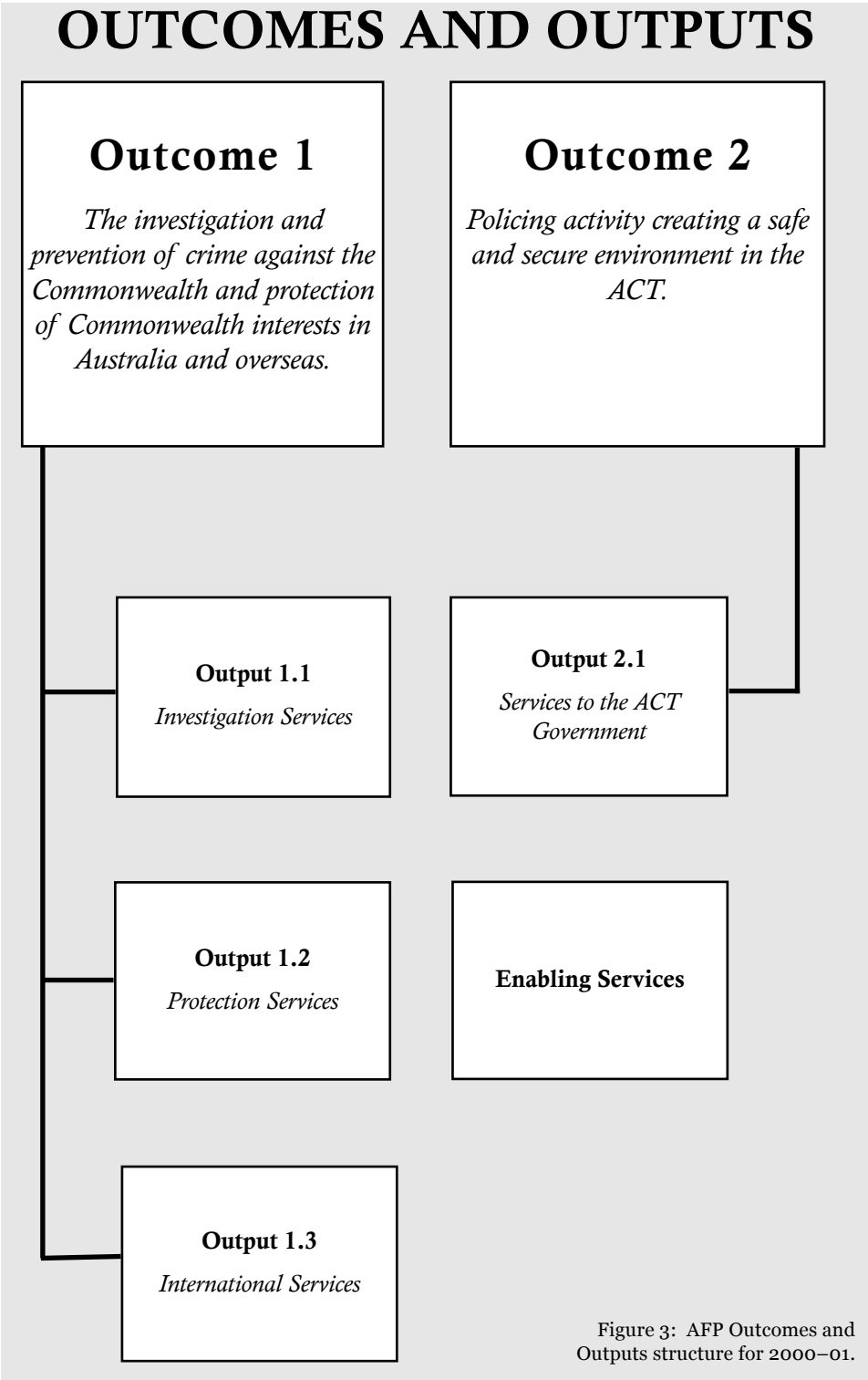
## 1.3: Overview of Reporting Structure

For the 2000–01 year, the Government agreed to a simplification of the AFP's previous five outcome structure to a two outcome structure to better reflect the dual role of the AFP in providing policing services to the Commonwealth and Australian Capital Territory (ACT) governments. This change served to more closely align business and accountability structures to both governments, avoid duplication of reporting, and enhance scrutiny by Federal Parliament and the ACT Legislative Assembly.

Under the current outcome structure, Outcome 1 has a national and international focus on the prevention of crime against the Commonwealth and the protection of Commonwealth interests in Australia and overseas. Outcome 2 relates to the creation of a safe and secure environment in the ACT through the provision of community policing services.

The new outcome structure is illustrated at *Figure 3*.





## CHAPTER 2 – PERFORMANCE REPORTING

### 2.1 Outcome 1: National – International Focus

Outcome 1, reflecting the AFP's national and internationally focused policing services provided to the Commonwealth is:

*The investigation and prevention of crime against the Commonwealth and protection of Commonwealth interests in Australia and overseas.*

### Ministerial Direction

In addition, section 37 (2) of the *Australian Federal Police Act 1979* dated 25 February 1999 empowers the Minister for Justice and Customs to direct the general policy to be pursued by the AFP in performing its functions. Operationally, the current Ministerial Direction focuses the AFP on:

- countering and otherwise investigating illicit drug trafficking, organised crime, serious fraud against the Commonwealth, money laundering and the interception of assets involved in or derived from these activities;
- investigating special references and performing special taskings from the Government;
- providing an effective contribution to the implementation of the Government's 'Tough on Drugs' strategy; and
- continuing to develop a capacity to deal with new forms of criminal activity requiring special attention to be directed at the investigation of economic crime, in all its forms, transnational crime and crime involving information technology and communications (including electronic commerce).

A supplementary Ministerial Direction issued on 27 September 2000 expects the AFP to give special emphasis to:

- countering and otherwise investigating organised people smuggling; and
- providing an effective contribution to the whole-of-government approach to unauthorised arrivals.

### Business Planning

The AFP has moved to become a knowledge-driven organisation where knowledge encompasses traditional intelligence, awareness of clients' needs and objective performance planning and reporting systems. This contrasts with the traditional view of policing as a predominantly reactive function, where police respond to reported crimes.

Identifying business goals and setting targets is a key element of this approach, which the AFP has applied to its Outcome 1 activities. In this framework, the desired investigational outputs are defined in a mixture of work based on client needs and intelligence derived through Crime Management Strategies (these are referred to later in the chapter). Targets have been adopted for particular crime types, and the staffing and financial resources necessary to achieve the identified and assigned outputs.

This integrated business planning framework, which emphasises client service and output-based performance reporting, was fully implemented during 2000–01. It has enabled the linking of resources to outputs, better planning of operational outcomes, internal and external benchmarking of outcomes and processes, and continual improvements in the way the AFP does business. These activities have been undertaken with a view to best meeting the Key Performance Indicators (KPIs) set for the outcome.

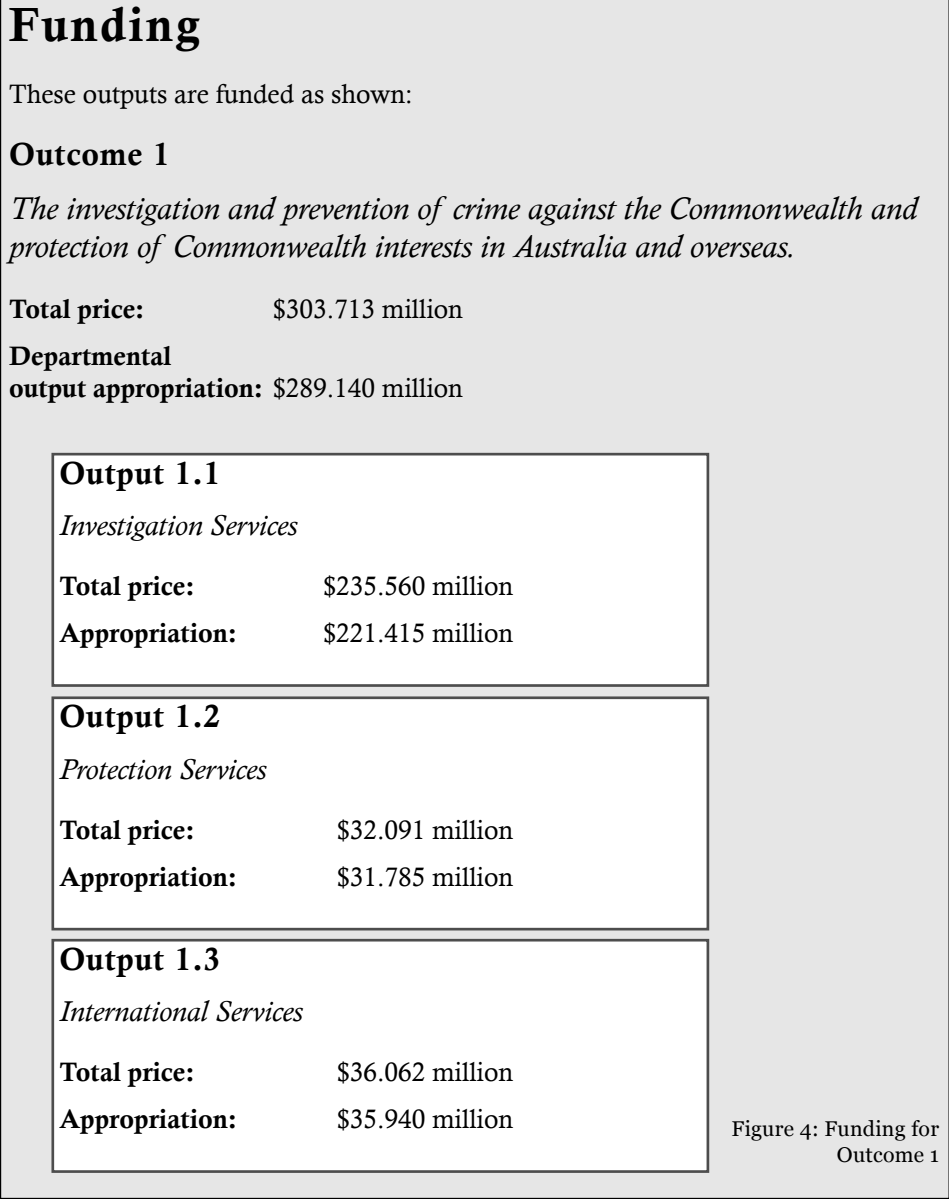
Performance improvement plans exist for each of the AFP's major investigation related processes and focus on activities that will improve performance against the KPIs. Compliance with output targets, achievements against KPIs, and implementation of these plans are considered as part of ongoing Business Activity Analysis undertaken by the Commissioner and Deputy Commissioner with each business unit.

In determining which matters to accept for investigation and to prioritise resources, the AFP employs a Case Categorisation and Prioritisation Model (CCPM). This considers the nature of the alleged crime, the impact of the criminality involved, the nature of response required and the resources necessary for the AFP to investigate the matter. No one element of the CCPM is considered in isolation to determine whether a matter is accepted or rejected. The underlying criminality of a matter has a significant influence on the decision, and it is largely the combination of the 'impact' and 'priority' ratings that determines whether a matter is accepted or rejected for investigation.

## Outputs

The AFP produces three outputs which contribute to Outcome 1.

1. **Investigation Services** through which the AFP provides the Commonwealth with a flexible investigative capacity across a large range of Commonwealth interests;
2. **Protection Services** through which the AFP seeks to ensure that individuals and interests identified as at risk by the Commonwealth are kept safe and their dignity preserved; and
3. **International Services** through which the AFP supports the Australian Government's international responsibilities by providing a range of law enforcement services.



Effectiveness in contributing to the outcome is measured through three Key Performance Indicators (KPIs):

- the disruptive effects of AFP operations on the criminal environment nationally and internationally;
- the level of client satisfaction with the services the AFP provides; and
- the level of financial performance of the AFP in delivering cost-effective results.

## Output 1.1 – Investigation Services

The objectives of this output are to:

- enforce Commonwealth laws and protect the integrity of Commonwealth programs;
- effectively contribute to international efforts to counteract and prevent criminal activities identified by the Government;
- protect the integrity of national economic and social institutions and the environment; and
- ensure there is a national response where criminal activity impinges on national security and/or is of a trans-jurisdictional character.

As well as investigating serious and complex crimes in accordance with the requirements of the *Fraud control policy of the Commonwealth*, the AFP, in agreement with client agencies, also undertakes a number of strategically targeted investigations into other matters to ensure there is a credible criminal law deterrent even for minor breaches of Commonwealth legislation.

Output 1.1 is measured through:

- the effectiveness with which the AFP investigations disrupt the criminal environment;
- the level of client satisfaction with AFP investigation services; and
- the efficiency of the service.

### *Performance Measure 1:*

#### **The effectiveness with which AFP investigations disrupt the criminal environment**

In previous years, the AFP has employed activity based reporting to describe the disruptive effect of its law enforcement function. Whilst this form of reporting provided extensive information, and reflected current practice amongst other Australian and many international law enforcement agencies, during 2000–01 the AFP developed a new performance reporting system within the context of the Government's outcomes and outputs framework which better measures the effectiveness of the organisation.

The AFP's considerable operational success in recent years can be attributed, in particular, to the implementation of innovative investigative techniques, such as mobile strike teams, increased coordination, operational cooperation and resource sharing with partner agencies, both nationally and internationally. The development of a performance management model within the outcomes and outputs framework has also contributed to that success.

Since November 1998, the AFP, Customs, AUSTRAC and the NCA have sought to increase operational effectiveness through increased intelligence sharing, joint task

forces, co-location and the use of common services. In the reporting period, for example, the AFP negotiated a Memorandum of Understanding (MOU) with AUSTRAC regarding access to and use of financial transaction reports information; continued to work with Customs, AUSTRAC and the NCA on the Joint Strategic Intelligence Group; co-located in the same building with the NCA in Adelaide and Perth; and conducted joint investigations with the Australian Taxation Office (ATO) and the Health Insurance Commission.

During the year, performance measures were developed to reflect the various stages of a typical case, including case referral, case selection, investigation and outcome. By using separate measures, the AFP can assess its success in each stage of the process and target remedial action appropriately. This improved measurement process will allow the AFP to enhance its ability to detect and deter criminal activity impacting on the interests of the Commonwealth.

Measured results are shown below.

### ***Case Referrals***

Approximately 91 per cent of clients referring work to the AFP were satisfied with the AFP's acceptance of work referred.

### ***Case Selection***

Low impact cases comprised 53 per cent of all open cases during the year and used seven per cent of AFP resources. By contrast, very high and high impact cases comprised 23 per cent of open cases and employed 78 per cent of resources.

The percentage of cases classified as 'complex' increased by 10 per cent over the year.

### ***Investigation***

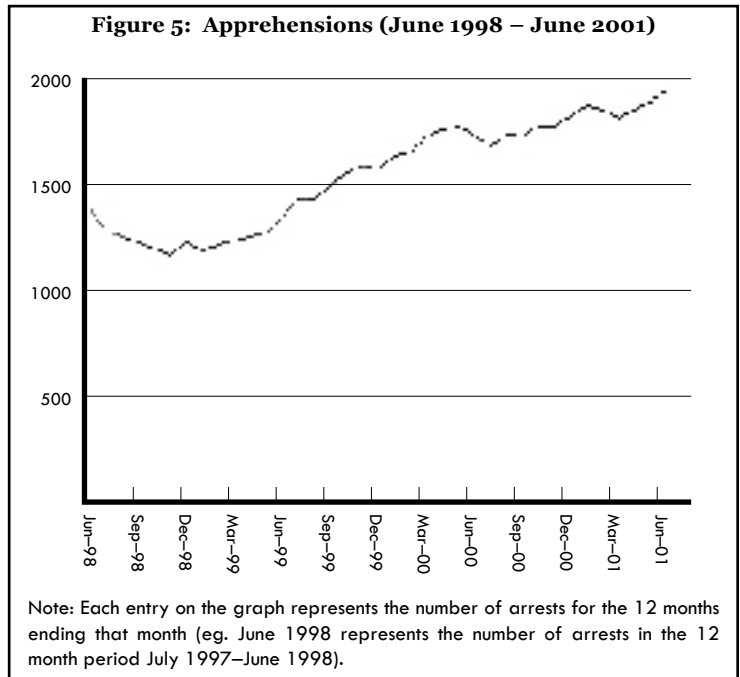
Apprehensions increased by 13 per cent from 1,712 in 1999–2000 to 1,929 in 2000–01 (see *Figure 5*).

Cases brought to the legal process increased from 33 per cent of cases finalised in 1999 to 42 per cent in 2000.

### ***Outcome***

Approximately 93 per cent of clients believe that the AFP achieved the client's objectives.

The AFP was successful in targeting syndicates importing heroin, cocaine and MDMA (commonly known as ecstasy), as



reflected in seizures of these drugs. In 2000–01, the AFP seized 249 kg of heroin domestically and was significantly involved in operations leading to the seizure of another 357 kg overseas. Although domestic seizures were low compared to the past two years, overall seizures – including those overseas – remained high. Recent substantial heroin seizures in Australia and overseas have been followed by reports of reduced availability on the streets and a decline in overdoses Australia-wide.

MDMA seizures increased markedly in 2000–01, with 380 kg seized domestically compared to 172 kg in the previous year. Another 71 kg was seized in overseas operations. Cocaine seizures remained at historically high levels although there was a decline from 813 kg seized domestically in 1999–2000 to 450 kg in 2000–01.



The AFP was involved in the seizure of 357 kg of heroin in Fiji in October 2000.

The AFP has continued to increase its activities in relation to fraud, money laundering and counterfeit currency investigations. From 1999–2000 to 2000–01, the percentage of finalised cases reaching legal process increased from 52 per cent to 66 per cent. The number of cases reaching legal process increased from 290 to 321 with the median value of these cases increasing from \$24,550 to \$29,876.

## Responses to the Changing Environment

Globalisation, through advances in technology and communications, has enabled the deregulation of markets and commerce, greater international and regional interdependencies, and more rapid movement of people, capital, information and goods.

Globalisation has significantly expanded the opportunities for sophisticated illegal activity and facilitated closer interaction between organised criminal groups from different locations and cultures. While these groups are largely involved in illicit drug trafficking and people smuggling, they are also involved in serious crimes such as money laundering. This alone amounts to a significant impact on the world's gross domestic product. This environment necessitates a higher level of operational integration and cooperation with overseas law enforcement agencies, which is referred to in greater detail under Output 1.3.

To ensure an optimal and consistent whole-of-government response to investigations, the AFP assists other agencies to develop a capacity for dealing with

those matters that fall within their responsibility under the *Fraud control policy of the Commonwealth*. The AFP provides agencies with access to AFP expertise and training through outposting of federal agents, which facilitates the mutual transfer of skills and knowledge between the agencies. The presence of these agents also provides ready access to police powers, such as the execution of search warrants and arrests. The outposting of members to agencies has enabled the AFP to better leverage its relatively small pool of trained and experienced investigators, and has resulted in a decrease in the number of matters being rejected by the AFP for investigation. During the reporting period, the AFP had a number of members outposted to 18 Commonwealth and State agencies on either a full-time or part-time basis (see *Appendix 4*, page 109).

During the reporting period, the AFP saw an increased involvement of West African crime groups – particularly Nigerian criminals – in multiple drugs, fraud, counterfeit currency and stolen passports matters. Between 29 and 30 May 2001, the Western Australian Joint Operational Coordination Team (comprising Western Australian managers of the AFP, Customs, NCA and Western Australia Police) hosted a law enforcement conference to assess the future threats of West African-based crime syndicates on Australia. The conference focussed on drug and fraud offences, the methodologies used and the groups involved, with senior officers from the Royal Thai Police, the South African Police Force, UK Customs and Excise, and UK National Criminal Intelligence Service attending.

## Intelligence

Intelligence assists the AFP's decision making at all levels of operational activity. Intelligence business plans are guided by operational and strategic intelligence processes. Strategic intelligence helps the AFP to understand the criminal environment and the significance of criminal activities, trends and related issues. Operational intelligence supports its endeavours to disrupt, dismantle and destroy criminal enterprises, and deprive them of the proceeds of their crime.

## Crime Management Strategies

The AFP plans its operational activities through a business planning process based on Crime Management Strategies, which are currently being finalised. The Crime Management Strategies related to Outcome 1 are:

1. illicit drugs strategy – focussing on reducing supply and disrupting the associated organised criminality related to the organised importation of illicit drugs;
2. economic crime strategy – aimed at preventing and reducing fraud against the Commonwealth through a coordinated response against criminals involved in economic crime at the national and international levels;
3. international strategy – covering a broad range of international law enforcement activity at bi-lateral and multi-lateral levels concerning Australia's international law enforcement and peacekeeping/peace monitoring obligations and responsibilities;



4. protection of Australian systems and institutions strategy – recognising the importance of protecting this infrastructure through the AFP detecting, preventing, deterring and investigating electronic and telecommunications crime and the effective enforcement of Commonwealth legislation;
5. people smuggling strategy – aimed at counteracting the activities of international and Australian organised criminal involvement in smuggling people to Australia;
6. environmental crime strategy – which directs the AFP's role in the protection of the environment by preventing, deterring or prosecuting environmental crime through the effective enforcement of Commonwealth legislation; and
7. security threats strategy – which recognises that those individuals and interests identified by the Commonwealth Government or the AFP as being at risk need to be kept safe and secure as a result of AFP Protective Security.

The Crime Management Strategies identify and prioritise high impact crime problems confronting Australia and describe the implications for the AFP. They are linked to strategic corporate direction and operational decision making, ensuring that the efforts of area offices are consistent with the AFP's overall organisational outcomes. The strategies assist in determining operational resource allocation as well as helping determine the AFP's needs in enabling functions such as intelligence, investigations, training, offshore activity, legal and policy, science and technology.

Each operational General Manager has been allocated management responsibility on behalf of the AFP for a crime management strategy. This is designed to assist managers to focus not just on local issues, but also on broader issues of national and international significance. It is one method of networking the organisation and devolving issues to area offices that may, in the past, have been undertaken predominantly at AFP Head Office.

The following examples of recent intelligence activities have significantly contributed to AFP operations.

- A joint investigation in 2000, involving Customs and the United States (US) Customs Service, into a conspiracy to import approximately 89 kg of cocaine into Australia. The investigation, which was based on information provided by an overseas law enforcement agency, led to the dismantling of an organised crime group consisting of US and Peruvian nationals. It involved three arrests and the restraining of cash and a boat valued at around \$400,000.
- An investigation into an organised syndicate of West African nationals involved in a range of drug and fraud offences. The group was responsible for trafficking heroin and cocaine into Australia from South America, South Africa and Indonesia, utilising various methods involving people, postal services and airfreight. Money movements out of Australia to the value of \$5 million have been identified. Two Nigerian males have been remanded in custody in relation to narcotic offences and \$187,000 has been seized.

## Illicit Drugs

As part of the AFP Reform Program and its knowledge-driven approach to policing, the AFP completed a survey during the reporting period using the latest available international data (1995–98) to benchmark AFP performance against that of similar organisations around the world. These comparisons reflect the AFP's commitment to performance reporting and benchmarking as part of initiatives to maintain a culture of continuous improvement.

International comparisons are often difficult because of differences in the crime environments and justice systems, as well as the diversity of political, social and economic climates. Drug law enforcement is an area of relatively easy comparison as results can be quantified in terms of either kilograms or number of units seized and are widely reported. Despite this ready comparability, caution is advised in interpreting individual results as the environments within which law enforcement agencies operate vary widely.

For various validity purposes pertaining to drug consumption patterns, the benchmarking was restricted to countries which share a common cultural heritage. Some 18 nations, members of the European Union (EU), the United States of America (USA), Canada and Australia, as well as the total for the European Union and United Nation's estimates of global seizures were included in the comparison. The benchmarking study compared seizure rates against population for the years 1995–98.

In this period, AFP:

- heroin seizures increased from 8.3 kg per million residents to 28.1;
- cocaine seizures increased from 1.1 kg per million residents to 16.6; and
- MDMA seizures increased from 1,125 tablets per million residents to 16,890.

Results for AFP effectiveness indicated that between 1995 and 1998, the AFP moved from:

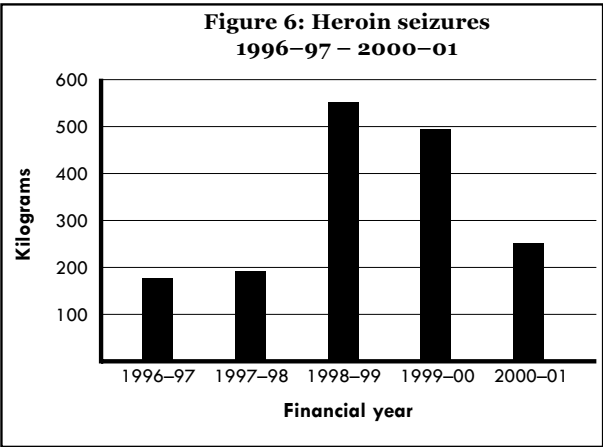
- 10th place to 2nd with respect to heroin ;
- 15th place to 12th with respect to cocaine; and
- 11th place to 5th with respect to MDMA.

The results suggest that the AFP, in cooperation with agencies such as Customs and other law enforcement agencies, has had outstanding success by world standards in seizing heroin importations. Prior to 2000, the AFP did not compare as well in terms of cocaine seizures or the level of targeting by syndicates. The AFP's rate tended to be among the lowest when compared to the EU and North American nations. In 2000, however, the AFP's performance placed it above the 1998 median for the EU and North America. The AFP has also had success in targeting MDMA imports. Despite volatility in the data, it is apparent that the AFP has improved to a point where its performance is near to the best of the EU. Only two countries, the Netherlands and the United Kingdom, consistently outperformed the AFP over the period 1995–98.

Heroin

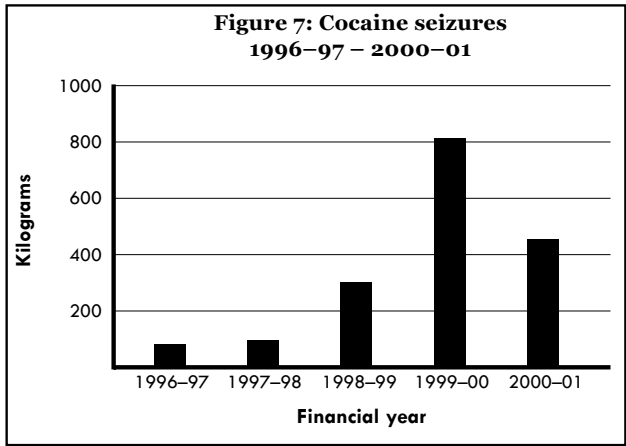
Heroin continues to be a major threat to Australian society. During the calendar year, there has been a significant drop in deaths due to overdose and this can reasonably be attributed to a continuing heroin shortage, in part due to significant law enforcement seizures and disruption of syndicates. Accompanying the heroin shortage has been a reported rise in price, a decrease in street purity and an increase in drug-related crime. A further side effect of the shortage has been a reported increase in the intravenous use of cocaine and crystal methamphetamine ('ice').

The major source of heroin imported into Australia is Burma, which accounts for some 80 per cent of supply. Co-production of heroin and methamphetamine in tablet form in the same Golden Triangle (ie, Burma, Laos and Thailand) laboratories increases the likelihood for continuing poly-drug imports into Australia and diversified criminal distribution networks. The AFP established a permanent presence in Burma during the reporting period.



Cocaine

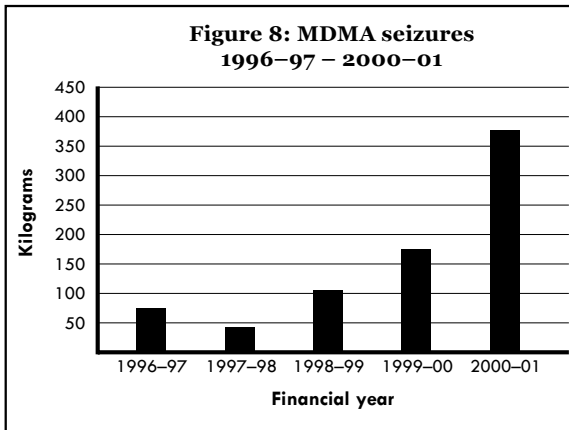
Cocaine use in Australia has, until recent years, had a low profile compared with other illicit drug abuse. It continues to figure most prominently in Sydney and south-east Queensland. Australia remains vulnerable to large-scale cocaine importations. Since 1998, there has been a rapid increase in both allegations of cocaine trafficking to Australia and law enforcement cocaine seizures (see Figure 7). Cocaine trafficking is undertaken



by global drug trafficking enterprises involved in a range of serious criminal activities based on a number of continents. The recent heroin shortage has also led

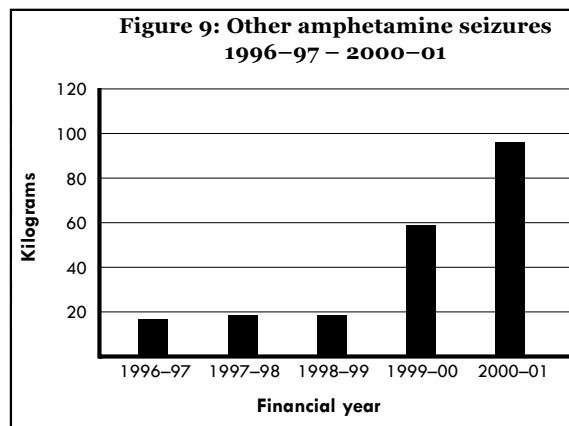
to an increase in intravenous cocaine use. During the reporting period the AFP established a permanent presence in Colombia, recognised as the world's major supplier of cocaine.

### Amphetamine-type stimulants (ATS)



The profile of amphetamine-type stimulants (ATS) in Australia has become starker, with indicators of availability and seizures increasing (see *Figure 8* and *Figure 9*). The extent of MDMA and similar drug use in Australia continued to expand during the reporting period. South-East Asian centres have increasingly been used as transshipment points for the drug as it is being trafficked from Europe to Australia.

Parcels post and air passenger couriers were the most frequently encountered means of transporting the drug. However, a greater degree of commercial professionalism was seen in the use of sea cargo to import very large quantities. In the reporting period, MDMA constituted a quarter of the amount of the drugs seized by the AFP. This is a marked increase from its level of about 10 per cent in the previous few years. Consistent with earlier reports of a surge in the Australia-wide use of high-purity methamphetamine, larger amounts of this drug were seized during the year. The co-shipment of ATS and heroin from South-East Asia was a notable development that illustrates how traffickers spread the range of commodities they smuggle.



Sydney continues to be the apparent focus of criminals importing drugs into Australia with large seizures of heroin, cocaine, MDMA and ATS. Accordingly, the AFP's Sydney office has a high proportion of resources devoted to this type of crime.

During the year, there was a noticeable diversity in the source countries, particularly for synthetic drugs. The implications of this development are being assessed both with respect to an investigatory response and also in the ongoing review of the AFP's overseas liaison network.

## Significant Achievements

- In October 2000, the AFP assisted Fiji Police in the seizure of 357 kg of heroin destined for Australia. This operation also involved the Royal Canadian Mounted Police, US Drug Enforcement Administration, and New Zealand Police. The AFP's role in the investigation was funded under the Government's National Illicit Drug Strategy Law Enforcement Cooperation Program (LECP).
- During November and December 2000, the AFP and Customs jointly seized 79 kg of methamphetamine (Australia's largest 'ice' seizure to date) and 184 kg of heroin imported by a Hong Kong based principal into Australia concealed in a number of shipping containers.
- A joint operation between Dutch authorities and the AFP in December 2000 successfully foiled the importation of a large shipment of amphetamines allegedly destined for Australia. In a coordinated operation, search warrants were executed in The Netherlands and Australia. As a result of these warrants, Dutch police seized 3,000 kg of cannabis, 200,000 MDMA tablets, 100 kg of cannabis resin, nine firearms with ammunition and a large amount of cash.
- Australia's largest seizure of MDMA to date occurred in March 2001 when a cargo container arrived in Sydney from China by sea and was found to contain 15 kg of heroin and 125 kg of MDMA concealed in cartons of tinned pineapples.
- A significant seizure of 317 kg of cocaine in South Australia resulted from a joint investigation involving the AFP, NCA, Customs and South Australia Police in August 2000. The seizure consisted of several hundred 500 gram blocks of cocaine formed in a disc shape and wrapped in plastic packaging. Almost \$300,000 in cash was also seized during the operation, which originated from intelligence sharing between law enforcement agencies.



Above: Disc-shaped blocks of cocaine seized during a joint agency operation in South Australia.

Right: AFP and Customs officers with the haul of 125 kg of MDMA concealed in cartons of pineapples.



# National Illicit Dr

## output 1.1

### Mobile Strike Teams

NIDS funding has been provided for the operation of 10 mobile strike teams created to target major international drug syndicates, with the intention of reducing both the supply of illicit drugs as well as disrupting or dismantling the syndicates. The teams are intelligence-led and provide a flexible response, including the capacity for rapid deployment as required throughout Australia and overseas. Funding of \$36.3 million has been provided to date with \$13.6 million appropriated in 2000–01.

During 2000–01, the strike teams conducted 20 major new investigations resulting in 58 arrests in Australia and 57 arrests overseas.

Strike team seizure results during the reporting period included:

- 207 kg of heroin (total domestic) and 357 kg (total overseas);
- 445 kg of cocaine (total domestic) and 8 kg (total overseas);
- 349 kg of amphetamine type stimulants (total domestic) and 213 kg (total overseas); and
- 1 kg of cannabis (total domestic) and 3,100 kg (total overseas).

### Resident Agent on Thursday Island

The establishment of a Resident Agent position on Thursday Island with NIDS funding followed a trial project which concluded that greater steps were required to secure Australia's northern border and stem the practice of exchanging cash and guns for drugs. The Torres Strait is also viewed by the Government and the AFP as a strategically important, potentially sensitive area because of its close proximity to the Papua New Guinea and Indonesian borders. The Resident Agent is required to work very closely with liaison officers in these countries. NIDS funding to date is \$0.7 million with \$0.2 million appropriated in 2000–01.

During 2000–01, the Resident Agent has been responsible for the investigation of persons involved in four separate narcotics importations. On four occasions, third country nationals landed in Torres Strait, and this information was forwarded to the People Smuggling Team for analysis. The latest incident saw the landing of 14 Afghan nationals at Kerr Islet on a small vessel crewed by group of Irian Jayans. At the end of the reporting period, four persons were before the court charged with migration and quarantine offences.

### Informant Handling and Witness Protection

Significant results achieved by the mobile strike teams and other AFP elements have ensured a continued information flow from informants. In 2000–01 this NIDS initiative has also enabled access, through the AFP's overseas liaison network, to informants from overseas. There were significant arrests and seizures of illicit drugs as a result of the steady flow of information from informants. Payments to informants are governed by AFP Guidelines and are considered by a rewards evaluation committee. Access to the Witness Protection Program is governed by the criteria set down in the *Witness Protection Act 1994*.

NIDS has provided funding to date of \$2.9 million for this initiative, with \$0.9 million available in 2000–01.

# Drug Strategy (NIDS)

## National Heroin Signature Program

The National Heroin Signature Program (NHSP) is a key element of NIDS. The program is designed to provide enhanced support for narcotics-related operations through the physical and chemical analyses of heroin seizures. The NHSP now has 600 samples in its database. Funding of \$0.9 million has been provided to date, with \$0.3 million appropriated in 2000–01.

A Joint Drug Intelligence Team Operations working group, comprising scientists from the Australian Forensic Drug Laboratory, members of AFP Forensic Services and members of the AFP strategic intelligence group, has been established to meet and discuss heroin-related issues. A number of information sheets on large importations of heroin into Australia has been produced. Posters advertising the NHSP have been circulated internally and to AFP liaison officers in South-East Asia.

The street survey has commenced and the samples received have been analysed and the results are to be available shortly.

With support from the LECP, invitations have been forwarded to South-East Asian law enforcement agencies to attend a drug summit, which will be held in Melbourne in September 2001 in conjunction with a forensic science meeting.

## Expansion of Telephone Interception Capability

NIDS funding has enabled the AFP to increase its capability to monitor telephone communications. Funding of \$2.5 million has been provided to date with \$0.9 million appropriated in 2000–01.

This increased capacity has been used by operational strike teams to more comprehensively investigate criminal syndicates, thereby increasing the chances of successful arrests and prosecutions.

This initiative also provided funding for the purchase of remote access equipment and now enables all major operational areas increased access to remote terminals.

Research and development into emerging telecommunications products has continued with equipment being developed in relation to new products.

## Law Enforcement Cooperation Program

The LECP assists the AFP to develop law enforcement intelligence leading to the interdiction of illicit drugs before they reach Australia and to detect, disrupt and prosecute those responsible.

NIDS has provided funding of \$8.2 million to date with \$3.5 million appropriated in 2000–01.

## Overseas Posts

Under NIDS, new posts in the AFP's liaison network have been established in key drug transit countries and will strengthen cooperation with other law enforcement agencies in the region. The successful six-month trials of posts in Rangoon and Bogotá have led to a permanent presence in these countries. NIDS now funds seven liaison officers in six countries. Funding to date amounts to \$7.8 million with \$2.8 million appropriated in 2000–01.

NIDS has also provided funding to enable overseas posts to be connected to AFPNET, the AFP's computer network, thus allowing the same level of police information exchange as in Australia. NIDS funding to date amounts to \$2.4 million with \$1.2 million appropriated in 2000–01.

## Fraud

As part of AFP benchmarking of operations against best practice, during the year the AFP compared the efficiency of its fraud investigations with that of a major private sector investigation agency in Australia. Information was collected through a written questionnaire and follow-up telephone survey. The diversity of fraud laws around the world makes international comparisons more difficult.

The results suggest that both organisations employ a similar investigation method with the exception that the private agency did not become involved in referring matters to the DPP or in criminal prosecution proceedings. When figures are adjusted to exclude those relating to legal proceedings, the study found little difference in the hours worked per case between the AFP (103 hours) and the private investigator (91 hours). This small difference is well within the error margin of the methods used in the study. On the available evidence, it is reasonable to conclude that the relative efficiency of the two organisations, in terms of hours worked per case, is not dissimilar.

Identity fraud is one of the fastest growing crimes in the United States. Major Commonwealth departments have reported fraud cases where false identities have been used and Australia will almost certainly continue to see the impact of false identities. If Australia follows the trends overseas, false identities may be used to conduct money laundering, falsely register business names, disguise identity for immigration and voter registration, as well as obtaining benefits.

During the year, there were many frauds investigated where false identities had been assumed, including the following examples.

- A woman was sentenced to four years imprisonment for claiming Centrelink benefits in five false names and her partner, who pleaded guilty to claiming Centrelink benefits in one false name, was sentenced to two years imprisonment. The total fraud involved \$200,000.
- During the year, investigations concluded with respect to a large-scale computer industry sales tax fraud involving \$10 million in unpaid sales tax. This complex scheme involved a series of corporate entities controlled by a group of individuals. To date, four briefs of evidence have been prepared and a further eight are in preparation.
- A joint investigation was conducted with the ATO into the organised fraudulent abuse of the Prescribed Payments System by persons incarcerated in the Western Australian prison system and their close associates outside the system. The estimated total of the attempted fraud was in excess of \$1.8 million. These matters are currently before the courts.
- During the year, 22 people in four states were charged as a result of a joint investigation with Australia Post relating to \$2 million of defrauded revenue through the direct mailing industry.
- In a joint ATO/AFP investigation into the illicit tobacco trade, a semi trailer containing 8100 kg of tobacco leaf with excise payable of \$2.1 million was



seized and two persons arrested. Further search warrants resulted in the seizure of tobacco, equipment and \$116,000 in cash. Seventeen persons have been identified as being allegedly implicated in this operation, several have been charged on summons, and others have further charges pending with an additional value estimated at \$8 million.

- In February 2001, as part of a joint AFP/ATO investigation, a Kingaroy man was charged with two counts of defrauding the Commonwealth and one count of attempting to defraud the Commonwealth over more than \$1 million claimed as credit for GST paid on his Business Activity Statement. The man, who will appear in court in August for mention, has returned almost \$731,000 to the ATO.
- The investigation of internal fraud by Commonwealth officers is accorded a high priority by the AFP. In April 2001, a former Medicare employee who defrauded the Commonwealth of \$121,000 by preparing false documents in the names of various doctors on her home computer was sentenced to four years imprisonment.

## Intellectual Property

The AFP investigates serious criminal offences involving the infringement of intellectual property.

The following are examples of intellectual property matters investigated during the reporting period.

- An investigation commenced in October 2000 into alleged breaches of copyright and trademark licences, with an estimated value of \$3.51 million, relating to Microsoft Windows 98 software.
- In another case, a brief of evidence has been forwarded to the Director of Public Prosecutions (DPP) relating to the alleged manufacturing and sale of counterfeit Sir Donald Bradman cricket bats and wall plaques, comprising offences under the *Trademarks Act 1995*.
- On 8 September 2000, a 41-year-old man pleaded guilty in the Southport Magistrates Court to four charges in relation to 873 articles of counterfeit clothing, bags and caps that he had in his possession for the purpose of trade at various markets. He was convicted and fined \$3,000 in default 60 days imprisonment.
- On 22 September 2000, a 23-year-old Brisbane man was found guilty of eight counts relating to the making and selling of copyrighted Sony Playstation games and fined \$3,500 in default 116 days imprisonment.

## Money Laundering

The goal of many crimes, including drug importation and trafficking, fraud, corruption, people smuggling, and arms dealing, is to generate a financial profit. Money laundering is the method by which criminal groups enjoy the use of that

illegal profit without attracting attention to the underlying criminal activity. This can be achieved by disguising the sources of the funds, changing their form, or moving them to a place where they are less likely to attract attention. With the growing availability and sophistication of international financial markets, money laundering is increasingly an international problem. The AFP investigates the laundering of funds derived both from crimes committed within Australia and overseas.

The AFP has adopted a multi-dimensional approach to combating money laundering. Liaison efforts and participation in international fora are directed at

### Significant Achievements

- A person was sentenced in connection with the use of a false bank account in the name of a charity to launder approximately \$42 million in cash for unidentified tax evaders.
- An individual was imprisoned for his role in a tax evasion and money laundering arrangement (under this arrangement, \$1 million which was purportedly sent offshore as payment for a business expense, was returned to the remitter with the individual receiving a commission for facilitating the laundering).
- Several cases involving breaches of the *Financial Transaction Reports Act 1988* by East Timor-based UN staff holidaying in Australia led to the comment in a Darwin Court in February 2001 that a clear message must be sent regarding the declaration of currency in excess of \$10,000 by those entering Australia.

increasing the capability of other jurisdictions to implement effective anti-money laundering frameworks and enhance international cooperation. The AFP provides technical and other practical assistance to lesser developed countries with respect to money laundering detection, prevention and investigation under the aegis of the Law Enforcement Cooperation Program (LECP) which is funded under the Government's National Illicit Drug Strategy (NIDS). The AFP also engages in intelligence sharing with other national and international bodies and, where Australian jurisdiction exists, actively investigates money laundering offences.

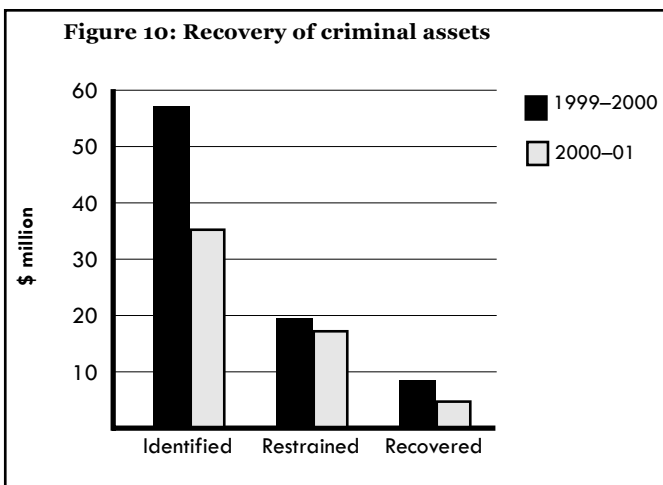
The AFP works closely with its partner agencies, in particular, AUSTRAC and the NCA. The AFP is an active participant in the NCA Agio Task Force involving these agencies, as well as Customs and the

ATO. Agio conducts high level intelligence analysis of financial transaction information to identify potential large-scale money laundering offences. The investigation of money laundering offences – including ultimate forfeiture of proceeds of crime – is often a lengthy and complex process.

Internationally, the AFP is heavily involved in the anti money-laundering activities of the Asia-Pacific Group on Money Laundering (APG), the Financial Action Task Force (FATF), the South Pacific Forum Secretariat (SPFS) and regional law enforcement agencies.

## Proceeds of Crime

The AFP attacks the financial base of crime by identifying, restraining and confiscating proceeds of crime, with recovery of proceeds an essential element in planning of all major operations. The current criteria for the successful recovery of criminal assets is criminal-based forfeiture. This means that while millions of dollars of assets can be identified, the recovery is only possible upon a criminal conviction related to the assets. Irrespective of the type of criminality involved, successful investigative activities usually result in disruption of the criminal environment through apprehension of offenders; seizure of drugs and property, or removal of illicit products from the market; and recovery of proceeds of crime, which then are no longer available to finance criminal activities.



During 2000-01, the AFP identified \$35.4 million as proceeds of crime, \$17.3 million was restrained and \$4.3 million forfeited (see *Figure 10*).

The Government has announced that it intends to introduce an additional civil based system to recover the proceeds of crime. In anticipation of this legislation, the AFP is

ensuring that it is well placed to realise the full benefits of this new regime as soon as it is introduced through contributing to policy development as well as training and education of staff.

Eight *All Property* (Global) restraining orders, valued in excess of \$1.6 million, are in operation relating to eight people arrested following an investigation which resulted in Australia's largest cocaine seizure to date of 501 kg.

Forfeiture proceedings are concluding with respect to \$8 million in proceeds of crime belonging to a transnational organised crime syndicate involved in the importation of narcotics into Australia over many years. The operation, which resulted in the seizure of \$5 million in cash aboard a boat, identified that the proceeds of domestic drug sales were being smuggled to the Philippines by sea before being deposited into offshore bank accounts.

## Electronic Crime

Electronic crime (e-crime) is defined as crime that targets computers, uses computers to facilitate unlawful activity, or uses computers to store information



about criminal activity. In essence, electronic crime can be viewed as the range of activities made possible by information and communications technology, including but not limited to the Internet.

The emergence of, and increasing reliance on, information and communications technology is creating new opportunities, as well as new threats and vulnerabilities. Many traditional crimes are now carried out using this medium, and new activities that society views as criminal have been created by these technological advances. Crimes can be carried out at great speed, with anonymity, and across traditional geographic borders and

jurisdictions creating new challenges for law enforcement agencies.

Across the range of its activities, the AFP is increasingly required to operate in the electronic environment. Referrals to the AFP involving traditional crimes such as fraud and child pornography committed in the electronic environment have continued to increase, as have referrals involving attacks on computer networks. The AFP continues to take steps to ensure it maintains an advanced capability to operate in the evolving technological environment.

The ability of law enforcement agencies, such as the AFP, to effectively investigate e-crime requires a strong legislative and cooperative framework. The AFP is represented on a number of groups that are currently examining these requirements.

During the reporting period, the AFP continued to participate in broader Commonwealth electronic crime initiatives including the Action Group into the Law Enforcement Implications of Electronic Commerce (AGEC), the Electronic Security Coordination Group (ESCG), the Critical Infrastructure Priorities Group (CIPG) and the Consultative Industry Forum (CIF). The AGEC is examining issues arising for law enforcement agencies, with the specific aim of ensuring adequacy of legislation. The ESCG, CIPG and CIF are progressing the national approach to e-security based on the strategic goal of creating a trusted and secure electronic operating environment for both the public and private sectors.

To enhance existing methods of obtaining international assistance in relation to high-tech crimes, the G8 Subgroup on high-tech crime has established a 24-hour point of contact network. The AFP's National Operations Monitoring Centre is the central point of contact for Australia. The AFP is also a participant in Interpol's Central Reference Point regime for computer-related crime.

The AFP has continued to participate in the Police Commissioners' Conference Electronic Crime Steering Committee, with Commissioner Palmer chairing this Committee until his retirement in March 2001. The AFP is also represented on the Electronic Crime Working Party, which was established by the Steering Committee to develop an Australasian Electronic Crime Strategy. This Strategy was released by the Police Commissioners in March 2001.

In March 2001, the Police Commissioners' Conference agreed to establish an Electronic Crime Law Reform Working Party, which is chaired by the AFP. The Working Party is to coordinate the broader legislative and regulatory aspects of the electronic crime strategy work plans and liaise closely with AGEC on electronic crime law reform issues.

In 2000–01, funding of \$0.2 million was provided by the Government to assist the AFP meet its National Information Infrastructure (NII) protection obligations. This role will provide specialist assessment and advice on electronic crime referrals received by the AFP, to determine any potential impact on the NII.

During 2000–01, the AFP developed an electronic crime training program to introduce all members to the electronic crime environment.

## Electronic Crime Referrals

The AFP received 410 electronic crime referrals in 2000–01, according to PROMIS categorisation. Approximately 46 per cent of electronic crime referrals to the AFP related to child pornography and paedophilia activity on the Internet. Of these referrals, 72 per cent were from the Australian Broadcasting Authority (ABA) regarding potentially prohibited Internet content based outside Australia.

The next most common type of electronic crime referral to the AFP involved intrusions or unauthorised access to computer systems (hacking), which represented 16 per cent of total referrals. Denial of service attacks and referrals relating to Internet viruses, 'trojans' and 'worms' accounted for seven per cent of referrals.

Other types of electronic crimes referred to the AFP included threats, harassment and stalking over the Internet (seven per cent) and fraud (six per cent). All other referrals such as intellectual property, piracy and counterfeit offences and the sale of illegal items via the Internet together accounted for less than 20 per cent of total electronic crime matters referred to the AFP.

The AFP receives referrals from a range of sources including international law enforcement agencies, Australian Government departments, organisations, companies and individuals.

### Significant Achievements

- In September 2000 the AFP investigated the compromise of an Australian university system, which was used as a base to gain unauthorised access to a number of machines around the world.
- In December 2000 the AFP participated in an international investigation into the authorship of an attack tool which was planned to 'take down the Internet' on New Year's Eve.

## Special References

The AFP receives a number of referrals from Government, which are of a sensitive nature and have the potential to adversely impact on good government. Referral of these cases to the AFP for investigation is usually made at Ministerial or Chief Executive Officer level. During the reporting period, 23 referrals were received and

a further 16 matters were continued from the previous financial year. Twenty-four of those investigations have been finalised and two are currently before the courts. These matters included investigations of serious fraud, theft, unlawful disclosure of information and electronic crime. The AFP also assisted other agencies with reviews of investigations and the execution of search warrants under legislative provisions in the *Crimes Act 1914*.

Matters investigated included the following referrals.

- An investigation into the alleged hacking of the GST Assist website, following the issue of 27,000 unsolicited e-mail messages to people who had entered their details on the website. Within hours, the person accessing the website had been identified and interviewed. Legal and technical advice indicated that no offence had been committed and the AFP provided advice on site security issues.
- At the request of the Commissioner of the Royal Fiji Police, a joint review with the New Zealand Police was conducted of the investigation into the May 2000 coup d'état in Fiji. The recommendations of the review team were provided to the Royal Fiji Police.
- An investigation into the alleged unlawful disclosure of highly sensitive information by a Department of Defence employee resulted in the arrest of two people. The matter is before the courts.

## People Smuggling

Through a supplementary Ministerial Direction issued on 27 September 2000, the AFP now gives special emphasis to countering and otherwise investigating organised people smuggling and providing an effective contribution to the whole-of-government approach to unauthorised arrivals.

In the 2000–01 Budget, additional funds of \$16.1 million were provided to: establish a joint AFP/Department of Immigration and Multicultural Affairs (DIMA) Strike Team to investigate organised people smuggling; fund an additional overseas liaison officer in Jakarta; and develop a law enforcement cooperation program to enhance communications between Australia and Indonesia, Malaysia, Thailand and Pakistan and to develop a joint investigative capacity with these countries.

The People Smuggling Strike Team (PST), which is based in AFP Head Office, comprises 15 members (10 members from AFP and five members from DIMA). The PST team works closely with partner agencies in source, transit and other destination countries. PST investigations are intelligence driven with information being sourced from other Australian agencies and through the AFP overseas liaison officer network, with which it works closely.

The PST has been extremely successful in the short time it has been operating. It has undertaken a number of investigations, which have led to successful prosecutions in Australia, and has provided intelligence leading to arrests in countries including Indonesia, Malaysia, New Zealand and Papua New Guinea.

Syndicates have responded to law enforcement activity by changing their routes to use new transit countries in Asia and the Pacific and by changing their modus operandi.



The provision of an additional Liaison Officer position in Jakarta to focus on people smuggling issues in cooperation

with the Indonesian National Police (INP) has been instrumental in disrupting the flow of illegal immigrants to Australia. In excess of 3,000 persons suspected of intending to enter Australia illegally have been arrested by the Indonesian authorities since cooperative arrangements were implemented in relation to people smuggling with the INP in February 2000.

Through the LECP in particular, the AFP has assisted neighbouring countries involved in countering people smuggling activities, such as Indonesia, to develop the general capabilities of law enforcement agencies through training and the provision of equipment.

The AFP hosted an international conference in Canberra from 14 to 19 January 2001, which sought to increase the focus on people smuggling as a regional law enforcement issue. The conference was attended by delegates and presenters from 25 countries and was considered a major success in fostering international cooperation on the issue.

Australia's inability to extradite persons from Indonesia and Malaysia because of the lack of dual criminality and because illegal immigration is not a listed offence on the extradition treaty (in the case of Indonesia) is hampering the effectiveness of the PST. Following approaches by the AFP, Attorney-General's Department is examining the scope for extradition on people smuggling offences from certain countries. As a result, Indonesian authorities are considering listing illegal immigration as a specific offence.

Syndicates have responded to law enforcement activity by changing their routes to use new transit countries in Asia and the Pacific and by changing their modus operandi. There is increasing intelligence regarding the involvement of Australian citizens and residents in illegal immigration activities, and that significant numbers of illegal immigrants are falsely claiming to be of particular ethnic backgrounds to increase their chances of obtaining refugee status. Intelligence is also increasingly showing a linkage between people smuggling and other criminal activity, such as drug trafficking and credit card fraud.

During the reporting period, the continued detection of illegal arrivals placed considerable strain on the AFP's resources in Darwin and Perth. Members of the AFP (primarily the Darwin and Perth Offices) arrested 172 persons believed to be crew on vessels bringing unlawful non-citizens into Australia. These persons have generally been charged under the new provisions of the *Migration Act 1958*.

## Significant Achievements

In addition to activities undertaken by the PST, the AFP also investigates a range of serious immigration related offences including the following examples.

- In March 2001, PST was involved in the resolution of an international law enforcement operation involving agencies in Australia (DIMA and the ATO), Hong Kong and the United Kingdom. This investigation related to a syndicate allegedly involved in illegal immigration into Australia and the flow of millions of dollars from Australia to Hong Kong. In Australia, one person was charged with harbouring, four unlawful non-citizens were located and a further two individuals had their visas cancelled. A large number of persons were arrested overseas and more than 120 false travel documents were seized. Financial transaction information provided by AUSTRAC was an integral element in this investigation.
- During the year, a joint AFP/DIMA investigation received substantial assistance from Hong Kong authorities in relation to the alleged improper granting of Australian citizenship by a DIMA officer to over 100 Chinese/Hong Kong nationals.
- In June 2000 the AFP commenced investigating a Sydney-based group supplying large volumes of counterfeit citizenship documents to non-citizens. As at 30 June 2001, two suspects were charged with separate uttering offences and were awaiting further court appearances.
- In October 2000, a vessel was intercepted at Cartier Island, north-west of Ashmore Reef with 116 suspected non-citizens on board and a crew of five Indonesians, one of whom was a juvenile. The crew members were charged with Migration Act offences, and in February 2001, the captain and one of the crew were sentenced to four years six months imprisonment. The two other adult crew members were sentenced to three years nine months imprisonment. The juvenile crew member was sentenced to nine months imprisonment.
- In April 2001 the AFP detected and disrupted the activities of a Sri Lankan based syndicate that had organised the arrival of 24 illegal entrants to Australia. Nine crew members were charged in relation to this matter and were due to enter pleas in July 2001.

## Environmental Crime

Environmental crime has the capacity to seriously harm the economy and the environment of the Australian and international community. The AFP recognises its role in the protection of the environment by preventing, deterring or prosecuting environmental crime through the effective enforcement of Commonwealth legislation. To achieve this objective the AFP is committed to:

- developing partnerships with key agencies and the community to promote the effective exchange of knowledge and resources relating to environmental crime;
- identifying and developing regional, national and international intelligence



Environmental crime has the capacity to seriously harm the economy and the environment of the Australian and international community.



sources to facilitate the proactive engagement in strategic intelligence relating to environmental crime;

- working closely with key agencies and the community to promote an awareness of environmental crime to assist with the identification and management of significant threats to the environment;
- responding promptly and effectively to referrals of environmental crime; and
- educating and training AFP employees to promote a wider understanding of environmental crime and improving the application of associated legislation and investigative techniques.

In September 2000, Environment Australia referred the illegal importation of 20,000 litres of waste oil to the AFP for investigation. After substantial investigation, the offending company was issued with a formal warning with respect to the matter.

In November 2000, the final report of a joint AFP, Customs, New South Wales (NSW) Police Service and Environment Australia initiative to explore better ways to deal with maritime crime in NSW was delivered. Twenty-three agencies from State and Commonwealth jurisdictions participated in the critical examination of current regimes and arrangements for regulating and enforcing maritime crime legislation in NSW, and determining the nature and threat of such crime and its impact on State, Commonwealth and international interests.

## Other Crimes

Whilst the Section 37 (2) Ministerial Direction requires the AFP to focus its investigation efforts in particular areas, the AFP also undertakes investigations into a wide range of other matters as the following examples demonstrate.

### Transnational Sex Offences

The AFP remains committed to discharging its Commonwealth responsibility for international aspects of transnational sex offences through the *Crimes (Child Sex Tourism) Amendment Act 1994*. Paedophile and child sex offence investigations continue to be considered as part of the AFP's core business activities. State and Territory police services have primary responsibility for the investigation of paedophilia activities within Australia.

The AFP receives very few referrals which can be categorised as transnational sexual offences. Those received are sometimes very difficult to investigate and resolve because often they have occurred overseas, in countries not equipped to deal procedurally with these types of investigations.

The AFP continues to cooperate with overseas police in identifying and countering child sex tourism and, where appropriate, sharing information with these agencies.

### Significant Achievements

- In February 2001, an investigation was commenced into allegations that a female Thai national was working as a sex slave in a Sydney brothel. Unfortunately, as the Thai national returned to Thailand and was unwilling to give evidence, a prima facie case against any person involved in the allegations could not be sufficiently established.
- A child sex offender was arrested and charged with child sex tourism offences against male children whilst in Fiji. The investigation involved a Fijian police officer and four child witnesses travelling from Fiji to Melbourne to give evidence. It also involved several witnesses in Fiji giving evidence via video link from Suva, Fiji. This was the first person charged with offences against children in the Pacific under Crimes (Child Sex Tourism) Act legislation. The offender pleaded guilty mid way through the trial in August 2000 and was convicted and sentenced to three years six months jail.
- The AFP investigated allegations that a 15-year-old girl had been the subject of offences committed under Child Sex Tourism legislation whilst she was in Indonesia and East Timor with an adult journalist. No evidence under section 50 of the *Crimes Act 1914* was found, and the matter has since been finalised with no charges or prosecution resulting.

The AFP also supports the Australian Bureau of Criminal Intelligence by providing, as appropriate, information on transnational sexual offences, including child pornography, for uploading on to the national criminal intelligence database accessible to all Australian law enforcement agencies.

### War Crimes

During the year, an Australian citizen was arrested for extradition with respect to alleged war crimes committed while a member of the Latvian Auxiliary Security Police during World War II. A magistrate ordered his extradition to Latvia but this decision has been

appealed. The person has been granted bail, but at the time of writing, no date has been set for the appeal.

### Maritime Safety Incidents

The AFP provides an investigatory response to serious breaches of maritime safety legislation. During the year, the AFP was involved in two such matters.

- In one instance, AFP investigations resulted in the charging of the captain and second officer of a bulk carrier which collided with a fishing vessel in June 2000. The collision resulted in the drowning of the skipper of the fishing vessel. The captain was convicted and fined for failing to report a collision and the second officer will appear in court on a number of charges including failing to keep a lookout and failing to display required lights.

- In the other matter, two members of the crew of a bulk carrier were arrested and charged with failing to maintain a proper lookout following a collision between a bulk carrier and a fishing vessel in May 2001. Whilst no one was injured in the incident, there was potential for serious injury and substantial damage was caused to the fishing vessel.

## Detention Centres

During the year, the AFP investigated a number of incidents at immigration detention centres. In August 2000, following a disturbance at the Woomera Immigration Reception and Detention Centre, in which seven buildings were burnt down and a number of Australasian Correctional Management (ACM) officers and Australian Protective Service officers were assaulted, the AFP charged 26 detainees with various offences. All prosecutions have now concluded and none was successful. The lack of success at trial was mainly due to poor identification evidence, the refusal of detainee witnesses to provide evidence at trial and the court finding the evidence of ACM officers unreliable.



Federal agents inspecting the destruction which resulted from the disturbance at the Woomera Immigration Reception and Detention Centre in August 2000.

Following a disturbance that occurred at the Port Hedland Immigration Reception and Processing Centre on 11 May 2001 in which damage in excess of \$160,000 was caused, the AFP charged 22 people with offences relating to threatening and violent behaviour towards Commonwealth employees. This investigation was undertaken with the assistance of the Western Australia Police Service and ACM.

## Other Matters

- During the reporting period, the AFP conducted an investigation into the obtaining of \$500,000 by a person involved in the building industry, who was an undischarged bankrupt from two separate bankruptcies. The person was charged with Commonwealth Bankruptcy as well as Victorian deception offences, and was found guilty on all 20 Commonwealth charges. The person received an effective head sentence of four years imprisonment, to be released after three months on a recognisance of \$1000 to be of good behaviour for four years.
- Federal agents arrested a 28-year-old Queensland man in November 2000 after a number of malicious calls of a sexual nature were received by Centrelink call centres in Toowoomba, Geelong, Cairns, Cardiff and

Wendouree. The man was convicted and fined a total of \$750 in default 28 days imprisonment on 10 counts of using a carriage service to menace or harass another person.

- In November 2000, federal agents seized 22 counterfeit US \$100 bills after a man attempted to utter several of them at the Treasury Casino, Brisbane. The man had purchased the currency, which he believed to be genuine, in a black market exchange deal from a street dealer in Belgrade, Serbia.
- A woman who threatened to bomb the AFP Brisbane Office was given a three-month suspended sentence in November 2000 for imposition and using a telecommunications service to harass.
- In March 2001, a Centrelink employee was sentenced to nine months imprisonment for unlawfully accessing data stored in a Commonwealth computer and unlawfully selling personal details to a private investigation firm.
- In April 2001, federal agents apprehended a man attempting to leave Australia in contravention of a court order. The man is being investigated by the Australian Securities and Investments Commission over \$36 million in suspect mortgage schemes.
- In April 2001, Customs officers at Brisbane Airport intercepted two international parcels containing false British passports and credit cards. Three people were later charged with conspiracy to possess counterfeit passports and conspiracy to import Tier 2 goods (counterfeit credit cards).

## **Assisting Commonwealth Agencies**

The AFP has continued its program of negotiating service agreements with key agencies, signing its third agreement on 4 April 2001 with Centrelink (agreements have already been negotiated with Insolvency and Trustee Service Australia (ITSA) and the Department of Foreign Affairs and Trade). Service agreements represent a considerable advance on Memoranda of Understanding (MOUs) with agencies, as they specify the range and level of services to be provided by the AFP, the respective responsibilities of the agencies, and the measures and targets to be used to assess AFP's performance. Service agreements have been warmly welcomed by agencies, as they give them much greater certainty regarding the types and numbers of matters that will be accepted by AFP for investigation, as well as other services and assistance the AFP can offer.

A number of agreements were entered into with client agencies during the year including those with:

- the Australian Broadcasting Authority (ABA) on the exchange of information concerning prohibited and potentially prohibited Internet content (July 2000);
- Customs for investigations and prosecutions relating to the importation or exportation of certain prohibited goods and for Coastwatch purposes;

- the Australian Quarantine and Inspection Service (AQIS) regarding the exchange of information; and
- AUSTRAC regarding access to and use of financial transaction reports information.

The AFP continued to provide pre-referral assistance and advice to, and execute search warrants for, a wide range of Commonwealth agencies. For example, ITSA commenced a major review of the way in which it manages its investigations and sought the advice of the AFP as part of that review.

During the reporting period, the AFP continued to outpost members to Commonwealth and other agencies in accordance with its National Strategy. A total of 88 members were outposted to 18 agencies, compared with 99 members to 16 agencies in 1999–2000 (excluding those members in East Timor, the Solomon Islands and Cyprus).

The AFP worked closely with Attorney-General's Department (AGD) to finalise the draft *Commonwealth Fraud Control Policy and Guidelines* that will replace the 1994 *Fraud control policy of the Commonwealth*. The Guidelines were circulated to Commonwealth agencies for comment in May 2001, following a very lengthy review period. The AFP has also undertaken substantial revision of the *Commonwealth Fraud Investigation Standards Package*. It is anticipated that these standards will be issued in 2001–02 as the *Commonwealth Investigation Standards Package*.

In conjunction with AGD, evaluations were undertaken of the fraud risk assessments and fraud control plans of a wide range of agencies covered by the *Fraud control policy of the Commonwealth*. The AFP completed Quality Assurance Reviews for investigations for the following agencies: the Aboriginal and Torres Strait Islander Commission; AQIS; Australia Post; the Civil Aviation Safety Authority; Comcare; the Department of Education, Training and Youth Affairs; the Department of Employment, Workplace Relations and Small Business; the Department of Veterans' Affairs; ITSA; and the Therapeutic Goods Administration.

On 21 July 2000, the AFP hosted the second Commonwealth Investigators Conference in Brisbane. The conference was aimed at Commonwealth and State agencies with an investigative capacity and its theme was 'Partnerships and technology in the fight against crime'.

During the year, the AFP provided use of force and conflict de-escalation management training to a range of agencies around Australia, including Customs boat crews and DIMA compliance officers.

## ***Performance Measure 2:***

### **The level of client satisfaction with AFP investigation services**

On 6 December 2000, the AFP received a Silver Award for its demonstrated excellence in integrating service charters into core service delivery outcomes and organisational culture.

In late 1999, the AFP commissioned its first independent, national client satisfaction survey in order to gauge attitudes and perspectives towards the services provided by the AFP. The findings of this survey, reported in detail in the 1999–2000 Annual Report, showed that the vast majority of AFP clients (91 per cent) were satisfied with its overall performance. Through this survey and other means such as its annual cycle of high-level stakeholder consultations, the AFP identified a range of opportunities to improve service delivery to client agencies.



AFP Commissioner Mick Keelty and the Client Service Team members accepting the Silver Award from Senator Chris Ellison at Parliament House.

The second annual survey was recently completed and preliminary results indicate that:

- 97 per cent of clients are now satisfied (up from 91 per cent);
- 20 per cent are dissatisfied with a specific element (down from 25 per cent); and
- 88 per cent believe the AFP is successfully addressing criminal activity targeting their programs (up from 70 per cent).

AFP efforts to address the needs of its clients are reflected in the responses to the survey. The principal reasons to which clients attributed this improvement were the:

- proactive approach of the AFP Client Service Team over the last 12 to 18 months;
- implementation of joint investigation teams in association with clients; and
- introduction of service agreements which clearly define AFP responsibilities and responsibilities of AFP clients.

The maintenance and enhancement of our client and partner relationships continues to be a key element of the outcome business planning process which has the strong support of management at all levels.

## ***Performance Measure 3:***

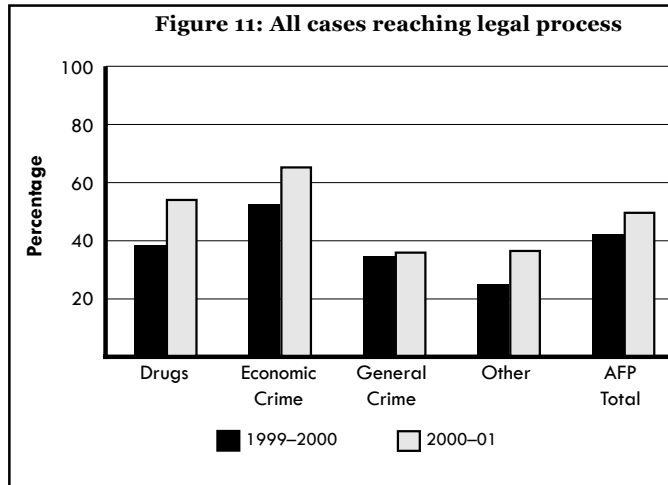
### **The efficiency of the service**

The AFP employs a Case Categorisation and Prioritisation model (CCPM) as part of the decision making process. During 2000–01, 52 per cent of the cases accepted for investigation by the AFP reached the legal process (see *Figure 11* on page 41). This indicates the effective application of the CCPM and the efficient use of the AFP's limited resources.

The AFP attempts to ensure that its resources are directed to the highest priority work.

During 2000–01, the AFP applied 38 per cent of its resources to ‘very high’ impact work, and 40 per cent to ‘high’ impact work, although together these categorisations amounted to only 19 per cent of cases by number. Conversely, low impact matters,

which amounted to 53 per cent by number received only seven per cent of resources.



During 2000–01, the AFP established national performance improvement plans with respect to 11 key operationally related activities. These plans included specific targets for efficiency and effectiveness improvements over the year. These plans were supplemented by complementary local action plans within each business unit and are subject to ongoing review by local and national management.

The AFP seeks to exploit opportunities to identify and trial innovative operational practices. For instance, a recent operation targeting organised criminal groups involved in the illicit tobacco trade used a range of investigatory tools including tactical intelligence from the AFP and other agencies, financial analysis to ensure that proceeds of crime were recovered swiftly, cultivation of informants and the use of electronic and physical surveillance. This holistic targeted approach significantly reduced the timeframe of the investigation. This operation also generated ‘best practice’ principles in terms of the forensic analysis required for tobacco identification.

Recognising that physical surveillance is a valuable, limited and expensive resource, a comprehensive review of the way in which surveillance activities are managed was undertaken during the year. The recommendations of the review, which served to increase both efficiency and effectiveness, were implemented.

The role and function of Financial Intelligence Teams was reviewed during the year and management arrangements altered to enable them to more closely interact with investigational teams within the operations portfolio.

The AFP has introduced, and continues to progressively refine, a time attribution system which requires members to attribute their time to particular investigations. This process assists not only capacity management and costing of investigations, but permits the development of performance benchmarks and guides for review purposes.

Intelligence is used to identify priority targets prior to the application of significant investigatory resources. For instance, financial profiling is used to assist in the identification of individuals involved in organised crime, based on available financial, corporate and other data.

The AFP actively seeks opportunities to leverage its limited resources by entering into cooperative arrangements with partner agencies. For example, in February 2001, the AFP established a Joint Surveillance Team in Melbourne with Customs. Customs officers were trained to the AFP standard and the team now operates to the mutual benefit of both agencies.

The AFP seeks to exploit the operational benefits of its technology wherever possible.

For example, a matter involving the importation of 1.5 kg of heroin was facilitated by the scanning and uploading of seized documents to the AFP's PROMIS system. This enabled an overseas liaison officer to deal with a law enforcement agency to have the information contained in the documents available immediately both in Australia and overseas avoiding both the costs and delay in locating a local translator.

## **Supporting Agencies**

### **Australian Bureau of Criminal Intelligence (ABCI)**

The ABCI is part of the Australasian Common Police Services. The ABCI provides and manages the Australian Criminal Intelligence Database (ACID) which provides shared access to information relating to illicit drug activity, paedophilia, criminal groups (including outlaw motor cycle gangs), illicit gambling, product contamination and threats against public officials. ABCI activities directly support joint NCA/AFP investigations in relation to the above activities.

### **Australian Institute of Police Management (AIPM)**

The AIPM is part of the Australasian Common Police Services and provides executive leadership and management development opportunities to improve the corporate performance and productivity of Australasian law enforcement and allied agencies. A primary focus of the AIPM is to enhance police performance and contribute to the professionalism of Australasian policing and public safety practitioners.

### **Australasian Centre for Policing Research (ACPR)**

The ACPR is part of the Australasian Common Police Services and fosters, coordinates and sponsors applied research on law enforcement and policing issues on behalf of all Australasian law enforcement and police agencies.

## **Output 1.2 – Protection Services**

The objectives of this output are to ensure that individuals and interests identified as at risk by the Commonwealth are kept safe and their dignity preserved.



Activities undertaken to achieve this objective include:

- the provision of Close Personal Protection to Australian High Office Holders, Internationally Protected Persons, members of the diplomatic community and visiting overseas dignitaries assessed as being at threat;
- the collection, analysis, evaluation and dissemination of security intelligence for the development of threat assessments, reports and briefings on possible acts of politically motivated violence or other activities that may pose a threat to the safety or cause actual or perceived loss of dignity to Australian or overseas High Office Holders;
- administration of the National Witness Protection Program, providing a safe and secure environment to participants of the program who are able to give evidence in criminal trials relating to serious organised crime;
- planning and coordination with strategic partners of special events including, but not limited to, the Sydney 2000 Olympic Games, the Commonwealth Heads of Government Meeting (CHOGM), Centenary of Federation and the Federal Election; and
- management of the Australian Bomb Data Centre, providing technical advice and intelligence to State and Territory police services and other government agencies.

Performance for this output is measured by:

- number of AFP protection services;
- the level of client satisfaction with AFP protection services; and
- the efficiency of the service.

## ***Performance Measure 1:***

### **Number of AFP Protection Services**

#### **Close Personal Protection (CPP)**

In fulfilling its ongoing commitment to provide protective security to individuals and interests identified as at risk by the Commonwealth, the AFP has implemented a program to maintain a pool of 200 Close Personal Protection (CPP) trained members. The program involves a re-certification process to an approved national standard and places the AFP as the recognised leader within the law enforcement community in CPP. By maintaining a pool of trained CPP members, the AFP is in a position to immediately respond to any requirement to deploy CPP qualified members.

In delivering CPP services, the AFP maintains close liaison with partner agencies at the State and Commonwealth level to ensure that a uniform approach is adopted and maintained in the delivery of services. Close interaction with partners and stakeholders allows the AFP to optimise its obligation to protect the Commonwealth interest. Integral to the AFP's international law enforcement

profile, Protective Security has established a capability and capacity to train our overseas partners in the provision of CPP.

During the year, the AFP provided full-time protection to two Australian and five non-Australian holders of high office. Ad hoc protection was also provided to 11 Australian and 12 non-Australian holders of high office. The AFP had significant CPP commitments to the Sydney 2000 Olympic Games and visits to Australia of the President of the Federal Republic of Germany, the Prime Minister of New Zealand, the former President of South Africa and other foreign dignitaries. The AFP also provided services in Switzerland, Papua New Guinea and the Solomon Islands in relation to visits by Australian Cabinet Ministers.

Large events, such as the Olympic Games and World Economic Forum, highlighted the fact that groups of protesters are forming alliances to increase numbers and have improved their planning methods. The receipt of timely intelligence and excellent working relationship between the AFP and State police services assisted in the overall effectiveness of protection arrangements. In the reporting period, there were no serious incidents involving office holders while under CPP.

## **Security Intelligence and Diplomatic Liaison**

The AFP security intelligence program, which is primarily directed at protecting the Commonwealth interest, centrally monitors and directs identified security intelligence investigations. The primary function of this program is the provision of timely and accurate security intelligence relating to VIPs, Internationally Protected Persons, High Office Holders, International Delegations and the diplomatic community throughout Australia. As a member of the Australian intelligence community, Security Intelligence and Diplomatic Liaison (SIDL) teams make a significant contribution to the Commonwealth's threat assessment process.

During the year, AFP security intelligence activities were heavily involved in the dissemination of intelligence between agencies in the lead up to the Sydney 2000 Olympics, World Economic Forum and Centenary of Federation events nationally. This heavy involvement continues with the focus shifting to preparations for the 2001 Commonwealth Heads of Government Meeting (CHOGM).

Regular contact with the diplomatic and consular community is maintained nationally, to deliver a coordinated response to clients and stakeholders in this sensitive area of operation. All national reporting is monitored and collated on a daily basis from AFP Head Office allowing AFP performance to be measured quantitatively and qualitatively as well as ensuring a cost-effective service is provided.

## **Australian Bomb Data Centre (ABDC)**

In providing technical advice and intelligence to partner agencies and stakeholders, the Australian Bomb Data Centre (ABDC) is forging closer involvement and cooperation with State and Territory police services and international agencies. The AFP's reporting system provides a valuable tool for the dissemination of bomb data intelligence in a timely and efficient manner.

During 2000–01, the ABDC developed a new database system, which more effectively processes intelligence relating to the unlawful use of explosives. Using the database, the ABDC produced over 45 bulletins and reports for dissemination to partner agencies throughout Australia and overseas.

## **Witness Protection**

The National Witness Protection Program (NWPP) employs operating methodologies designed to ensure the safe integration of witnesses and their families participating in the program back into the community. Relocation, re-identification, or change of identity, are strategies used in the management of witness protection operations to provide security for witnesses/participants. The AFP does not publish details of the NWPP in annual reports for the safety of witnesses included in the NWPP and the integrity of the program.

The *Witness Protection Act 1994* requires the Minister for Justice and Customs to report to both Houses of Parliament on the effective operation of the NWPP at the end of each financial year. That report encompasses advice on the general operation of the NWPP, the costs associated with the operation of the NWPP, and on the exercise of the Commissioner's powers under section 27. The Act provides that the report must be prepared in such a way that it does not prejudice the effectiveness or security of the NWPP.

## **Family Court Security**

The Director, Witness Protection coordinated the provision of security services to the Family Court of Australia (FCA) throughout the review period. Under these arrangements, AFP Protective Security members provided services to the FCA including close personal protection to judiciary and staff members deemed to be under threat.

AFP assistance to the FCA was reviewed in the current financial year as a result of the recommendations of the 1998 Ayers Review.

## **Planning and Managing of Security and Law Enforcement for Special Events**

The AFP, NSW Police and other law enforcement agencies based the safety and success of the Sydney 2000 Olympic Games on extensive planning and preparation. Aside from the Olympics, during the year the AFP committed significant resources to the planning for and management of events including the World Economic Forum and Centenary of Federation celebrations. This commitment is co-ordinated by the Special Events Team (SET). Planning is now well advanced for the 2001 CHOGM and has commenced for the 2006 Commonwealth Games.

## Olympics

The Sydney Olympic and Paralympic Games has been described as the most successful Games ever. The AFP contributed, along with many other Commonwealth agencies, to provide quality support for the Olympics, with much 'behind the scenes' work undertaken.



While overall responsibility for security of the Olympic Games rested with the NSW Police Service, the AFP made a significant contribution to the success of the Games. Throughout the Games period, the AFP conducted investigations into allegations of breaches of Commonwealth law; provided CPP to visiting dignitaries; provided community policing services in the Australian Capital Territory; provided a timely and effective interface, on behalf of all Australian police services, with overseas law enforcement agencies through the AFP's overseas liaison officer network; and provided an extensive human resource support to the NSW Police Service.

In relation to dignitary protection, the AFP seconded 44 CPP officers to the NSW Police Service Dignitary and Athlete Protection Unit (DAPU). The number of seconded officers represented a significant proportion of DAPU's total operational strength.

The AFP was a significant contributor to Australia's maintenance of national security through the efforts of its Protective Security function, coordinated by the AFP's Protective Security Olympic Coordination Centre in Canberra.

During the Games period, the AFP had approximately 450 members dedicated to Olympic duties. These duties not only involved the formation of operational units dealing with Olympic taskings but also involved 'behind the scenes' work such as the staffing of coordination centres, the provision of support services, and the preparation and dissemination of daily reports.

The AFP's role in relation to the running of the Olympic Torch Relay and the many competition events, which took place outside New South Wales was also significant. Widespread praise has been received for the way in which the AFP conducted security arrangements for the Torch Relay within the ACT, for the AFP members who participated in the Torch Relay motorcycle security escort around Australia and for the Olympic Football events, which were staged at Bruce Stadium in Canberra.

The AFP's mission for the Games was to ensure that the AFP had the ability to support the integrity of the Sydney 2000 Games by providing a Commonwealth and ACT law enforcement and protective security capability – the AFP achieved its mission.

## **Commonwealth Heads of Government Meeting (CHOGM)**

The AFP will be supporting the Queensland Police Service (QPS) in providing security for CHOGM to be held in Brisbane during October 2001. In preparation for CHOGM, the AFP has formed a dedicated planning team and, following from the Olympic experience, has outposted members to the QPS, Protective Security Coordination Centre (PSCC) and the Department of Prime Minister and Cabinet (PM&C). As the event draws closer, AFP members will be outposted to other stakeholder agencies to assist in the coordination of the security effort. The AFP was involved in the planning and conduct of a national exercise conducted in Queensland in June to test security arrangements for CHOGM.

## **World Economic Forum (WEF)**

During the transition from Olympic planning and handover, SET, in conjunction with the Victoria Police, identified and planned for an AFP response to the WEF forum, which was to be held in late 2000. Through acquired purpose funding, SET arranged for a team of experienced US law enforcement officers to visit Australia and engage in a lecture tour of interested agencies into experiences and strategies used in previous WEF activities. SET sponsored the visit, organising the itinerary and venues with Australian law enforcement and interested agencies that had a role in the Melbourne WEF.

In conjunction with Victoria Police Service (the lead agency in Melbourne), SET also co-ordinated the AFP CPP response through implementation of strategies, including the use of combined CPP teams to protect delegates identified as being at risk. Additionally, extra CPP resources were urgently positioned to assist in the general unscheduled movement of Commonwealth Officers and Ministers who experienced difficulty entering and departing the Forum site whilst it was under siege. Various Government ministers including the Minister for Foreign Affairs and the Minister for Finance commented favourably on the AFP effort.

SET planning assisted in implementing the on-line reporting capability available via the AFP PROMIS system. This allowed real time access and reporting of activity at the Forum by AFP management.

## **Federation Celebrations**

Australia is celebrating its Federation throughout 2001, mainly through community projects and events. A major celebration commemorating the first sitting of both Houses of the Commonwealth Parliament was held in the Royal Exhibition Building and the Victorian Parliament. Members of all Australian Parliaments and their distinguished guests attended three days of official functions. The joint sitting of the Commonwealth Parliament was declared a Commonwealth Centenary event and as such the AFP was invited to participate in the security planning. The AFP conducted a close personal protection, security intelligence and forensic investigation led operation which saw over 30 federal agents deployed to the field. Although several demonstrations occurred, no incidents came to notice that impeded the celebrations. The AFP PROMIS system was utilised to monitor online real time reporting of the AFP operation.

## ***Performance Measure 2:***

### **The level of client satisfaction with AFP protection services**

A client satisfaction survey has been designed specifically for clients of protective services and will commence in the next financial year.

Protective Security has received informal feedback from numerous individual clients expressing appreciation and thanks for the professional, courteous and informative service provided, while the degree of information and intelligence sharing has seen most key partners of Protective Security advise that they are well satisfied with our services.

Feedback from visiting foreign dignitaries and Government ministers indicated that their level of satisfaction with CPP services provided by the AFP is extremely high.

The ABDC continued to deliver training in bomb awareness and recognition to its clients throughout the year. Training sessions for the Australian Bureau of Statistics have received positive feedback and further training has been requested.

The Annual ABDC Conference was held in November 2000 and was attended by over 120 Australian and overseas delegates. Open sessions and industry displays enabled representatives and vendors of bomb-related equipment and systems to demonstrate their products. Feedback has been very positive and the ABDC will continue to develop initiatives for inclusion in subsequent conferences.

## ***Performance Measure 3:***

### **The efficiency of the service**

The AFP continually reviews the effectiveness and efficiency of protection services with a formal review of work practices planned for 2001–02.

The deployment of protection services is based on a thorough, multi-agency threat assessment process. This ensures that limited resources are deployed to the areas of highest threat. A working group has been established made up of representatives of the AFP and other agencies to critically examine the threat assessment process and consider performance improvement modifications.

During the year, the AFP determined comprehensive standards for Close Personal Protection activities. The standards are an unprecedented amalgamation of training and experience gained through AFP involvement and leadership in the Close Personal Protection field nationally. It is expected that consistent application of the standards will result in significant efficiency and effectiveness gains.

New performance measures have been developed for 2001–02 including focusing on the standard of service delivered through measuring ‘avoidable incidents’ – the number of times CPP fails to meet the required standard.

## Output 1.3 – International Services

The AFP supports the Australian Government's international responsibilities through the provision of a range of law enforcement services. This output also strongly supports the objectives of Output 1.1.

The objectives of this output are to:

- facilitate an effective AFP contribution and response to international law enforcement efforts;
- provide an effective contribution to Australia's international peacekeeping/peace monitoring commitments; and
- provide community policing services to the Commonwealth's external territories.

AFP activities include:

- providing an overseas liaison officer network to facilitate a diverse range of law enforcement activities between Australia and foreign law enforcement agencies and organisations;
- providing the Australian National Central Bureau (NCB) for the International Police Organisation, Interpol;
- contributing to Australia's international peacekeeping and peace monitoring commitments;
- providing a policing service to Commonwealth external territories; and
- supporting international collaboration through programs funded by the AFP's LECF.

Increasing globalisation of the criminal environment necessitates a high level of operational integration and collaboration with overseas law enforcement agencies. The AFP has established a network of 33 strategically deployed liaison officers (LOs) located in 21 countries throughout the world to provide the AFP with a proactive capacity to combat the increasing complexity and sophistication of criminal activity.

The arc of instability which extends through Australia's northern and north-eastern neighbours is increasingly becoming a flashpoint of civil, political and economic instability. This is providing opportunities for the escalation of transnational criminal activities directly impacting on Australia. There are no indicators that these worrying instances of instability and transnational crime activity will abate. The AFP will be increasingly called upon to assist neighbouring law enforcement agencies enhance their capacity to address transnational crime and emerging issues. This assistance continues to be provided through the delivery of a diverse range of AFP initiatives.

Members of Protective Security provided CPP training to selected members of the Indonesian National Police (INP) during March and April 2001. For the first time in 30 years, the CPP capability in Indonesia will now be provided by the police,

rather than the military. This training further strengthened relations between the INP and the AFP.

Performance for this output is measured by:

- feedback on the extent to which the AFP has met international obligations under United Nations treaties-conventions and the services to United Nations activities;
- feedback on the level of Interpol services to Australasian law enforcement agencies; and
- the efficiency of the service.

### ***Performance Measure 1:***

#### **Feedback on the extent to which the AFP has met international obligations under United Nations Treaties, Conventions and the services to United Nations activities**

The AFP continued to provide significant contributions to international law enforcement interests during 2000–01 through the provision of peacekeepers and peace monitors to United Nations missions and regional peace support operations.

### **East Timor**

Since June 2000, the AFP committed a total of 146 members to East Timor as part of the civilian police detachment to the United Nations Transitional Administration in East Timor (UNTAET), with each detachment lasting six months. In November 2000, the AFP increased the commitment from 80 to 100 personnel. Each detachment includes serving members of the AFP and is assisted by the inclusion of members drawn from each Australian State and Territory police service, together with former AFP members.

These detachments add value to, and assist the UN in the development of an efficient and effective indigenous Timor Lorosae Police Service through training, monitoring and assisting in day-to-day law enforcement activities throughout the country.

UN assessment of AFP personnel attached to these contingents found that 75 per cent were rated as 'outstanding', 24 per cent rated 'above average' and one per cent 'average'.

### **Cyprus**

The Australian Government has had an ongoing commitment to UN peacekeeping operations in Cyprus since 1964. The AFP meets that commitment by maintaining a contingent of police responsible for maintaining law and order within the buffer zone that divides the Greek and Turkish Cypriot communities, monitoring and investigating human rights violations, and providing a non-military response option to the UN Commander.



During 2000–01, the AFP continued deployment of civilian police peacekeepers to Cyprus as part of the UN civilian police component (UNCIVPOL). These members work and live in a fully integrated civilian police team with the Irish Police (An Garda Síochána) and provide an essential non-military option for the UN in fulfilling the mandate of the mission.

## **Solomon Islands**

In November 2000, after the signing of the Townsville Peace Agreement (TPA) the AFP provided immediate support for the establishment of the International Peace Monitoring Team (IPMT). This support is integral to the multi-agency regional peace support operation in monitoring and reporting on breaches of the TPA, observing weapons surrender and implementing confidence building measures within the Solomon Islands community.

Since November 2000, a total of 52 members have been deployed to the IPMT in three-month rotational detachments. The May 2001 detachment consisted of sworn and unsworn AFP members, and was the first such combined team to be deployed to a peace support operation in the AFP's history. This recognises the wide scope of disciplines and experience all members of the AFP can bring to peace support operations.

Deployment of AFP members to these missions has been assisted by the ongoing development of the AFP peacekeeping reserve, including the development of pre-trained and equipped personnel within the AFP and former AFP officers.

## ***Performance Measure 2:***

### **Feedback on the level of Interpol services to Australasian law enforcement agencies**

## **Interpol**

The AFP is responsible for the operation of the Australian National Central Bureau (NCB) on behalf of all Australian State and Territory police services. The AFP Commissioner assumes the role of Head of Interpol, Australia. The AFP is also represented on the Executive Committee of Interpol and is contributing to the Strategic Sub-Committee which aims to regionalise and develop Interpol's presence in Asia.

The NCB contributes to international law enforcement interests by providing an interface with the other 178 members of Interpol, and also facilitates access by South Pacific countries to the Interpol worldwide network. The NCB is located at AFP Head Office, Canberra and is staffed by an integrated team of both sworn and unsworn members on a 24-hour, seven days a week basis in order to provide immediate assistance to Commonwealth, State and overseas law enforcement agencies in relation to matters involving mutual assistance and/or extradition.

During the reporting period this bureau provided responses to a number of requests for urgent assistance on electronic crime investigations from European law enforcement agencies. These included incidents of computer intrusion and 'denial of service attacks'. A far larger number of requests for similar assistance was received from the US directly through the US Legal Attaché in Canberra, rather than through the NCB.

In addition to the AFP federal agent seconded to Interpol Lyon, a second federal agent has been attached to Interpol Asia Region Sub Bureau, Bangkok. His presence will assist the Bureau in adopting a more proactive role within the Asia Region.

During 2000–01, the AFP hosted a liaison officer posted from Interpol Rome. In June 2001, it was agreed that this arrangement would be extended for a second year.

During the year, the AFP has been heavily involved in providing IT support for the NCB in Canberra and regional Interpol NCBs. These activities included installation of Remote User Agent (RUA) systems in NCB Konedobu, NCB Majuro and NCB Nuku'alofa and assistance to NCB Wellington in their installation. The RUA system has proved to be a success judging by the usage of the system, especially by NCB Konedobu, NCB Pago Pago and NCB Suva. In addition to implementing the RUA system, the AFP has also provided significant assistance to support other NCBs. A total upgrade of systems in Suva was undertaken during the year.

The AFP actively participates in a Working Party to highlight the unique IT requirements of the region and cost issues facing the NCBs in communicating with Interpol. The AFP has trialled the use of the Internet for secure communications and results have given sufficient level of confidence to enable the replacement of existing communications methods, such as facsimile, with other national law enforcement agencies. The AFP anticipates implementing these connections before the end of 2001. The AFP is keen to investigate the possibility of using similar methods for secure communications between NCBs and has already commenced preliminary work in the area. This work will benefit not only the AFP, but also the entire Interpol community in keeping costs down and enhancing the connectivity options.

During the year, the AFP processed 1,053 Interpol notices and reached performance standards on 100 per cent of occasions.

## **AFP Overseas Liaison Network**

In addition to providing Interpol services, the AFP's overseas liaison officer network also serves Australasian law enforcement agencies. During the year, new posts have been developed in key drug transit countries in the East-Asian region, closing gaps in Australia's capacity to combat international trafficking directed to this country. The AFP has begun a six-month trial in Phnom Penh, following on from the recent opening of posts in Rangoon, Bogotá and Vanuatu.

During this year, senior officers attended meetings of the bilateral AFP/US Drug Enforcement Administration Intelligence Working Group and the Royal Canadian

Mounted Police Intelligence Working Group. These fora allow the executive of each organisation to formulate policy to permit the timely exchange of strategic and tactical intelligence to combat transnational crime.

In March 2001 the AFP Commissioner hosted a Transnational Crime Working Group, 'Cooperation to Collaboration: The Next Steps'. The Secretary-General of Interpol, CEOs and other senior police officers from the Asia Pacific Region attended the meeting. Two outcomes from the meeting were firstly an agreement for a meeting of heads of intelligence and secondly, the development of a framework for future collaborative investigations which would be facilitated by the Interpol Office in Bangkok.

The AFP has progressed arrangements to host the 2000–01 Australasian Heads of Narcotic Law Enforcement Agencies to strengthen collaborative ties to address drug trafficking in the region.

On 22 occasions, the AFP deployed specialist analysts and federal agents throughout Australasia, Europe and the Americas, in direct support of operational activity and the exchange of intelligence.

The AFP's Client Satisfaction Survey includes clients of the Interpol/overseas liaison officer network. Clients have consistently praised the effectiveness of the network, noting, however, that it is a finite resource. Feedback from clients during 1999–2000 concerning procedural issues were addressed, facilitating access to the network for Australasian law enforcement agencies.

## **Law Enforcement Cooperation Program (LECP)**

The LECP initially involved countries in the Asia-Pacific region; however, its success has seen the program expanded to the rest of the world. Consistent reporting from the AFP liaison officer network and feedback from partner law enforcement agencies continues to indicate strong support for, and success of, the program.

Strong international law enforcement cooperation plays a vital role in many AFP operations and has been an integral part of some of our most highly successful outcomes. Some of these operations have prevented hundreds of kilograms of heroin and cocaine from reaching Australia and have resulted in the dismantling of international organised crime syndicates. The AFP led a multi-agency international investigation, which resulted in the seizure of a 357 kg heroin stockpile in Fiji in October 2000. The intelligence-led operation, which involved law enforcement agencies in Fiji, Canada, the United States and New Zealand, was funded under LECP and provides a tangible demonstration of the benefits of international cooperation in the fight against transnational crime.

Other operations have demonstrated the pivotal role of international cooperation in the fight against transnational organised crime. One operation would probably not have come to light without the direct contribution of an AFP Liaison Officer in USA generating information regarding a planned bulk importation of cocaine. This ultimately resulted in the arrest of three people in USA and Australia and the



Information generated by one of the AFP's Liaison Officers in the USA led to the seizure of 89 kg of cocaine from a vessel off the Queensland coast in May 2001.

seizure of approximately 89 kg of cocaine off the Queensland coast in May 2001.

November 2000 saw the culmination of a long running operation targeting a transnational MDMA

trafficking syndicate. The AFP entered into a joint agency investigation with police agencies from Malaysia and Singapore. The subsequent investigation resulted in the arrest of 27 key figures of a Malaysian MDMA trafficking syndicate responsible for multiple transshipments of hundreds of thousands of MDMA tablets between the Netherlands, Malaysia, Australia and other locations.

March 2001 saw the resolution of a multi-agency, international operation targeting a syndicate allegedly involved in organised illegal immigration into Australia and the flow of some \$12 million from Australia to Hong Kong. Hong Kong and UK-based AFP liaison officers were intimately connected with the resolution phase of this investigation coordinating operational activity with partner agencies in all three countries.

The AFP's international liaison officers work very closely with the LECP, playing a key role in the implementation of its activities. On numerous occasions liaison officers have been responsible for identifying LECP opportunities, which then returned an operational dividend to transnational crime investigations in Australia.

For example, attendance of senior law enforcement officials from a Pacific island country at an LECP organised transnational crime conference in Brisbane had the additional benefit of enabling their full briefing on a major cocaine investigation and the subsequent highly active and crucially important involvement of their agency in the investigation.

An LECP funded investigation of a West African fraud revealed a significant corruption issue in the Immigration Department of a Pacific island country and several high level officers of that Department were charged.

## Territories

The AFP provides a general policing service to the Commonwealth's Territories at Christmas Island, Cocos (Keeling) Islands, Jervis Bay and Norfolk Island. This policing service involves a diverse range of services including community policing as well as customs, quarantine and immigration services.

## **Christmas Island**

AFP resources on Christmas Island continued to respond to the arrival of multiple boatloads of unlawful non-citizens. These arrivals impact on AFP resources as there are no immigration officers or facilities on the island and policing numbers are only structured to provide routine community policing services.

DIMA and the Department of Transport and Regional Services provided the Christmas Island Police with a container of equipment and provisions to be used in support of detained unlawful non-citizens. This will facilitate the detention and processing of future arrivals pending their removal to immigration facilities on the mainland.

As part of an AFP focus on core business and community policing services in the Indian Ocean Territories, teams of locally engaged personnel have been established on Christmas Island to perform immigration and customs functions at the air and sea ports. These revised arrangements have freed up local police resources and enabled police to concentrate on the provision of quality community policing services to the local community and are expected to continue until such time as the relevant agencies may establish a presence in the Indian Ocean Territories.

Responsibility for control of marine operations on Christmas Island will be transferred to the local administration in association with a restructuring of port services being conducted by the Department of Transport and Regional Services.

## **Cocos (Keeling) Islands**

On the Cocos (Keeling) Islands, the AFP is proceeding to recruit and train a team of locally engaged personnel to perform immigration, customs, and quarantine functions at the air and sea ports on those islands. These revised arrangements will free up local police resources and enable police to concentrate on the provision of quality community policing services to the local community and are expected to continue until such time as the relevant agencies may establish a presence in the Indian Ocean Territories.

In consultation with the Western Australian Department of Transport and the Commonwealth Department of Transport and Regional Services, the Motor Vehicle Registration function, which was previously performed by the police, was transferred to the local administration in April 2001.

Responsibility for control of marine operations in the Cocos (Keeling) Islands has been transferred to the local administration.

## **Jervis Bay**

The review of the AFP's role in the Jervis Bay Territory during the last reporting period resulted in a focus on community policing in the Territory. This change has had good results with positive feedback from community leaders and the Regional Director. Police statistics also indicate a reduction in offences and an increase in prosecutions. This is attributed to vigorous patrolling in the Territory and a higher profile of the local police with marine and land rescue functions removed from their responsibility.

## Norfolk Island

Following the introduction of new legislation by the Norfolk Island Government to adopt national firearms licensing standards and the approval of a compensation scheme by the Attorney-General, the Norfolk Island Administration requested that the AFP implement the new legislation and the firearms buyback scheme.

The AFP provided a special team to implement the new legislation and compensation scheme. It is considered that the implementation was very effective with the level of compliance with the new legislation being very high and public response to the firearm buyback quite positive.

## *Performance Measure 3:*

### **Efficiency of the service**

The overseas liaison network is a valuable resource for the AFP and other Australasian law enforcement agencies and the AFP continually reviews its effectiveness and efficiency. These reviews take into account the changing nature of the global criminal environment (as it impacts upon Australia), as well as the quantity and relative priority of work handled through individual posts. Cognisant of the significant investment required to establish a new post, during the year the AFP decided to:

- open new posts in Bogotá and Rangoon with funding provided under the NIDS following feasibility studies;
- reduce its representation in Islamabad by one liaison officer;
- provide an additional liaison officer to the Jakarta post funded under the 'Unlawful Arrivals' program;
- reassign a liaison officer from the post in Bangkok to support the work of Interpol in the Asia region;
- relocate the AFP liaison post from Nicosia to Beirut in the forthcoming year;
- provide an additional liaison officer in Vanuatu; and
- conduct a six-month feasibility study of a post in Phnom Penh.

This reporting period also saw realisation of the benefits of the Government's 1999 decision to provide funding to enable the connection of the AFP's overseas posts to the PROMIS system. This initiative has produced significant efficiencies by enabling the direct input of material at post – thus avoiding double handling through cable systems – as well as enabling liaison officers to access greater quality information in real time.

In one operation into a conspiracy to import cocaine into Australia involving a Colombian drug cartel, Washington and Los Angeles liaison officers obtained photographs of the subject narcotics in the USA and uploaded them into PROMIS. This allowed forensic agents in Australia valuable time to prepare reconstruction materials to aid in a controlled delivery in a situation where time was of the essence.

On numerous occasions during overseas operations, the PROMIS system allowed agents to obtain statements from partner police agencies in non-English speaking countries, forward them to Australia for translation and then redistribute them to AFP investigators in a third country, all within a 24-hour time frame. Prior to the implementation of PROMIS into the liaison office network this activity would have taken weeks on each occasion, severely restricting the ability of the AFP to advance investigations in a timely manner.

This efficiency is reflected in the ability of the network to handle significantly increased levels of requests for assistance.

During the year, AFP liaison officers were directly involved in nearly 20 per cent of the AFP's drug investigations, including matters relating to 95 per cent of heroin seizures and 93 per cent of cocaine seizures, as well as 15 per cent of people smuggling matters (this is due to the large number of crew prosecutions). The liaison officer posts seek to target the organisers of people smuggling, rather than crew members.

## **International Extradition**

- In July and August 2000, Australian courts ordered the surrender of six Australians and one New Zealander to the USA to answer charges of racketeering, alien smuggling, visa fraud and money laundering in connection with the operations of various trucking companies in the USA.
- In September 2000, the AFP arrested an American citizen who was wanted in the USA on warrant for the offences of murder in the first degree and possession of a firearm in the commission of a felony. Following court processes, he was returned to the USA to face these charges in January 2001.

## 2.2 Outcome 2: ACT Community Policing Focus

Outcome 2, reflecting the provision of community policing services to the ACT is:

*The creation of a safe and secure environment in the Australian Capital Territory.*

The Commonwealth Minister for Justice and Customs and the ACT Deputy Chief Minister, Attorney-General and Minister for Justice and Community Safety signed a new arrangement for the provision of police services by the AFP to the Australian Capital Territory on 15 March 2000.

The new arrangement established the terms and conditions under which policing services were to be provided to the ACT Government over the period to 2004–05. It incorporated a number of changes to the relationship between the ACT and Commonwealth Governments, including the establishment of a position of Chief Police Officer for the ACT and a comprehensive range of reporting and accountability mechanisms.

The most significant benefits of the new arrangement included:

- an enhanced framework to ensure a flexible and effective response to emerging crime trends in the ACT;
- increased accountability of the ACT Chief Police Officer (CPO) to the Minister responsible for policing in the ACT; and
- the establishment of a purchase agreement specifying the levels of policing services to be provided to the ACT community.

The objectives of the agreement aim to ensure:

- a level of public order and community confidence which enables people to go safely about their lawful pursuits;
- the incidence and impact of crime are minimised through effective investigations;
- road safety is maximised in the ACT;
- the adverse impact of public emergencies/disasters and risk associated with major events is limited;
- prosecution and judicial processes are effectively supported; and
- the regulatory requirements and information needs of clients are satisfied.

The purchase agreement in particular created a new level of transparency in the funding and provision of police services to the ACT. This agreement contained a comprehensive statement of the services to be provided by the AFP and specified six key outcomes and 17 outputs with over 70 performance measures and targets. These measures and targets are publicly reported to the ACT Legislative Assembly each year and form the basis for all ACT Policing Annual Reports. Targets were



not specified against some measures, as 2000–01 was a benchmark year for the identification of suitable targets and the establishment of measurement systems to record data. Refinement of this process and assessment of the usefulness of individual measures is continuing and has proved to be a dynamic process which ultimately



reflects the priorities of Government and the ACT Community.

Under the purchase agreement, the funds needed for the delivery of each outcome to the ACT community have been separately costed. This allows both the Government and the community to assess the cost of each outcome and determine value for money against deliverables and the achievement of nominated targets. This process enhances the accountability mechanisms incorporated in the policing arrangement and provides a facility for Government to adjust and shift funding between outcomes in accordance with changing priorities.

A detailed report of the AFP's activities and outputs in relation to each outcome is contained in the ACT Policing Annual Report 2000–01, tabled in the ACT Legislative Assembly in September 2001. The report is available from ACT Policing Media and Public Relations (telephone 02 6256 7460) or on the Australian Federal Police website ([www.afp.gov.au](http://www.afp.gov.au)).

## CHAPTER 3 – ENABLING SERVICES

### Introduction

The AFP's enabling services have had a number of significant changes in key personnel during the 2000–01 financial year. The focus across the enabling services has been on consolidating reforms commenced as part of the AFP Reform Program and providing quality support to operational areas. Key achievements have included finalisation of the redevelopment of the AFP's forensic facilities at Weston, further enhancement of internal strategic planning processes and positive efforts in property rationalisation, particularly in progressing collocation with the National Crime Authority.

The policy group has also been active in improving the servicing of the internal and external committees and in supporting the AFP's input to the policy process. The Legislation team has substantially contributed to passage of key legislation and the development of draft legislation that will facilitate improved operational outcomes.

### 3.1 Executive/Commissioner's Office

This year has seen a number of significant changes of personnel in the AFP's executive. Most notably, Commissioner Palmer retired on 14 March 2001 after seven years as the AFP's Commissioner. This period was marked by substantial reform of the AFP and growth in its international roles, including in peacekeeping and in more recent times international joint operations, particularly those directed against transnational crime groups involved in narcotics and people smuggling.

Commissioner Palmer's successor, Commissioner Mick Keelty, took up his appointment on 2 April 2001, and is the first Commissioner to be appointed from within the AFP. Previously, Commissioner Keelty held the position of Deputy Commissioner. The Deputy Commissioner position, responsible for the management and oversight of all operational activities under Outcome 1, was still vacant at 30 June 2001, but the process for selection was well under way through the Attorney-General's Department.

Mr John Murray was appointed Chief Police Officer for the ACT on 4 September 2000. The position of Chief Police Officer was created as part of the new arrangement between the Commonwealth and the ACT Governments for the provision of policing services to the ACT community. The Chief Police Officer, while part of the AFP's senior executive, is also directly accountable to the ACT Government for delivery of policing services in the ACT through an annual Purchase Agreement.

Mr Simon Overland was appointed to the position of Chief Operating Officer on 26 October 2000 and is responsible for provision of corporate support services to Outcomes 1 and 2 and for management of the contractual arrangements with the ACT Government.

The AFP's executive committee structure is detailed at Chapter 4.1 Organisational Structure and Roles of the Executive. The executive and all General Managers constitute the National Management Team, which is the peak executive committee. Chaired by the Commissioner, it acts as the internal board and is responsible for ensuring sound corporate governance in the AFP.

The Commissioner's Office also includes the Media and Public Relations section, which plays a key media liaison and media management role for the organisation. In addition it is responsible for much of the organisation's internal communications, including a number of publications, both internal and external, as well as managing the AFP Museum. During the last financial year the section produced in excess of 120 media releases and supported all of the AFP's major operational activities.

## 3.2 Legal

The AFP Legal Team provides legal advice and assistance to AFP management and employees in the course of their duties. During the year services provided covered commercial, contracting and tendering issues, employment and governance matters, management of civil claims and litigation, tribunal appearances, and general advice and assistance across the broad range of laws and legal processes that impact on the organisation. The Legal Team also provided the interface between the AFP and external legal providers when external representation or assistance was required.

## 3.3 People Strategy

In 2000–01 the AFP heightened its focus on consolidating the reforms introduced as part of the AFP Reform Program. A range of strategies was implemented to improve the organisation's response capacity and flexibility.

Organisational development and people management reforms included:

- bedding down of the re-engineered organisation structure, based on a flexible teams-based approach to work, a diverse experience base, and mobility through work streams;
- continued work on the implementation of the revised remuneration strategy, incorporating a 22 grade salary spine, introduction of grade 'clusters' and ongoing use of salary forecasting and flexibility tools; and
- a strong focus on performance management and accountability and employee recognition and reward strategies.

At 30 June 2001 the total number of AFP employees was 2851. Of these, 2111 employees were working in Outcome 1 (National and International) and 740 were working in Outcome 2 (ACT Policing). The average length of service for AFP staff is 10.65 years. For sworn staff (uniform members and federal agents) the average length of service is 12.35 years (*Appendix 4* refers).

During the year the AFP commenced a number of workforce reforms to better

calibrate workforce structure and skills with evolving organisational and operational needs. These included participation, along with Australian Public Service agencies, in an Australian National Audit Office (ANAO) led workforce planning consultation group which led to adoption of new counting rules for population, attrition and turnover rates.

A major review of human resource service delivery was implemented during the year and further re-shaping of other support services was undertaken. This included the establishment of Local Business Service Groups in each major area office, to provide support services as well as procedural changes to reduce central controls within an agreed risk management framework.

## Significant Achievements

This year has also seen increased management accountability to promote a diverse and harmonious workplace. A number of initiatives were introduced to complement flexible work practices and generate a better balance between work and outside activities, including the following examples.

- A family friendly strategy was piloted during the Sydney 2000 Olympics (in which the AFP retained the services of a home care company, 'Dial an Angel', to provide emergency assistance to personnel involved in operational demands for Sydney 2000 Olympics).
- Increased part-time roles, job sharing and flexible work practices were developed.
- Employee satisfaction surveys were used to gauge factors impacting on morale, motivation, communication, productivity, and retention.
- 'Focus groups' were conducted to explore issues identified in the 2000 Employee Satisfaction Survey.
- Harassment contact officer training was delivered to all staff involved in conflict resolution negotiations.
- The Women in Leadership program continued its commitment to mentoring and developing women and achieving a more balanced gender mix in high-impact operational and corporate roles.
- Staff networks were used to strategically address factors that impact on diversity groups and enhance communication, including the location of diversity contact officers, trained confidantes and dedicated work-life diversity practitioners in each business services group.
- There was a continued focus on increasing indigenous representation within the workforce, including the introduction of initiatives to promote the AFP as an employer of choice and connect with the community to achieve a caring and preventative approach to law enforcement.

## 3.4 Finance

As detailed in the attached audited 2000–01 financial statements, the AFP financial successes mirror the AFP's operational achievements. These financial results confirm the health of the AFP's finances. The main achievements and indicators of financial health of the AFP for 2000–01 include:

- the AFP's assets now exceed its liabilities and so, for the first time, there is a positive net equity – some \$37.2 million compared to a negative \$17.3 million in 1999–2000;
- the AFP has repaid \$12.7 million in 2000–01 and has now extinguished the long standing Department of Finance and Administration (DoFA) loan;

- the AFP's 2000–01 operating result is a net surplus of \$13.9 million (due to increased sales revenue, lower costs, and accounting treatments where not all items are expensed);
- liquidity is now ensured with adequate cash holdings to support operations as well as the medium term capital expenditure program on equipment, systems and accommodation; and
- the ANAO's annual control audit (Report No. 1 of 2001–2002) identified 23 agencies with significant control weaknesses. Once again that list excludes the AFP because the ANAO found no issues of substance with the AFP's financial governance arrangements.

Other major achievements during 2000–01 have included enhancements to the AFP automated systems to enable better accounting for employee leave accruals and the strategic management of assets. Systems now reflect the revised outcome and output arrangements so that financial performance is better able to be integrated into operational performance results as detailed elsewhere in this report. There has also been a focus on electronic commerce arrangements including the AFP's travel and expenses settlement arrangements which ANAO have identified as useful benchmarks for other agencies.

The AFP achieved a smooth Goods and Services Tax (GST) implementation and continues to develop its Fringe Benefits Tax (FBT) arrangements to simplify AFP compliance. The agency banking arrangements have developed during 2000–01 with a review of the bank accounts the AFP holds and a focus on improved cash management strategies. This enabled the AFP to avoid the cost of overdraft fees during 2000–01 and achieve interest earnings in excess of the Department of Finance target.

Following the first year of operation of the ACT Policing Agreement, the ACT Government and the AFP conducted a review of the price that the AFP charges the ACT Government for the various services provided. That review examined the details of all costs associated with the service – both the direct cost of ACT Police as well as the costs of enabling services such as forensic services and information technology.

The AFP also improved its corporate planning arrangements. There is now a seamless planning process incorporating a medium term corporate plan, an annual environmental scan and annual business planning of outputs and enabling services. These processes reflect the Government's forward estimates and so enhance accountability to Parliament via the information provided in this report.

### 3.5 Payroll

The AFP Certified Agreement was implemented during 2000–01, including pay adjustments; arrangements for employees to purchase additional recreation leave from, or sell surplus recreation leave back to, the AFP; and the payment of Australian Federal Police Adjustment Scheme (AFPAS) entitlements to eligible employees.

Several enhancements to payroll systems were also implemented, such as:

- the development of automated systems to enable employees to apply for leave electronically and print their own payslips and group certificates;
- the audit and automation of all increments as at 1 July each year; and
- ensuring that Comcare payments are accurate and timely.

## **3.6 Learning and Development**

During the 2000–01 financial year Learning and Development strongly supported both operational and corporate functions of the AFP through the delivery of high quality professional development opportunities.

The total expenditure for Learning and Development, including Ayers funding, amounted to \$17 million, representing some 4.6 per cent of total AFP expenses.

In 1999–2000 Learning and Development was re-established to replicate a university-style education system. Further re-structuring occurred during this year with the establishment of a number of schools under the auspices of the Faculty of Federal Policing. A School of Forensic Investigation was established as well as other schools committed to corporate administration, investigations management, intelligence, surveillance, operational safety and ACT community policing needs. Strategic planning and the development of business services are more effectively achieved under this new structure.

During 2000–01 the number of enrolments in AFP programs, workshops or seminars totalled 4424 participants. This included:

- 1675 AFP participants attended internally or nationally accredited programs;
- 1191 external clients attended internally accredited programs or workshops;
- 511 participants enrolled in leadership and management programs;
- 239 New Agents trained under the AFP's Diploma of Policing; and
- 808 internal and external clients attended AFP workshops or seminars.

Requests for Learning and Development to develop and deliver training to international agencies throughout the Asia-Pacific region during the year have been significant. A total of 20 courses were offered, training some 400 participants. The training provided focused primarily on intelligence, crime scene management, fraud and narcotic investigations.

Particular attention was also given to the ongoing development of the Australian Federal Police On-line Learning (AFPOLL) system that provides flexible web-based delivery options for our training programs. AFPOLL now offers a range of training programs for all AFP members in the Microsoft office suite of computer applications. E-crime and other advanced investigational training programs will be offered via AFPOLL during 2001–02. Learning and Development continues to examine more flexible and innovative training delivery options that will provide effective learning environments without impacting adversely on workplace resourcing.

During the year, 239 New Agents trained under the AFP's Diploma of Policing.



Other significant developments include the enhancement of research and development, quality assurance processes and establishing business planning and policy development areas to underpin Learning and Development activity.

Learning and Development maintains links with the Australian Institute of Police Management and the Australian Graduate School of Policing in support of the continued delivery of management programs for AFP members.

A range of leadership and management programs were offered to AFP members, with over 500 participants trained. Sound progress was made in other key human resource development strategies including:

- continued focus on providing leadership and management programs and workshops through Open Learning Australia;
- development of an e-crime learning environment for AFP investigators;
- development of a financial investigations program;
- development of a management skills seminar; and
- development of an advanced investigations program.

### **3.7 Technical Support**

A critical element of the AFP's operational capability is a strong technical support capacity, which is provided by the Technical Operations Portfolio. The Technical Operations portfolio comprises the Police Technical Teams, Telecommunications Interception Division, Electronic Evidence Teams and National Technical Support. These teams provide close operational support to AFP investigations and contribute directly to the operational capacity of the AFP.

This portfolio also undertakes research and development of technological solutions, ensuring that the AFP both maintains relevant technical capacity and plans for future developments.

During the reporting period, three per cent of the total AFP budget was expended in providing this technical support capability.

## Police Technical Teams

The Police Technical Teams (PTT), located nationally, continued to provide quality technical surveillance support for AFP and other investigations. This year has seen a significant increase in the provision of both training and operational support offshore.

The majority of activity undertaken by the PTTs supports drug or illegal immigration investigations. In addition to supporting investigations, the Teams developed and improved capabilities to support major incident response efforts during the Olympic period.

The establishment of new, dedicated training facilities and the development of training packages have contributed to raising standards within the teams. The PTT has also provided technical training programs and assistance to international law enforcement agencies such as the Royal Thai Police under the auspices of the LECP. A total of 16 training courses of various types were provided for internal and external students.

## Telecommunications Interception

The overall management of Australian law enforcement telecommunications interception is the responsibility of the AFP under the *Telecommunications (Interception) Act 1979*. The AFP continues to enable the execution of warrants by those law enforcement ‘agencies’ as defined in the Act which are authorised to conduct lawful telecommunications interceptions. The number of ‘authorised’ law enforcement agencies is increasing, making further demands on AFP resources.

The AFP continued to use the lawful interception of telecommunications services as an effective means of gaining evidence of criminal activity. The year saw an increased requirement for telecommunications interception primarily attributed to the NIDS funded strike teams. In 2000–01, a total of 141 persons were arrested on the basis of lawfully obtained information from telephone intercepts.

The program of managed integration between Telecommunications Interception Division and AFPNET continued, providing better access for investigators to the telecommunications intercept product. The program has provided all major operational areas with increased access to remote terminals resulting in greater flexibility in the support of operations.

Pursuant to the enactment of the *Telecommunications (Interception) Legislation Amendment Act 2000*, the AFP (and other ‘authorised’ law enforcement agencies) have been able to apply for a ‘named person warrant’ in respect of a person who is suspected of using more than one telecommunications service (e.g. mobile phone, fixed line phone, facsimile machine, etc). This has contributed to efficiencies in the warrant process, reducing the need to seek multiple warrants for the one suspect.



The Attorney-General's annual report on the Telecommunications (Interception) Act for the year ending 30 June 2001 indicated that the AFP continues to maintain one of the lowest average expenditures per warrant of any mainstream law enforcement agency.

## Electronic Evidence Teams

The AFP's Electronic Evidence Teams (EETs) continued to support teams investigating drug, fraud, people smuggling, money laundering and a range of other activities. EETs also provided electronic forensic support to other agencies such as the NCA and Customs.

EETs conducted 982 examinations in 2000–01. Desktop computers, laptops and floppy, compact and zip disks were the most commonly encountered items, representing 85 per cent of examinations. However, other electronic devices such as mobile phones and SIM cards, personal organisers, GPS navigators and facsimile machines were also examined by EETs.

There are currently nine EET members, based in Sydney, Melbourne, Brisbane, Perth and Canberra.

The AFP is in the process of raising the skill levels of its general investigators through a new training program to enable them to better deal with electronic evidence. As this process unfolds, EETs will focus on higher order tasks.



Laptops were one of the most commonly encountered items examined by EETs, along with desktop computers and floppy, compact and zip disks.

## National Technical Support

National Technical Support (NTS) contributes to AFP outcomes by providing high quality technical support to AFP investigations and has managed many of the AFP Reform Program projects. During the year, NTS continued upgrading and improving mobile radio communications systems and taped record of interview systems throughout the AFP. In cooperation with other areas, NTS also provided resources and coordinated the set up of radio communications systems in remote areas in direct support of operations. Additionally, the team supported offshore investigations.

### 3.8 Information Technology

The Information Technology (IT) Team delivered an extensive range of vital conventional IT services as well as data and voice communications for all AFP business and operational elements during the reporting period.

A major overhaul of the AFP's primary case management system, the Police Realtime Online Management and Investigations System (PROMIS) was commenced, which will improve the sustainability of this important operational tool. PROMIS is able to be securely delivered to AFP employees wherever their work takes them, whether within Australia or offshore. Additionally, 18 offshore sites are now linked to the AFP Network via secured networks, enabling full delivery of the case management and intelligence systems to overseas posts.

The AFP's contribution to the Olympic Games was successfully supported by a number of ad hoc communications installations. The IT Team also acted as the contract and installation managers for construction of the CrimTrac communications network. This task involved extensive installations at a variety of locations around Australia and included the communications for the major database move from Parramatta to Melbourne.

IT Services also provided extensive support to executive information system reporting, including internal software development which has resulted in improved productivity for leave, pay and performance reporting, and upgraded desktop and server software.

An extensive organisational review was conducted in preparation for the IT outsourcing process being conducted by the Office of Asset Sales and IT Outsourcing, and a quality management framework was chosen to inform future IT business management. The focus is directed towards client support, and the amount of time for which all networks and applications were available has now exceeded 97 per cent.

The IT Team continues to deliver both enabling and operational services to the AFP which are vital to maintaining an edge on increasingly sophisticated criminal activity in the electronic age. It also provides a full range of support services to the NCA and ABCI networks, and PROMIS support for the NCA and the Northern Territory Police, Fire and Emergency Services.

### **3.9 Information Management**

The Information Management Team is responsible for the coordination of the AFP's development of online services. During the year under review, the team assumed corporate responsibility for: PROMIS data quality; data mining and access tools; corporate information brokerage; development and management of the corporate web site; Open Source Information management; corporate library and research services; business process analysis; and corporate performance evaluation. Information Management has published the AFP Online Action Plan outlining the proposed strategy to deliver the Commonwealth's objectives.

Particular emphasis has been placed on data quality, information brokerage and access, and the redevelopment of the AFP corporate web according to government directives (Office for Government Online/National Office for the Information Economy). It is anticipated that the AFP's new website will be online by 31 July 2001, with interactive capabilities available by the end of the calendar year.

### 3.10 Forensics

Forensic Services provides a range of scientific support services to the AFP's International and Federal Operations and to ACT Policing. Services include biology, chemistry, crime scene, document examination, firearms and ballistics, fingerprints, forensic imaging and physical evidence support. Forensic Services staff supported AFP's involvement during the Sydney Olympics and in the Centenary of Federation events in Melbourne.

During the year under review, the last phase of construction of new laboratory facilities was completed with the opening of a state of the art signal-processing laboratory in which enhancement of audio and video products is undertaken. Forensic Services are now introducing a digital processing capability to complement and replace conventional photography. Forensic facilities in AFP's Adelaide and Perth offices have also been upgraded and all facilities were successfully re-accredited by the National Association of Testing Authorities.

A significant number of new recruits joined Forensic Services in the latter part of 2000 and professional development of experienced staff remains a high priority. A particular focus has been to identify new and emerging technologies which may have future forensic applications. Forensic Services continues to have an active research program working with a number of partners in academia.

The National Heroin Signature Program continues to develop and mature, contributing to both intelligence and operational aspects of AFP operations. The Joint Drug Intelligence Team, involving the AFP and the Australian Government Analytical Laboratories, produced a series of information briefings on significant seizures.

Forensic Services also supported the Law Enforcement Assistance and Law Enforcement Cooperation Programs, through which the AFP provides assistance to overseas law enforcement agencies. AFP members were involved in projects in a number of countries in Asia and in providing forensic assistance in the South Pacific. Operationally, Forensic Services assisted in the field, including the seizure in Fiji of 357 kg of heroin believed to be destined for Australia, and in a number of other operations.

Forensic Services have assisted in a number of CrimTrac initiatives including the implementation of the new National Automated Fingerprint Identification

Forensic Services are now introducing a digital processing capability to complement and replace conventional photography.



System and the emerging National Criminal Investigative DNA Database. During the year, the number of DNA samples analysed in support of ACT operations doubled.

### 3.11 Policy

During the reporting period, the Policy Group undertook policy-related functions such as corporate planning (see section 4.2), corporate governance (see section 4.4), briefing for external law enforcement fora, secretariat functions for internal committees, and general policy development, advice and co-ordination.

The Group provided the necessary link between the understanding of the AFP's emerging operational environment and the exploitation of that understanding in policy development and corporate planning activities.

Three key objectives for the Group were to:

- ensure that policy development within the AFP meets the requirements and expectations of government;
- maximise benefits from policy relationships with partners and stakeholders, particularly in the context of high level fora such as the Australasian Police Ministers' Council (APMC) and the Police Commissioners' Conference (PCC); and
- ensure that the AFP's policy approaches are consistent with, and advance, its overall strategic direction.

The Policy Group provided secretariat support for three internal committees, the National Management Team (NMT), the Science and Technology Steering Committee (STSC), and the Electronic Policy Team (EPT).

The STSC was established to oversight and advise the NMT on the coordination, planning and development of the AFP's science and technology capabilities. The STSC met for the first time on 12 September 2000, and has initiated a number of tasks including reviewing PROMIS coordination, surveying the AFP's science and technology needs and capabilities, and preparing a Science and Technology Strategic Plan for the organisation.

An Electronic Policy Team was established in April 2001 to coordinate AFP input to a range of policy development processes focusing on e-security, including the PCC E-Crime Steering Committee.

The Policy Group coordinated the first meeting of the Australasian Crime Commissioners' Forum (ACCF) in its new format, which was hosted by the AFP in Canberra between 21 and 22 May 2001. The ACCF focuses on current and emerging operational policing issues, including issues referred from the PCC. The ACCF has been restructured from an annual five-day event to a bi-annual meeting, which will be shorter and more focused on key issues referred by the PCC.

At the meeting in May, delegates presented individual jurisdictional organised crime reports, which will be compiled and presented to the October meeting for approval, prior to submission to the PCC in 2002.

The Group continued to service the Commissioner's requirements as a member of peak national, international and Commonwealth bodies. These include the PCC, APMC, Heads of Commonwealth Operational Law Enforcement Agencies, Intergovernmental Committee of the National Crime Authority, Boards of Control of the National Common Police Services, the Executive Committee and General Assembly meetings of Interpol, and the Australian National Council on Drugs.

The Director Policy is the AFP's liaison officer to the Australasian Centre for Policing Research (ACPR). The Director attended the annual meeting of liaison officers in April 2001. Issues discussed include current research, new research proposals, the progress of the Electronic Crime Steering Committee, and the ACPR Business Plan and financial statements.

During the year the Policy Group also provided advice in support of the AFP's participation in meetings of the AFP Monitoring Committee; the AFP's submissions to Parliamentary Committee Inquiries relevant to its functions; and a number of other interdepartmental processes.

In relation to drugs policy, the Group provided services to delegates attending meetings of the Intergovernmental Committee on Drugs, the Standing Interdepartmental Committee on International Narcotic Issues, the National Drug Law Enforcement Research Fund, the Heads of National Drug Law Enforcement Agencies and the United Nations Commission on Narcotic Drugs.

Together with the Director of Forensic Services, the Policy Group represents the AFP on the Standards Australia Technical Committee on the Handling and Destruction of Drugs.

### 3.12 Legislation

The AFP Legislation Team works closely with the NCA, Customs and the Attorney-General's Department to facilitate the development and passage of legislation relevant to the functions of the AFP.

During the year under review, the Legislation Team has made a significant contribution to the development of the Measures to Combat Organised and Serious Crime Bill 2001 and the draft Proceeds of Crime Amendment Bill. Passage of these provisions would significantly assist law enforcement activity and provide an improved framework for the seizure of the profits of criminal activity.

The AFP was also a key player in developing the *Crimes Amendment (Age Determination) Act 2001*, which provides a mechanism to fairly determine the age of a person suspected of having committed a Commonwealth offence.

## CHAPTER 4 – MANAGEMENT AND ACCOUNTABILITY

### 4.1 Organisational Structure and Roles of the Executive

The AFP's senior executives structure and their responsibilities are provided in Chapter 1 on page 7.

Below the four executive positions of Commissioner, Deputy Commissioner, Chief Operating Officer and Chief Police Officer for the ACT are five team titles (excluding some areas in ACT policing): General Manager, Director, Coordinator, Team Leader and Team Member. In all instances the title denotes a role, not a level or rank.

General Managers are responsible for the leadership, administration and management of a significant discrete corporate entity. Each General Manager is accountable for the performance of their entity to the executive and the National Management Team. Directors are responsible for the leadership, administration and management of a discrete corporate entity on behalf of General Managers and for ensuring corporate policies and priorities are implemented and followed.

Coordinators guide a number of teams. In smaller entities the roles of director and coordinator may be combined. Team leaders manage teams of either single or multiple functions, and are responsible for planning to meet objectives, managing devolved budgets and negotiating flexible work arrangements with team members.

### Remuneration of Senior Executives

Responsibility for determining terms of appointment, salaries and conditions of service for senior executives of the AFP is vested in the Commissioner of Police. All senior executives of the AFP are employed under individual agreements with the Commissioner. The Commissioner, in consultation with the executive and individual senior executive officers, considers these agreements annually. The Commissioner has regard to the senior executive's role, responsibilities and performance in meeting the AFP's corporate objectives. Where, as a result of these discussions, any adjustment to a senior executive's remuneration package is considered appropriate, the Commissioner will formally enter into a new agreement with the senior executive.

### Senior Management Committees

The Commissioner is the Chief Executive Officer of the AFP and Chair of the National Management Team, the peak decision-making body in the organisation. The National Management Team consists of the Commissioner, Deputy

Commissioner, Chief Police Officer for the ACT, Chief Operating Officer and eight General Managers. The National Management Team meets on a quarterly basis.

Three key sub-committees support the corporate governance role of the National Management Team. These are the National Operations Monitoring Team, the Security and Audit Team, and the Science and Technology Steering Committee.

The National Operations Monitoring Team is chaired by the Deputy Commissioner and meets on a monthly basis. It is responsible for the oversight and management of operational activity across Outcome 1 and is constituted by the General Managers Eastern, Northern, Southern, Western, Protective Security, and People and Finance.

The Security and Audit Team is chaired by the Chief Operating Officer and meets quarterly. It is responsible for security and audit activity in the AFP and is currently constituted by the General Managers Policy and Commercial, Eastern, People and Finance, and a representative from the Australian National Audit Office.

The Science and Technology Steering Committee was established in this financial year to oversight the AFP's research, development and investment in new and emerging technologies. It is chaired by the Chief Operating Officer and includes representatives of both outcomes, People and Finance, Policy, Forensics and Information Technology.

## **4.2 Corporate Planning**

Corporate planning supports the strategic management of the AFP. During the year new corporate directions were developed to cover the period to 2001–04 and will be revised annually. This document is available on the AFP's Internet site at [www.afp.gov.au](http://www.afp.gov.au).

As part of its planning to ensure the organisation is well placed to deal with the uncertainties of the future, the AFP is undertaking a scenario analysis project considering what the AFP will be like in 2006. The National Management Team (NMT) will consider the findings later this year. The NMT has allocated a meeting in its annual cycle to explore strategies using scenario analysis. This scenario analysis work is complemented by the AFP's annual environment scan, which looks forward over a two-year period.

The environment scan 2000–01 was considered by the NMT at its August 2000 meeting and assisted in prioritising issues for strategy development and action. An environment scan was also undertaken on developments over the next three years in science and technology to support the Science and Technology Steering Committee's consideration of the AFP's needs in this area.

## **4.3 Client Services**

The Australian Federal Police Service Charter for the Australian Community was implemented on 30 June 1998. During the development of the service charter, performance measurement in the AFP was in its early stages. Consequently, the

standards listed in the Charter are somewhat 'generic' and are difficult to measure effectively. Opportunities to improve service delivery to client agencies have been identified through such means as the annual cycle of stakeholder consultations and the first national AFP client satisfaction survey. Information from the client satisfaction survey is currently being fed into business planning and re-engineering processes, and will refine standards for future service delivery. The findings of the survey have provided baseline data to measure performance improvements over time, as well as a means of prioritising and implementing changes based on the clients' perspective, rather than the AFP's own judgment.

A range of strategies designed to improve the quality of AFP service delivery has been developed. Improvements in business practices are being implemented, especially in regard to providing better and more responsive communications with clients. The AFP has negotiated a number of service agreements with client agencies and has been careful to ensure that the targets and performance standards set, are both realistic and achievable. The AFP has responded to the criticisms identified in the client satisfaction survey and has set performance targets in line with agency expectations. In some instances, the AFP has set more stringent performance targets than required. Procedures are now in place so that agencies will be informed of the acceptance or rejection of their referral within 21 days rather than the 28-day period as specified by the *Fraud control policy of the Commonwealth*.

## Complaints Data

The AFP has not received any complaints directly as a result of the service charter. However, there is a range of mechanisms in place which allow clients to make a complaint. Clients can complain directly to the AFP or the Commonwealth Ombudsman, either by letter, telephone or in person. The Commonwealth Ombudsman and the AFP's Professional Standards Team have joint responsibility for the investigation and management of complaints. Information on 'what to do if you have a complaint' is now available on the AFP Internet site.

As a result of the findings from the conduct of national client satisfaction surveys, several strategies have been developed and introduced to respond to complaints. These strategies address clients' concerns and will be implemented progressively.

## Professional Standards

On 1 July 2000, the reform of the AFP's integrity regime saw the various components brought under the one umbrella of Professional Standards. Significant efficiencies have already been achieved in terms of human and financial resources. The core goals of the Professional Standards portfolio is to ensure AFP personnel deliver a professional, accountable and ethical service to our people and the community. It strives to deliver a more proactive, transparent and professional service to ensure the community has confidence in the honesty, effectiveness and accountability of the AFP.



Professional Standards implemented key structural and policy changes during this financial year. The focus has been, and will continue to be, on communication, service delivery and client satisfaction. The portfolio has enhanced its client service and intelligence capabilities with an emphasis on the identification of current and emerging integrity and performance issues and identifying priorities for action. Resources are continually being reassessed with a view to preventing, detecting and investigating serious misconduct and corruption issues.

The AFP and external stakeholders have recognised that many issues raised against the AFP are 'client service' issues and are relatively minor in nature. It is worth noting that 53 per cent of formal complaints received this financial year relate to service delivery issues. There has been a corresponding increase in the devolution of these matters to line managers for a more timely and satisfactory resolution, with conciliations increasing by 14 per cent to 42 per cent this financial year. This reflects a deliberate strategic shift away from slower and more formal processes. In seeking to reduce the number of complaints it is envisaged that devolution of conciliations to line managers will over time lead to a change in culture and behaviour to the benefit of the organisation and key stakeholders.

## **4.4 Policies Orders and Guidelines**

AFP policy instruments which make up an important part of its internal governance framework are categorised into four groups – National Policies, Commissioner's Orders, National Guidelines and Practical Guides. Each instrument is reviewed annually by its sponsor.

Instruments finalised in 2000–01 included National Guidelines on Risk Management, Occupational Health and Safety (OH&S) Risk Management System, OH&S Information Kit, Radiation Safety, Forensic Procedures, Occupational Rehabilitation and Return to Work, Notebooks Diaries and Fieldbooks, Overseas Extradition, Police Custodial Facilities and People in Custody. Practical Guides were completed on the Governance Framework and Preventing and Countering Fraud and Corruption. The *Firearms Replacement Program Review*, an independent report (commissioned by the AFP) into the AFP's firearms replacement program and the selection of the Glock 9mm semi-automatic pistol as the general issue standard service revolver for the AFP, was completed during the reporting period. A major review of instruments relating to exhibits handling was also undertaken.

## **Professional Reporting/Ethical Conduct**

The Professional Reporting Program is an organisational initiative designed to provide support and assistance to employees who report inappropriate behaviour within the AFP. The program is implemented through a network of confidants.

The Confidant Network is made up of AFP employees who are trained to be the first point of contact for reporting persons who need support and assistance with issues of concern. Matters referred to confidants range from inappropriate workplace practices to criminal behaviour. Confidants, operating in accordance

with the Professional Reporting Guidelines, also monitor referred matters to ensure that reporting persons are not subject to any form of detriment.

The Professional Reporting Program regularly conducts seminars, information sessions, confidant meetings and internal marketing to enhance understanding and increase awareness of the program throughout the AFP.

During the 2000–01 reporting period 157 matters were referred to the program through confidants. This is a 112 per cent increase over the preceding 12 months. The increase in the number of referrals, and the number of applications from employees to be trained as confidants, is a clear indication of the level of acceptance and support for the program, and its network of confidants, across the AFP.

## **4.5 Internal Audit and Risk Management**

Internal Audit separated from Professional Standards on 1 July 2000 to be administered by the Chief Operating Officer (COO). Internal Audit reports functionally to the Security and Audit Team (SAT), chaired by the COO. Strategic and Annual Audit Plans are approved and monitored by the SAT. Professional Standards retained responsibility for developing and implementing the Fraud Control and Anti-Corruption Plan.

Contracted auditors undertook about half of the approved Audit Plan for 2000–01, and Internal Audit's total resources were at a record high level. Some General Managers have established their own review capabilities, though these activities are not routinely reported to the SAT.

The SAT received 12 internal audit reports in 2000–01. Nine reports related to AFP accountability for seized drugs and property. A large consulting firm undertook and reported on concurrent audits of six drug and property registries, and the SAT considered a consolidated report relating to these audits on 4 April 2001. That report supports the AFP's ongoing effort to improve the relevant management information system.

The other major internal audit report concerned the automated security features of the main AFP financial and human resources management information system, SAP. That audit extensively tested user access rights. It also compared the AFP implementation of SAP to a best-practice model offered by the contracted audit team. The AFP is systematically addressing the recommendations of this audit in the context of a version upgrade of SAP.

Six other internal audits were in progress at 30 June 01.

Internal Audit contributed to other AFP projects such as the development of the Risk Management Plan and an associated Risk Management Toolkit.

In line with the Government's expectation of a continuing commitment to risk management, the AFP officially launched its Risk Management Plan on 9 March 2001.

The goals of the Risk Management Plan are threefold:

- to provide an assurance that the organisation has identified its highest-risk exposures and has taken steps to properly manage these;
- to ensure that the AFP's business planning processes include a focus on areas where risk management is needed; and
- to establish a process across the AFP that will integrate the various risk control measures that the AFP already has in place.

In addition, in March 2001 the AFP participated in a pilot risk management self-assessment benchmarking survey of 33 organisations. The AFP was given an overall performance result of Level 3 '*Your organisation is continuously improving its risk management systems and practices*'. This was the highest level attainable in the benchmarking study.

The AFP's Risk Management Toolkit was launched on 9 April 2001. This toolkit explains how risk management can be applied to the decision-making processes that take place every day of our working life.

In May and June 2001, the AFP provided training for 32 employees, who will assist their business areas throughout Australia to understand and apply risk management in their business planning and operations.

Responsibility for promoting awareness of risk management throughout the AFP rests with Commercial Support. Staff have established a risk management and insurance web page on the AFP Intranet where all AFP employees can access the Risk Management Plan, the toolkit and other relevant information, including many links to related websites.

## 4.6 External Scrutiny

During the year the AFP appeared before the following hearings and committees on the dates listed:

### Estimates Hearings

- 22/11/00 – Consideration of supplementary estimates.
- 19/2/01 – Consideration of additional estimates.
- 28/5/01 – Consideration of budget estimates.

### Other Parliamentary Committees of Inquiry

- 4/12/00 – House of Representatives Standing Committee of Privileges.
- 30/1/01 – Parliamentary Joint Committee on Public Accounts and Audit – Inquiry into Coastwatch.
- 26/2/01 – Parliamentary Joint Standing Committee on Treaties – Inquiry into Extraditions.
- 2/3/01 – Joint Standing Committee on Electoral Matters – Inquiry into the Accuracy of the Electoral Roll.

- 15/3/01 and 13/6/01 – Senate Legal and Constitutional References Committee – Inquiry into the Management Practices and Funding for the National Crime Authority and the Australian Federal Police.
- 23/3/01 – Senate Legal and Constitutional Legislation Committee Inquiry Into Crimes Amendment (Age Determination ) Bill 2000.
- 21/3/01 – Parliamentary Joint Committee on Foreign Affairs, Defence and Trade – Inquiry into Australian Relations with the UN in the post Cold War Environment.
- 14/8/00 – House of Representatives Standing Committee on Family and Community Affairs – Inquiry into Substance Abuse.
- 2/4/01 – Parliamentary Joint Committee into the National Crime Authority – Implications of New Technology.
- 12/6/01 – Senate Legal and Constitutional Legislation Committee – Measures against Organised and Serious Crime Bill 2001.

All reports from the Australian National Audit Office were considered by the AFP's Security and Audit Team and when appropriate referred to the relevant area of the AFP for action or information.

There were no investigations by the Commonwealth Ombudsman into any issues relating to Outcome 1 (National and International) during the year.

The Ombudsman released two reports on investigations that relate to Outcome 2 (ACT Policing) matters during 2000–01.

One investigation related to *Policing domestic violence in the ACT*, and the other related to the AFP's progress in implementing the Ombudsman's recommendations on his 1998 investigation into the use of police powers under the *Intoxicated Persons (Care and Protection) Act 1994*.

In conjunction with the AFP, the Ombudsman's Office has also commenced a review of the guidelines for the treatment of persons in custody.

As these investigations relate to ACT Policing, further details about the Ombudsman's reports and the AFP's response to the investigations have been provided in the *ACT Policing Annual Report 2000–01*.

## 4.7 Commercial Support

The Commercial Support Program (CSP) consolidated its previous achievements in evaluating functions for restructuring and market testing, and concentrated on implementing and managing contracts and conducting post implementation reviews. Significant assistance has been provided to various areas of the AFP in competitive contracting and tendering processes. In line with the Government's performance improvement cycle, the post implementation reviews of contracts measures performance against agreed service level standards, assesses continued viability of the in-house service if applicable, determines whether projected savings were realised, and identifies further performance improvement opportunities.

The AFP's Gold Coast Office was relocated from Miami to purpose-built accommodation in Robina during the year.



The post implementation review of vehicle fleet management was finalised in October 2000.

Savings of \$307,000 were realised with further savings of \$175,000 expected over the remaining contract period. The review of facilities management was completed in April 2001. Savings of \$35,000 were identified in the first year and whilst this was less than originally projected, further improvements have been identified to increase savings in future years. Further reviews currently under way include the Diners card, provision of stationery and forms, and provision of uniforms.

Works undertaken by the Building and Accommodation Team during the year include:

- commencement of rationalisation and refurbishment of office accommodation in National Head Office in Canberra, to be completed by November 2001;
- rationalisation and refurbishment of the operational and support areas located within the Weston Police Services Complex, ACT;
- minor refurbishments in Sydney Office prior to and following the 2000 Olympic Games;
- relocation of the AFP office at Kingsford Smith Airport prior to the Olympics;
- initiation of refurbishment of Brisbane Office, due for completion in September 2001;
- relocation of the AFP's Gold Coast Office from Miami to purpose-built accommodation in Robina;
- instigation of a major refurbishment project in Melbourne Office, which will provide an opportunity for the National Crime Authority (NCA) to collocate with the AFP in Melbourne during 2002; and
- collocation of the AFP and NCA in Adelaide and Perth.

## **4.8 Purchasing and Assets Management**

During the current year, the Commissioner issued instructions which reflect the Commonwealth Procurement Guidelines. These include a requirement for tenderers to indicate if the business or company is Australian-owned or New Zealand-owned, and to offer Australian or New Zealand goods.

A training program has been developed to ensure staff involved in procurement are fully aware of their responsibilities in relation to Commonwealth Procurement Guidelines. This program is supported by an Internet site which has a link to the Department of Finance and Administration's competitive contracting website. As part of the Government's Electronic Procurement Strategy, the AFP conducted a six-week e-procurement pilot program. The AFP is currently evaluating the outcomes of this project.

During 2000–01, the AFP instituted a program to enhance the reporting of its total asset holdings. Financial Services has, as a result, updated the asset module within the AFP's financial system and it now accurately reflects the AFP assets and the asset information in the general ledger. The asset register presently records assets with a gross value of \$102.7 million and a depreciated value of \$50 million. These are principally related to infrastructure, plant and equipment.

The ANAO Assurance and Control Assessment (ACA) Audit of Disposal of Assets conducted in April 2001 concluded that the AFP was disposing of assets in accordance with Government policy and that the AFP was in a position to implement improvements in asset management and disposal processes. The AFP has now commenced the second stage of its assets management project to develop a strategic approach to asset purchase and disposal. This includes the production of an integrated asset management plan which will establish a framework for existing and new assets to be more effectively utilised and optimise the return on the AFP's capital investment.

Significant improvements to medium term capital resource planning is now directed through the recently established Science and Technology Committee. Funding of such capital investments will focus on the AFP saving cash to internally fund a range of medium-term operational and corporate re-equipment programs as well as to meet peak costs of major accommodation proposals planned for Melbourne, Sydney and Canberra. That approach will avoid having to arrange another loan with the Department of Finance and Administration. The capital program will focus ongoing investments in cost effective operational technology. Corporate support technology including an upgrade of the core case management system (PROMIS) and the SAP financial management information systems, to enhance managers' control and improve decision making, is also planned.

## 4.9 Ecologically Sustainable Development and Environment Performance

During 2000–01 the AFP continued to implement policies that reduce its impact on the environment. Where possible, solutions are sought that:

- ensure energy savings will be achieved;
- can achieve a high rate of return for the money invested;
- minimise additional maintenance costs; and
- do not compromise staff comfort.

Proposed environmental management initiatives in various buildings for the coming year include: further audits; sector and walkway light switching; sensor operated lights and plant; installation of a new technology for reducing energy consumption in the existing light fittings; and installation of solar-powered micro-turbine electricity production, water collection and recycling, and sewage/waste water treatment at the Australian Institute of Police Management, Manly, NSW, and the Weston Police Services Complex, ACT.

### **Significant Initiatives**

The AFP periodically reviews energy consumption, with a view to introducing savings and efficiencies wherever possible. Examples of AFP initiatives over the last 12 months are:

- an energy audit commissioned at Canberra City Police Station;
- energy savings implemented at the AFP College in Barton, ACT, including time switching changes and enhanced control of plant;
- investigating and solving problems inherent in the building automation system at the Winchester Police Centre, Belconnen, ACT;
- installation of a high efficiency air-conditioning plant in Melbourne Office;
- demolition and removal of asbestos contaminated structures at Majura, ACT; and
- excavation and removal of disused fuel storage tanks from the Weston Police Services Complex, ACT, and the water police facility, Yarralumla, ACT.

## 4.10 Consultancy Services and Advertising

The total number of consultants engaged by the AFP during 2000–01 was 28, at a total expenditure of \$0.84 million.

These consultants were retained for the purposes of undertaking projects and providing advice in relation to science and technology, human resources, independent audit and cost benefit analysis. The AFP engages consultants in response to the need for specialist skills, to access the latest technology, to provide independent advice, or to act as a facilitator.

In accordance with the Commissioner's financial instructions, opportunities to do business with the AFP are published in the *Commonwealth (Purchasing and Disposals) Gazette*, except for those instances where the commercial benefit being offered is so small as to not warrant the time and procedures involved.

Each consultancy task is defined in a specification or brief, and bid comparisons are assessed against identical, pre-determined evaluation criteria outlined to consultants at the time bids are sought.

Detailed information on consultancy services provided to the AFP can be found at [www.afp.gov.au](http://www.afp.gov.au) (under 'Government and Corporate', 'Information Access').

The AFP does not usually advertise Government programs or the provision of its core services. AFP advertising is generally limited to recruitment arrangements.

## **4.11 Freedom of information (FOI)**

The AFP releases documents pursuant to the *Freedom of Information Act 1982*, the *Criminal Injuries Compensation Act 1983 (ACT)* and AFP regulations, while many documents are made available to the public via the AFP's Internet home page. Details on the requests for information received by the AFP during the financial year are provided at *Appendix 3* on page 106.

## **FOI Procedures and Contact Points**

Requests for FOI access to documents, and appeals against decisions not to grant access to documents, should be addressed to:

The Commissioner  
Australian Federal Police  
GPO Box 401  
Canberra ACT 2601

AFP FOI forms are available at regional offices throughout Australia and at police stations within the ACT. After completion, forms can be delivered to any AFP office or forwarded directly to the AFP Commissioner. If unable to obtain a form, the applicant's full name, date of birth and address must be identified in the FOI request.

A fee of \$30 will be charged for all requests made under the FOI Act. If a decision has been made refusing access to AFP documents, an appeal may be lodged and will incur a fee of \$40. There are different fees payable to access documents not covered by the FOI Act.

The Freedom of Information Team in Canberra conducts the processing of FOI requests. The team leader is authorised pursuant to section 23 of the FOI Act to make decisions concerning release under that Act.

Should an applicant apply to view original documents held by the AFP, facilities will be made available, where possible, at the closest regional AFP office to the applicant's residential address.



Alternatively, people living interstate can contact the AFP offices located in the capital cities. Addresses and telephone numbers are listed on page ii.

Further information regarding any FOI matter can be obtained by phoning the FOI team on (02) 6275 7530.

For information about obtaining a copy of a motor vehicle accident or an incident report relating to a property offence, telephone (02) 6287 0640. For information about obtaining an incident report relating to an offence against the person, telephone (02) 6245 7492. Payment may be made to the Receiver of Public Moneys.

## **Documents Available Free of Charge upon Request**

- Australian Federal Police (information brochure).
- Service Charter for the Australian Community 1998–2001.

## **Services and Documents Available for a Fee**

A list of services and documents available for a fee is available from the FOI team (see above), in the Annual Report of Policing in the Australian Capital Territory, or on the AFP home page at [www.afp.gov.au](http://www.afp.gov.au).

## **Categories of Documents**

The AFP maintains the categories of documents listed below in a variety of formats. Some of these documents, along with information on the AFP's organisation, structure and activities, can be found on the Internet at [www.afp.gov.au](http://www.afp.gov.au). The documents include:

- accounting and budgetary records, including estimates, claims, payment records etc, held on files, in folders, on cards and in computer readable form;
- annual plans for internal audit activity;
- briefing papers and correspondence in relation to the Australasian Police Ministers' Council and the common police services, the Australasian and South-West Pacific Region Police Commissioners' Conference and South Pacific Chiefs of Police Conference;
- briefing papers and submissions prepared for the Attorney-General and the Minister for Justice and Customs;
- computer software and hardware product evaluations;
- control registers concerning purchasing, official telephones, stores, assets, travel and internal services;
- copies of computer hardware and software purchase and maintenance contracts;

- correspondence on questions asked in Parliament, together with related replies;
- correspondence received, including Ministerial correspondence;
- court documents and associated statements;
- crime statistics and criminal investigation reports and associated documents;
- forensic analysis reports (fingerprints, document examination and scientific) and associated documents;
- general correspondence and files;
- internal control records, including working statistics and monthly reports;
- internal working paper;
- lost property reports and associated documents;
- manuals for computer operations standards and procedures;
- Ministerial Directions in accordance with section 13 (2) of the *Australian Federal Police Act 1979*;
- operational records covering infringement notices, statistics and associated reports;
- organisation and staffing records, both manual and computerised, including organisation proposals, organisation charts, duty statements, lists of staff and establishment, position occupancy records;
- personal records for all officers for whom standard personnel services are provided;
- policy documents, including recommendations and decisions;
- press statements and media releases;
- procedures, instructions and guidelines;
- register of relevant Cabinet decisions and submissions;
- reports and associated working papers resulting from internal audit reviews;
- reports to the coroner (death and fire);
- source listings of computer programs developed for the AFP's use;
- staff recruitment campaign records; and
- subject indexes, nominal indexes and inward correspondence registers relating to departmental files.

## Organisation, Functions and Powers

Under the Administrative Arrangements Order, the *Australian Federal Police Act 1979* (AFP Act) is the responsibility of the Attorney-General and is administered by the Attorney-General's Department. The *Complaints (Australian Federal Police) Act 1981* is the responsibility of the Prime Minister and the Attorney-General and is

administered by the Department of Prime Minister and Cabinet and the Attorney-General's Department. The Minister for Justice and Customs has portfolio responsibility for the AFP.

The corporate overview of this report provides information relating to the organisation and functions of the AFP and Ministerial Directions under section 13(2) of the AFP Act.

The decision-making powers that directly affect the public are vested in the office of constable, an office held by all sworn members of the AFP, regardless of their administrative rank. The powers and duties of AFP members are prescribed in section 9 of the AFP Act.

A police officer in the exercise of his/her decision-making power may affect members of the public in the following areas:

- the protection of life and property;
- the preservation of peace and good order;
- the prevention and detection of offences against the common and statute law; and
- matters that may be incidental to the performance of law enforcement generally.

In addition, AFP members have powers applying to various other pieces of ACT and Commonwealth legislation. It is not practical to include that list in this document, but it is readily available upon request.

## Outside Participation

The AFP is a participant in several forums that enable representations to be made direct to the agency's decision-makers. A list of committees specific to ACT Policing can be found in the ACT Policing Annual Report, which is presented each year to the ACT Legislative Assembly.

### Australasian Police Ministers' Council (APMC)

The APMC is a consultative body of all the Australian and New Zealand police ministers that promotes a coordinated national response to law enforcement issues and the efficient use of police resources. The commissioners form the APMC senior officers group, which provides advice and reviews issues of concern before they are presented to the ministers. These forums are also responsible for overseeing the establishment, development and management of common police services in such areas as criminal intelligence, police research, exchange of police information and training facilities for the benefit of all Australasian police organisations.

## **Australasian and South-West Pacific Region Police Commissioners' Conference**

The Australasian and South-West Pacific region police commissioners meet annually to discuss a wide range of policing issues and to develop cooperative operational arrangements.

## **National Police Ethnic Advisory Bureau**

The National Police Ethnic Advisory Bureau was established by Australian police commissioners to contribute to the development of coordinated approaches to the delivery of equitable and professional police services to a culturally diverse Australia. The Bureau's advisory panel consists of a representative from each State police service and a member from the Office of Multicultural Affairs, the Australian Multicultural Foundation and the Federation of Ethnic Communities Councils.

## CHAPTER 5 – HUMAN RESOURCES

### 5.1 Recruitment and Attrition

The annualised attrition rate for 2000–01 was 8.83 per cent. This is a reduction from the 1999–2000 rate of 11.48 per cent. Commercialisation, the abolition of compulsory fixed-term appointments, removal of the mandatory age requirement for retirement, and abolition and payout of the Cessation Payment and Adjustment Payment Schemes affected attrition in the first quarter.

The AFP recruited 284 additional employees in 2000–01, comprising 23 sworn and 261 unsworn members. The number of unsworn members included 82 new agent recruits. During the last two calendar years the AFP implemented an intensive recruitment program (469 police recruits) to offset anticipated attrition. Attrition was lower than envisaged, obviating the need to recruit in the first half of calendar year 2001.

### 5.2 Certified Agreement / Australian Workplace Agreements

The 1999–2002 Certified Agreement, ratified during the 1999–2000 year, was prepared in accordance with the Government's Workplace Relations Arrangements for Commonwealth Authorities and ratified by the Australian Industrial Relations Commissioner in November 1999.

As at 30 June 2001, there were 2640 non-Senior Executive employees covered by the Certified Agreement and one non-Senior Executive employee was covered by an Australian Workplace Agreement (AWA).

The terms and conditions of the Certified Agreement do not apply to Senior Executive employees and those employees posted overseas or to external territories (as specified by sub-clause 8.4 of the Certified Agreement 1999–2002). These employees have terms and conditions of service specified through individual agreements and Commissioner of Police Determinations. There were 35 Senior Executive employees and 175 members serving overseas or in the external territories who were not covered by the Certified Agreement as at 30 June 2001.

A table showing the salary ranges for AFP employees under the Certified Agreement is provided at *Appendix 4*. Non-salary benefits available to AFP employees include the normal range of recreation and personal leave entitlements and transfer expense and support arrangements. Additionally, the AFP provides salary-packaging facilities to employees.

The Agreement's underlying intent and purpose was to provide individual employees of the AFP with improved remuneration equity and certainty whilst

increasing the organisation's capacity and productivity essential to deal with an increasingly unpredictable work environment. It was designed to support and encourage the continued development of a flexible, mobile workforce which was able to respond more readily to changes in criminal activity and threats against the Commonwealth and the Australian community as a whole.

The developing flexibility of the workforce has been instrumental in being able to deploy people to major operations and facilitated the implementation of such programs as the mobile strike teams of the National Illicit Drug Strategy. The move from time-based salary payments such as overtime and penalty rates to a more professionally based remuneration strategy recognises the ongoing need for the AFP to adapt quickly and meet the demands of crime in the 21st century.

The effective implementation of the 1999–2002 Certified Agreement is providing a good foundation for the continuing development and reform of work practices and organisational responsiveness in future agreements and individual arrangements.

The implementation of the Certified Agreement is overseen by a Board of Reference, which includes representatives of the Industrial Relations Commission, the Australian Federal Police, and the Australian Federal Police Association. The Board of Reference met five times during the financial year and dealt with issues relating to principal functional area alignment for forensic services employees; 'on-call' and 'response' capacity requirements; reduction of composites, and a work practices review relating to surveillance employees in Eastern Operations.

## 5.3 Industrial Democracy

The Certified Agreement continued to underpin the consultative and disputes resolution processes during the year under review. The Board of Reference on which the AFP and the AFPA are represented provided the focal point for clarifying issues which arose in the implementation of the Certified Agreement. Only one issue addressed by the Board required a formal determination and that was in relation to classification of employees working in the forensic services area.

To facilitate the ongoing consultation and effective implementation of the Certified Agreement and the development of the replacement agreement, the Commissioner established the office of Director, Workplace Relations in April 2001.

The proclamation of the *Australian Federal Police Legislation Amendment Act 2000* on 1 July 2000 provided the legislative support necessary to complete the AFP reform program.

## 5.4 Occupational Health and Safety

The AFP is bound by the provisions of the *Occupational Health and Safety (Commonwealth Employment) Act 1991* (OH&S Act) and *Safety, Rehabilitation and Compensation Act 1988* (SRC Act).

Moreover, the AFP Certified Agreement 1999–2002 sets out a comprehensive range of health and safety principles, agreed by the AFP Association and implemented by

an in-house team of health, safety and rehabilitation professionals. A significant outcome of the focus on health and safety has been a reduction in the average duration of incapacity, from 5.93 weeks to 4.33 weeks during the reporting period. This is a drop of more than 25 per cent and has had positive flow-on effects in the operational arena. The coming year will see a concerted effort applied to the implementation of OH&S risk management principles in operational areas with a view to achieving greater reductions in the injury frequency rate and subsequent time lost due to injury.

### Significant Achievements

During 2000–01 the AFP achieved the following results with regard to occupational health and safety matters.

- The Occupational Health and Safety Agreement between the AFP and the AFPA was finalised after being reviewed and updated to align it with the current AFP structure. This includes the establishment of the National Occupational Health and Safety Committee and changes to the Designated Work Group framework.
- The National Guideline titled *Risk Management System (OH&S)* was developed. It is designed to ensure that OH&S risk management principles and practices are integrated into everyday business practice.
- The National Guideline on *Occupational Rehabilitation and Return to Work* was developed. It is designed to encourage the early and effective management of occupational rehabilitation and durable return to work.
- The Occupational Health and Safety information kit was developed and is available on the AFP intraweb to provide a source of readily accessible information for AFP employees at all levels as well as contractors working within AFP premises. It is designed to provide an overview of relevant Occupational Health and Safety information and guide the user to more detailed source material.

During the reporting period, the AFP notified Comcare Australia of 31 incidents under section 68 of the OH&S Act.

There were no provisional improvement notices issued by health and safety representatives and the AFP was not subjected to any notices issued by Comcare Australia during the reporting period.

During the second half of the reporting period the AFP, along with many other organisations, experienced legionella outbreaks in the

cooling towers of some of its buildings. The bacteria were detected twice at Canberra Head Office, and once each at Woden Station, the Winchester Centre in Belconnen and at Melbourne Office. On each occasion decontamination procedures were implemented immediately and effectively and the employees in the buildings concerned were informed and provided with relevant advice. There has been nothing to suggest that the bacteria were present in the air within the buildings at any time and there have been no reports of AFP employees becoming infected.

## Commonwealth Disability Strategy

The AFP, as a provider and employer, has continued to implement initiatives to promote the Commonwealth Disability Strategy principles of equity, inclusion, participation, access and accountability.

Since the *AFP Equity and Diversity Plan (1995–2000)* expired late last year, the AFP has been undergoing an extensive consultative review process with employees and clients to ensure the new plan will reflect the AFP's commitment to encourage a harmonious diverse workforce who enjoy a reasonable balanced work life. The new strategy will provide for the integration of people with a disability into the workforce.

The AFP has already taken active steps over the last 12 months to demonstrate support for the Disability Strategy. Each AFP area office is responsible for providing and ensuring members with a disability have equal access to facilities and employment opportunities. In line with the strategy, the AFP has recruited people with a disability into the workforce. A number of employees with impairments are catered for on an individual basis in each area office. For example, a physically impaired person is working in Police Communications in Canberra and a sight-impaired person supports the operational team in Melbourne.

An internal anonymous client survey was distributed inviting employees to comment on 15 negative behaviours experienced in the workplace. The majority of staff indicated they had either never experienced the various types of negative behaviour (which included feeling disadvantaged), or experienced them once in the last 12 months.

The organisation has taken steps to accommodate all members of the community by providing physical access to our services and the majority of our office sites provide disability access. For example, ramps and elevators have been included in all building constructions and refurbishments. A TTY Telecommunications transcription device is available to assist hearing-impaired members of the public who may require the services of the AFP.

## Employee Assistance and Psychological Services

The AFP has developed a diverse employee assistance and psychological services program. The program now has national psychological client services provided through Davidson Trahaire, a new welfare officer program and in-house psychological services attached to operational areas including, International and Federal Operations and Professional Standards. In addition, psychological services are provided to Security Intelligence and Diplomatic Liaison, Witness Protection and ACT Policing. Training in behavioural sciences continued to be provided to programs including the New Agent Qualifying Program, Management of Serious Crime, the Confidant Network and surveillance.

Preparation and support were provided for members and their families when selected as liaison officers or for other overseas missions including East Timor, the Solomon Islands and Cyprus.

The national employee assistance service was used by approximately eight per cent of the organisation's employees. Issues referred included: workplace stress and critical incident exposure; vocational concerns; organisational change; interpersonal



difficulties; health concerns; family issues; and work performance concerns. The service provides management advisory and conflict intervention services as part of its approach to increasing well-being in the organisation.

The new welfare scheme was introduced during the year and the AFP now has part-time dedicated welfare officers in each region. Although part of an outsourced contractual program, the welfare officers work on-site to assist staff in the management of a range of professional and personal issues including: career issues, support for families whilst the members are overseas, relationship problems, conflict in the workplace, internal investigations support, health concerns, financial concerns, addictions, and deployment issues. The welfare officers aim to provide prevention and early intervention services to enhance the overall health of the organisation and assist regional management in the support of staff. The welfare officers have also assisted the international program in preparing members and their families for overseas deployments as well as providing support to employees when returning to their usual workplace.

## Medical Services

AFP medical services comprise an occupational medicine service to review medical standards of applicants and provide advice on medical preparation for deployment overseas and medical fitness for duty, and a clinical forensic medicine service for ACT Policing.

The AFP's medical services are provided by a full-time Director of Medical Services and five part-time (after hours) doctors who provide clinical forensic medicine services to ACT Policing.

A project to create an electronic occupational medicine database has commenced.

## Chaplaincy

The AFP Chaplaincy is staffed by the National Chaplain and a volunteer chaplain who offers support in the ACT. As well as its national scope, the Chaplaincy has outreach to employees serving in UN peacekeeping missions. A particular focus is the support of members involved in ACT community policing. It also offers support to retired and recently separated employees.

A national network of police chaplains has been established through the cooperation of the AFP and State police service chaplains. This makes it possible to provide greater support to AFP employees across the organisation than can be provided by the National Chaplain alone. The Chaplaincy works closely with the AFP medical, welfare and psychological services.

## **CORRECTIONS TO PREVIOUS ANNUAL REPORT**

In the 1999–2000 Annual Report the annualised attrition rate was incorrectly reported as 10.25 per cent on page 62 of that report. The correct annualised staff attrition rate was 11.48 per cent.

# APPENDICES

## Appendix 1

### Performance Measures – Outcome 1

**Table 1: Financial Result**

Budgeted revenue (\$m)	Actual revenue (\$m)	Actual expenses (\$m)	Variance (\$m) <sup>a</sup>
303.713	319.296	298.598	20.698

(a) The variance reflects additional sales revenue (\$15m) and lower costs. This is partly offset by additional costs (\$7m) in Outcome 2 in the transitional year of the new Policing Agreement with the ACT Government.

**Table 2: Staff years consumed in Outcome 1**

Outcome 1 staffing	2000–01
Staff years consumed in Outcome 1	1548.6

**Table 3: Drug seizures, federal agencies<sup>a</sup>**

Type of drug	1999–2000		2000–01	
	Number of drugs seized	Weight (g) <sup>b</sup>	Number of drugs seized	Weight (g) <sup>b</sup>
MDMA	148	172 020	211	380 312
Amphetamine Other	117	58 859	101	96 383
Cannabis	637	18 110	719	103 437
Cannabis Resin	413	13 620	362	164 957
Cocaine	131	813 013	128	450 379
Hallucinogens	47	6 134	26	2 863
Heroin	78	495 007	79	249 268
NPSD <sup>c</sup>	95	68 837	103	113 590
Other	53	11 669	89	124 475

(a) The figures are correct as at 4 July 2001 and include seizures awaiting analysis to confirm both weights and the presence of the illegal substance. Recorded weights and drug types may vary from those previously reported. Seizures by 'federal agencies' include those made by the AFP (excluding seizures made in the ACT), Customs and the Joint Asian Crime Group where the drugs have been held in AFP custody. The figures for 2000-01 include a cocaine seizure of 316,327 grams which resulted from coinciding separate investigations by the AFP and NCA. Otherwise, NCA seizures are not included.

(b) Net weight 'confirmed' has been used where available, followed by net weight 'estimated', followed by gross weight 'estimated', followed by gross weight 'confirmed'.

(c) NPSD - No prohibited substance detected.

SOURCE: PROMIS as at 4 July 2001.

Table 4a: Deterrence of criminal activity, number of cases referred

Category/Type of case <sup>a</sup>	1999–2000 Number <sup>b</sup>	2000–01 Number <sup>b</sup>
<b>Illicit Drug Investigations</b>		
Drugs – Imported	714	691
Drugs – Exported	9	15
Drugs – Trafficked	111	80
<b>Sub Total</b>	<b>834</b>	<b>786</b>
<b>Economic Crime Investigations</b>		
Fraud	311	272
Corporate, Bankruptcy and Intellectual Property	56	54
Electronic and Telecommunications	64	179
Money Laundering and FTRA	410	496
Counterfeit Currency	90	95
Environmental	4	7
E-commerce <sup>c</sup>	–	2
<b>Sub Total</b>	<b>935</b>	<b>1105</b>
<b>Corruption Investigations</b>		
Corruption	33	40
<b>Sub Total</b>	<b>33</b>	<b>40</b>
<b>General Crime Investigations</b>		
General Crime	652	537
Multiple Voting <sup>c</sup>	17	2
<b>Sub Total</b>	<b>669</b>	<b>539</b>
<b>People Smuggling Investigations</b>		
People Smuggling <sup>c</sup>	107	88
<b>Sub Total</b>	<b>107</b>	<b>88</b>
<b>War Crimes Investigations</b>		
War Crimes	7	2
<b>Sub Total</b>	<b>7</b>	<b>2</b>
<b>Transnational Investigations</b>		
Economic <sup>c</sup>	–	2
Sex Offences <sup>c</sup>	1	17
<b>Sub Total</b>	<b>1</b>	<b>19</b>
<b>External Agency Support Services</b>		
Agency Liaison and Assistance	754	555
Agency Liaison and Assistance – Search Warrants <sup>c</sup>	27	125
Agency Liaison and Assistance – Operational Assistance <sup>c</sup>	44	274
Agency Liaison and Assistance – Forensic <sup>c</sup>	5	109
Agency Liaison and Assistance – Outposting <sup>c</sup>	1	20
<b>Sub Total</b>	<b>831</b>	<b>1083</b>
<b>Family Law Orders</b>		
Family Law Orders	766	855
<b>Sub Total</b>	<b>766</b>	<b>855</b>
<b>Total</b>	<b>4183</b>	<b>4517</b>

(a) The categories/types have been aligned with the outcome/outputs framework. They vary in order and content from the previous annual report.

(b) Merged cases are excluded.

(c) New incident type from 1 July 2000.

SOURCE: PROMIS as at 1 August 2001.

Table 4b: Offences confirmed<sup>a</sup> and offence value 2000-01

Offence type <sup>b</sup>	Confirmed counts	Number of offenders <sup>c</sup>			Offence value <sup>d</sup> \$'000
		Male	Female	Total	
<b>Offences against the person</b>	<b>28</b>	<b>25</b>	<b>2</b>	<b>27</b>	<b>–</b>
<b>Robbery and extortion</b>	<b>3</b>	<b>2</b>	<b>–</b>	<b>2</b>	<b>–</b>
<b>Burglary, fraud and other offences of theft</b>					
Burglary	–	–	–	–	–
Fraud and misappropriation					
Fraud	1 455	337	111	448	98 029
Misappropriation	18	6	2	8	76
Counterfeiting	134	34	8	42	26
<b>Total fraud and misappropriation</b>	<b>1 607</b>	<b>377</b>	<b>121</b>	<b>498</b>	<b>98 131</b>
Receiving, unlawful possession	27	22	3	25	400
Other theft	9	8	1	9	101
<b>Total burglary, fraud and other offences of theft</b>	<b>1 643</b>	<b>407</b>	<b>125</b>	<b>532</b>	<b>98 632</b>
<b>Property damage and environmental offences</b>	<b>30</b>	<b>23</b>	<b>–</b>	<b>23</b>	<b>–</b>
<b>Offences against good order</b>					
Government security operations	67	13	4	17	100
Justice procedures	186	116	46	162	2
Other offences against good order	68	61	2	63	–
<b>Total offences against good order</b>	<b>321</b>	<b>190</b>	<b>52</b>	<b>242</b>	<b>102</b>
<b>Other offences</b>					
Company legislation	1	1	–	1	–
Banking, financial institutions and insurance	337	250	76	326	5 210
Taxation and stamp duty	–	–	–	–	–
Posts, telegraphs and telecommunications	45	13	4	17	–
Customs, excise, imports and exports	23	20	1	21	13
Immigration, passports and extradition	309	304	2	306	–
Electoral	1	1	–	1	–
Air navigation, airports and aircraft operations	38	29	8	37	–
Health	–	–	–	–	–
Bankruptcy	63	29	8	37	328
Copyright and patents	11	4	–	4	350
Other offences – not elsewhere classified	144	79	28	107	102
<b>Total other offences</b>	<b>972</b>	<b>730</b>	<b>127</b>	<b>857</b>	<b>6 003</b>
<b>Total<sup>e</sup></b>	<b>2 997</b>	<b>1 377</b>	<b>306</b>	<b>1 683</b>	<b>104 737</b>

(a) Confirmed offences identified in this financial year may be the result of a referral from a previous year or the current financial year. A confirmed offence is an offence which has been cleared by one of the following actions: arrest, summons, warrant, voluntary attendance at court, caution, or cleared otherwise.

(b) Offence type classification is based on the Australian Bureau of Statistics, *Australian National Classification of Offences 1985* (ANCO), Catalogue No. 1234.0

(c) Number of offenders identified for each offence type, not the number of individual persons.

(d) Values are rounded to the nearest \$1000. A dash indicates a nil value. A zero indicates a value of less than \$500.

(e) Drug offences are excluded.

SOURCE: PROMIS as at 1 August 2001.

**Table 5: Value of criminal assets, identified, restrained or recovered<sup>a</sup>**

Category	1999–2000 Value \$'000	2000–2001 Value \$'000
Identified <sup>b</sup>	\$46 161	\$35 400
Restrained <sup>c</sup>	\$13 140	\$17 300
Recovered <sup>d</sup>	\$17 297	\$4 300

(a) Amounts identified include some recoveries by external agencies.

(b) Assets identified during the course of an investigation may be used to recoup some of the proceeds of crime.

(c) The court issues an order to prevent the disposal of an asset.

(d) Assets are seized following an asset recovery order by a court in relation to a known offence.

SOURCE: PROMIS and Financial Investigations Teams.

**Table 6: Value of economic crime cases referred**

Output (Category/Type of case) <sup>a</sup>	1999–2000 Value \$'000 <sup>b</sup>	2000–01 Value \$'000 <sup>b</sup>
<b>Economic Crime Investigations<sup>c</sup></b>		
Fraud	212 696	116 939
Corporate, Bankruptcy and Intellectual Property	14 298	25 182
Electronic and Telecommunications crime	1 101	49
Money Laundering and FTRA	59 553	122 351
Counterfeit Currency	2 400	2 211
Environmental	–	–
E-commerce <sup>d</sup>	–	5 000
<b>Total</b>	<b>290 048</b>	<b>271 732</b>

(a) The categories/types have been aligned with the outcome/outputs framework. They vary in order and content from the previous annual report.

(b) Where reported, the dollar value is a quantifiable dollar estimate at the time of AFP evaluation. It does not signify the economic impact on Australian society. Values are rounded to the nearest \$1000.

(c) Merged cases are excluded.

(d) New incident type from 1 July 2000.

SOURCE: PROMIS as at 1 August 2001.

**Table 7: International law enforcement, number of cases referred**

Category/Type of case <sup>a</sup>	1999–2000 Number <sup>b</sup>	2000–01 Number <sup>b</sup>
<b>International Law Enforcement</b>		
United Nations and Peacekeeping services	5	6
Interpol Services <sup>c</sup>	1242	3136
External Agency Support	866	818
<b>Total</b>	<b>2113</b>	<b>3960</b>

(a) The categories/types have been aligned with the outcome/outputs framework. They vary in order and content from the previous annual report.

(b) Merged cases are excluded.

(c) The increase in Interpol Services is due to changes in recording procedures in the 2000–01 period.

SOURCE: PROMIS as at 1 August 2001.

**Table 8: Protection and security, number of cases referred**

Category/Type of case <sup>a</sup>	1999–2000 Number <sup>b</sup>	2000–01 Number <sup>b</sup>
<b>Protection of Individuals at Risk</b>		
Protection – Australian Office Holder <sup>c</sup>	226	92
Protection – Non Australian Office Holder <sup>c</sup>	164	97
Protection – Witness	19	8
<b>Sub Total</b>	<b>409</b>	<b>197</b>
<b>Protection – Family Law Service</b>		
Family Law Services	31	7
<b>Sub Total</b>	<b>31</b>	<b>7</b>
<b>Security and Law Enforcements for Special Events</b>		
Special events – CHOGM <sup>c</sup>	–	–
Special events – Centenary of Federation <sup>c</sup>	–	–
Special events – Olympics <sup>c</sup>	28	25
<b>Sub Total</b>	<b>28</b>	<b>25</b>
<b>Total<sup>d</sup></b>	<b>468</b>	<b>229</b>

(a) The categories/types have been aligned with the outcome/outputs framework. They vary in order and content from the previous annual report.

(b) Merged cases are excluded.

(c) New incident type from 1 July 2000.

(d) The decrease in Protection and Security cases is due to changes in recording procedures in the 2000–01 period.

SOURCE: PROMIS as at 1 August 2001.

## Appendix 2

### Performance Measures – Outcome 2

**Table 9: Financial Result**

Budgeted revenue (\$m)	Actual revenue (\$m)	Actual expenses (\$m)	Variance (\$m)
66.526	65.735	72.477	-6.742

The variance reflects increased expenses in this transitional first year of the new ACT Policing Agreement and was funded from non-appropriated revenue. The funding arrangements have now been settled with the ACT Government for the services over the period 2001–05.

As this represents services to the ACT Government, performance measures are reported in the ACT Policing Annual Report 2000–01. The ACT Policing Annual Report is produced by ACT Media and Public Relations Team and is available on the AFP website at [www.afp.gov.au](http://www.afp.gov.au).

## Appendix 3

### Other Accountability Measures

#### Complaints and allegations

The figures provided below relate to the number of cases registered, according to complaint and allegation investigation outcomes. The total number of cases will vary from the total number of actual complaint or allegation issues.

The term ‘complaint’ describes a complaint made by a member of the public about the actions of AFP employees in the exercise of powers or in the performance of functions given to them as AFP employees. Additionally, allegations reported directly to the Commonwealth Ombudsman by AFP employees concerning the actions of other AFP employees may also be classified as complaints.

An ‘allegation’ means a report made by a person concerning the breach of professional standards, at any time, by an AFP employee or special member, not being a matter to which the *Complaints (Australian Federal Police) Act 1981* applies.

**Table 10: Complaints received in 2000–01 (by source)**

Referral Source	Referrals	Percentage
AFP Internal	12	1.60%
Government Department	9	1.30%
Ministerial	3	0.50%
Ombudsman	278	38.00%
Reported by public	427	58.30%
Other	2	0.30%
<b>Total</b>	<b>731</b>	<b>100.00%</b>

Note: The method of registering complaints and allegations made against AFP employees changed during the reporting period and consequently there may be some discrepancy in the actual totals generated.

Figures relate to the total number of complaints received by the AFP, including those relating to ACT Policing (Outcome 2). Statistics for ACT Policing complaints are recorded separately in the ACT Policing Annual Report 2000-01.



**Table 11: Number of complaints received in 2000–01 (by status and category)**

Category	Completed	Under Investigation	Total
Advice	11	4	15
Arrest	28	15	43
Assault	33	11	44
Communicate/obtain information without authority	2	–	2
Conduct	43	8	51
Criminal Offence	9	4	13
Discourtesy to public	1	–	1
Disgraceful or improper conduct	–	–	–
Entry and search	28	9	37
Fail to comply with laws that apply to appointees	1	–	1
Fraud – obtain by deceit	1	1	2
Fraud against Commonwealth	–	–	–
Harassment	83	9	92
Improper/unauthorised use of Commonwealth property	–	1	1
Incivility	155	37	192
Involvement in any criminal activity	–	–	–
Miscellaneous	19	2	21
Misuse of authority	64	34	98
Neglect of duty	222	49	271
Non-allegation	–	–	–
Obtain a personal advantage	–	–	–
Practices and procedures	206	45	251
Property	65	16	81
Traffic	21	2	23
Use of force/person	38	22	60
<b>Total</b>	<b>1030</b>	<b>269</b>	<b>1299</b>

**Table 12: Results of completed investigations (complaints) 2000–01**

Category	A	B	C	D	E	F	Total
Advice	1	5	0	1	7	0	14
Arrest	1	12	0	8	14	2	37
Assault	1	4	0	1	12	3	21
Communicate/obtain information without authority	0	2	0	0	0	0	2
Conduct	3	9	4	8	20	0	44
Criminal offence	1	2	0	0	7	2	12
Discourtesy to public	0	0	0	0	0	0	0
Disgraceful or improper conduct	0	0	0	0	0	0	0
Entry and search	0	6	0	6	22	0	34
Fail to comply with laws for appointees	0	0	0	0	0	0	0
Fraud against Commonwealth	2	5	0	0	0	0	7
Harassment	0	9	7	31	30	2	79
Incivility	0	22	8	73	51	2	156
Miscellaneous	0	2	1	5	9	4	21
Misuse of authority	3	14	3	8	28	1	57
Neglect of duty	8	39	6	92	92	10	247
Non-Allegation	0	0	0	2	0	0	2
Practices and procedures	6	38	3	66	78	4	195
Property	3	22	2	16	25	3	71
Traffic	0	1	1	13	1	0	16
Use of force/person	1	20	1	5	21	3	51
<b>Total</b>	<b>30</b>	<b>212</b>	<b>36</b>	<b>335</b>	<b>417</b>	<b>36</b>	<b>1066</b>

**A** Substantiated

**D** Conciliated

**B** Unsubstantiated

**E** Ombudsman exercised discretion not to investigate/further investigate

**C** Incapable of determination

**F** Withdrawn

Note: The total number of investigations completed includes investigations commenced in previous reporting periods.

**Table 13: Number of allegations received in 2000–01 (by status and category)**

Category	Completed	Outstanding	Total
Absent from duty	2	1	3
Act in disorderly manner	7	3	10
Act prejudicial to the good of AFP	4	1	5
Allegation	–	–	–
Being late for duty	–	1	1
Bring discredit to the AFP	5	2	7
Communicate/obtain information without authority	27	15	42
Discourtesy to public	3	–	3
Disgrace or improper conduct	21	6	27
Disobey lawful instruction	8	–	8
Engage in business without Commissioner's permission	–	–	–
Engage in profession/occupation without Commissioner's permission	–	–	–
Fail to carry out instructions of doctor	1	–	1
Fail to carry out lawful instruction	–	1	1
Fail to carry out Commissioner's order	2	3	5
Fail to comply with laws for appointees	2	77	79
Fail to give prompt attention to duties	4	–	4
Fail to promptly carry out duties	–	1	1
Fail to report for duty	–	1	1
Fail to report loss or damage to property	–	–	–
Fraud – Abuse of Commonwealth property	–	1	1
Fraud – Obtain by deceit	3	–	3
Fraud – Obtain property by deception	1	1	2
Fraud – Theft unlawful removal of Commonwealth property	3	–	3
Improper/unauthorised use of Commonwealth property	6	11	17
Improper/unauthorised use of firearm	–	1	1
Involve in any criminal activity	9	8	17
Make a misleading or false written/oral statement	3	1	4
Make a false or misleading entry in an official book	–	–	–
Miscellaneous	–	1	1
Negligent or careless in the discharge of duties	5	–	5
Non-allegation	–	–	–
Obtain a personal advantage	1	–	1
Unauthorised disclosure in information	1	3	4
<b>Total</b>	<b>118</b>	<b>139</b>	<b>257</b>

**Table 14: Results of completed investigations (allegations) 2000–01**

Category	A	B	C	D	E	Total
Absent from duty	1	0	1	0	0	2
Act in disorderly manner	1	3	1	1	1	7
Act prejudicial to the good of AFP	1	1	0	1	1	4
Being late for duty	0	0	0	0	0	0
Bring discredit to the AFP	2	0	3	0	0	5
Communicate/obtain information	5	12	4	2	4	27
Discourtesy to public	0	0	1	1	1	3
Disgrace or improper conduct	7	3	6	1	4	21
Disobey lawful instruction	2	0	2	3	1	8
Fail to carry out instructions of doctor	0	1	0	0	0	1
Fail to carry out Commissioner's order	0	0	0	0	2	2
Fail to comply with laws for appointees	0	0	1	0	1	2
Fail to give prompt attention to duties	3	0	1	0	0	4
Fail to report loss or damage to property	0	0	0	0	0	0
Fraud – Obtain by deceit	1	1	1	0	0	3
Fraud – Obtain property by deception	0	1	0	0	0	1
Fraud – Theft unlawful removal of Commonwealth property	0	1	2	0	0	3
Improper/unauthorised use of Commonwealth property	4	1	1	0	0	6
Involve in any criminal activity	2	5	2	0	0	9
Make a misleading or false written/oral statement	1	1	1	0	0	3
Miscellaneous	2	5	2	1	1	11
Negligent or careless in the discharge of duties	5	0	0	0	0	5
Non-allegation	0	0	0	0	0	0
Obtain a personal advantage	1	0	0	0	0	1
Unauthorised disclosure in information	1	0	0	0	0	1
<b>Total</b>	<b>39</b>	<b>35</b>	<b>29</b>	<b>10</b>	<b>16</b>	<b>129</b>

**A** Substantiated

**D** Conciliated

**B** Unsubstantiated

**E** Discretion exercised not to investigate/further investigate

**C** Incapable of determination

Note: The total number of investigations completed includes investigations commenced in previous reporting periods.

### Illicit Drug Testing

Programs to test for the use of illicit drugs continued to receive full cooperation from employees and the AFPA. Each program focuses on detecting the presence of narcotic substances, specifically illicit drugs as per the definition in the *Australian Federal Police Act 1979*.

The transition from Voluntary Targeted Testing (VTT) to Mandatory Drug Testing (MDT) came into effect in July 2000 with the enactment of amendments to the *Australian Federal Police Act 1979*. The new program follows the same principles as VTT. The difference is that testing is now underpinned by legislative authority rather than relying on voluntary cooperation from those being tested.

The following table provides a year-to-year statistical comparison on the AFP's various illicit drug testing programs. During the 2000–01 reporting period two applicants for unsworn positions and one contractor tested positive for illicit drugs, all other tests returning negative results.

The Australian Federal Police policy and guidelines provide for rehabilitation where cannabis is identified. Rehabilitation potential is assessed on a case-by-case basis. Employees who come to notice during the conduct of the MDT program will have their suitability for continued employment reviewed.

**Table 15: Illicit drug testing**

Category	1999–2000	2000–01
Voluntary Targeted Tests	150	–
Mandatory Drug Tests	–	82
Applicant Tests Sworn Positions	262	212
Reasonable Suspicion Tests	1	–
Mandatory Certain Tests	–	1
Contractor Tests	21	81

### Security Clearances

**Table 16: Number of security clearances completed by category**

Category	1999–2000	2000–01
Position of Trust	166	232
Protected	265	155
Highly Protected	434	357
Confidential	1	1
Secret	47	91
Top Secret	149	146
<b>Total</b>	<b>1062</b>	<b>982</b>

Table 17: AFP internal audit activities

SAT Meeting	Performance Audits	Regularity Audits	Other Significant Completed Projects
9 Aug 2000		Eastern Operations Drug Holdings	Follow Ups: Olympic Preparedness  Set up of Panel Contract for ongoing audits of Exhibit/Drug Holdings and other Internal Audit projects.
25 Oct 2000	SAP R/3 Security		
6 Dec 2000		Eastern Operations Exhibit Holdings  1999–2000 Advance Account Financial Statements – Interim and Final	Contribution to development of AFP Risk Management Plan.  Assist Professional Standards re Strategies for next Fraud Control and Anti-Corruption Plan Round.  Coordinated feedback to ANAO re Financial Statement Audit Strategy.
4 Apr 2001		CATF Grant Acquittal – Covert Audio System  Drug and Property Registries in Major Offices – location reports (6)  Consolidated Report on Drug and Property	FOI Release of Internal Audit Reports to Press.  Assist Professional Standards re Internal Investigations.  Assist preparation of IT Security Issues Papers.  Follow Ups: Controlled Operations, Use of Force, and Surveillance.  Assist Professional Standards re Methodology for next Fraud Control and Anti-Corruption Plan Round.  Input to International Survey re Internal Audit Benchmarks.
2000–2001	1	11	Assist Policy re Update of National Guidelines re Drugs/Exhibits.  12

### Action Taken Against Employees

On 2 July 2000 amendments to the *Australian Federal Police Act 1979* provided for a broader range of administrative solutions which are now available to AFP managers who, by the exercise of powers available to them under the amended Act, wish to secure improvements in the performance of their staff against the AFP's professional standards.

These amendments to the Act abolished the Fixed Term Appointment (FTA) regime.

Employment related decisions are subject to the administrative law tenets of natural justice and procedural fairness. These basic rights are afforded to both the employer and the employee, as clearly outlined in the *Workplace Relations Act 1996*.

Certain terminations under section 28 of the Australian Federal Police Act are appealable to the Industrial Relations Commission (IRC) on the grounds of unfair dismissal via the Workplace Relations Act. There are certain exclusions to this rule precluding the employee affected from appealing to the IRC as allowed within the Workplace Relations Act, although the employee still has the right to appeal a decision to the Federal Court.

If an employee engages in serious misconduct, the Commissioner may issue a certificate of serious misconduct under section 40K of the Australian Federal Police Act in conjunction with section 28 of the said Act. The issuance of a section 40K certificate of serious misconduct may also preclude an employee's right of appeal for unfair dismissal to the IRC.

**Table 18: Action taken against employees**

Action	1999–2000	2000–01
Employment suitability review	0	22
Section 26E/F assessments	15	0
Section 28 terminations	0	5
FTA non-renewal	24	2
Discipline	4	0
Annulment	3	0
Other (Comcare, Human Rights complaint etc)	12	4
Special taskings (Senate Inquiry, Ministerial advice)	2	NA <sup>a</sup>
<b>Total</b>	<b>60</b>	<b>33</b>

(a) Special taskings relate to responses provided to Ministerial/Senate inquiries and are not reflective of actions taken against AFP employees. This category will not be reported on in this or future reports.

# Freedom of Information

Section 8 of the *Freedom of Information Act 1982* (FOI Act) requires that the AFP publish information about the way it is organised, its functions and powers, and arrangements for outside participation in the AFP’s work. The FOI Act also requires the provision of details relating to the categories of documents the AFP holds and how members of the public can gain access to them (see also section 4.11 on page 83).

**Table 19: Freedom of Information Requests**

Category	1999-2000	2000-01
Freedom of Information	133	139
Requests for documents – offences against the person	463	278
Requests for documents – accidents	3294	2604
Request for documents – offences against property	1337	769
Subpoena or Summons	439	328
Miscellaneous information requests	35	NA <sup>a</sup>

(a) This category is no longer reported against as it has been subsumed under the category ‘Request for documents – offences against property’.



## Appendix 4

### Human Resources

**Table 20: Senior Executive AFP (This table includes temporary staff)**

Executive	Area	Personnel Area		Grand Total
		AFP Sworn	AFP Unsworn	
ACT	ACT	3	1	4
<b>ACT Total</b>		<b>3</b>	<b>1</b>	<b>4</b>
Enabling	Commissioner's Office	2		2
	Policy & Commercial		7	7
	People and Finance Management	3	5	8
<b>Enabling Total</b>		<b>5</b>	<b>12</b>	<b>17</b>
Operational	Eastern	2	1	3
	International & Federal Operations	3	1	4
	Northern	3		3
	Protection	1		1
	Southern	2		2
	Western	1		1
<b>Operational Total</b>		<b>12</b>	<b>2</b>	<b>14</b>
<b>Grand Total</b>		<b>20</b>	<b>15</b>	<b>35</b>

In accordance with the AFP Act, SES are now called Senior Executive. The Commissioner and Deputy Commissioner are shown against the Commissioner's Office.

SOURCE: EIS Pay 26.

**Table 21: Geographical distribution**

Location	Sworn		Sworn Total	Unsworn		Unsworn Total	Total		Grand Total
	Female	Male		Female	Male		Female	Male	
Australian Capital Territory <sup>a</sup>	204	719	923	317	257	574	521	976	1497
New South Wales	105	248	353	41	43	84	146	291	437
Northern Territory	2	10	12	2	-	2	4	10	14
Queensland	36	132	168	32	19	51	68	151	219
South Australia	10	41	51	8	5	13	18	46	64
Tasmania	1	4	5	-	1	1	1	5	6
Victoria	70	192	262	31	22	53	101	214	315
Western Australia	18	82	100	19	11	30	37	93	130
Overseas <sup>b</sup>	19	139	158	5	6	11	24	145	169
<b>Total</b>	<b>465</b>	<b>1567</b>	<b>2032</b>	<b>455</b>	<b>364</b>	<b>819</b>	<b>920</b>	<b>1931</b>	<b>2851</b>

(a) Six staff at Jervis Bay are included in the ACT.

(b) This includes 33 Liaison Officers and Advisers.

SOURCE: EIS Pay 26.

**Table 22: AFP workforce by employment status**

Employee group	1999–2000	2000–2001	Difference	Change
Permanent Full time	2550	2649	99	3.88%
Permanent Part time	88	101	13	14.77%
Temporary Full time	239	71	-168	-70.29%
Temporary Part time	13	7	-6	-46.15%
Casuals	not included in report (13)	17	4	30.77%
Loan to	0	1	1	100.00%
Seconded Paid	not included in report (1)	5	4	400.00%
<b>Grand Total</b>	<b>2890</b>	<b>2851</b>	<b>-39</b>	<b>-1.35%</b>

The staff count of 2851 represents a Full Time Equivalent of 2796.

Note: The AFP has applied different counting rules to the 2000–01 financial year. The new methodology identified all salary-paid employees of the AFP.

**Table 23: Workforce Composition**

Salary Group	AFP Staff Numbers								
	Sworn		Sworn Total	Unsworn		Unsworn Total	Total Female	Total Male	Grand Total
	Female	Male		Female	Male				
1				2	6	8	2	6	8
2					1	1	0	1	1
3					1	1	0	1	1
4				2	3	5	2	3	5
5				55	21	76	55	21	76
6	64	123	187	24	18	42	88	141	229
7	94	175	269	65	22	87	159	197	356
8	5	16	21	63	28	91	68	44	112
9	26	53	79	103	39	142	129	92	221
10	130	503	633	35	16	51	165	519	684
11	27	91	118	20	21	41	47	112	159
12	56	263	319	32	63	95	88	326	414
13	40	154	194	22	19	41	62	173	235
14	8	53	61	7	32	39	15	85	100
15	4	35	39	8	21	29	12	56	68
16	6	49	55	7	33	40	13	82	95
17		19	19	2	5	7	2	24	26
18		4	4	3	2	5	3	6	9
19		7	7		3	3	0	10	10
20		7	7		5	5	0	12	12
21	1	2	3		2	2	1	4	5
22		4	4	1		1	1	4	5
Casuals	4	9	13	1	3	4	5	12	17
National Indigenous Cadetship Program				3		3	3	0	3
Grand Total	465	1567	2032	455	364	819	920	1931	2851

SOURCE: EIS Pay 26 – Counting rules apply.

# appendix 4

Table 24: Outposting to other agencies/police services

Agency/Police Service	Actual Grade																							Total
National Crime Authority <sup>a</sup>	casuals	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	
Adelaide																								2
Brisbane								1		1	2		1											5
Melbourne										9	3		1				1							11
Perth								2			3		1				6							6
Sydney								8	1	17			7				1	1						35
<b>Anst Securities &amp; Investments Commission<sup>c</sup></b>																								
Canberra											1				1									2
Melbourne											1													1
<b>Overseas</b>																								
East Timor <sup>b</sup>													57		13		2		1					73
Solomon Islands <sup>b</sup>								1					9		2	1	3							16
United Nations – UNCI/VPOL – Cyprus <sup>b</sup>										10	2			2			3							17
Royal PNG Constabulary <sup>c</sup>																								0
War Crimes Commission <sup>c</sup>										2	1													3
<b>External Territories<sup>b</sup></b>																								
Christmas Island	11				1					1	3				1									17
Norfolk Island	6									2	2		1											9
Cocos Islands						1				2	2		1											4
Jervis Bay Territory							1			4			1											6
<b>External Agencies<sup>c</sup></b>																								
Department Prime Minister and Cabinet																								0
Dept. Immigration and Multicultural Affairs												0.5												0.5
Attorney-General's Dept																								0
Ombudsman's Office																								0
Security Coordination Parliament House																	1							1
ABC1									1															1
AFPA													1											1
Austrac										2	1													3
CASA												0.5												0.5
Customs										1														1
DATEC (PNG)													1											1
Dept Science Industry and Resources													1											1
ITSA												1												1
Field Agent -ATO												2	2											4
Field Agent - Austrade - Sydney												1	1											1
Field Agent - Australia Post												1.5	1											1.5
Field Agent - Centreflink								1				1.5	1											3.5
Family Courts - Sydney												4												4
Private Company								1																1
<b>Totals</b>	<b>17</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>14</b>	<b>3</b>	<b>23</b>	<b>41</b>	<b>7.5</b>	<b>92.5</b>	<b>3</b>	<b>16</b>	<b>1</b>	<b>11</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>233</b>

Note: The data for this table has come from three sources, as follows: (a) International & Federal Operations Local Business Service Group (LBSG); (b) EIS pay 26 data; and (c) All LBSGs. Where the number of people is expressed as 0.5, this represents agents who are shared by two agencies or by an external agency and the AFP.

**Table 25: Salary ranges available for AFP employees under the Certified Agreement 1999–2002**

AFP Grade	Grade Increment	Salary \$
AFP Grade 22	22.3	134,039.00
	22.2	128,240.00
	22.1	122,440.00
AFP Grade 21	21.3	122,440.00
	21.2	117,200.00
	21.1	111,960.00
AFP Grade 20	20.3	111,960.00
	20.2	107,174.00
	20.1	102,388.00
AFP Grade 19	19.3	102,388.00
	19.2	98,055.00
	19.1	93,723.00
AFP Grade 18	18.3	93,723.00
	18.2	89,741.00
	18.1	85,758.00
AFP Grade 17	17.3	85,758.00
	17.2	82,194.00
	17.1	78,630.00
AFP Grade 16	16.3	78,630.00
	16.2	75,381.00
	16.1	72,132.00
AFP Grade 15	15.3	72,132.00
	15.2	69,163.00
	15.1	66,193.00
AFP Grade 14	14.3	66,193.00
	14.2	63,502.00
	14.1	60,813.00
AFP Grade 13	13.3	60,813.00
	13.2	58,796.00
	13.1	56,780.00
AFP Grade 12	12.3	56,780.00
	12.2	54,122.00
	12.1	51,462.00
AFP Grade 11	11.3	51,462.00
	11.2	49,485.00
	11.1	47,504.00
AFP Grade 10	10.3	47,504.00
	10.2	45,527.00
	10.1	43,705.00
AFP Grade 9	9.3	43,705.00
	9.2	42,058.00
	9.1	40,409.00

**Table 25: Salary ranges available for AFP employees under the Certified Agreement (continued)**

AFP Grade	Grade Increment	Salary \$
AFP Grade 8	8.3	40,409.00
	8.2	38,918.00
	8.1	37,425.00
AFP Grade 7	7.3	37,425.00
	7.2	36,018.00
	7.1	34,610.00
AFP Grade 6	6.3	34,610.00
	6.2	33,268.00
	6.1	32,063.00
AFP Grade 5	5.3	32,063.00
	5.2	30,942.00
	5.1	29,790.00
AFP Grade 4	4.3	29,790.00
	4.2	28,776.00
	4.1	27,763.00
AFP Grade 3	3.3	27,763.00
	3.2	26,820.00
	3.1	25,876.00
AFP Grade 2	2.3	25,876.00
	2.2	25,004.00
	2.1	24,129.00
Trainee 1	1.2	24,129.00
	1.1	19,014.00

**Table 26: 2000–01 Performance Bonus Payments**

Grade	Bonus payment amount		Total recipients	Total payments made
	Excellent	Highly Effective		
2.3	\$1 035	\$647	–	–
3.3	\$1 111	\$694	–	–
4.3	\$1 192	\$745	1	\$596.00
5.3	\$1 283	\$802	9	\$7 077.45
6.3	\$1 384	\$865	–	–
7.3	\$1 497	\$936	2	\$1 872.00
8.3	\$1 616	\$1 010	3	\$3 030.00
9.3	\$1 748	\$1 093	50	\$56 749.23
10.3	\$1 900	\$1 188	1	\$1 188.00
11.3	\$2 058	\$1 287	3	\$3 861.00
12.3	\$2 271	\$1 420	95	\$101 016.00
13.3	\$2 433	\$1 520	5	\$6 420.00
14.3	\$2 648	\$1 655	15	\$27 520.50
15.3	\$2 885	\$1 803	3	\$6 491.00
16.3	\$3 145	\$1 966	30	\$57 403.00
17.3	\$3 430	\$2 144	–	–
18.3	\$3 749	\$2 343	–	–
<b>All grades total</b>			<b>217</b>	<b>\$273 224.18</b>

Note: The bonus is open to those at top of grade who have not accessed any form of advancement in the calendar year. The eligible population for the bonus in 2000 was drastically reduced due to the operation of other CA remuneration initiatives.

Bonuses are delivered on a pro-rata basis for those employees who are employed under part-time arrangements.





## INDEPENDENT AUDIT REPORT

To the Minister for Justice and Customs

### Scope

I have audited the financial statements of the Australian Federal Police for the year ended 30 June 2001. The financial statements comprise:

- Statement by the Commissioner of Police;
- Statements of Financial Performance, Financial Position and Cashflows;
- Schedules of Contingencies and Commitments;
- Notes to and forming part of the Financial Statements.

The Commissioner of Police is responsible for the preparation and presentation of the financial statements and the information they contain. I have conducted an independent audit of the financial statements in order to express an opinion on them to you.

The audit has been conducted in accordance with the Australian National Audit Office 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 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 Australian Accounting Standards, other mandatory professional reporting requirements and statutory requirements in Australia so as to present a view of the Australian Federal Police which is consistent with my understanding of its financial position, its operations and its cash flows.

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

GPO Box 707 CANBERRA ACT 2601  
Centenary House 19 National Circuit  
BARTON ACT  
Phone (02) 6203 7300 Fax (02) 6203 7777



**Audit Opinion**

In my opinion,

- (i) the financial statements have been prepared in accordance with Schedule 1 of the Financial Management and Accountability (Financial Statements 2000-2001) Orders;
- (ii) the financial statements give a true and fair view, in accordance with applicable Accounting Standards, other mandatory professional reporting requirements and Schedule 1 of the Financial Management and Accountability (Financial Statements 2000-2001) Orders, of the financial position of the Australian Federal Police as at 30 June 2001 and the results of its operations and its cash flows for the year then ended.

Australian National Audit Office



Allan M. Thompson  
Executive Director

Delegate of the Auditor-General

Canberra  
20 August 2001



## **AUSTRALIAN FEDERAL POLICE**

### **Financial Statements**

**For the Year Ended**

**30 June 2001**

## AUSTRALIAN FEDERAL POLICE

### Statement by the Commissioner of Police

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In my opinion, the attached financial statements give a true and fair view of the matters required by Schedule 1 of the Financial Management and Accountability (Financial Statements 2000-2001) Orders made under section 63 of the *Financial Management and Accountability Act 1997*.

Signed .....

M. J. Keelty  
Commissioner

Dated



**AUSTRALIAN FEDERAL POLICE**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
*for the year ended 30 June 2001*

	Notes	2000-01 \$'000	1999-00 \$'000
<b>Revenues from ordinary activities</b>			
Revenues from government	3A	289,262	282,941
Sales of goods and services	3B	91,196	79,958
Proceeds from disposals of assets	3C	12	17
Other	3B	4,561	105
<b>Total revenues from ordinary activities</b>		<b>385,031</b>	<b>363,021</b>
<b>Expenses from ordinary activities</b>			
Employees	4A	223,520	251,413
Suppliers	4B	130,469	98,953
Depreciation and amortisation	4C	9,740	11,143
Write-down and write off of assets	3C, 4D	6,870	626
Disposals of assets	4E	4	760
<b>Total expenses from ordinary activities</b>		<b>370,603</b>	<b>362,895</b>
<b>Borrowing costs expense</b>	5	<b>472</b>	<b>911</b>
<b>Net operating surplus (deficit) from ordinary activities</b>		<b>13,956</b>	<b>(785)</b>
<b>Net surplus (deficit)</b>		<b>13,956</b>	<b>(785)</b>
<b>Equity interests</b>			
<b>Net surplus (deficit) attributable to the Commonwealth</b>		<b>13,956</b>	<b>(785)</b>
Net credit (debit) to asset revaluation reserve		4,466	2,054
<b>Total revenues, expenses and valuation adjustments recognised directly in equity</b>		<b>4,466</b>	<b>2,054</b>
<b>Total changes in equity other than those resulting from transactions with owners as owners</b>		<b>18,422</b>	<b>1,269</b>

The above statement should be read in conjunction with the accompanying notes.

**AUSTRALIAN FEDERAL POLICE**  
**STATEMENT OF FINANCIAL POSITION**  
*for the year ended 30 June 2001*

	Notes	2000-01 \$'000	1999-00 \$'000
<b>ASSETS</b>			
<b>Financial Assets</b>			
Cash		61,677	54,795
Receivables	6A,B	12,629	3,985
<b>Total financial assets</b>		<b>74,306</b>	<b>58,780</b>
<b>Non-financial Assets</b>			
Land and buildings	7A,C	65	-
Infrastructure, plant and equipment	7B,C	46,176	40,078
Intangibles	7D	3,718	5,894
Other	7E	8,282	6,285
<b>Total non-financial assets</b>		<b>58,241</b>	<b>52,257</b>
<b>Total Assets</b>		<b>132,547</b>	<b>111,037</b>
<b>LIABILITIES</b>			
<b>Interest bearing liabilities</b>			
Loans	8A	-	12,681
<b>Total debt</b>		<b>-</b>	<b>12,681</b>
<b>Provisions</b>			
Employees	9A	76,081	102,467
Other	9B	5,354	5,354
<b>Total provisions</b>		<b>81,435</b>	<b>107,821</b>
<b>Payables</b>			
Suppliers	10A	12,219	7,500
Other	10B	1,678	342
<b>Total payables</b>		<b>13,897</b>	<b>7,842</b>
<b>Total Liabilities</b>		<b>95,332</b>	<b>128,344</b>
<b>EQUITY</b>			
<b>Parent entity interest</b>			
Capital		111,966	75,866
Reserves		13,284	8,818
Accumulated surpluses (deficits)		(88,035)	(101,991)
<b>Total parent entity interest</b>	11A	<b>37,215</b>	<b>(17,307)</b>
<b>Total Equity</b>		<b>37,215</b>	<b>(17,307)</b>
<b>Current liabilities</b>		<b>42,354</b>	<b>83,024</b>
<b>Non-current liabilities</b>		<b>52,978</b>	<b>45,320</b>
<b>Current assets</b>		<b>82,588</b>	<b>65,065</b>
<b>Non-current assets</b>		<b>49,959</b>	<b>45,972</b>

The above statement should be read in conjunction with the accompanying notes.

**AUSTRALIAN FEDERAL POLICE**  
**STATEMENT OF CASH FLOW**  
*for the year ended 30 June 2001*

	Notes	2000-01 \$'000	1999-00 \$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Appropriations for Outputs		289,140	282,845
Sale of goods and services		88,472	81,588
GST refunds		7,861	-
<b>Total cash received</b>		<u>385,473</u>	<u>364,433</u>
<b>Cash used</b>			
Employees		249,906	273,880
Suppliers		135,165	97,236
Borrowing costs		472	-
Other		-	911
<b>Total cash used</b>		<u>385,543</u>	<u>372,027</u>
<b>Net cash from (used by) operating activities</b>	12	<u>(70)</u>	<u>(7,594)</u>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sales of property, plant and equipment		12	671
<b>Total cash received</b>		<u>12</u>	<u>671</u>
<b>Cash used</b>			
Purchase of property, plant and equipment		16,378	15,512
Purchase of intangibles		102	-
<b>Total cash used</b>		<u>16,480</u>	<u>15,512</u>
<b>Net cash from (used by) investing activities</b>		<u>(16,468)</u>	<u>(14,841)</u>
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from equity injections		36,100	75,866
<b>Total cash received</b>		<u>36,100</u>	<u>75,866</u>
<b>Cash used</b>			
Repayment of debt		12,681	970
<b>Total cash used</b>		<u>12,681</u>	<u>970</u>
<b>Net cash from (used by) financing activities</b>		<u>23,419</u>	<u>74,896</u>
<b>Net increase (decrease) in cash held</b>		<u>6,882</u>	<u>52,461</u>
Cash at beginning of the reporting period		<u>54,795</u>	<u>2,334</u>
<b>Cash at end of the reporting period</b>		<u>61,677</u>	<u>54,795</u>

The above statement should be read in conjunction with the accompanying notes.

**AUSTRALIAN FEDERAL POLICE**  
**SCHEDULE OF COMMITMENTS**  
*for the year ended 30 June 2001*

	Note	2000-01 \$'000	1999-00 \$'000
<b>BY TYPE</b>			
<b>CAPITAL COMMITMENTS</b>			
Infrastructure, plant and equipment		4,784	-
<b>Total capital commitments</b>		<b>4,784</b>	<b>-</b>
<b>OTHER COMMITMENTS</b>			
Operating leases <sup>1</sup>		130,026	95,862
Other commitments		10,258	6,331
<b>Total other commitments</b>		<b>140,284</b>	<b>102,193</b>
<b>COMMITMENTS RECEIVABLE</b>			
<b>Net Commitments</b>		<b>(15,168)</b>	<b>-</b>
		<b>129,900</b>	<b>102,193</b>
<b>BY MATURITY</b>			
<b>All Net Commitments</b>			
One year or less		40,356	29,259
From one to five years		75,492	69,167
Over five years		14,052	3,767
<b>Net Commitments</b>		<b>129,900</b>	<b>102,193</b>
<b>Operating Lease Commitments</b>			
One year or less		33,820	26,049
From one to five years		80,749	66,046
Over five years		15,457	3,767
<b>Net Commitments</b>		<b>130,026</b>	<b>95,862</b>

NB: Commitments are GST inclusive where relevant

1 Operating leases included are effectively non-cancellable and comprise:

<u>Nature of Lease</u>	<u>General description of leasing arrangement</u>
leases for office accommodation	. lease payments are subject to terms as detailed in the lease agreement; . the initial periods of office accommodation are still current and may be renewed at the AFP's option.
agreements for the provision of motor vehicles to executive officers	. no contingent rentals exist; . there are no renewal or purchase options available to the AFP.
leases in relation to computer and other equipment	. the lessor provides computer and other equipment to the AFP; . no contingent rentals exist; . there are no renewal or purchase options available to the AFP.

The above schedule should be read in conjunction with the accompanying notes.

**AUSTRALIAN FEDERAL POLICE  
SCHEDULE OF CONTINGENCIES**  
*for the year ended 30 June 2001*

	Note	2000-01 \$'000	1999-00 \$'000
<b>CONTINGENT LOSSES</b>			
Claims for damages/costs		<u>1,887</u>	<u>8,570</u>
<b>Total contingent losses</b>		<u><b>1,887</b></u>	<u><b>8,570</b></u>
<b>CONTINGENT GAINS</b>			
Claims for damages/costs		<u>-</u>	<u>-</u>
<b>Total contingent gains</b>		<u><b>-</b></u>	<u><b>-</b></u>
<b>Net contingencies</b>		<u><b>1,887</b></u>	<u><b>8,570</b></u>

Remote contingencies are disclosed in Note 13.

**Schedule of unquantifiable contingencies**

As at 30 June 2001, the AFP had a number of legal claims against it in relation to unlawful discrimination, negligence and operational matters. The AFP is defending the claims. It is not possible to estimate the amounts of any eventual payments that may be required in relation to these claims.

The above schedule should be read in conjunction with the accompanying notes.



**AUSTRALIAN FEDERAL POLICE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the year ended 30 June 2001*

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<b>Note</b>	<b>Description</b>
1	Summary of Significant Accounting Policies
2	Events Occurring after Balance Date
3	Operating Revenues
4	Operating Expenses
5	Borrowing Cost Expenses
6	Financial Assets
7	Non-financial Assets
8	Interest Bearing Liabilities
9	Provisions
10	Payables
11	Equity
12	Cash Flow Reconciliation
13	Remote Contingencies
14	Executive Remuneration
15	Remuneration of Auditors
16	Average Staffing Levels
17	Act of Grace Payments, Waivers and Defective Administration Scheme
18	Financial Instruments
19	Appropriations
20	Trust Moneys
21	Reporting of Outcomes

**AUSTRALIAN FEDERAL POLICE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*For the year ended 30 June 2001*

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**Note 1: Summary of Significant Accounting Policies**

**1.1 – Objectives of the Australian Federal Police**

The objectives of the Australian Federal Police (AFP) are to enforce Commonwealth criminal law and protect Commonwealth and national interests from crime in Australia and overseas. In order to achieve these objectives, the Australian Federal Police is structured to meet two outcomes:

Outcome 1: The investigation and prevention of crime against the Commonwealth and protection of Commonwealth interests in Australia and overseas

Outcome 2: Policing activity creates a safe and secure environment in the ACT

**1.2 Basis of Accounting**

The financial statements are required by section 49 of the *Financial Management and Accountability Act 1997* and are a general purpose financial report.

The statements have been prepared in accordance with:

- Schedule 1 of the Financial Management and Accountability (Financial Statements 2000-2001) Orders made under section 63 of the *Financial Management and Accountability Act 1997* for the preparation of Financial Statements in relation to financial years ending on or after 30 June 2001;
- Australian Accounting Standards and Accounting Interpretations issued by the Australian Accounting Standards Board;
- Other authoritative pronouncements of the board; and
- Consensus Views of the Urgent Issues Group.

The statements have been prepared having regard to:

- Statements of Accounting Concepts; and
- the Explanatory Notes to Schedule 1 of the Financial Management and Accountability (Financial Statements 2000-2001) Orders made under section 63 of *Financial Management and Accountability Act 1997* issued by the Department of Finance and Administration.

The AFP Statements of Financial Performance and Financial Position have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets which, as noted, are at valuation. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

Assets and liabilities are recognised in the AFP Statement of Financial Position when and only when it is probable that future economic benefits will flow and the amounts of the assets or liabilities can be reliably measured. Assets and liabilities arising under agreements equally proportionately unperformed are however not recognised unless required by an Accounting Standard. Liabilities and assets, which are unrecognised, are

**AUSTRALIAN FEDERAL POLICE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*For the year ended 30 June 2001*

reported in the Schedule of Commitments and the Schedule of Contingencies (other than remote contingencies, which are reported at Note 13).

Revenue and expenses are recognised in the AFP Statement of Financial Performance when and only when the flow or consumption or loss of economic benefits has occurred and can be reliably measured.

The continued existence of the AFP in its present form, and with its present programs, is dependent on Government policy and on continuing appropriations by Parliament for the AFP's administration and programs.

### **1.3 Changes in Accounting Policy**

The accounting policies used in the preparation of these financial statements are consistent with those used in 1999-2000.

### **1.4 Revenue**

The revenues described in this Note are revenues relating to the core operating activities of the AFP.

#### *(a) Revenues from Government - Appropriations*

Appropriations for departmental outputs are recognised as revenue to the extent that the Finance Minister is prepared to release appropriations for use (that is, the full amount of the appropriation passed by the Parliament less any savings offered up at Additional Estimates and not subsequently released).

#### *(b) Resources Received Free of Charge*

Services received free of charge are recognised as revenue when and only when a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised at their fair value when the asset qualifies for recognition, unless received from another government agency as a consequence of a restructuring of administrative arrangements.

#### *(c) Other Revenue*

Revenue from the sale of goods is recognised upon delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established.

**AUSTRALIAN FEDERAL POLICE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*For the year ended 30 June 2001*

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Revenue from disposal of non-current assets is recognised when control of the asset has passed to the buyer.

AFP revenue from the rendering of a service is recognised by reference to the stage of completion of contracts or other agreements to provide services to Commonwealth bodies. The stage of completion is determined according to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

**1.5 Transactions by the Government as Owner**

Appropriations designated as 'Capital – equity injections' are recognised directly in equity to the extent drawn down as at the reporting date.

**1.6 Employee Entitlements**

(a) *Leave*

The liability for employee entitlements includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the AFP is estimated to be less than the annual entitlement for sick leave.

The liability for annual leave reflects the value of total entitlements of all employees at 30 June 2001 and is recognised at the nominal amount.

The non-current portion of the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at 30 June 2001. In determining the present value of the liability, the AFP has taken into account attrition rates and pay increases through promotion and inflation.

(b) *Separation and Redundancy*

Provision is also made for separation and redundancy payments in circumstances where the AFP has formally identified positions as excess to requirements and a reliable estimate of the amount of the payments can be determined.

(c) *Superannuation*

Staff of the AFP contribute to the Commonwealth Superannuation Scheme and the Public Sector Superannuation Scheme. Employer contributions amounting to \$18,037,096 (1999-2000 \$20,474,078) in relation to these schemes have been expended in these financial statements.

No liability for superannuation is recognised as at 30 June as the employer contributions fully extinguish the accruing liability, which is assumed by the Commonwealth.

**AUSTRALIAN FEDERAL POLICE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*For the year ended 30 June 2001*

Employer Superannuation Productivity Benefit contributions totalled \$3,703,575 (1999-2000: \$3,391,013).

(d) *AFPAS*

The Australian Federal Police Adjustment Scheme (AFPAS) is a payment scheme, which was established under the AFP Act 1990 to compensate AFP employees for loss of tenure.

Following the introduction of a new certified agreement for AFP employees and changes to the AFP Act during the last financial year, the AFPAS scheme ceased accruing on 5 January 2000 and is being progressively paid out to AFP employees. As the liability is in the process of being paid out it is shown at its current value rather than its discounted value as shown in previous years.

**1.7 Leases**

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets, and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is capitalised at the present value of minimum lease payments at the inception of the lease and a liability recognised for the same amount. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed to the AFP's Operating Statement on a basis which is representative of the pattern of benefits derived from the leased assets. The net present value of future net outlays in respect of surplus space under non-cancellable lease agreements, if applicable, is expensed in the period in which the space becomes surplus.

Lease incentives taking the form of 'free' leasehold improvements and rent holidays are recognised as liabilities. These liabilities are reduced by allocating lease payments between rental expense and reduction of the liability.

**1.8 Borrowing Costs**

All borrowing costs are expensed as incurred except to the extent that they are directly attributable to qualifying assets, in which case they are capitalised. The amount capitalised in a reporting period does not exceed the costs incurred in that period.

**AUSTRALIAN FEDERAL POLICE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*For the year ended 30 June 2001*

**1.9 Cash**

Cash means notes and coins held and any deposits held at call with a bank or financial institution.

**1.10 Financial Instruments**

Accounting policies for financial instruments are stated at Note 18.

**1.11 Acquisition of Assets**

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken.

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, unless acquired as a consequence of restructuring administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor agency's accounts immediately prior to the restructuring.

**1.12 Property (Land, Buildings and Infrastructure), Plant and Equipment**

*Asset Recognition Threshold*

Purchases of property, plant and equipment are recognised initially at cost in the Statement of Financial Position, except for purchases costing less than \$2,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

*Revaluations*

Schedule 1 of the Financial Management and Accountability (Financial Statements 2000-2001) Orders made under section 63 of the *Financial Management and Accountability Act 1997* requires that Land, buildings, infrastructure, plant and equipment are revalued progressively in accordance with the 'deprival' method of valuation in successive 3-year cycles, so that no asset has a value greater than three years old.

The AFP has implemented the requirements of Schedule 1 as follows:

- Leasehold Improvements-Fit out were revalued at 30 June 2001. These assets were previously revalued as at 30 June 1998;
- Infrastructure, plant and equipment have been revalued over the financial years 1998-99, 1999-2000 and 2000-01.

Assets in each class acquired after the commencement of the progressive revaluation cycle are not captured by the progressive revaluation then in progress.

**AUSTRALIAN FEDERAL POLICE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*For the year ended 30 June 2001*

In accordance with the deprival methodology, land is measured at its current market-buying price. Property other than land, plant and equipment are measured at their depreciated replacement cost. Where assets are held which would not be replaced or are surplus to requirements, measurement is at net realisable value. At 30 June 2001, AFP had no assets in this situation. All valuations are independent.

*Recoverable Amount Test*

Schedule 1 requires the application of the recoverable amount test to the AFP's non-current assets in accordance with AAS 10 *Recoverable Amount of Non-Current Assets*. The carrying amounts of these non-current assets have been reviewed to determine whether they are in excess of their recoverable amounts. In assessing recoverable amounts, the relevant cash flows have been discounted to their present value.

*Depreciation and Amortisation*

Depreciable property, plant and equipment and intangible assets are written-off to their estimated residual values over their estimated useful lives to the AFP using, in all cases, the straight line method of depreciation. Leasehold improvements are amortised on a straight line basis over the lesser of either ten years or the unexpired period of the lease.

Depreciation/amortisation rates (useful lives) and methods are reviewed at each balance date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate. Residual values are re-estimated for a change in prices only when assets are revalued.

Depreciation and amortisation rates applying to each class of depreciable asset are based on the following useful lives:

	2000-01	1999-00
Buildings	25 years	25 years
Plant and equipment	5 to 10 years	5 to 10 years
Leasehold improvements	max. 10 years	max. 10 years
Intangibles	5 years	5 years

The aggregate amount of depreciation allocated for each class of asset during the reporting period is disclosed in Note 4C.

**1.13 Inventories**

Consumable stores and supplies are immaterial and have not been capitalised.

**1.14 Taxation**

The AFP is exempt from all forms of taxation except fringe benefits tax and the goods and services tax.

**AUSTRALIAN FEDERAL POLICE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*For the year ended 30 June 2001*

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**1.15 Capital Use Charge**

A capital use charge has been applied to the AFP in the 2001-02 Commonwealth Budget. Prior to this, because of the AFP's negative equity, a capital use charge regime has not been in place.

**1.16 Foreign Currency**

Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transaction. Foreign currency receivables and payables are translated at the exchange rates current as at balance date. Associated currency gains and losses are not material.

**1.17 Insurance**

The AFP has insured for risks through the Government's insurable risk managed fund, called 'Comcover'. Worker's compensation is insured through Comcare Australia.

**1.18 Comparative Figures**

Comparative figures have been adjusted to conform to changes in presentation in these financial statements where required.

**1.19 Rounding**

Amounts have been rounded to the nearest \$1,000 except in relation to the following:

- act of grace payments and waivers;
- remuneration of executives;
- remuneration of auditors; and
- appropriations.

**Note 2 – Events Occurring after Balance Date**

No events have occurred that would have had an impact on the 2000-2001 Financial Statements.



**AUSTRALIAN FEDERAL POLICE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the year ended 30 June 2001*

	<b>2000-01</b>	<b>1999-00</b>
	<b>\$'000</b>	<b>\$'000</b>

**Note 3: Operating Revenues**

Note 3A - Revenues from Government

Appropriations for outputs	<b>289,140</b>	282,845
Resources received free of charge	<b>122</b>	96
<b>Total</b>	<b>289,262</b>	282,941

Note 3B - Sales of Goods and Services

Goods	<b>8</b>	-
Services	<b>86,627</b>	79,958
Other Revenue	<b>4,561</b>	105
<b>Total</b>	<b>91,196</b>	80,063

Note 3C - Proceeds and Expense from Sales of Assets

Non-financial assets - Infrastructure, plant and equipment

Revenue (proceeds) from sale	<b>12</b>	17
Expense from sale	<b>(6,870)</b>	(760)
<b>Total</b>	<b>(6,858)</b>	(743)

**AUSTRALIAN FEDERAL POLICE**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

*for the year ended 30 June 2001*

	2000-01	1999-00
	\$'000	\$'000
<b>Note 4: Operating Expenses</b>		
<b>Note 4A - Employee Expenses</b>		
Remuneration (for services provided)	214,248	213,526
AFPAS	-	34,000
Separation and redundancy	1,962	212
Total remuneration	216,210	247,738
Other employee expenses	7,310	3,675
Total	223,520	251,413
<b>Note 4B - Suppliers Expenses</b>		
Supply of goods and services	94,484	70,241
Operating lease rentals	30,189	28,712
Other	5,796	-
Total	130,469	98,953

**AUSTRALIAN FEDERAL POLICE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the year ended 30 June 2001*

	2000-01 \$'000	1999-00 \$'000
<b>Note 4: Operating Expenses (cont.)</b>		
<b>Note 4C - Depreciation and Amortisation</b>		
Depreciation of property, plant and equipment	4,358	5,530
Amortisation of leasehold improvements	3,153	2,802
Amortisation of leased assets	-	778
Amortisation of intangibles	2,229	2,033
<b>Total</b>	<b>9,740</b>	<b>11,143</b>

The aggregate amounts of depreciation or expensed during the reporting period for each class of depreciable asset are as follows:

Buildings on leasehold land	-	-
Leasehold improvements	3,153	2,802
Plant and equipment	4,358	5,530
Leased assets	-	778
Intangibles	2,229	2,033
<b>Total</b>	<b>9,740</b>	<b>11,143</b>

No depreciation or amortisation was allocated to the carrying amounts of other assets.

**Note 4D - Write down and write off of assets**

<b>Financial assets</b>		
Receivables	-	2
<b>Non-financial assets</b>		
Plant & equipment - revaluation decrement	-	-
Plant & equipment - write-down	5,970	-
Plant & equipment - write-off	900	624
<b>Total</b>	<b>6,870</b>	<b>626</b>

**Note 4E - Disposal of Assets**

Loss on sale of plant and equipment	4	412
Loss on disposal of firearms	-	347
Loss on disposal of land and buildings	-	1
<b>Total</b>	<b>4</b>	<b>760</b>

**AUSTRALIAN FEDERAL POLICE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the year ended 30 June 2001*

	2000-01	1999-00
	\$'000	\$'000

**Note 5: Borrowing Cost Expenses**

Loans	472	796
Leases	-	115
<b>Total</b>	<b>472</b>	<b>911</b>

**Note 6: Financial Assets**

Note 6A - Receivables

Goods and services	8,872	3,193
GST receivable	2,269	-
	<b>11,141</b>	<b>3,193</b>
<i>Less:</i> Provision for doubtful debts	<b>(31)</b>	<b>(34)</b>
	<b>11,110</b>	<b>3,159</b>

Receivables (gross) are aged as follows:

Not Overdue	8,052	1,649
Overdue by:		
Less than 30 days	316	92
30 to 60 days	69	51
60 to 90 days	33	-
More than 90 days	402	181
	<b>8,872</b>	<b>1,973</b>

Note 6B - Other Receivables

Accrued Income	99	48
Other Debtors	1,420	743
GST Holding Account	-	35
	<b>1,519</b>	<b>826</b>

**AUSTRALIAN FEDERAL POLICE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the year ended 30 June 2001*

	<b>2000-01</b>	<b>1999-00</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Note 7: Non-financial assets</b>		
<b>Note 7A - Land and Buildings</b>		
Leasehold land - at 1999-2002 valuation	20	-
	<u>20</u>	<u>-</u>
Buildings on leasehold land - at 1999-2002 valuation	45	-
Accumulated amortisation	-	-
	<u>45</u>	<u>-</u>
<b>Total Land and Buildings</b>	<u><b>65</b></u>	<u><b>-</b></u>
<b>Note 7B - Infrastructure, plant and equipment</b>		
Plant and equipment - at cost	7,508	31,784
Accumulated depreciation	(997)	(8,498)
	<u>6,511</u>	<u>23,286</u>
Plant and equipment - at 1999-2002 valuation	84,377	40,581
Accumulated depreciation	(44,712)	(23,789)
	<u>39,665</u>	<u>16,792</u>
<b>Total Plant and Equipment</b>	<u><b>46,176</b></u>	<u><b>40,078</b></u>

The revaluations were in accordance with the revaluation policy stated at Note 1 and were completed by the Australian Valuation Office. Revaluation increment of \$4,465,631 for plant and equipment (1999-00 increment: \$378,710) was made to the asset revaluation reserve; no decrements for plant and equipment were expensed (1999-00 decrement: \$141,592 expensed).

Note 7C - Analysis of Property, Plant, Equipment and Intangibles  
TABLE A - Movement summary 2000-01 for all assets irrespective of valuation basis

Item	Leasehold land	Building on Leasehold land	Total Land & Building	Plant & Equipment	Computer software - Total intangibles	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Gross value as at 1 July 2000</b>	-	-	-	72,150	10,654	82,804
Adjustment to Gross Value				(49)	(49)	(98)
Adjustments				8,674		8,674
Additions: - Purchases of assets				16,379	102	16,481
Revaluations: write-ups/(write-downs)	20	45	65	7,128		7,193
Write-downs				(10,336)		(10,336)
Write-offs				(1,953)		(1,953)
Disposals				(108)		(108)
<b>Gross value as at 30 June 2001</b>	20	45	65	91,885	10,707	102,657
<b>Accumulated Depreciation/Amortisation as at 1 July 2000</b>	-	-	-	(32,072)	(4,760)	(36,832)
Adjustment to Gross Value				(248)		(248)
Adjustments				(8,674)		(8,674)
Depreciation/amortisation charge for the year				(7,511)	(2,229)	(9,740)
Revaluations: write-ups/(write-downs)				(2,727)		(2,727)
Write-downs				4,366		4,366
Write-offs				1,053		1,053
Disposals				104		104
<b>Accumulated Depreciation/Amortisation as at 30 June 2001</b>	-	-	-	(45,709)	(6,989)	(52,698)
<b>Net book value as at 30 June 2001</b>	20	45	65	46,176	3,718	49,959
<b>Net book value as at 1 July 2000</b>	-	-	-	40,078	5,894	45,972

Adjustment to reconcile general ledger to the SAP asset module. Corrections due to anomalies in uploading of previous years' revaluations. Correction to assets at valuation due to upload error in 1998. The effect on the net book value is zero.

**AUSTRALIAN FEDERAL POLICE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
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**TABLE B - Summary of balances of assets at valuation as at 30 June 2001**

Item	Leasehold Land \$'000	Building on Leasehold land \$'000	Total Land & Building \$'000	Plant & Equipment \$'000	Computer software - Total intangibles \$'000	TOTAL \$'000
<b>As at 30 June 2001</b>						
Gross value	-	-	-	-	-	-
Accumulated Depreciation/amortisation	20	45	65	84,377 (44,712)	-	84,442 (44,712)
Net Book Value	20	45	65	39,665	-	39,730
<b>As at 30 June 2000</b>						
Gross value	-	-	-	-	-	-
Accumulated Depreciation/amortisation	-	-	-	40,560 (23,788)	-	40,560 (23,788)
Net Book Value	-	-	-	16,772	-	16,772

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
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	<b>2000-01</b>	<b>1999-00</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Note 7D - Intangibles</b>		
Computer software:		
- Purchased (including modification costs)	6,775	6,722
- Accumulated amortisation	(4,366)	(3,017)
	<u>2,409</u>	<u>3,705</u>
 - Internally developed	3,932	3,932
- Accumulated amortisation	(2,623)	(1,743)
	<u>1,309</u>	<u>2,189</u>
 <b>Total Intangibles</b>	<u><b>3,718</b></u>	<u><b>5,894</b></u>

Computer software is recorded at cost. Internally developed software and modifications to purchased software includes related employee expenses and administrative expenses.

**Note 7E - Other**

Prepayments	8,060	6,285
Other	222	-
	<u><b>8,282</b></u>	<u><b>6,285</b></u>



**AUSTRALIAN FEDERAL POLICE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
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	<b>2000-01</b>	<b>1999-00</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Note 8: Interest Bearing Liabilities</b>		
<b>Note 8A - Loans</b>		
Loans from Government	-	12,681
Total	-	12,681
 Maturity schedule for loans		
Payable: - within one year	-	3,170
- in one to two years	-	3,170
- in two to five years	-	6,341
- more than five years	-	-
Total	-	12,681

**AUSTRALIAN FEDERAL POLICE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
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	2000-01 \$'000	1999-00 \$'000
<b>Note 9: Provisions</b>		
<u>Note 9A - Employee Provisions</u>		
Salaries and wages	4,761	3,900
Leave	57,320	59,971
Aggregate employee entitlement liability	62,081	63,871
Other	14,000	38,596
Total	76,081	102,467
Current	28,938	30,455
Non-current	47,143	72,012
Total	76,081	102,467
<u>Note 9B - Other Provisions</u>		
Provision for Restoration of Lease Property	5,354	5,354
Total	5,354	5,354
<b>Note 10: Payables</b>		
<u>Note 10A - Supplier Payables</u>		
Trade creditors	11,405	6,354
Other creditors	814	1,146
Total	12,219	7,500
<u>Note 10B - Other Payables</u>		
Other	1,678	342
Total	1,678	342

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2001

**Note 11: Equity**

**Note 11A - Equity Table**

Item	Accumulated results		Asset revaluation reserves		General Reserve		Total Reserves		Capital		TOTAL EQUITY	
	2000-01 \$'000	1999-00 \$'000	2000-01 \$'000	1999-00 \$'000	2000-01 \$'000	1999-00 \$'000	2000-01 \$'000	1999-00 \$'000	2000-01 \$'000	1999-00 \$'000	2000-01 \$'000	1999-00 \$'000
Balance 1 July 2000	(101,991)	(94,504)	8,818	6,764	-	25,212	8,818	31,976	75,866	-	(17,307)	(62,528)
Net surplus/(deficit) after extraordinary items	13,956	(785)	-	-	-	(25,212)	-	(25,212)	-	-	13,956	(25,997)
Adjustment	-	(6,702)	-	-	-	-	-	-	-	25,866	-	19,164
Equity injection: Appropriation	-	-	-	-	-	-	-	-	36,100	50,000	36,100	50,000
Net revaluation increments/decrements	-	-	4,466	2,054	-	-	4,466	2,054	-	-	4,466	2,054
Balance 30 June 2001	(88,035)	(101,991)	13,284	8,818	-	-	13,284	8,818	111,966	75,866	37,215	(17,307)

**AUSTRALIAN FEDERAL POLICE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
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	<b>2000-01</b>	<b>1999-00</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Note 12: Cash Flow Reconciliation</b>		
Reconciliation of Cash per Statement of Financial Position to Statement of Cash Flows		
- Cash at year end per Statement of Cash Flows	<b>61,677</b>	54,795
- Statement of Financial Position items comprising above cash: 'Financial Asset - Cash'	<b>61,677</b>	54,795
Reconciliation of operating surplus to net cash provided by operating activities:		
Net surplus/(deficit)	<b>13,956</b>	(785)
Adjustment in carry forward balance	<b>344</b>	-
Depreciation/Amortisation	<b>9,740</b>	11,143
Write off and write down of assets	<b>6,870</b>	984
Disposal of assets	<b>4</b>	-
Proceeds from Disposal of Assets	<b>(12)</b>	-
Provision for doubtful debts	<b>(3)</b>	-
Increase in receivables	<b>(8,641)</b>	1,525
Increase in prepayments	<b>(1,997)</b>	-
Decrease in employee liabilities	<b>(26,386)</b>	(22,467)
Increase in suppliers liabilities	<b>4,719</b>	4,380
Increase in other liabilities	<b>1,336</b>	(2,374)
Net cash provided (used) by operating activities	<b>(70)</b>	(7,594)

**Note 13: Remote Contingencies**

The AFP currently has a small number of pending claims against it in relation to a range of operational and personal injury claims. The likely success and likelihood of settlement of these claims is assessed as remote.

**AUSTRALIAN FEDERAL POLICE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
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	2000-01 Number	1999-00 Number
<b>Note 14: Executive Remuneration</b>		
The number of Executives who received or were due to receive total remuneration of \$100,000 or more:		
\$100,000 to \$110,000	-	2
\$110,001 to \$120,000	1	1
\$120,001 to \$130,000	3	1
\$130,001 to \$140,000	7	6
\$140,001 to \$150,000	6	9
\$150,001 to \$160,000	4	3
\$160,001 to \$170,000	4	8
\$170,001 to \$180,000	4	1
\$180,001 to \$190,000	2	1
\$190,001 to \$200,000	-	-
\$200,001 to \$210,000	-	-
\$210,001 to \$220,000	1	2
\$260,001 to \$270,000	-	1

The aggregate amount of total remuneration of Executives shown above.	<b>\$4,853,905</b>	\$5,367,837
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The aggregate amount of separation and redundancy payments during the year to Executives shown above.	<b>\$127,389</b>	\$122,884
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**Note 15: Remuneration of Auditors**

Financial statement audit services were provided free of charge to the AFP by the ANAO. The fair value of the services provided was:

<b>\$119,500</b>	<b>\$96,000</b>
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No other services were provided by the Auditor-General.

<b>Note 16: Average Staffing Levels</b>	<b>Number</b>	<b>Number</b>
The average staffing levels for the business operation and the Agency during the year were:	<b>2,878</b>	<b>2,861</b>

**Note 17: Act of Grace Payments and Waivers and Defective Administration Scheme**

	\$	\$
There was one Act of Grace payment of \$10,000 made during the reporting period and seventy six (76) ex-gratia payments to AFP East Timor Peacekeepers totalling \$1,101,792 during the reporting period.	<b>1,111,792</b>	-

No waivers of amounts owing to the Commonwealth were made pursuant to subsection 34(1) of the Financial Management and Accountability Act 1997.	-	-
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There were no payments made under the Defective Administration Scheme during the reporting period	-	<b>37,000</b>
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**AUSTRALIAN FEDERAL POLICE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the year ended 30 June 2001*

**Note 18: Financial Instruments**

**a) Terms, conditions and accounting policies**

<b>Financial Instrument</b>	<b>Notes</b>	<b>Accounting Policies and Methods (including recognition criteria and measurement basis)</b>	<b>Nature of underlying instrument (including significant terms &amp; conditions affecting the amount, timing and certainty of cash flows)</b>
<i>Financial Assets</i>		Financial assets are recognised when control over future economic benefits is established and the amount of the benefit can be reliably measured.	
Cash		Deposits are recognised at their nominal amounts.	The RBA provides the AFP with transactional banking services. The AFP has funds in both term and current deposits. Term deposits are made into the Official Term Deposit Account with interest paid on maturity. Interest rates for term deposits have averaged
Receivables for goods and services	6A, 6B	These receivables are recognised at the nominal amounts due less any provision for bad and doubtful debts. Collectibility of debts is reviewed at balance date. Provisions are made when collection of the debt is judged to be less rather than more likely.	Most receivables are with entities external to the Commonwealth. Credit terms are normally net 30 days (1999-00: 30 days).
Fees receivable		Fees accrue and are recognised at the time services are performed.	As for receivables for goods and services.
Accrued revenue		Interest is credited to revenue as it accrues.	

**AUSTRALIAN FEDERAL POLICE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the year ended 30 June 2001*

**Note 18: Financial Instruments (contd)**

<b>Financial Instrument</b>	<b>Notes</b>	<b>Accounting Policies and Methods (including recognition criteria and measurement basis)</b>	<b>Nature of underlying instrument (including significant terms &amp; conditions affecting the amount, timing and certainty of cash flows)</b>
<i>Financial Liabilities</i>		Financial liabilities are recognised when a present obligation to another party is entered into and the amount of the liability can be reliably measured.	
Trade Creditors	10A	Creditors and accruals are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).	Most creditors are entities that are not part of the Commonwealth legal entity. Settlement is usually made net 30 days.
<i>Unrecognised financial liabilities</i>			
Contingencies		The maximum amount payable is disclosed in the Schedule of Contingencies.	The AFP has both quantifiable and non-quantifiable contingencies.

**AUSTRALIAN FEDERAL POLICE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the year ended 30 June 2001*

**Note 18: Financial Instruments (cont.)**

**b) Interest Rate Risk : Agency**

Financial Instrument	Notes	Floating Interest Rate		Fixed Interest Rate						Non-Interest Bearing	Total			Weighted Average Effective Interest Rate		
				1 year or less		1 to 2 years		2 to 5 years			> 5 years					
		00-01 \$'000	99-00 \$'000	00-01 \$'000	99-00 \$'000	00-01 \$'000	99-00 \$'000	00-01 \$'000	99-00 \$'000		00-01 \$'000	99-00 \$'000	00-01 \$'000	99-00 \$'000	00-01 %	99-00 %
Financial Assets				54,000	52,173											
Cash at Bank										7,677	-	61,677	52,173	5.8	4.5	
Trust Accounts										-	2,622	-	2,622	n/a	n/a	
Receivables for goods and services	6A									11,110	1,973	11,110	1,973	n/a	n/a	
Other	6A, 6B									1,519	2,012	1,519	2,012	n/a	n/a	
Total Financial Assets (Recognised)				54,000	52,173					20,306	6,607	74,306	58,780			
Total Assets												132,547	111,037			

<b>Financial Liabilities</b>															
Lease Restorations	9B									5,354	5,354	5,354	5,354	n/a	n/a
Lease Incentives	10B									761	324	761	324	n/a	n/a
Trade creditors	10A									11,405	7,500	11,405	7,500	n/a	n/a
Other Creditors	10A, 10B									1,731	18	1,731	18		
<b>Total Financial Liabilities (Recognised)</b>										19,251	13,196	19,251	13,196		
<b>Total Liabilities</b>												95,332	128,344		

<b>Contingent Losses</b>															
Claims for damages/costs	Schedule of Contingencies									1,887	8,570	1,887	8,570	n/a	n/a
<b>Total Contingent Losses</b>										1,887	8,570	1,887	8,570		



**AUSTRALIAN FEDERAL POLICE****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS***for the year ended 30 June 2001***Note 18: Financial Instruments (cont.)****c) Net Fair Values of Financial Assets and Liabilities**

	Notes	2000-01		1999-00	
		Total carrying amount	Aggregate net fair value	Total carrying amount	Aggregate net fair value
		\$'000	\$'000	\$'000	\$'000
<b>Departmental</b>					
<b>Financial Assets</b>					
Cash at Bank		61,677	61,677	52,173	52,173
Trust Accounts		-	-	2,622	2,622
Receivables for Goods and Services	6A	11,110	11,110	1,973	1,973
Other	6B	1,519	1,519	2,012	2,012
<b>Total Financial Assets</b>		<b>74,306</b>	<b>74,306</b>	<b>58,780</b>	<b>58,780</b>
<b>Financial Liabilities</b>					
Lease restorations	9B	5,354	5,354	5,354	5,354
Lease incentives	10B	761	761	324	324
Trade Creditors	10A	11,405	11,405	7,500	7,500
Other	10A, 10B	1,731	1,731	19	19
<b>Total Financial Liabilities</b>		<b>19,251</b>	<b>19,251</b>	<b>13,197</b>	<b>13,197</b>

**AUSTRALIAN FEDERAL POLICE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the year ended 30 June 2001*

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**Note 18: Financial Instruments (cont.)**

**d) Net Fair Values of Financial Assets and Liabilities (cont.)**

*Financial Assets*

The net fair values of cash and non-interest-bearing monetary financial assets approximate their carrying amounts.

*Financial Liabilities*

The net fair values of the finance lease, surplus space and lease incentive liabilities and guarantees are based on discounted cash flows using current interest rates for liabilities with similar risk profiles.

The net fair values for trade creditors are approximated by their carrying amounts.

The net fair values of indemnities are regarded as the maximum possible loss which the Commonwealth faces while the indemnity remains current.

**e) Credit Risk Exposures**

The AFP's maximum exposures to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Statement of Financial Performance.

The AFP has no significant exposures to any concentrations of credit risk.

All figures for credit risk referred to do not take into account the value of any collateral or other security.

**AUSTRALIAN FEDERAL POLICE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the year ended 30 June 2001*

**Note 19: Appropriations**

**Note 19A – Agency Appropriations**

**Annual Appropriation for Departmental Items (Outputs)**

	<b>2000-01</b>	<b>1999-00</b>
	<b>\$</b>	<b>\$</b>
Appropriation Acts No 1 & 3 credits:		
Section 7 - Act 1 - basic appropriation (budget)	<b>288,651,000</b>	242,369,000
Section 7 - Act 3 - basic appropriations	<b>489,000</b>	40,476,000
Total Current Appropriation Acts	<b>289,140,000</b>	282,845,000
Add: FMA Act appropriations		
s31 appropriations	<b>97,045,814</b>	82,275,000
Total appropriated in the year	<b>386,185,814</b>	365,120,000
Balance brought forward from previous period	<b>54,795,000</b>	-
Total appropriations available for payments	<b>440,980,814</b>	365,120,000
Payments during the year	<b>386,597,303</b>	310,325,000
Balance of appropriations (unspent) at 30 June carried to next period	<b>54,383,511</b>	54,795,000

**AUSTRALIAN FEDERAL POLICE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the year ended 30 June 2001*

**Note 19: Appropriations (cont.)**

**Note 19B - Annual Appropriations for Departmental Capital Items**

	Equity Injections		Loans		Carryovers		Total	
	2000-01	1999-00	2000-01	1999-00	2000-01	1999-00	2000-01	1999-00
	\$	\$	\$	\$	\$	\$	\$	\$
Appropriation Act No 2 & 4								
Section 10 - Act No 2 (Budget)	36,100,000	50,000,000					36,100,000	50,000,000
Section 10 - Act No 4								
Total Current Appropriation Acts	36,100,000	50,000,000	-	-	-	-	36,100,000	50,000,000
Add: EMA Act appropriations								
s30 appropriations								
s30A appropriations (GST recoverables)								
Total appropriated in the year	36,100,000	50,000,000	-	-	-	-	36,100,000	50,000,000
Balance available at 1 July brought forward from previous period						25,866,000		25,866,000
Total appropriations available for payments	36,100,000	50,000,000	-	-	-	25,866,000	36,100,000	75,866,000
Payments during the year	28,807,000	50,000,000				25,866,000	28,807,000	75,866,000
Balance of appropriations at 30 June carried to next period	7,293,000	-	-	-	-	-	7,293,000	-

**AUSTRALIAN FEDERAL POLICE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the year ended 30 June 2001*

**Note 20: Trust Monies**

**Other Trust Moneys Reserve - Australian Federal Police**

Purpose - for the receipt of moneys temporarily held on trust or otherwise for the benefit of a person other than the commonwealth

	\$
Balance as at 1 July 2000	453,716
Add: Receipts from appropriations	-
Receipts from other sources	522,417
	<u>976,133</u>
Less: Expenditure in 2000-01	738,322
Balance as at 30 June 2001	<u>237,811</u>

**Receivers Trust Moneys Reserve - Australian Federal Police**

Purpose - payment of moneys in connection with services performed on behalf of other governments and non-agency bodies

	\$
Balance as at 1 July 2000	1,309,110
Add: Receipts from appropriations	-
Receipts from other sources	169,694
	<u>1,478,804</u>
Less: Expenditure in 2000-01	1,462,727
Balance as at 30 June 2001	<u>16,077</u>

**Comcare Trust Account**

Purpose - Monies held in trust and advanced to the AFP by Comcare for the purpose of compensation payments made in accordance with the *Safety Rehabilitation and Compensation ACT 1998*.

	\$
Balance as at 1 July 2000	1,465,839
Add: Receipts from appropriations	-
Receipts from other sources	1,555,133
	<u>3,020,972</u>
Less: Expenditure in 2000-01	2,883,277
Balance as at 30 June 2001	<u>137,695</u>

**AUSTRALIAN FEDERAL POLICE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the year ended 30 June 2001*

**Note 21: Reporting of Outcomes**

**Reporting by Outcomes (Clause 6 of Schedule 1 and AAS 29 12.7 & 12.9 refer)**

	Outcome 1		Outcome 2		Total	
	Actual	Budget	Actual	Budget	Actual	Budget
Net cost of departmental outputs	298,598	303,713	72,477	66,526	371,075	370,239
Outcome before extraordinary items	298,598	303,713	72,477	66,526	371,075	370,239
Extraordinary items	-	-	-	-	-	-
<b>Net Cost to Budget Outcome</b>	<b>298,598</b>	<b>303,713</b>	<b>72,477</b>	<b>66,526</b>	<b>371,075</b>	<b>370,239</b>

**AUSTRALIAN FEDERAL POLICE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the year ended 30 June 2001*

**Note 21: Reporting of Outcomes**

**Major Agency Revenues & Expenses by Outcome**

	Outcome 1			Outcome 2	Total	
	Investigation Services	Protection Services	International Services		Actual	Budget
<b>Operating revenues</b>						
Revenue from governments	193,751	42,298	53,213	-	289,262	289,140
Sale of goods and services	20,117	4,392	5,525	65,735	95,769	81,099
<b>Total Operating Revenues</b>	<b>213,868</b>	<b>46,690</b>	<b>58,738</b>	<b>65,735</b>	<b>385,031</b>	<b>370,239</b>
<b>Operating Expenses</b>						
Employees	111,592	24,362	30,650	56,916	223,520	231,711
Suppliers	77,856	16,997	21,383	14,233	130,469	126,435
Other	10,555	2,304	2,899	1,328	17,086	18,509
<b>Total Operating Expenses</b>	<b>200,004</b>	<b>43,663</b>	<b>54,932</b>	<b>72,477</b>	<b>371,075</b>	<b>376,655</b>

# GLOSSARY

<b>ABCI</b>	Australian Bureau of Criminal Intelligence	<b>CATF</b>	Confiscated Assets Trust Fund
<b>ABA</b>	Australian Broadcasting Authority	<b>CCPM</b>	Case Categorisation and Prioritisation Model
<b>ABCI</b>	Australian Bureau of Criminal Intelligence	<b>CHOGM</b>	Commonwealth Heads of Government Meeting
<b>ABDC</b>	Australian Bomb Data Centre	<b>CIF</b>	Consultative Industry Forum
<b>ACCF</b>	Australasian Crime Commissioners' Forum	<b>CIPG</b>	Critical Infrastructure Protection Group
<b>ACID</b>	Australian Criminal Intelligence Database	<b>CPP</b>	Close Personal Protection
<b>ACM</b>	Australasian Correctional Management	<b>COO</b>	Chief Operating Officer
<b>ACPR</b>	Australasian Centre for Policing Research	<b>CPO</b>	Chief Police Officer (ACT)
<b>AFP</b>	Australian Federal Police	<b>CSCAP</b>	Council for Security Cooperation in the Asia-Pacific
<b>AFPAS</b>	Australian Federal Police Adjustment Scheme	<b>CSP</b>	Commercial Support Program
<b>AFPNET</b>	Australian Federal Police computer network	<b>Customs</b>	Australian Customs Service
<b>AGD</b>	Attorney General's Department	<b>DAPU</b>	Dignitary and Athlete Protection Unit
<b>AGEC</b>	Action Group into the Law Enforcement Implications for Electronic Commerce	<b>DETYA</b>	Department of Employment Training and Youth Affairs
<b>Agio</b>	(A multi-agency task force administered by the NCA that looks into suspicious financial transactions).	<b>DIMA</b>	Department of Immigration and Multicultural Affairs
<b>AIPM</b>	Australian Institute of Police Management	<b>DoFA</b>	Department of Finance and Administration
<b>APG</b>	Australia Pacific Group on Money Laundering	<b>DPP</b>	Director of Public Prosecutions
<b>APMC</b>	Australasian Police Ministers' Council	<b>DSD</b>	Defence Signals Directorate
<b>AQIS</b>	Australian Quarantine and Inspection Service	<b>EET</b>	Electronic Evidence Team
<b>ANAO</b>	Australian National Audit Office	<b>EIS</b>	Executive Information System
<b>ASIC</b>	Australian Securities and Investments Commission	<b>EMP</b>	Employment Management Program
<b>ATO</b>	Australian Taxation Office	<b>EPT</b>	Electronic Policy Team
<b>ATS</b>	Amphetamine type Stimulants	<b>ESCG</b>	Electronic Security Coordination Group
<b>AUSTRAC</b>	Australian Transaction Reports and Analysis Centre	<b>FATF</b>	Financial Action Task Force
<b>BAA</b>	Business Activity Analysis	<b>FBT</b>	Fringe Benefits Tax
<b>CA</b>	Certified Agreement	<b>FCA</b>	Family Court of Australia
<b>CASA</b>	Civil Aviation Safety Authority	<b>FOI</b>	Freedom of Information
		<b>FTRA</b>	Financial Transaction Reporting Act
		<b>FOSIC</b>	Federal Olympic Security Intelligence Centre
		<b>INP</b>	Indonesian National Police
		<b>IPP</b>	Internationally Protected Person
		<b>ITSA</b>	Insolvency and Trustee Service Australia



<b>IMOSC</b>	International Management of Serious Crime	<b>SIDL</b>	Security Intelligence and Diplomatic Liaison
<b>IPMT</b>	International Peace Monitoring Team	<b>SPFS</b>	South Pacific Forum Secretariat
<b>IPR</b>	Intellectual property rights	<b>STSC</b>	Science and Technology Steering Committee
<b>IT</b>	Information Technology	<b>SUNC</b>	Suspected Unlawful Non Citizen
<b>KPIs</b>	Key Performance Indicators	<b>UN</b>	United Nations
<b>LBSG</b>	Local Business Service Group	<b>UNCIVPOL</b>	United Nations Civilian Police
<b>LEAP</b>	Law Enforcement Assistance Program	<b>UNTAET</b>	United Nations Transitional Administration in East Timor
<b>LECD</b>	Law Enforcement Coordination Division	<b>VIP</b>	Very Important Person
<b>LECP</b>	Law Enforcement Cooperation Program	<b>WEF</b>	World Economic Forum
<b>MDMA</b>	3,4 methylenedioxy methamphetamine		
<b>MOU</b>	Memorandum of Understanding		
<b>NCA</b>	National Crime Authority		
<b>NCB</b>	National Central Bureau (Interpol)		
<b>NHSP</b>	National Heroin Signature Program		
<b>NIDS</b>	National Illicit Drugs Strategy		
<b>NMT</b>	National Management Team		
<b>NPSD</b>	No Prohibited Substance Detected		
<b>NTM</b>	National Teams Model		
<b>NTS</b>	National Technical Support		
<b>NWPP</b>	National Witness Protection Program		
<b>OH&amp;S</b>	Occupational Health and Safety		
<b>PBS</b>	Portfolio Budget Statements		
<b>PCC</b>	Police Commissioners' Conference		
<b>PM&amp;C</b>	Prime Minister and Cabinet		
<b>PNG</b>	Papua New Guinea		
<b>PROMIS</b>	Police Real-time Online Management Information System		
<b>PST</b>	People Smuggling Team		
<b>PTT</b>	Police Technical Teams		
<b>QPS</b>	Queensland Police Service		
<b>RUA</b>	Remote User Agent		
<b>SAP</b>	System Applications and Products (The AFP's human resources/ financial management system)		
<b>SAT</b>	Security and Audit Team		
<b>SET</b>	Special Events Team		
<b>SES</b>	Senior Executive Service		

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