



Annual Report 2005–06

Australian Federal Police

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Letter of Transmittal

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

Dear Minister,

I am pleased to submit the *Australian Federal Police Annual Report* for the year 1 July 2005 to 30 June 2006. The report has been prepared in accordance with section 67 of the *Australian Federal Police Act 1979* and sections 63(2) and 70(2) of the *Public Service Act 1999*.

In accordance with Guideline 1.9 of the Commonwealth Fraud Control Guidelines, I hereby certify that I am satisfied that the AFP has in place appropriate fraud prevention, detection, investigation, reporting and data collection procedures and processes to meet the specific needs of the AFP and complies with the Commonwealth Fraud Control Guidelines.

Australia's need for effective law enforcement is as necessary as it has ever been. Today's environment has brought with it new operational realities and pressures such as changing demographics, demands for greater accountability and increasing competition for financial resources and suitably skilled personnel. The AFP's personnel remain the foundation of its effectiveness enabling the AFP to respond effectively to the increased demands with flexibility and professionalism that is recognised both domestically and internationally.



10 October 2006

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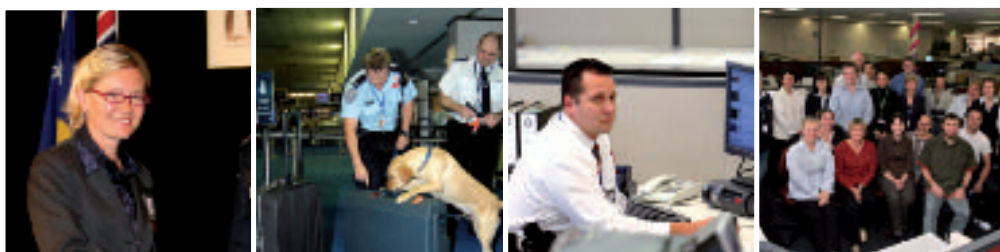
About this Report

The Annual Report is the AFP's primary accountability document to Parliament and to the Australian people. The *Australian Federal Police Annual Report 2005–06* contains information about the AFP's duties as a federal agency and reports on the performance of those duties. This report also includes information on the AFP's corporate governance and management accountability framework and includes an assessment of the AFP's performance against the outcomes and outputs framework set out in the 2005-06 Portfolio Budget Statements.

The report contains information prescribed by the *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies* issued 21 June 2006. That information is contained within a narrative of the AFP's activities for 2005–06. Key facts summary pages, marked with an **orange** tab, are located throughout the report to assist the reader find essential information.

- Chapter 1 contains:
 - the Commissioner's review of the year's activities
 - the departmental overview
 - organisation charts.
- Chapter 2 reports on the AFP's operational activity.
- Chapter 3 reports on the services that support and enable the operational activity.
- Chapter 4 reports on the AFP's corporate governance and accountability processes.
- Chapter 5 reports in general terms on the activities of the AFP's policing activities in the Australian Capital Territory (ACT Policing).
- The Appendix provides ready reference to a wide range of AFP statistical information.
- The Financial Statements provide an audited statement of the AFP's financial performance.
- The Glossary and Indexes provide support to the reader's ability to understand acronyms used in this report and to locate specific information by key words.

At a glance



Who we are

The Australian Federal Police (AFP) is Australia's national and international law enforcement agency, with responsibility for investigating crimes against the Commonwealth and a lead role in the maintenance of national security. The AFP's approach to fighting crime is multi-faceted, with a strategy based on core principles of prevention, deterrence, partnerships and innovation.

The AFP strategy is being implemented at local, national and international levels, and in partnership with a range of law enforcement, government and non-government agencies, enabling a truly comprehensive response to fighting crime.

Where we fit and what we do

The AFP is part of the Australian Government Attorney-General's portfolio and along with its partner agency, the Australian Customs Service (Customs), answers directly to the Minister for Justice and Customs.

- The AFP investigates crimes with a national focus including terrorism, illicit drug importation, tax and welfare fraud, people smuggling and the domestic and international exploitation of women and children.
- AFP members also have a role in protecting Australian High Office Holders, visiting Heads of State and selected national establishments and infrastructure.
- In the Australian Capital Territory and Australia's external territories, the AFP provides community policing services with ranks and titles relating to community policing roles.
- Nationally, the AFP is based in each state capital and sworn officers are known as federal agents.
- Internationally, the AFP has liaison roles conferring with foreign police forces about criminal matters likely to affect Australia. In a number of overseas trouble spots, the AFP provides uniformed officers for peacekeeping and capacity-building activities.
- The AFP hosts the Australian High Tech Crime Centre (AHTCC), which combats serious and complex high tech crimes, especially those beyond the capability of a single jurisdiction.

The cost of the AFP

Actual Revenue.....	\$916.1 million
	<i>see pages 151, 177</i>
Actual Expense.....	\$910.3 million
	<i>see pages 151, 217</i>
Operating Result	\$5.8 million
	<i>see page 151, 177</i>

Who we employ

Sworn police officers	2,396
Protective Service Officers	1,257
Unsworn staff (Administration, technical, forensic etc).....	1,782
Subtotal.....	5,435
	<i>see page 99 and Table 19, page 167</i>
Seconded state police.....	132
Total employment	5,567

Performance levels

Client satisfaction with services	88 per cent overall
	<i>see pages 7, 75–76</i>



Chapter 1

Executive Review

BY COMMISSIONER MICK KEELTY



The Australian Federal Police (AFP) has delivered outstanding operational results for 2005–06 in Australia and overseas through innovative approaches to the law enforcement needs of our nation. This result has been assisted by the development and maintenance of strong partnerships, both domestically and abroad and the provision of a positive, flexible working environment that continually adjusts to changing conditions to achieve more effective use of resources.

In 2005–06, the AFP continued to provide strategic solutions to complex crime issues affecting Australia and its people. Our role in the neighbouring region intensified during this time, reflecting the Australian Government's desire to assist the stability of its neighbouring countries.

This involvement offshore has presented the AFP with many new challenges requiring sizeable resources to be relocated overseas while managing our commitment to our domestic obligations. The AFP's resources in 2005–06 were also directed to investigating areas having a high impact on the



M J Keelty APM
Commissioner
Australian Federal Police

Australian community including: terrorism, trafficking in illicit drugs, money laundering, sexual slavery offences, child sex tourism, online child exploitation and ensuring the Commonwealth's protective security obligations were met.

The specific details of significant operational outcomes for 2005–06 can be found in the body of this report, but in general included:

- high-profile counter-terrorism investigations
- undertaking airport security
- the arrest and conviction of high profile criminal identities
- involvement in the closure of what is suspected to be the third largest clandestine laboratory ever discovered in the world
- dismantling of major fraud syndicates
- assistance in the seizure of millions of dollars of proceeds of crime assets.
- responding to the instability within our region.

OPERATIONAL AGILITY — INTERNATIONAL

In 2005–06, the International Deployment Group (IDG) was funded by the Australian Government to establish a designated group of 500 people taking part in international deployments. This deployment concept has enabled us the flexibility and professionalism to deploy large numbers of officers quickly to assist in whole-of-government solutions to emerging events.

Our rapid response ability was tested following street protests in the Solomon Islands during April 2006 and Timor-Leste in June 2006. Violence erupted in the streets of Honiara on 17 April following the announcement of democratic election results and parliament's selection of a new prime minister. The protests that followed wrought destruction on many public buildings and injured 31 Australian police. Unlike the civil unrest that occurred prior to the arrival of the Regional Assistance Mission to the Solomon Islands (RAMSI) in 2003, this disturbance saw no loss of life, due in part to the absence of readily

available firearms collected in the first wave of the mission.

Similarly, Timor-Leste experienced major incidents of public disorder during June 2006, following a general uprising that resulted in widespread destruction of property and loss of life. Working to the Australian Defence Force, the AFP assisted in re-establishing security and continues to serve in Timor-Leste as this report is presented.

Providing support to emerging nations

Nation building is a complex process involving small and considered steps and the AFP is committed to long-term solutions for the region by working with local law enforcement agencies towards that result. Every mission has its unique challenges requiring an approach that is considerate of local conditions, customs and heritage. The AFP adjusts its approach to suit particular missions having gained the experience to know what works in one country may not necessarily work in another. In addition to missions with our near neighbours, we provided personnel for the United Nations Mission in Sudan (UNMIS), for Iraqi police officer training in Jordan and maintained our contribution to the United Nations force in Cyprus.

Response to terrorist incidents

In 2005–06, we continued to develop our rapid response capability to terrorist activity. This included the ongoing development of the Counter-Terrorism Offshore Rapid Response teams which provide the capacity and resources necessary to respond to the results of terrorist activities, including disaster victim identification, crime-scene forensics, post-bomb blast investigation, financial investigation, intelligence and technical support.

Countering terrorism remains the AFP's highest priority. On 7 July 2005, there were four coordinated explosions in central London's underground rail and bus networks, targeting peak-hour commuters and crippling London's central business district. Part of the local law enforcement's rapid response to this situation included an invitation to the AFP to participate in the investigation. We sent six representatives to London enabling them to

gain valuable knowledge and experience that is assisting Australian authorities to manage future incidents of this kind.

Three explosions in Bali on 1 October 2005 resulted in 22 deaths including four Australians. Within one hour of this tragedy, the Indonesian National Police (INP) invited the AFP to participate in the response. The AFP provided 43 members to the INP investigation providing skills which included operations support, forensics, disaster victim identification, bomb data, protection and security, and counter-terrorism intelligence. The subsequent arrest of several key suspects by the INP is an indication of the robustness of this partnership.

OPERATIONAL AGILITY – DOMESTIC

The AFP and partner agencies again prevented more than 1 tonne of illicit drugs reaching Australian streets during 2005–06. Indications are that the level of heroin supply remained reduced while demand for MDMA and other ATS, and their precursors, continued to be strong over the period. Working in partnership with other Australian and international agencies, the AFP focused on reducing organised crime's capacity to meet this demand. These actions included seizing a single import of more than 350kg of MDMA, dismantling one of the largest clandestine laboratories detected in Australia, assisting in the closure of an overseas super-laboratory, and dismantling one of the largest precursor smuggling syndicates to target Australia.

In 2005 the Australian Government commissioned the Independent Review of Airport Security and Policing by Sir John Wheeler (the Wheeler Review). From the AFP's perspective, key recommendations arising from the review included the establishment of a Unified Policing Model (UPM) at Australia's 11 Counter Terrorist First Response (CTFR) designated airports.

This new model incorporates immediate response to security issues as well as counter-terrorist response created to bring about a more proactive and preventative response needed to keep Australian skies safer.

During 2005–06, there were 338 deployments of the Regional Rapid Deployment Teams at 103 regional

airports, across all states, to assess threats to security. Joint Airport Investigation Teams were also involved in 37 investigations including alleged theft and drug trafficking by airport/airline employees, and supplying false particulars in support of security pass applications.

Prevention

The AFP devotes significant resources to the prevention and investigation of terrorism offences, and to developing response capacity, at home and overseas, to help protect Australia from acts of terrorism. The primary vehicle for the AFP's domestic response to terrorism continues to be the Commonwealth, state and territory joint counter-terrorism teams (JCTTs). The 12 JCTTs established in each capital city in Australia were initially funded under the Australian Government's initiative to prevent and disrupt those who would do harm to Australians. These teams have had much success in the disruption of potential terrorist activity.

While it is difficult to fully measure the success of prevention, we can outline our success in various investigations into the disruption of terrorist activity. In 2005–06, the AFP played a pivotal role in leading and participating in several groundbreaking joint investigations which resulted in the first convictions in Australia under new anti-terrorism laws.

In 2005–06, the AFP continued to provide advice and input to the Attorney-General's Department in the formulation of legislation affecting law enforcement.

A review of the Commonwealth counter-terrorism legal framework, and new provisions arising from the Council of Australian Governments (COAG) meetings have been instrumental in the development and amendment of legislation that directly affects the AFP's ability to prevent terrorist activity on Australian soil.

Along with other federal, state and territory government departments and agencies in the national security arena, the AFP has participated in counter-terrorism exercises to test our response and recovery frameworks. The largest counter-terrorism exercise ever held in Australia – Mercury 2005 (MJEX) – was held in the reporting period.

The exercise was based on domestic and international scenarios including a siege in Bendigo, a possible bomb threat at Adelaide airport and scenarios in Victoria directly relating to the Commonwealth Games.

Participation in such exercises is a good way to test response and inter-operability arrangements in the event of a domestic terrorist incident or a terrorist incident overseas involving Australian interests.

The growing threat of such criminal activity in public arenas has seen the AFP called on to provide support in a preventive capacity during major international events on a regular basis. During 2005–06, the AFP positioned members in various locations for:

- 2006 Anzac Day commemorations at Gallipoli
- the 2006 Torino Winter Olympics and Paralympics
- the 2006 World Cup Football tournament in Berlin
- the anniversary commemorations for the October 2002 Bali bombings.

The AFP's international efforts have focused on the mitigation of the terrorist threat through developing sound relationships with overseas law enforcement agencies and contributing to whole-of-government capacity-building initiatives in our region.

PARTNERSHIPS — INTERNATIONAL

As the AFP grows with the emerging national and international security environment, the ability to sustain our capacity is aided by the development of strategic and robust partnerships between traditional law enforcement agencies, federal and state agencies, and the domestic and international private sector.

One of the key elements of our international partnership development is the International Liaison Network. The network is designed to increase the AFP's capacity to drive investigations concerning Australian interests by sharing intelligence relating to transnational crime, identifying capacity-building initiatives, and seeking strategic engagement opportunities to ensure the

AFP is best placed to effectively disrupt and dismantle transnational crime syndicates.

The network, consisting of 86 officers in 31 locations in 26 countries, has proved extremely successful in developing the links necessary to deliver better law enforcement results.

In 2005–06, the AFP continued to take the fight against crime affecting Australia offshore focusing sharply on reducing the range of transnational crimes by developing sound relationships with overseas law-enforcement agencies. Examples of this include the signing of a number of agreements during that period with law enforcement agencies in Indonesia, Thailand, Cambodia, Singapore, the People's Republic of China, Japan and South Korea.

Of particular note was the AFP becoming the first Western law enforcement agency in the world to sign a memorandum of understanding with the Vietnamese Police.

These memorandums of understanding have underpinned the success of a number of operations. These operations have included the seizure of counterfeit currency; closure of the world's third largest clandestine laboratory and the seizure of precursor chemicals that were destined for Australian shores; the arrest of high ranking members of a transnational narcotic trafficking syndicates; numerous drug seizures throughout the region.

Jakarta Centre for Law Enforcement Cooperation

Just as the AFP is committed to increasing its capacity for better law enforcement outcomes, it is also committed to the delivery of capacity-building projects in the region. Involvement in the Jakarta Centre for Law Enforcement Cooperation (JCLEC) strengthened in 2005–06. JCLEC is an international education and training institution aimed at increasing the capacity of regional countries to manage complex multi-jurisdictional investigations into transnational crimes, particularly terrorism.

The AFP managed facility reflects the shared priority given to regional cooperation on a variety of contemporary

security issues. More than 1 140 participants from around the world have attended courses at the centre since its opening in 2004. This year's major event, the Terrorism Prevention–Law Enforcement Information Sharing workshop, involved 23 jurisdictions from Asia, South-East Asia, the United States, the Pacific and Europe.

In addition to training, a number of bilateral arrangements have proved beneficial in developing the capacity of the region and to counter transnational crime. Also based in Jakarta is the AFP–AusAID funded Transnational Crime Coordination Centre and the Jakarta Operations Centre. The Jakarta Operations Centre has assisted the Indonesian National Police (INP) in tracking, locating, and in many cases arresting key suspects with terrorist network links. In the Philippines, the AFP has again joined with AusAID to fund a Counter Terrorism Capacity Building Project.

During 2005–06, this project achieved a major milestone with the official opening of the Philippines Bomb Data Centre. The dedication of AFP staff to this project was recognised this year with two Australian Bomb Data Centre personnel awarded the Philippines National Police Medalya Ng Katangitanging Gawa (Philippines National Police Outstanding Achievement Medal) in recognition of their work on this project.

Indonesia, the Philippines, Singapore and Thailand have received similar projects, with further training and equipment expected to be provided to Fiji, Sri Lanka and Malaysia during 2006–07.

Australian High Tech Crime Centre

Another world-class model for partnership with law enforcement, government agencies, industry groups and private organisations is the AFP-hosted Australian High Tech Crime Centre (AHTCC).

Collaboration between Commonwealth, state and international agencies achieved significant results in investigations and intelligence operations including electronic commerce fraud; computer intrusions; creation and distribution of computer viruses; and threats against Australia's critical national information infrastructure.

Traditional crimes that have found new means of existence in the virtual world are no less abhorrent or acceptable than the real world crimes they emulate. This is why the work of the Virtual Global Taskforce remains of particular significance this year. The mission for this task force, of which the AHTCC is a founding member, is for law enforcement to work together globally to reduce the incidence and impact of online child sexual exploitation. The taskforce has made significant progress in raising awareness of online abuse and the development of new national and international partnerships and strategies to reduce the sexual exploitation of children.

Recognition by the Commonwealth of the significance of the impact of child sexual exploitation led to the establishment of the Online Child Sexual Exploitation Team (OCSET) in March 2005. OCSET is the operational arm for the delivery of Commonwealth policy on combating online child sexual exploitation, in partnership with state, territory and overseas agencies. Success in this area has been instant with a number of arrests made and 21,781 child pornography images and 416 movies located in 2005–06.

PARTNERSHIPS – DOMESTIC

Proactive collaboration between the AFP, state and territory police, the Australian Intelligence Community and other law enforcement agencies, also allows for the better coordination of information and methodologies to counter criminal activities within Australia.

The benefits of this collaborative approach were proven this year with a number of significant investigations disrupting organised crime on Australian soil.

Counter terrorism

Operation Pendennis is a major ongoing investigation, drawing on the resources of the AFP, Victoria Police, NSW Police, NSW Crime Commission and ASIO. While several people are facing charges before courts in Sydney and Melbourne, Operation Pendennis continues to be a high priority for the AFP.

Similarly, Joint Counter Terrorist Teams provided assistance to Queensland and NSW Police Services in

the investigation into alleged terrorist activities in both states.

The AFP remains vigilant to the real threat of terrorism to the Australian community. Of course this vigilance extends to all crime threatening the security of Australian citizens.

Identity crime

The growth and wide-scale impact of identity crime has become glaringly apparent. Identity crime impacts on all levels of the community and government with false and stolen identities used to facilitate many serious crimes, including fraud, illegal migration, narcotic importation and even terrorism.

The AFP has responded to this trend through hosting the Identity Crime Task Force (ICTF) in NSW. The ICTF involves collaboration across a number of law enforcement and government agencies and is responsible for the investigation of serious and organised identity crime-related offences in NSW.

The ability of this taskforce to conduct investigations and disrupt criminal syndicates came to the fore this past year with the disruption of the largest fraud syndicates in Australia. In April and May 2006, 13 offenders were arrested.

The success of this task force will see it replicated in Melbourne, Brisbane and Perth through the creation of Identity Security Strike Teams in the coming year.

Major frauds

Investigations into a major fraud committed against the Commonwealth Superannuation Scheme (CSS) resulted in six people being charged. This investigation identified approximately \$150 million had been fraudulently transferred by an Australian accounting firm to four overseas bank accounts held in Greece, Switzerland and Hong Kong.

Information gathered during another investigation and data obtained from the Australian Transactions Reports and Analysis Centre (AUSTRAC), showed that \$300 million in Commonwealth tax revenue was at risk through the participation of Australians in

offshore structures designed to avoid or evade tax. This information led to the largest ever joint investigation between the Australian Crime Commission (ACC), the AFP, the Australian Tax Office (ATO) and the Commonwealth Director of Public Prosecutions (CDPP). In June 2005, search warrants were executed at 48 sites in four states with another 37 sites visited using the ATO's access powers.

This investigation is a multi-agency response to combat what was assessed to be a significant threat to the integrity of the Australian taxation system.

MEASURING OUR PERFORMANCE

Innovative partnerships have also been developed with universities and private consultants to develop more effective measures of our performance.

Building on a previous AFP study, a comprehensive return-on-investment study of illicit drug investigations was conducted during the reporting period. The results indicate that for the five-year period from 2000 to 2005 the estimated overall return to the community from illicit drug investigations was \$5.80 for every dollar invested. The study concluded that the investment return from joint investigations were even greater with the joint Australian Customs Service (Customs) investigations returning \$6.00, and investigations where Intelligence and the International Network contributed providing returns of \$7.90 and \$8.80 respectively for each dollar invested.

In line with the AFP's commitment to direct resources to serious and complex crime, the economic evaluation confirmed that drug investigations with a very high or high impact on the Australian community returned \$9.20 for each dollar invested.

EMPLOYER OF CHOICE

The AFP has in place a number of work practice arrangements to facilitate the needs of both the organisation and employees by creating a flexible working environment. This enables the AFP to become an employer of choice and retain a highly skilled and flexible workforce to meet business outcomes.

Despite the difficulties of policing, its continually changing environment and increasing demands on our workforce, we continue to see a high demand from people who wish to be part of our organisation.

Apart from being an increasingly high-profile organisation, the AFP can offer an opportunity for careers to be realised in community, national and international environments with the support of a wide range of support services to its employees.

STAFF SATISFACTION

To maintain contact with the needs of our employees we routinely conduct the Staff Opinion Analysis and Review (SOAR). This survey tool measures staff opinion on a range of important issues such as job satisfaction, intentions to stay, work environment and management leadership. Previous SOAR surveys have led to new or revised organisational arrangements being put in place to address staff-identified concerns.

The objective of SOAR 2006 was to identify issues of concern and develop organisational strategies in response. Indicative results at the time of the report show our staff have considerable pride in the organisation and have high sense of optimism about the future. The type of work offered generally provides AFP employees with the opportunity to be involved in interesting, rewarding and satisfying tasks which has led to a high job satisfaction response to the survey. The results from SOAR 2006 will inform the development of our future workforce strategies in response to the AFP's growing national and international profile.

Responsible financial management is another key factor underpinning the AFP's success and external reputation and to this end good fiscal management continued to be a key factor of AFP success this year. Our financial framework enables the AFP to better align outputs with the outcomes specified by and agreed with Government, better manage the complex operating environment and better align service delivery with the needs of the community we serve.

Our people are our best resource and we ensure that our growing role in policing is supported by professional and appropriately qualified personnel.

In early 2006 the AFP commissioned its fifth independent national client satisfaction survey. This survey gauged the attitudes and perspectives of the Australian Government and other client agencies toward services provided by the AFP. The outcomes for the survey indicated an 88 per cent client satisfaction with the services provided by the AFP.

THE FUTURE

Turning to the future it can be expected that Australia's law enforcement environment will become increasingly broad, deep and complex. In particular, that environment will be substantially shaped by factors such as terrorism, the extent of regional and international geopolitical instability, the dynamic nature of transnational crime, new applications of a range of technologies, and the values, attitudes and expectations of the Australian community. The associated challenges and opportunities of the future are likely to be no less substantial than those of the recent past. The AFP has demonstrated in recent times its ability to respond quickly and effectively to new challenges. It will continue to invest in strategic capabilities that can deliver the outcomes currently required by Government, while ensuring that they can be brought together in different ways in order to meet new demands, including those that arise with little notice. Central to this is a determination that the AFP be an organisation that develops and supports its people to perform at the highest levels.

CONCLUSION

The demands on policing continue to increase each year. At the same time, we face new operational realities and pressures such as changing demographics, demands for greater accountability and increasing competition for financial resources and suitably skilled personnel. The AFP continues to respond to these demands with flexibility and professionalism that is recognised both domestically and internationally.

As crime evolves, so too do the methods by which we tackle it – methods that have been extremely successful from an operational perspective. The capacity for the AFP to respond rapidly to changing situations is reflected in the number of operational successes in Australia. Strong results across a range of functions were achieved in 2005–06, evidence of the agility and professionalism of the organisation.

The following pages clearly outline the impact and success of the work of the AFP. What you will not see in these figures is the human impact of the work of the organisation. From restored peace in the streets of the Solomon Islands to the completion of the identification of victims of the Indian Ocean tsunami – the AFP continues to do real work that affects real people. As we look to the future, we must continue to find innovative ways to respond to increasing requests for law enforcement to play a role in the safety and security of Australian citizens and those who would ask for our help.

We will continue to protect the safety of Australians at home and abroad.

Finally, when most of the attention of the organisation is aimed at operational outcomes, I wish to draw attention to the AFP's Financial Statement for 2005–06. I was pleased that the overall operating result was a modest surplus of \$5.806 million – this includes ACT Policing and commercial Protective Services operations.

This is an outstanding result given the scope of AFP activity last year and the significant mid-year injection of resources that we received.

M J Keelty APM
Commissioner
Australian Federal Police

OVERVIEW OF THE AFP

The AFP's strategic position in its operating environment and its priorities are determined in accordance with the *Australian Federal Police Act 1979*, section 8, and by Ministerial Directions issued under section 37(2) of the Act. Strategic priorities may also result from government policies such as the Commonwealth Fraud Control Guidelines which assign specific responsibilities to the AFP for investigating serious or complex fraud. These strategic directions are reflected in the AFP outcomes and outputs framework agreed to with the Government and referred to in this report.

Section 8 of the AFP Act specifies that the functions of the AFP include:

- the provision of police services in relation to the laws of the Commonwealth, the property of the Commonwealth (including Commonwealth places) and property of authorities of the Commonwealth
- the safeguarding of Commonwealth interests, and anything else that is incidental or conducive to the provision of these services
- the provision of police services in relation to the Australian Capital Territory (ACT) and Australia's external territories
- protective and custodial functions as directed by the Minister
- the provision of police services and police support services for the purposes of assisting, or cooperating with, an Australian or foreign law enforcement agency, intelligence or security agency, or government regulatory agency
- the provision of police services and police support services in relation to establishing, developing and monitoring peace, stability security in foreign countries.

The AFP's vision is to fight crime together and win. Its mission is to provide dynamic and effective law enforcement to the people of Australia. As the operational outcomes outlined in this report illustrate, the

demands on AFP resources and the complexity of these demands mean the AFP can only achieve its outcomes by working cooperatively with agencies in Australia and overseas, especially in the heightened counter terrorism and security environment which has been active since 2001.

Internationally, the AFP's partnerships with agencies and its international liaison network remained integral to investigating transnational crime. The increasing importance of the AFP's international network in intelligence gathering and sharing was reflected in its rapid growth. The AFP is now represented by 86 members, sworn and unsworn, located in 31 cities in 26 countries.

As part of its national and international focus, the AFP operates the National Central Bureau (NCB) for Interpol. The NCB represents all Australian police services providing a direct link with the 181 member countries of Interpol.

MINISTERIAL DIRECTION

Section 37 (2) of the AFP Act empowers the Minister for Justice and Customs to direct the general policy pursued by the AFP in performing its functions. Operationally the current Ministerial Direction, signed on 31 August 2004, directs the AFP to give special emphasis to:

- preventing, countering and investigating terrorism under Commonwealth legislation
- preventing, countering and investigating transnational and multi-jurisdictional crime, illicit drug trafficking, organised people smuggling (including sexual servitude and human exploitation), serious fraud against the Commonwealth, 'high tech' crime involving information technology and communications, and money laundering
- the identifying, restraining, seizing and confiscating of assets involved in or derived from the above activities
- providing an effective contribution to the implementation of the Government's Tough on Drugs strategy
- ensuring that its strategic directions in relation to the above activities appropriately complement priorities set for the ACC at Board level, particularly in the area of national criminal intelligence
- contributing effectively to the Government's international law enforcement interests, including:
 - United Nations peace operations
 - restoration of law and order and foreign law enforcement capacity-building missions including the Law Enforcement Cooperation Program (LECP)
 - enforcement of child sex tourism legislation
 - appropriate agency-level agreements with overseas law enforcement agencies
- continuing to develop its capacity in both technology and skills to deal with new forms of criminal activity
- providing community policing services in the ACT, Jervis Bay and external territories
- providing protective security services to high office holders and physical establishments and entities of specific interest to the Commonwealth, witnesses and special events
- providing for the security of Australian air travellers and the aviation industry through the deployment of Air Security Officers on selected domestic and international flights and through the provision of a preventative and intelligence driven Counter-Terrorist First Response capacity at major Australian airports
- investigating special references and performing special taskings from the Government
- meeting Commonwealth interests in a safe and secure Australia by actively fostering relationships with other law enforcement agencies, government and private bodies within Australia and overseas, where the provision and exchange of information is consistent with AFP functions
- ensuring that community confidence in the honesty, effectiveness and accountability of the AFP is high.

OVERVIEW OF THE REPORTING STRUCTURE

The AFP's two-outcome structure aligns its dual roles of providing policing services to the Australian and the ACT governments. This aligns business and accountability to both governments, avoids duplication of reporting and enhances scrutiny by Parliament and the ACT Legislative Assembly.

Outcome 1 focuses on national and international prevention of crime against the Commonwealth and the protection of Commonwealth interests in Australia and overseas. Outcome 2 focuses on the creation of a safe and secure environment in the ACT through the provision of community policing services.

The outcome structure is illustrated on page 16. Following on from the minor amendments made to the composition of the four outputs under Outcome 1 in 2004–05, and in line with the new Aviation Security responsibilities given to the AFP by the Government, for 2006–07 Output 1 will be restructured as:

- Output 1.1: Criminal Investigations—Border and International Network
- Output 1.2: Criminal Investigations—Economic and Special Operations
- Output 1.3: Criminal Investigations—Terrorism
- Output 1.4: International Deployment Services
- Output 1.5: Protection Services
- Output 1.6: Aviation Services.

As the number of offences in areas of AFP responsibility exceeds its investigational capacity, the AFP uses a Case Categorisation and Prioritisation Model (CCPM) to give effect to its Ministerial Directions and the AFP's outcomes and outputs framework by ensuring limited resources are allocated to the highest priority matters.

EXECUTIVE MANAGEMENT BOARD

The Executive Management Board's role includes ongoing review of the AFP's strategic direction and high-level policy settings, and proposing organisational objectives and priorities on key strategic issues.

The EMB meets bi-monthly to discuss the AFP's strategic direction and high-level policy settings and to propose organisational objectives and priorities. The EMB comprises the Commissioner (the Chair), Deputy Commissioner, Chief Operating Officer, Chief Police Officer ACT Policing, and two non-executive members, Mr Will Laurie and Ms Elizabeth Montano. The non-Executive members bring a wealth of public and private sector management and corporate governance experience to the Board. The Chief of Staff is the Secretary to the Board.

Each EMB meeting receives reports on key opportunities and challenges facing individual portfolios of the AFP, and considers impending and upcoming issues which form part of the AFP's operating environment. Presentations received by the Board in 2005–06 covered the IDG, Information Services, Protection, Forensic and Technical Services, Border and International and Intelligence portfolios.

During 2005–06, the EMB considered a range of other matters, including:

- strategic issues, including the AFP's annual environmental scan, the new AFP Headquarters and the impending Certified Agreement
- policy issues, including AFP's input to the 2006–07 Budget process reviews of the Governance and Business Planning frameworks, and the development of the AFP International Engagement Strategy
- key operational challenges, including the implications of identity crime.

The EMB also hosted two retreats, in October 2005 and May 2006, where members of the EMB and the National Managers' Group gathered to discuss and consider major strategic issues for the organisation. These retreats are regarded by the Board as vital for keeping the AFP focused on key strategic outcomes and alert to opportunities and risks in its complex and dynamic operating environment.

Organisation

Executive Team

Chart 1: The AFP's Executive and Managerial Structure at 30 June 2006



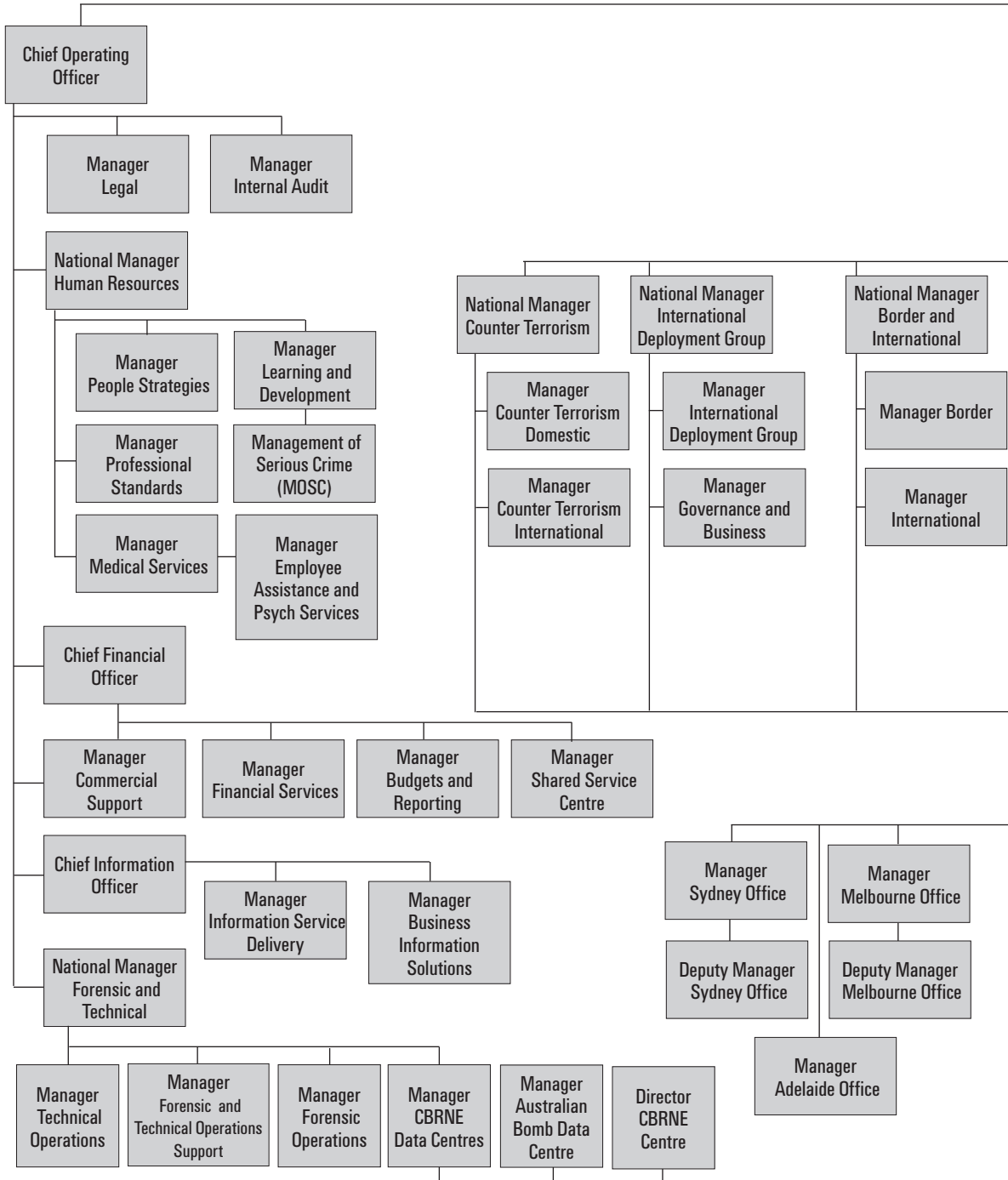
Other Senior Executive Service Roles

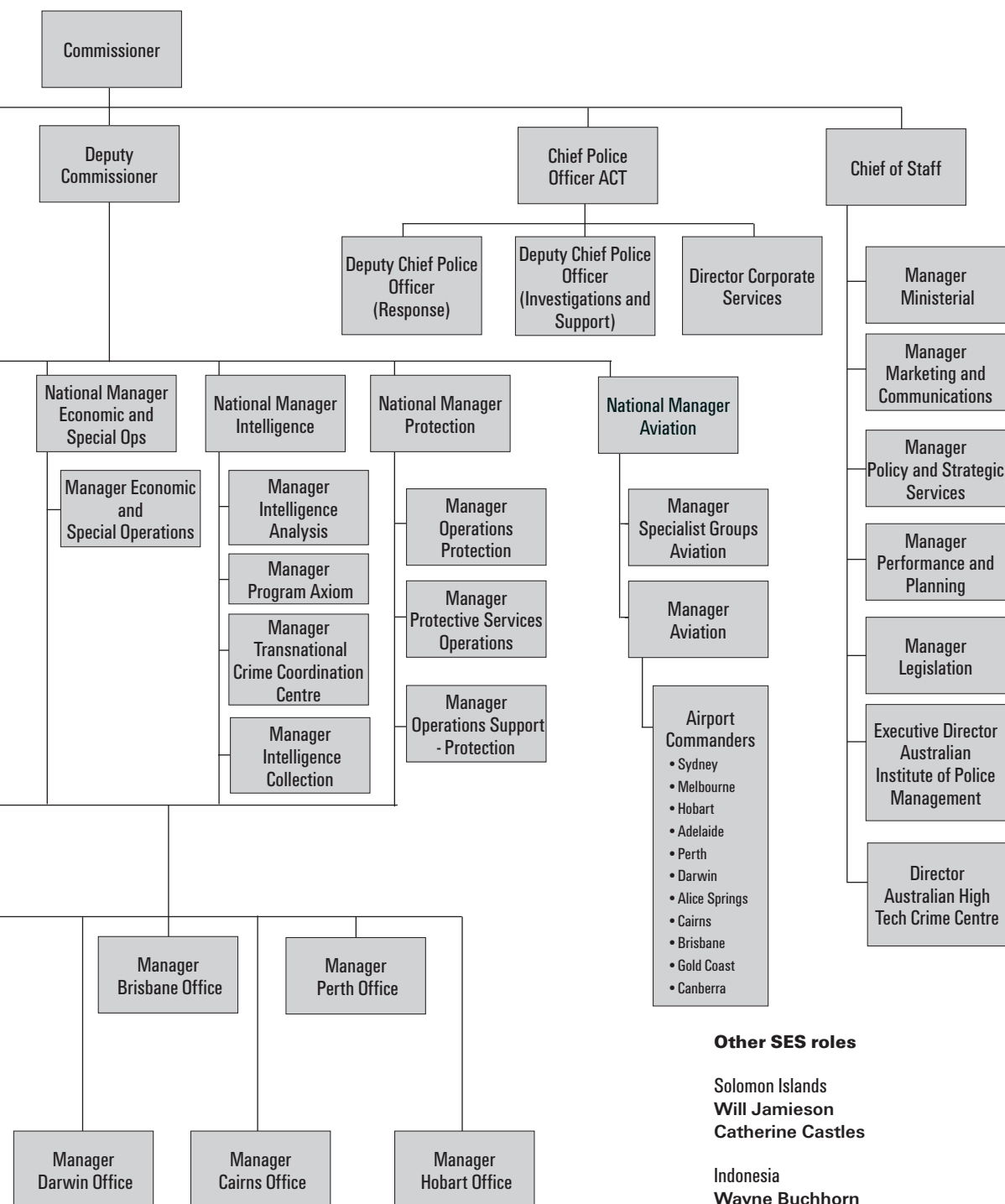
Solomon Islands
Shane Castles (RSIP)

Certified Agreement Implementation
Mark Ney

Organisation Chart

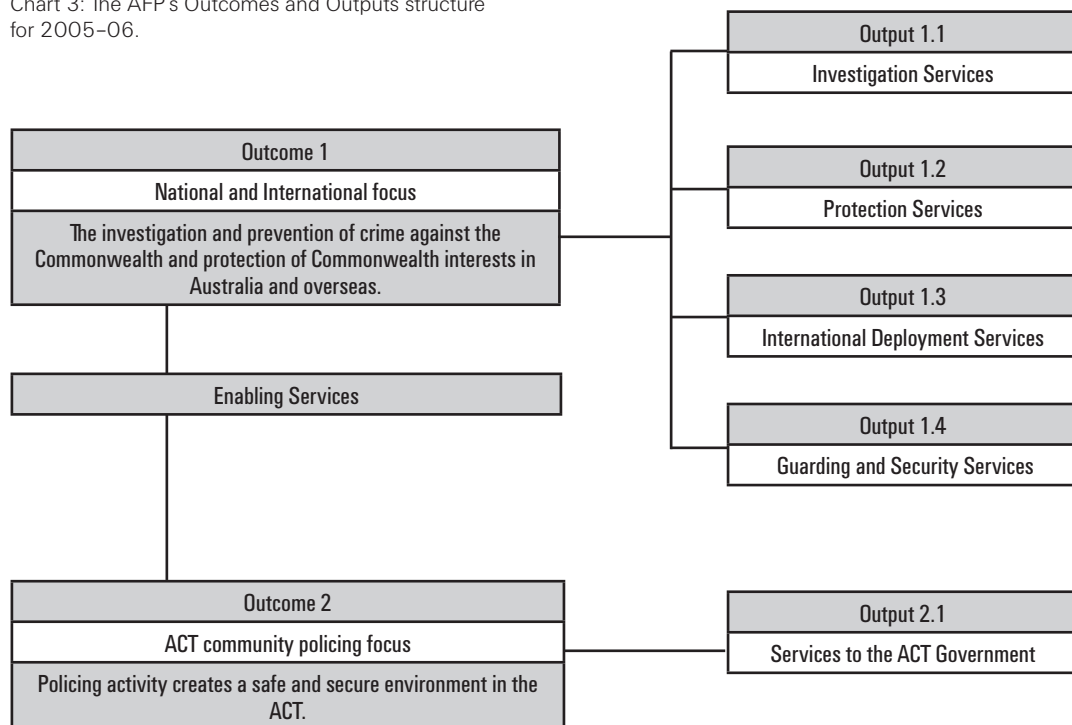
Chart 2: The AFP's Organisational Structure at 30 June 2006





Outcomes and Outputs

Chart 3: The AFP's Outcomes and Outputs structure for 2005–06.



Output 1.1 Investigation Services

- Enforce Commonwealth laws and protect the integrity of Commonwealth programs.
- Effectively contribute to international efforts to counteract and prevent criminal activities of major concern to the Government.
- Protect the integrity of national economic and social institutions and the environment.
- Ensure there is a national response where criminal activity impinges on national security and/or is of a trans-jurisdictional character.
- Provide community policing services to the Commonwealth's external territories.

Output 1.2 Protection Services

- The AFP provides protection services to ensure that individuals and interests identified as at risk by the Commonwealth are kept safe and their dignity preserved.

Output 1.3 International Deployment Services

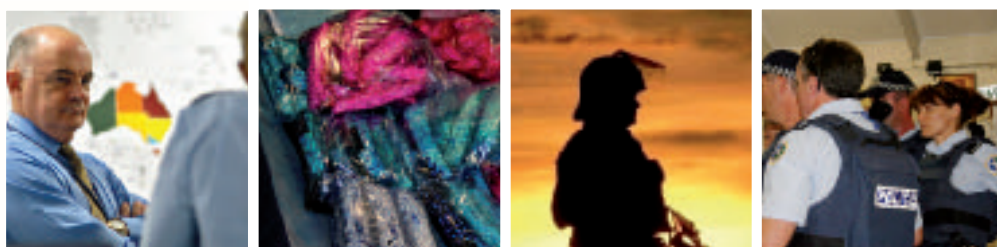
- Facilitate an effective AFP contribution and response to international law enforcement efforts.
- Provide an effective contribution to Australia's United Nations commitments, region security and foreign law enforcement capacity-building missions.

Output 1.4 Guarding and Security Services

- Provide a range of user-pays guarding and related security services consistent with the Australian Government's interests.
- Provide a first-response and deterrent role to potential terrorist acts against Australia's passenger aviation industry.

Chapter 2

Performance Reporting



This chapter contains:

- an evaluation of the AFP's performance of its duties
- a narrative of AFP operational activities for 2005–06
- an evaluation of the AFP's performance of its duties
- details of the significant results of the year's activities.

Table A: Price of Agency Outputs (Financial Performance)

Price of Agency Outputs	Budget ^a 2005–06 (1) (\$'000)	Actual 2005–06 (2) (\$'000)	Variation 2005–06 (1-2) (\$'000)		Budget ^b 2006–07 (\$'000)
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Outcome 1:

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

Output 1.1: Investigation Services	352,570	369,659	-17,089	Output 1.1: Criminal Investigations – Border and International	134,413
Output 1.2: Protection Services	102,880	83,024	19,856	Output 1.2: Criminal Investigations – Economic and Special Operations	129,295
Output 1.3: International Services	203,690	208,861	-5.17	Output 1.3: Criminal Investigations –Terrorism	51,915
Output 1.4: Guarding and Security Services	167,400	153,114	14,286	Output 1.4: International Deployment Services	202,883
				Output 1.5: Protection Services	184,949
				Output 1.6: Aviation Services	220,569
Total Price of Outputs	826,540	814,658	11,882		924,024
Revenue from Government	886,340	720,640	165,700		846,917
(Appropriation) for agency outputs					
Revenue from other sources	106,210	99,811	6,399		77,107
Total Departmental Revenue	992,550	820,451	172,099		924,024
Total Price of Outputs for Outcome 1	826,540	814,658	11,882		924,024

Outcome 2:

Policing activity creates a safe and secure environment in the ACT

Output 2.1 Services to the ACT Government	94,390	95,653	-1,263		97,911
Total Price of Outputs	94,390	95,653	-1,263		97,911
Revenue from Government	0	0	0		0
(Appropriation) for agency outputs					
Revenue from other sources	94,391	95,666	-1,275		97,911
Total Departmental Revenue	94,391	95,666	-1,275		97,911
Total Price of Outputs for Outcome 2	94,390	95,653	-1,263		97,911

a. Full-Year budget, including additional estimates

b. Budget as announced in the Portfolio Budget Statements

Outcome 1: National and International Focus

Outcome 1

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

The current focus of Australian Federal Police (AFP) activity is:

- investigating and countering acts of terrorism, illicit-drugs trafficking, organised crime, serious fraud against the Commonwealth, money laundering and the interception of assets involved in, or derived from, those activities
- providing counter-terrorist security, including close personal protection and security intelligence
- investigating special references and performing special tasks set by the Government
- providing effective contribution to the Government's Tough on Drugs strategy
- continuing to deal with new forms of criminal activity, directing special attention to economic crime in all its forms, transnational crime and crime involving information technology (IT) and communications (including electronic (e-) commerce)
- investigating and countering organised people smuggling
- providing effective contribution to the whole-of-government approach to unauthorised arrivals
- providing guarding and security services for some diplomatic and consular missions, parliamentary offices and designated government establishments
- providing Counter Terrorist First Response (CTFR) capability to the aviation industry
- deterring attempts to disrupt Australia's in-flight passenger safety through the Air Security Officer (ASO) Program.

Outcomes and Outputs

- Output 1.1: Investigation Services
- Output 1.2: Protection Services
- Output 1.3: International Deployment Services
- Output 1.4: Guarding and Security Services

Under the requirements of Outcome 1, the AFP operates in a national and international law-enforcement environment to enforce laws created by the Australian Government for the protection of Australia's national interests. The AFP's activities can be characterised as those that directly lead to the detection, prevention and disruption of criminal activity and the arrest of criminals engaged in such activities.

When investigating crime against federal law, the AFP has jurisdiction throughout Australia. The AFP works in close cooperation with other federal, state and territory law-enforcement agencies when operational requirements overlap.

AFP investigations in Australia are supported by the placement of officers in key overseas locations, which may be points of origin for crimes that can eventually affect Australia's interests. AFP officers have no legal jurisdiction in foreign countries, but work closely with local law-enforcement authorities to achieve mutually beneficial results.

The AFP's management structure is aligned with its major functions (see the four outputs listed earlier under the heading – Outcomes and Outputs). The national manager for each of these functional streams is located in Canberra to provide greater efficiency in managing investigations and in reporting to the Government.

Output 1.1: Investigation Services

INTELLIGENCE

Information gathering—referred to as intelligence—forms the foundation of modern law-enforcement investigations. Intelligence is gathered using a variety of methods and is collated and analysed to identify possible criminal relationships, trends or enterprises. The timely delivery of significant intelligence often leads to successful police intervention in criminal activity, or enables a quick resolution following a criminal act.

Intelligence Functions

Intelligence input throughout 2005–06 provided high level, decision-making capability to the AFP's operational functions and development work, helping to streamline processes and deliver innovative new services. The creation of the Intelligence National Teams Operations Committee (Intel NAT–OC), which came online on 24 February 2006 and replaced the National Intelligence Management Team (NIMT), was a significant development. The Intel NAT–OC meets weekly and is serviced by the Transnational Crime Coordination Centre Operations Monitoring Centre (TCCC–OMC). The Intel NAT–OC ensures that intelligence activities are prioritised to reflect AFP functional objectives. Resources are allocated accordingly. The Intel NAT–OC is chaired by an intelligence manager and reports to the TCCC–Operations Committee.

As part of ongoing improvements in support of the AFP's operational functions, a new manager position was created to share the load of the increasing number of responsibilities within the intelligence function. The intelligence function is now aligned into three streams, which cover collection, analysis and the services provided by the TCCC, to better reflect and support the AFP's changing operational environment.

Intelligence Collection

The Manager Intelligence Collection (MIC) is responsible for:

- Collection and Liaison
- Protection Intelligence
- Program Axiom
- Human Source Management
- Counter and Security Intelligence (CSI)
- Leadership in Criminal Intelligence Program (LCIP)

MIC also supervises the Intelligence Secretariat—an initiative created with new measure funding provided by Fighting Terrorism at its Source.

The reorganisation more closely integrates Program Axiom (the AFP's undercover policing program) with the intelligence function, ensuring that intelligence received through undercover sources supports other intelligence activities.

New intelligence services developed throughout the year included the launch of the LCIP and an intelligence tools package—enabled by Fighting Terrorism at its Source funding. The LCIP will improve results for AFP Intelligence and the wider law enforcement intelligence community by the sharing of experience and the identification of best-practice criminal intelligence methodologies and procedures.

The LCIP takes a three-pronged approach to its work, based on:

- a number of seminars bringing together law enforcement, industry and the academic community
- an Intelligence Management Development Program in conjunction with the Australian Institute of Police Management and accredited to Graduate Certificate level
- ongoing work of the AFP Doctrine and Process Working Group.

The AFP dedicates significant resources to the confrontation of crime offshore. Intelligence contributions to this effort included the coordination of the 4th Asia Region Heads of Criminal Intelligence Working Group



Some of the world's top experts on terrorism came together in Canberra in May as part of the AFP's Leadership in Criminal Intelligence Program (LCIP).

(ARHCIWG) in conjunction with the Singapore Police Force in late 2005.

The 2005 ARHCIWG meeting was attended by regional representatives of 19 agencies from 13 countries. Its aim was to improve regional intelligence cooperation by creating networks for sharing information.

Counter and Security Intelligence

During 2005–06, selected intelligence teams from Professional Standards were transferred into the intelligence function and renamed Counter and Security Intelligence (CSI). This team now forms part of the Intelligence Collection portfolio. CSI provides threat analysis and other security intelligence advice to enable informed decision-making on the AFP's unique threat operating environment. The information generated by CSI members aims to place the nature and extent of the threat(s) facing the AFP in context, and provide advice for security and contingency planning. This advice provides insight and influences decision-making processes on how best to safeguard AFP operations. The CSI's role is to ensure AFP activities can be conducted safely, effectively and without compromise.

CSI works closely with key internal clients, including AFP Executive, International Deployment Group, Counter Terrorism, Professional Standards and portfolios within the intelligence function, and external groups in the

Australian Intelligence Community. The CSI team's responsibility is different to Protection Intelligence (PI), which concentrates on the security, safety and dignity of Australian office holders, diplomats and visiting dignitaries, in support of protection operations.

Intelligence Analysis

The Manager Intelligence Analysis (MIA) is responsible for:

- Analytical Services
- Transnational Crime Intelligence (TCI)
- Counter Terrorism Intelligence (CT Intelligence)
- Aviation Intelligence (AI).

MIA also exercises technical and operational oversight of the intelligence offices located in Australia's six state capital cities to ensure that resources are allocated against national priorities. Intelligence-initiated cases led to a number of significant results in 2005–06.

ANALYTICAL SERVICES

Analytical Services supports AFP decision-making by its twice-yearly production of the Strategic Intelligence Update and other forward-looking intelligence materials. These assessments of the criminal environment feed into wider AFP processes to ensure that resources and priorities are allocated so the AFP can counter emerging threats.

Transnational Crime Intelligence

The period also saw the reorganisation of the Transnational Crime Intelligence portfolio to better support and reflect the activities of the Transnational Targeting Network—an initiative bringing together a number of international law enforcement agencies to develop targeting lists for joint operations. This initiative has resulted in major multinational investigations against targets that impact on all the participating jurisdictions.

To protect Australia's finance industry, the AFP has increased its financial intelligence capacity by recruiting more accounting professionals with commercial, finance industry and law-enforcement experience into the Economic Intelligence (EI) team within TCI. An important aspect of EI's work is environmental scanning to identify methodologies for criminal attacks on the finance industry.

Counter Terrorism Intelligence

The contribution to counter-terrorist efforts worldwide remains an AFP priority. To improve knowledge and understanding of terrorist organisations and of activities that may affect Australian interests, Counter Terrorism Intelligence (CT Intelligence) has restructured into five teams:

- Middle East and South Asia
- South-East Asia
- Indonesia
- Convergences
- Target Development.

In Australia, the CT Intelligence Convergence Team provided support to CT investigations for Operation Pendennis, resulting in 22 arrests. CT Intelligence continued to provide Australia-based support to the Indonesian National Police (INP) and the Philippines National Police (PNP). CT Intelligence analysts deployed to Indonesia and the Philippines for short terms to work with the INP and PNP to provide a tactical analytical capability.

CT Intelligence hosts a number of representatives from --- and security agencies. These in-posted officers and

existing close relationships with state law enforcement, allow for a whole-of-government approach to identifying domestic and international activities that may be linked to terrorism.

The AFP also places AFP Intelligence staff within the National Threat Assessment Centre (NTAC) and the Joint Counter-Terrorism Intelligence Coordination Unit (JCTICU), both located in Australian Security Intelligence Organisation (ASIO) bringing the following benefits.

- Having two AFP officers within the NTAC enables the timely integration of AFP specific information into NTAC assessments.
- Having an AFP member assists JCTICU to meet its primary responsibility—to provide advice on investigative and operational opportunities—benefits CT Intelligence investigations. The JCTICU also has representatives from the Australian Intelligence Community.

Aviation Intelligence

Aviation Intelligence (AI) is a new capability added to Intelligence Analysis portfolio during 2005–06. A result of the Wheeler Airport Security and Policing Review, in 2005, Aviation Intelligence was established in April 2006 and, when fully functional, will consist of two teams based at AFP Headquarters. The teams will be responsible for technical functioning of the Joint Airport Intelligence Groups (JAIGs) placed at 11 designated airports around Australia.

The JAIG capability will support aviation security and policing operations and provide an intelligence service to the Airport Police Commander (APC) at each location. The JAIGs also support the Counter Terrorist First Response (CTFR) function, the Joint Airport Investigations Teams (JAIT). Aviation Intelligence, through the JAIGs, facilitates the timely exchange of information between participating agencies at the airport to ensure a coordinated and timely intelligence response on crime and security issues. Aviation Intelligence also assists other stakeholders to make decisions relating to crime and security of the particular airport. The JAIG will consist of members drawn from the AFP, the Australian Customs Service (Customs) and state and territory police on a full-

time basis. Other agencies, including the Australian Crime Commission (ACC), Australian Quarantine and Inspection Service (AQIS), the Department of Immigration and Multicultural Affairs (DIMA), the Department of Transport and Regional Services (DOTARS) and ASIO will provide staff as required and will have the capacity to work from the various JAIGs when necessary. The JAIGs will be managed by an AFP Intelligence team leader.

The AFP Headquarters teams provide intelligence support to the Aviation portfolio, including the Air Security Officer (ASO) Program and the Regional Rapid Deployment Teams (RRDT). The AFP Headquarters teams also provide:

- intelligence products with a national and international perspective to assist decisions relating to airport policing operations
- timely strategic criminal and security intelligence to support aviation decision-makers at a headquarters level
- a point of collaboration with the key Commonwealth stakeholders.

To assist Commonwealth agency collaboration, an Aviation Intelligence Joint Working Group (AIJWG), chaired by the National Coordinator of Aviation Intelligence with senior representatives from Customs, DIMA, ASIO, AQIS, DOTARS and the ACC, meets monthly

in Canberra. The charter of the group is to provide a forum to develop a jointly agreed working model for the JAIGs and for Aviation Intelligence.

TRANSNATIONAL CRIME COORDINATION CENTRE (TCCC)

In addition to providing support to the intelligence function through the Intel NAT-OC, the TCCC provides the same support to operational teams based in Canberra and the recently implemented Uniform Airport Policing teams within Canberra. The collation and analysis of performance data is provided to all of these teams, as well as the International Network to assist in managing investigations and intelligence projects.

Co-located with the Interpol National Crime Bureau (NCB), the TCCC 24-hour response teams provide a point of contact to national and international law-enforcement agencies on all transnational crime issues. The TCCC also manages alerts generated by the Australian National Child Offender Register (ANCOR). The TCCC is the first point of contact for referrals of intelligence to the AFP from other government agencies, receiving and conducting preliminary assessments on this information. Examples of these reports are the National Security



Operation Pendennis is a major joint counter-terrorism investigation, drawing on the resources of the AFP, Victoria Police, NSW Police, the NSW Crime Commission and ASIO.

Hotline (NSH), Customs' Heybridge Reports and DIMA's National Security Assessment Reports.

During 2005–06 the AFP received 4,564 ANCOR alert requests from the various state and territory law enforcement agencies and processed 16,157 NSH reports. Of these reports, 3,030 were subsequently referred to AFP intelligence areas for further assessment.

An important function within the TCCC is the management of the Incident Coordination Centre (ICC). The ICC can be activated for any AFP operation including special events, such as the Commonwealth Heads of Government Meeting, protective security activities and coordination of national or international criminal investigations such as the Bali bombings.



COUNTER TERRORISM

Counter terrorism remains the AFP's highest priority. The AFP devotes significant resources to the investigation and prevention of terrorism offences, and to developing capacity, both domestically and internationally, to help protect Australia from acts of terrorism.

In 2005–06, the AFP continued its work in supporting whole-of-government efforts to take the fight against terrorism offshore. The AFP's international efforts were focused sharply on the mitigation of the terrorist threat by developing sound relationships with overseas law-enforcement agencies and contributing to whole-of-government, capacity-building initiatives in Australia's surrounding region.

Closer to home, the AFP has played a pivotal role in leading and participating in several groundbreaking joint investigations. Along with other Commonwealth, state and territory government departments and agencies in the national security arena, the AFP has participated in counter-terrorism exercises to test its response and recovery frameworks.

The AFP has continued to support its Family Investigative Liaison Officer (FILO) Program, an important resource for Australian victims of terrorist incidents and major disasters, and for their families. In addition to these practical and operational elements of the AFP's CT portfolio, the AFP has contributed to federal law enforcement policy and legislative development, and continues to be an active participant in national security policy forums.

The CT portfolio has grown in line with the emerging national and international security environment and threats to Australian interests. While counter terrorism is still relatively new business for the AFP, the agency continues to enhance its counter-terrorism capacity and capability. Events locally and internationally clearly demonstrate that there is no room for complacency in these matters.

The AFP is now entering a critical phase of consolidating a range of CT-specific initiatives, and looks forward to the ongoing benefits these initiatives will deliver in the future.

Domestic Counter-Terrorism Measures

The primary vehicle for the AFP's domestic response continues to be the Commonwealth, state and territory Joint Counter-Terrorism Teams (JCTTs). There are now 12 JCTTs established in each capital city. The JCTTs were initially funded under the Australian Government's Double Strike Teams initiative. The JCTTs provide a unique opportunity for AFP and state and territory police to work in a truly collaborative way, with close involvement with the Australian Intelligence Community and other law-enforcement agencies, to proactively investigate activity of concern and prevent and disrupt individuals and groups who would do harm to Australia.

The JCTTs provide a vital and necessary vehicle for a collaborative approach to counter-terrorism operations. Building on the lessons learnt from the September 11 terrorist attacks on the United States of America (US), the JCTTs ensure that information, methodology, skills and expertise are coordinated in the fight against terrorism.

The benefits of this collaborative approach are now becoming clearer. Investigations undertaken by the JCTTs have resulted in some notable convictions and the commencement of major criminal prosecutions under the new anti-terrorism laws.

International Counter-Terrorism Measures

During 2005–06, the AFP's contribution to the fight against terrorism in our region and around the world continued to mature. The AFP's International Network now includes CT advisors in the Philippines, London and Washington DC, with plans to expand this element of the network into other high-priority countries in the next financial year.

Closer to home, the AFP's work with countries such as Indonesia, the Philippines and Sri Lanka contributed to tangible advancements in countering the threat posed to Australian and regional interests by extremist groups in the region.

The work of the AFP's Jakarta Operations Centre (JOC), which began operations following the 2002 Bali bombings, has continued to assist the Indonesian National Police (INP). Since those bombings, more than 200 people have been arrested and charged by the INP in relation to terrorist offences.

Significant joint investigations by the AFP, JOC and the INP during this year included the location by the INP of Dr Azahari bin Husin in Central Java. On 9 November 2005, Indonesian authorities advised that Dr Azahari had been fatally wounded, together with two other suspects, while trying to evade capture.

Dr Azahari was allegedly a senior member of Jemaah Islamiah. He was sought by law enforcement for the construction of improvised explosive devices (IEDs) used in major terrorist attacks in Indonesia, including the two Bali bombing attacks and the bombing of the Australian Embassy in Jakarta. Dr Azahari was allegedly a clear risk to Australian interests and the overall security of the region.

In April 2006, following joint activities by the AFP and INP, the INP conducted an operation in the Wonosobo area that resulted in the arrests of two key suspected terrorists and the location of valuable intelligence into the methodologies employed by terrorist groups in the region.

This joint activity by the AFP and INP demonstrates the necessity and utility of the AFP's international engagement strategy, and underscores the need for close cooperation with governments around the world.

Counter Terrorism Offshore Rapid Response

Now entering its second year, the AFP's Counter-Terrorism Offshore Rapid Response initiative enables the AFP to respond constructively and effectively to requests from regional partners for law-enforcement assistance in combating terrorism. This initiative also provides the AFP with the ability to send members to incidents in order to observe and learn from other agencies, and improve our own capability to respond to terrorist acts.

The initiative provides the AFP with the capacity and resources to respond to a wide range of terrorist activities, including disaster victim identification (DVI), crime-scene forensics, post-bomb blast, financial investigation, intelligence and technical support. The initiative also provides the AFP with the ability to support and participate in investigations outside our own geographic region, with AFP members sent to locations in Europe, Central and East Asia and the Middle East.

Beginning on 1 July 2004, AFP rapid-response deployments were delivered under the Counter-Terrorism Rapid Response New Policy Initiative. During 2005–06, the AFP provided assistance to foreign law-enforcement agencies for the following events:

- **London Bombings:** On 7 July 2005, four coordinated explosions occurred in Central London's underground rail and bus networks, targeting peak-hour commuters and crippling London's CBD for hours. Local emergency and law-enforcement response was swift, and the AFP was invited, as a partner agency, to participate in the investigation. The AFP led a team of six Australian representatives from Commonwealth,

state and territory agencies. These representatives were able to gain valuable knowledge and experience that may assist Australian authorities to manage incidents of this kind in the future.

An AFP assistant commissioner headed the team, which included experts in DVI and representatives from the Australian Bomb Data Centre (ABDC), and a senior officer from each of the NSW Police and Victoria Police services, and from the Department of Transport and Regional Services.

- **Bali Bombings:** On 1 October 2005, three explosions occurred in Bali, resulting in the deaths of 22 people and injury to more than 100. Four Australians were among those who lost their lives and 17 were injured. The explosions occurred within short succession of each other, in Kuta town square and in the Jimbaran beachside area known as Atas. The bombings took the lives of foreign tourists and local Balinese people and devastated the local population.

The strength in the INP and AFP partnership in dealing with terrorism is illustrated by the INP's invitation to the AFP—**within the first hour after the explosions—to** participate in incident first response. AFP members from Jakarta accompanied INP officers on the first contingent to Bali, and the AFP subsequently provided a response team to assist the INP to manage the aftermath and the subsequent investigations. At its peak, 43 AFP members were deployed to Bali to assist the INP with a large number of AFP members rotated through the AFP's Police Forward Command in Bali at various times in the following disciplines:

- Investigations
- Operations support
- Forensics and Disaster Victim Identification (DVI)
- Australian Bomb Data Centre
- Family Investigative Liaison Officers (FILO)
- Protection and security
- Media

- State and territory police officers from Joint Counter Terrorism Teams (Western Australia, NSW, Victoria)
- Intelligence
- Technical.

During the investigation, the AFP obtained statements from Australian victims and witnesses following their repatriation. A total of 4,783 questionnaires were obtained from Australians who had been in Bali, and 213 potential witnesses were identified. The INP subsequently arrested several key suspects who are now before the courts in Indonesia facing a range of criminal charges. FILOs have deployed during the trials as part of the Department of Foreign Affairs and Trade (DFAT)-led Australian Government assistance package made available to Australian victims and their families.

- **Sri Lankan Bombing:** On 25 April 2006, a suicide bombing at the Sri Lankan Military Headquarters resulted in the deaths of eight people and injury to the country's Chief of Defence. The authorities sought AFP assistance in crime-scene analysis and disaster victim identification. Several AFP personnel were sent to Sri Lanka as advisors and to form part of a bilateral assessment team.

RAPID DEPLOYMENT—MAJOR EVENTS

The AFP regularly provides support and liaison in a preventive capacity during major international events. During 2005–06, the AFP positioned members in various locations for the following events:

- 2006 Anzac Day commemorations in Gallipoli
- 2006 Torino Winter Olympics and Paralympics
- 2006 World Cup football tournament in Berlin
- October 2003 Bali Bombings anniversary commemorations.

Postings of AFP members to these events ensure the AFP is well placed to assist local law-enforcement agencies and to provide first-hand advice to the Australian Government and other Australian law-enforcement and intelligence agencies in case an incident occurs. An AFP presence, at the time of such incidents, helps to

ensure Australian interests with respect to preserving evidence, obtaining forensic material and providing additional police support to Australian victims and witnesses. Postings of this nature also provide the AFP with invaluable exposure to the methodologies used in other jurisdictions, with greater depth of experience in responding to and investigating terrorist acts.

ENHANCING COOPERATION: FIGHTING TERRORISM AT ITS SOURCE

From 1 January 2005, the Fighting Terrorism at its Source initiative funded the AFP to provide members to work alongside foreign-partner agencies in countering terrorism in Australia's region. Under this initiative the AFP has established two Counter-Terrorism Cooperation Teams:

- a bilateral team in the Philippines, known as the Joint Counter-Terrorism Operations Post (JCTOP), which began on 1 January 2005
- a multinational team in Indonesia, known as the Multi-national Operations Support Team (MNST), which began on 1 April 2005.

The JCTOP continues to assist the Philippines National Police (PNP) in investigating terrorist incidents. The MNST is an AFP-led group of six regional law-enforcement agencies that have each committed to cooperate at a regional level.

Within the JCTOP and the MNST, AFP members are co-located with similarly skilled teams. This cooperation maximises the exchange of criminal intelligence and transference of specialist law-enforcement knowledge. Specific activities undertaken by members posted to JCTOP this year included assistance to the PNP in delivering a safe and secure South-East Asian Games from 27 November to 5 December 2005.

Deployment of AFP members under this initiative is established on a case-by-case basis and negotiated by the AFP under the Memoranda of Understanding (MOU) already in place. As in all such initiatives, AFP members are deployed at the invitation of the host country under terms agreed between the AFP and the host agency.

Counter-terrorism offshore cooperation is supported by Australian-based corporate support and specialist advisors in the fields of technical operations, forensics, communications, policy and law.

Counter Terrorism in the Philippines

The AFP is managing a \$3.7 million joint AFP–AusAID anti-terrorism project to assist the Philippines Law Enforcement Implementing Agencies. Details of the project are on page 64 within Capacity Building in Output 1.4.

JAKARTA CENTRE FOR LAW ENFORCEMENT COOPERATION

The AFP continues to manage the implementation and development of the Jakarta Centre for Law Enforcement Cooperation (JCLEC) on behalf of the Australian Government. Now entering its third year, the key objective of the JCLEC initiative is to develop the technical and leadership expertise of regional law-enforcement personnel in dealing with transnational crime. The JCLEC has a thematic focus on counter-terrorism capability. A multinational presence in the JCLEC will also enhance opportunities for regional law-enforcement agencies to work and train together towards developing regionally consistent practices and a stronger inter-country policing network.

Four AFP members work in Indonesia at the JCLEC, with five Australian-based members providing training delivery and support. The INP donated three buildings to the JCLEC. The buildings have been refurbished, fitted out and are operational. The auditorium building, donated by the Australian Government, was officially opened by the Minister for Justice and Customs, Senator Ellison, on 4 August 2005.

The JCLEC is a truly multinational initiative. Other foreign governments have generously contributed funding to the JCLEC, recognising its potential to deliver significant strategic benefits to the region. This demonstrates the worldwide nature of the fight against terrorism.

A major event at JCLEC this year was the ‘Terrorism Prevention—Law Enforcement Information Sharing’



Minister for Justice and Customs Senator Chris Ellison at the opening of the fourth and final stage of the Jakarta Centre for Law Enforcement Cooperation (JCLEC) in Semarang, Indonesia, in August 2005.

workshop, hosted by the INP and jointly chaired by the AFP’s then National Manager Counter Terrorism, Ben McDevitt, and INP Brigadier General Bekto Suprpto. The workshop, held from 18 to 21 July 2005, was established by the Ad Hoc Working Group of Law Enforcement Practitioners, established by the Bali Regional Ministerial Meeting on Counter Terrorism in February of 2004. A total of 23 jurisdictions participated in the workshop, from Asia, South-East Asia, the US, the Pacific nations and Europe.

The workshop assisted in developing an understanding of the broad principles of counter-terrorism information sharing between law-enforcement agencies. Forum representatives identified practical ways to improve cooperation and information sharing. These areas continue to present challenges as different governments try to find ways to protect their people adequately from terrorism against a backdrop of different legal, political and judicial systems, and different law enforcement and intelligence methods. Similar events are expected to be held at the JCLEC in future years.

In addition to special events, the routine work of the JCLEC continues with the offering of a range of courses

and programs to law-enforcement, intelligence and other government officials. The course and programs include the following disciplines:

- Investigations management
- Criminal intelligence
- Forensics
- Financial investigations
- Communications.

More than 840 participants have attended courses at the JCLEC since it opened. The participants come from a broad range of agencies, including law-enforcement, security and anti-corruption bodies across the region. The JCLEC offers courses in subjects as diverse as Islamic law and politics, security-risk management and DVI. These courses aim to build on technical knowledge and expertise but also encourage good corporate governance and accountability, together with human rights protection.

Family Investigative Liaison Officer Program

The AFP continues to commit resources to its Family Investigative Liaison Officer (FILO) Program. FILOs are sworn AFP investigators who have been specially trained to liaise with families of Australians caught up in the investigation phase of major offshore incidents. FILOs have been deployed in response to acts of terrorism but were also used during the 2004 Indian Ocean tsunami.

The program is primarily for use where Australian citizens are injured or killed in an incident, and where the AFP has some involvement in the incident response. In these circumstances, FILOs facilitate interaction between surviving victims and their families, and provide much-needed information and advice on the progress of investigations, which are often undertaken by foreign law-enforcement agencies in jurisdictions dissimilar to those in Australia.

Functions of FILOs include obtaining information and evidence from the victims and victims' families and include facilitating inquiries they may have relating to the investigation or prosecution. FILOs maintain contact with

the families of victims and, in the case of the 2002 and 2005 Bali bombings, attended court with them. FILOs also coordinate the return of property to victims and their families when it is no longer required for evidentiary reasons.

Multi-jurisdictional exercises

Whole-of-government activities, such as multi-jurisdictional exercises and exercises with overseas partners, continue to receive strong and active AFP support. These exercises test response and inter-operability arrangements in the event of a domestic terrorist incident or a terrorist incident overseas involving Australian interests. CT-specific exercises contribute to Australia's ability to prepare for and prevent acts of terrorism by helping agencies identify loopholes in legislation, policy and procedure, and by improving agencies' abilities to understand each other's policy and operational frameworks. Such events contribute to our shared understanding of both the threat we face and our capacity to respond.

During the 2005–06 financial year the AFP committed resources to the following CT-themed exercises:

Mercury 2005 (MJEX)

During October 2005, the AFP participated in Australia's largest counter-terrorism exercise, which was also the largest counter-terrorism exercise conducted in the southern hemisphere. The AFP contributed 235 staff to the conduct of MJEX, which tested Australia's prevention, preparedness, response and recovery arrangements. While South Australia and Victoria were the primary jurisdictions exercised during MJEX, activities also occurred in NSW, Western Australia and the Australian Capital Territory.

The AFP was a major contributor in the planning and played an important role in the operational deployment phase. AFP participation included Joint Counter-Terrorism Teams, the Forensic Counter-Terrorism (CT) Rapid Deployment Team, Technical Operations Team, ABDC, activation of the Incident Coordination Centre and a Protective Security (PS) CT First Response Team.

A strong theme for MJEX was consequence management, recognising that the role of law-enforcement agencies includes the protracted and complex work of investigating an incident, including identifying the offenders, their motives and their methods. Often this involves painstaking forensics work. AFP personnel were involved in intelligence and the investigation as well as having liaison officers/advisors in the Police Operation Centres and Police Forward Command Posts. The AFP was also able to test the support it could provide to the states and territories with IT, Technical Operations, Forensics, Disaster Victim Identification and Australian Bomb Data Centre information after an explosion.

The AFP also assisted in hosting and coordinating a large number of international and domestic observers from law enforcement agencies.

A range of outcomes was identified at the conclusion of the exercise, and the AFP is progressively implementing these.

Proliferation Security Initiative—Table Top Exercise

This Proliferation Security Initiative (PSI) Table Top exercise, held in Canberra on 5 December 2005, brought together agencies from across government, and tested and rehearsed the nation's capacity to respond to proliferation incidents. The exercise, the second of its kind to be conducted in Australia, provided an invaluable opportunity for participating agencies to practise critical inter-agency and inter-departmental cooperation that would be involved in a real-life, counter-proliferation event. The exercise tested the recently revised PSI Standard Operating Procedures (SOPs) for responding to a PSI incident, and was also used to rehearse the national procedures in preparation for hosting the PSI Exercise Pacific Protector held in Darwin later in the year.

Discussion Exercises—Defence Aid to Civilian Authorities

Two high-level discussion exercises were conducted in Canberra and Melbourne prior to the Commonwealth Games in March 2006. These exercises were part of



During the counter-terrorism exercise, MJEX, the AFP hosted 63 international observers from 23 countries.

a number of national training packages conducted to inform all jurisdictions about the amendments to Part IIIA of the *Defence (Aid to Civilian Authorities) Act 1903*, which came into effect on 12 June 2006. The amendments are a response to the evolving security threat environment and provide appropriate powers and protections for Australian Defence Force (ADF) personnel in the land, air and offshore environments in the event of an incident requiring this level of response.

The aim of the exercises was to raise awareness among relevant Australian state and territory government departments and agencies that have a responsibility in the process of calling out the ADF.

Exercise Pacific Protector

Exercise Pacific Protector 06 was a multi-agency exercise involving a field-training exercise, observer program, media program and a problem-solving phase. The exercise was conducted in Darwin from 4 to 9 April. PSI partner nations were invited to participate or send observers. There was an extensive outreach program to non-PSI regional countries. The ADF was the lead planning authority and its role was to coordinate the

activity of government and civilian agencies contributing to the planning and implementation phases of the exercise. AFP members participated in a table-top exercise and PSI briefings, and provided a cordon-and-contain capability during the deployment phase.

Exercise Western Explorer

Western Explorer was an Investigation and Consequence Management Exercise (ICMEX) conducted in Perth from 1 to 22 June 2006. The scenario involved a terrorist bombing on a multi-storey building in Perth's central business district resulting in a building collapse and mass casualties. The scenario tested the ability of local agencies to respond to the incident and locate and rescue casualties. The AFP participated in the exercise, contributing members to the Police Operations Centre, Joint Intelligence Group, Exercise Control function, and participation in four discussion exercises.

Legislative Developments

The AFP provides advice and input to the Attorney-General's Department in the formulation of legislation affecting law enforcement. Recent amendments included the *Anti-Terrorism Act 2005* and the *Anti-Terrorism Act (No.2) 2005*. The most relevant provisions to the AFP include control orders and preventative detention, notices to produce sedition offences and the stop, question and search powers.

The AFP was consulted in the legislative drafting process and provided advice to the Government. This new legislation addresses limitations that became apparent during ongoing CT operations and assists the AFP to be more operationally effective. The AFP's advice has reflected its position that early interdiction and prevention should be the primary goal of CT activity.

The AFP requested these powers during the July–August 2005 review of the Commonwealth counter-terrorism legal framework, and many of the new provisions arose from the Council of Australian Governments (COAG) meeting of September 2005.

The AFP and the Attorney-General's Department have been in discussion about the need for preventative detention, for stop, question, search and seize powers and for notices to produce since late 2001. The AFP also raised the utility of a notice to produce (a legal power to obtain documents relating to serious terrorism and non-terrorism offences through the service of a written notice) in a number of public inquiries during this period. The AFP's and Attorney-General's Department's proposals have been assessed along with a range of other legislative proposals such as:

- the terrorist offences in the Commonwealth Criminal Code
- the establishment of an investigation period for terrorist offences in the *Crimes Act 1914*
- legislative support for the use of surveillance devices against the terrorist environment as it has evolved since 2001, and prioritised in terms of the enhancement to operational capability that they would provide.

The AFP has implemented a framework for the use of control orders, although no orders have been taken out during 2005–06. The framework was developed through several months of consultation with relevant Commonwealth, state and territory government departments and agencies. The AFP is also progressing development of a framework for the use of Commonwealth preventative detention orders, also in consultation with each state and territory that has its own preventative-detention regimes.

As understanding of the nature of the terrorist threat deepens, and as the threat itself evolves, continued input to the review of the relevance, applicability and efficacy of CT legislation and policy, through forums such as the National Counter Terrorism Committee, will remain key features of the AFP's approach.



A section of 353kg of ecstasy tablets seized in Melbourne on 30 June 2006,

BORDER AND INTERNATIONAL

The Border and International portfolio manages border crime incidents including:

- drug import, drug export and drug trafficking
- people smuggling
- transnational sex offences
- transnational child sex tourism.

The investigation and prevention of border crimes against the Commonwealth by the AFP are undertaken to ensure:

- the interception of illicit drugs and the assets involved in or derived from those activities
- the interdiction of unauthorised arrivals and the prosecution of those responsible for organising people smuggling ventures
- the effective contribution, by law-enforcement agencies, to a whole-of-government approach in combating trafficking in persons (which includes dealing with transnational sex offences and transnational sex tourism).

ILLICIT DRUGS

The AFP has an important role in the fight against the illicit drug trade in Australia, increasing its effectiveness by developing and maintaining strong partnerships with other Australian and international law-enforcement agencies.

The high quality of the AFP's international partnerships was demonstrated in November 2005 with the arrest of 14 individuals by the INP at the seizure of one of the world's largest clandestine synthetic drug laboratories. This operation involved the cooperation of numerous regional law-enforcement partners, including the AFP, and was central to the successful dismantling of a laboratory capable of producing both crystal methamphetamine and MDMA (ecstasy). A decrease in border seizures of illicit drugs in 2005–06 can be partly attributed to the substantial disruption, by the AFP and its international partners overseas, of illicit drug manufacture

and trafficking. AFP domestic seizures of illicit drugs also decreased during 2005–06. It is plausible that the AFP's strategic focus on pre-emptive offshore interdictions has had the positive result of reducing the number of seizures within Australia.

Heroin

The Australian heroin market continues to gradually decline. The purity of street-level seizures has remained constant in some states and fallen in others. The number of heroin overdose deaths in recent years has stabilised and is significantly below the 1999 peak. Heroin seizures at the Australian border have been typified by low-volume, high-frequency parcel-post importations, offset by the occasional significant seizure in shipping containers. Importations using the air passenger stream have also continued. During 2005–06, the AFP seized 24kg of heroin.

Table B: Drug Seizures Federal Agencies^a

Type of Drug	Weight (kg)	2005–06	2004–05	
		Number Items Seized	Weight (kg)	Number Items Seized
MDMA	463	604	2037	292
Amphetamine - Other	97	137	143	148
Cannabis	31	307	14	327
Cannabis Resin	0	23	1	44
Cocaine	87	318	183	396
Hallucinogens	0.007	4	0.07	18
Heroin	24	237	183	246
Precursor	256	127	3113	19
Other	187	142	22	278
No Prohibited Substance Detected	10	110	18	123

Footnotes: (a) The figures are correct to 1 August 2006 and include seizures awaiting analysis to confirm both weights and 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, Australian Customs Service and the Joint Asian Crime Group where the drugs have been held in AFP custody.

SOURCE: EIS/PROMIS

Approximately 80 per cent of heroin seized in Australia continues to originate from the Golden Triangle region of South-East Asia, predominantly Myanmar.

Statistics collated by the Australian Illicit Drug Intelligence Program indicate South-West Asian heroin (produced primarily in Afghanistan and Pakistan) has a potential market in Australia, however seizure levels in Australia remain comparatively low (approximately 20 percent). In the past year low-grade brown heroin likely to be sourced from Afghanistan was detected in parcel-post importations and at street level.

Afghanistan is the world's primary opium producing region, accounting for more than 85 per cent of global production. Even though the Australian drug market has shifted to amphetamine-type stimulants (ATS), heroin will remain a danger to the Australian community as long as large-scale global cultivation of opium poppies continues.

Amphetamine-type stimulants (excluding MDMA)

In recent years, there has been a global shift away from opiates towards synthetic drugs, especially ATS. This shift has been particularly evident in Australia, where significant reductions in opiate use have taken place concurrently with an exponential increase in synthetic-drug use. After cannabis, ATS are the most widely used illicit drugs in Australia. The Australian ATS market continues to be largely supplied through domestic clandestine laboratory manufacture of methylamphetamine, supplemented by importation of the higher purity crystal methamphetamine (commonly referred to as 'ice'). ATS seizures at the Australian border have increasingly involved ice and this accords with ongoing research by the National Drug Law Enforcement Research Fund, which found that Australian drug users are displaying a preference for this form of the drug. AFP investigations have not only identified ongoing attempts to import ice but also increasing attempts at domestic manufacture. Tightening domestic controls on precursor chemicals has stifled the availability of precursors for

Australian illicit drug manufacturers. This has resulted in manufacturing syndicates attempting to source the relevant precursors from offshore. During 2005–06, the AFP seized almost 256kg of precursor chemicals.

In April 2006, the AFP discovered and successfully dismantled a sophisticated clandestine laboratory in NSW. This laboratory used a method of ATS manufacture not previously seen in Australia. This method, which requires specialist equipment and different chemicals, is more commonly associated with commercial-scale laboratories detected overseas rather than in the characteristic small-scale production Australian laboratories. This combination of production method and unusual scale is a significant development in domestic ATS manufacture.

MDMA

During 2005–06, detections of MDMA, also known as ecstasy, resulted in the seizure of more than 178kg at the border. MDMA trafficking syndicates continue to attempt to avoid law enforcement scrutiny by shipping the powder and liquid forms of the drug. Seizures in 2005–06 suggest that criminal groups are attempting to introduce high-quality and high-volume laboratory production of MDMA in Australia, as evident from the importation of MDMA precursors and relevant production expertise. Following record MDMA and MDMA precursor seizures in Australia in early 2005, criminal syndicates appear to have diverted their MDMA production efforts away from Australia and towards Indonesia, demonstrated by the detection of a large-scale MDMA (and ATS) laboratory operating in Indonesia in November 2005. The ability of such criminal groups to react flexibly and shift their areas of operation provides ongoing challenges for law enforcement agencies.

Cocaine

Eradication efforts in South America have forced a shift in cocaine-growing regions, displacing coca production from Colombia to neighbouring countries, such as Bolivia and Peru. Nevertheless, international cocaine production has remained high, with Colombia remaining the largest coca grower in the world. Colombian crime groups



continue to export multi-tonne shipments of cocaine from South America. These shipments are received and repackaged into smaller amounts by other criminal groups for distribution to drug consuming nations. Criminal groups have established effective cocaine-trafficking routes out of South America into Africa and Asia. These regions then act as staging posts for distribution of the cocaine to countries such as Australia. During 2005–06, almost 87kg of cocaine was seized at the Australian border. There were no large cocaine seizures made within Australia. However, there were numerous importations of between 1kg and 6kg, along with smaller amounts imported by mail.

PEOPLE SMUGGLING

The Australian Government established the People Smuggling Strike Team (PSST) 2000 to counter people smuggling by boat to Australia. This funding has been extended to 2008. PSST members are drawn from the AFP and DIMA investigators and an attached AFP DIMA intelligence team. In accordance with Ministerial Direction, the PSST has continued to investigate and disrupt organised people smuggling to Australia. In carrying out this Direction, the AFP works closely with

other AFP teams, both onshore and offshore as well as Australian Government agencies and international law enforcement. During 2005–06, several instances of unauthorised non citizens being transported by boat to Australian territory were detected. Intelligence indicates that Australia remains a target destination for people-smuggling syndicates in South-East Asia and the AFP continues to work with partner agencies overseas to suppress this criminal activity.

HUMAN TRAFFICKING

As part of a whole-of-government package to address crimes against humanity, the AFP received additional funds in 2003 to strengthen its capacity to detect, investigate and provide specialist training in relation to crimes of slavery, sexual servitude and child sex tourism. This funding was used to establish the Transnational Sexual Exploitation and Trafficking Teams (TSETT)

Sexual Servitude

Australia remains a destination country for human trafficking. Since 2004, the AFP has investigated 110 cases of human trafficking, with 20 of those investigations beginning in the current reporting period.

In Australia, as in other countries, women represent the majority of trafficking victims (there have been no confirmed reports involving men or children). Most victims originate from South-East Asia, particularly Thailand. Other source countries include Indonesia, Malaysia, South Korea and China, and to a lesser extent, Hong Kong, the Philippines, Singapore, Ghana, Uzbekistan and the Czech Republic.

More often the women are recruited from countries with a poor socio-economic environment and are attracted by the perception of improved economic opportunities in Australia. The majority of victims identified to date were sex industry workers in their country of origin, or those who knew that they would be working in the sex industry in Australia, prior to their being trafficked. However, until they arrived in Australia, many of these victims were not aware that their working and living conditions would amount to exploitation.

Many of the facilitators and escorts in the sex-trafficking industry in Australia are Asian. The groups detected in sex trafficking have been small groups rather than large organised crime groups. Although a small number of cases have involved victims from the former Soviet Union and West Africa, intelligence does not indicate any shift towards the involvement of organised crime groups in human trafficking from these regions to Australia.

Human trafficking continues to involve other crime types, including immigration fraud, identity fraud, document fraud and money laundering. Offenders active in this area have shown adaptability to law-enforcement activity and migration governance.

Because successful prosecutions are highly reliant on victim and witness credibility, there is a need to maintain a focus on victim identification and support. To provide the best chance of conviction for traffickers, the Australian Government funded the Victims of Trafficking Care (VoTCare) Program, which provides trafficking victims with support in the form of accommodation, funds, counselling and medical attention, protection and translation services. This interim care for victims also provides criminal investigators with additional time to investigate offences and to press charges. VoTCare is available to those trafficking victims requiring special bridging visas or Criminal Justice Stay visas. By the end of the reporting period, VoTCare had supported 36 victims and witnesses of trafficking. Since 2004, there have been 66 victims of trafficking referred to VoTCare with 13 being in the current reporting period.

CHILD SEX TOURISM

The AFP is responsible for investigations under Part IIIA of the *Crimes Act 1914*—Child Sex Tourism. This legislation provides the authority for Australian citizens and residents of Australia to be prosecuted in Australia for child sex offences committed in foreign countries. This legislation supplements foreign law-enforcement efforts by allowing the prosecution of offenders who have escaped the jurisdiction or foreign law-enforcement investigation, including where local law does not cover these crimes.

The AFP is a leading law-enforcement agency in international efforts to combat sexual offences against children. Through its International Network, the AFP has contributed significantly to child sex-offences investigations. Australia has signed a number of memorandums of understanding (MOUs) with countries in Asia, the Pacific and South America to facilitate efforts combating child sex offences. Through these MOUs, international cooperation, information exchange and capacity-building programs have enhanced efforts to identify and investigate those involved in the sexual exploitation of children. The AFP also supports local law enforcement efforts by providing investigative assistance, forensic support, computer forensics and international liaison.

Current analysis indicates that Australian child sex offenders are almost exclusively male and travel to locations where they are able to take advantage of socio-economic factors and lower law-enforcement capacity to exploit children sexually. Developing countries have been targeted, with Thailand, Cambodia and the Philippines being prominent. The AFP is actively assisting with law-enforcement capacity-building in these countries and, as the efforts in countering this crime type increase, offenders are likely to travel to other places to exploit children sexually.

The AFP is an active partner in the efforts of Australian Government agencies, departments and non-government organisations (NGOs) to combat child sex offences. Child Wise is a non-government organisation that is the Australian arm of ECPAT (End Child Prostitution, Child Pornography and Trafficking of Children for Sexual Purpose). Child Wise has initiated an advertising campaign called *Don't Let Child Abuse Travel*. AFP Commissioner Mick Keelty launched this campaign and there is a link from the AFP website to allow members of the public to report suspected child sex offenders.

The AFP is also seeking to prevent these types of offences by sharing information with foreign authorities relating to child sex offenders travelling to overseas jurisdictions when appropriate. This enables the foreign country to take action including refusing entry or monitoring

the activities of offenders. The AFP is also using 2005 amendments to the Australian Passports Act to refer passport cancellation requests to the Department of Foreign Affairs and Trade (DFAT).

The Australian National Child Offenders Register (ANCOR) is a national initiative that monitors the activities of persons convicted of offences against children, including child sex offenders. The AFP is contributing to ANCOR by representation in the Australian Crime Commissioners' Forum Working Group on ANCOR and through the provision of international liaison resources and information for ANCOR State/Territory Registrars.

At the end of the reporting period the AFP was conducting 57 investigations into extra-territorial child sex offences with 11 matters before the courts or having prosecution briefs prepared. The AFP's investigations instigated 26 prosecutions, resulting in 14 convictions and five matters before court.



The AFP's International Network consists of 86 officers in 31 offices in 26 countries. The office in London is located at Australia House.

International Network

The AFP International Network has continued to provide the nexus between Australian law-enforcement agencies and international counterparts. The network, consisting of 86 officers deployed to 31 offices in 26 countries, provides the catalyst in driving investigations that affect Australia and Australian interests. This is achieved through sharing intelligence relating to transnational crime, identifying capacity-building initiatives relevant to host law-enforcement agencies and seeking strategic engagement opportunities to ensure the AFP continues to be placed in a position to effectively disrupt and dismantle transnational crime syndicates.

The Asia-Pacific forms the cornerstone of the AFP's international law-enforcement efforts in combating transnational crime with more than half of the AFP's international network based in this region. This includes posts in the People's Republic of China, Indonesia, Timor-Leste (East Timor), Malaysia, Pakistan, Singapore, Vietnam, Hong Kong, Cambodia, Myanmar, the Philippines and Thailand. The AFP and its preceding agency have located police liaison officers in Asia since 1973.

Priority areas include combating organised crime and transnational crime, such as terrorism, illicit drugs, economic and high-tech crime, money laundering, and human trafficking (incorporating sexual exploitation of women and children, and people smuggling).

Among the AFP International Network's key objectives is to work with international law-enforcement agencies to promote information and intelligence exchange that will help combat these forms of crime before they reach Australia.

This has led to the signing of a number of agreements in the reporting period with law-enforcement agencies in our region—such as **Indonesia, Thailand, Cambodia, Singapore, the People's Republic of China, Japan and South Korea—to promote close working relationships and strengthen the transnational crime-fighting response.**

The agreements underpin government MOU on various transnational crime issues.

Collaboration with our international partner agencies in 2005–06 has resulted in operational successes including:

- seizure of approximately \$5 million in counterfeit currency in Colombia
- closure of the world's third-largest clandestine laboratory producing ATS in Jakarta and the seizure of 148kg of crystal methamphetamine, along with the seizure of more than 500kg of precursor chemicals
- the culmination of a joint operation with the US, Peruvian and Colombian authorities that resulted in the seizure of 700kg of cocaine and the arrest of seven high ranking members of a transnational narcotic-trafficking syndicate
- arrest of two offenders in Indonesia involved in sale and trafficking of more than 120kg of ATS precursor chemicals to Australia
- successful prosecution of five Iraqi nationals responsible for the kidnapping of Douglas Wood
- seizure of 40kg of heroin in Thailand
- arrest of an Australian national in Thailand for child sex tourism-related offences.

The AFP's role is seen as more than just achieving immediate operational success. Programs such as the Jakarta Centre for Law Enforcement Cooperation (JCLEC) and the Asian Region Law Enforcement Law (ARLEMP) continue to provide a basis to build law-enforcement capacity in our region.

ECONOMIC AND SPECIAL OPERATIONS

The Economic and Special Operations (ESO) undertakes investigations into a diverse range of crime types and provides services including:

- management of AFP efforts to prevent and mitigate economic crime types, such as serious and complex fraud against the Commonwealth, identity crime, and money laundering, and works to ensure the AFP is well placed to pursue proceeds of crime actions across a range of criminal investigations
- investigation of crimes categorised as special operations, including corruption and bribery, environmental crime, intellectual property, war crimes and associated activities
- investigation of online child sexual exploitation through the Online Child Sexual Exploitation Team (OCSET), and coordinating joint work with partner agencies to combat these crimes.
- management of surveillance policy and the operational aspects of the Australian High Tech Crime Centre on behalf of the AFP
- management of policing functions within Australia's external territories of Norfolk Island, Indian Ocean Territories, and Jervis Bay.

ESO is also home to the National Missing Persons Coordination Centre and continues to focus on partnerships with other policing, government, private sector and overseas agencies to deliver significant responsibilities associated with managing such a diverse portfolio.

Economic Serious and Complex Fraud

During 2005–06, the AFP realigned its definition of economic crime to match that of the Commonwealth Fraud Control Guidelines. The figures reported for fraud that follow correspond to the wider definition under those guidelines and, as a result, may differ from those reported last year.

A total of 26.1 per cent of AFP investigative resources have been dedicated to economic crime, which includes recovering proceeds of crime, identity crime, significant fraud on the Commonwealth such as Centrelink fraud and tax evasion, money-laundering and the financing of terrorism.

The median value of criminal fraud investigations using the new definition of fraud has remained relatively even over the past two years with \$25,000 this year, and \$26,000 in 2004–05. This is an increase from the median value of \$21,000 in 2000–01.

The AFP has concentrated its resources on fraud matters with a high or very high impact on the Australian community. For the reporting period, 69 per cent of investigative resources allocated to investigate fraud cases were devoted to either high or very high impact fraud matters.

The AFP provides assistance and guidance to other Australian Government agencies in the investigation of less complex fraud matters, in keeping with its responsibilities under the Commonwealth Fraud Control Guidelines 2002.

The guidelines apply to all Commonwealth Budget-funded agencies and relevant agencies funded under the *Commonwealth Authorities and Companies Act 1997*.

The guidelines require agencies to put in place fraud prevention and detection measures, liaise with the AFP on fraud prevention, case referral and investigation standards, refer all matters of serious and complex fraud to the AFP and maintain certain standards of training for agency fraud control staff. They define fraud as 'dishonestly obtaining a benefit by deception or other means' with a benefit being either tangible or intangible. This definition includes bribery, corruption and abuse of office.

The AFP further supports agencies' fraud-control efforts by posting AFP members to various Australian Government agencies. These postings assist agencies to improve performance in identifying, detecting and investigating offences and managing investigations. Members provide advice on agency investigations



and assist in the execution of search warrants to enable Australian Government agencies to progress investigations.

Throughout the year, the AFP also provided assistance on major operations conducted by agencies, such as Centrelink and the ATO, departments that have significant responsibilities for investigating fraud and non-compliance in relation to the programs they administer.

The AFP chairs the Steering Committee for the Australian Government Fraud Liaison Forum (FLF). The FLF was established as a way for agencies to communicate and exchange ideas on fraud control. The FLF provides an opportunity to inform government agencies and raise awareness on a wide range of fraud issues relevant to agency business.

In 2005–06, the FLF was held twice. The first forum was hosted by the Department of Defence in October 2005 and included presentations on briefs of evidence, privacy and identity security. The second was hosted in

May 2006 by the CSIRO and included presentations on developments with the guidelines and Australian Government initiatives, AFP Forensic services, and the importance of prosecution disclosure. The FLFs are well attended and draw representation from approximately 50 Australian Government agencies.

The FLF Steering Committee (FLF SC) met on average once a month to discuss FLF agendas, content and general issues. The FLF SC comprises Centrelink, the Attorney-General's Department, the Department of Defence, the ATO, the Department of Foreign Affairs and Trade, the Department of Employment and Workplace Relations, the Commonwealth Scientific and Industrial Research Organisation (CSIRO), the Australian War Memorial and the AFP as Chair.

Project Wickenby

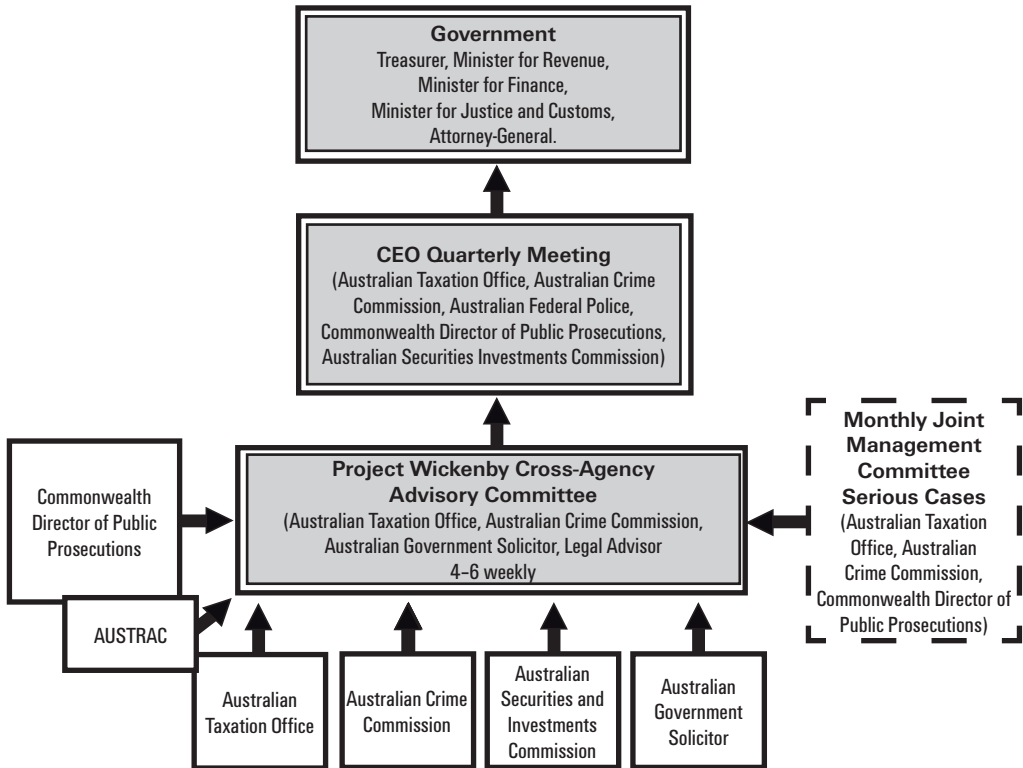
A multi-agency response was recommended to combat what was assessed to be a significant threat to the integrity of the Australian taxation system. Project Wickenby was formed with the ATO as lead agency and the ACC, the Australian Securities and Investments Commission (ASIC), the AFP and the CDPP as joint partners supported by AUSTRAC and the Australian Government Solicitor (AGS). The Australian Government provided new funding for this initiative, and the AFP was allocated \$59.6 million over five years commencing in February 2006.

Objective of Project Wickenby

The shared objective of all the agencies involved is to work together to make Australia an 'unattractive' area for tax avoidance and fraud.

Specific outcomes for Project Wickenby are to:

Chart 4: Cross Agency Governance Arrangements for Project Wickenby



- reduce tax avoidance and evasion in the Australian taxation system
- enhance strategies and capabilities of Australian and international agencies to collectively detect, deter and deal with tax avoidance and evasion
- improve community confidence in Australian regulatory systems, particularly confidence that the Australian Government addresses serious non-compliance with taxation laws
- reform administrative practice, policy and legislation.

The AFP investigations will focus on schemes that are additional to those already being investigated by the ACC. The first of these schemes has been received by the AFP for investigation.

The majority of the AFP investigative activity will occur in the financial years 2006–07 and 2007–08. During this time, dedicated resources will reach 86 full-time employees across a variety of functional areas.

Cross Agency Governance Arrangements

A joint management group and governance framework has been implemented to ensure the direction and activities of the various agencies remain focused and are complementary.

The ATO is the lead agency for the overall project with primary carriage of reporting to the Government on the project's overall progress. The Project Wickenby Cross Agency Advisory Committee oversees the project and advises the Commissioner of Taxation on a range of matters. The Project Wickenby Cross Agency Advisory Committee includes representatives from the ATO, ACC, AFP, the Australian Securities and Investment Commission (ASIC), the Commonwealth Director of Public Prosecutions (CDPP), the Australian Government Solicitor (AGS) and the Australian Transaction Reports and Analysis Centre (AUSTRAC).

MONEY LAUNDERING

Together with partner agencies, the AFP investigates and prosecutes breaches of Australian anti-money laundering (AML) legislation and continues building capacity to investigate counter-terrorist financing (CTF).

Financial Action Task Force

Australia is a member of the Paris-based Financial Action Task Force (FATF), an independent international body formed to focus on three major tasks:

- spreading the anti-money laundering message to all continents and regions of the globe
- monitoring the implementation of the FATF 40 recommendations on money-laundering control and nine special recommendations on counter-terrorist financing
- reviewing money-laundering trends and counter measures.

The AFP response to this new environment has been to increase its focus on targeting money-laundering activity and recovering proceeds of crime. A number of practical initiatives were implemented. These include:

- adjusting the AFP's case management systems to ensure mandatory consideration of proceeds-of-crime actions
- reviewing the AFP's financial investigation-training programs to emphasise money-laundering and proceeds recovery
- restructuring and expanding the Financial Investigation Teams to incorporate multi-disciplinary and multi-agency staffing resources.

Asia Pacific Group on Money Laundering

The AFP is a member of the Asia Pacific Group on Money Laundering (APG). The APG was formally established in February 1997 and is one of a number of regional anti-money-laundering bodies that form the global anti-money-laundering framework led by FATF. During 2005–06, the APG was co-chaired by the Commissioner of the AFP and the President of the Japan Financial Intelligence Office. Membership of the APG is open to jurisdictions in the Asia Pacific region that commit to introducing anti-

money-laundering measures. Membership now numbers 31 jurisdictions.

Training

The AFP conducted a Money Laundering Workshop in Perth in June 2006, hosted at Edith Cowan University. The workshop was attended by 30 participants from the AFP, ATO and South Australia Police.

The workshop aimed to enhance participants' knowledge and skills in investigating money laundering, and included presentations in international trade, terrorist financing, information technology, banking and finance, trusts, tax havens and underground banking.

The AFP redesigned the Financial Investigations Program to reflect the current proceeds of crime and money-laundering environments. Importantly, both recruit training and advanced investigator training were revised to include an increased emphasis on financial crimes. The AFP has also begun liaison with institutions and bodies, such as the Institute of Chartered Accountants, on developing vocational and academic training modules.

PROCEEDS OF CRIME

The 2005–06 financial year is the third full financial year of operation under the *Proceeds of Crime Act 2002* (POCA), which came into effect on 1 January 2003. The objective of POCA is to target those people who profit from crime, yet distance themselves from the criminal act.

The POCA has proved to be a valuable addition to the legislation available to the AFP and other agencies committed to combating crime. The legislation provides for a conviction-based confiscation regime, a complementary system of non-conviction based (or civil) forfeiture tools, as well as a means to confiscate literary profits. In circumstances where the suspected offence is serious, as defined by POCA, all assets of the suspect may be restrained and forfeited if the asset cannot be shown to have been obtained with lawfully derived funds. Additionally, the POCA allows for targeting of proceeds of crime derived from a foreign indictable offence.

The POCA civil regime has meant that asset recovery action no longer requires that the suspect be charged

with a criminal offence before assets are restrained. The POCA also provides for compensation applications and does not prevent the return of money to any person who can show lawful derivation and ownership of those funds.

During 2005–06, the Minister for Justice and Customs approved terms of reference for an independent review of the POCA to be conducted by Tom Sherman. The review assessed achievements since the commencement of POCA and sought to identify ways in which the operation of the Act could better achieve its purposes. As the legislation is of critical importance to AFP business, the AFP provided extensive advice to the review.

The AFP places high importance on the pursuit of criminally obtained assets by mandatory consideration of POCA provisions as an element of all investigations. The AFP has established Financial Investigation Teams (FITs) in most major cities in Australia to address POCA-related matters. Some teams include embedded officers from relevant Australian Government agencies, such as the ATO and Customs. The FITs are located in Perth, Melbourne, Adelaide, Sydney and Brisbane. These teams comprise a mixture of experienced police and non-police financial investigators and financial analysts. The FITs continue to work in partnership with the Criminal Asset Branch of the CDPP to rapidly secure funds reasonably suspected of being the proceeds of crime. During the year, ESO created a blueprint for expansion of the FITs to incorporate AML/CTF work, and both proactive and reactive proceeds activities.

Training

Training remains a priority in developing and enhancing the skills of AFP members. ESO remains focused on increasing these training opportunities and works closely with AFP's Learning and Development to deliver modules on money laundering, POCA and financial investigation skills.

The three-week financial-investigations program for the FITs has been extensively redesigned to reflect the current POCA and money-laundering environment. The program also incorporates developments in investigation strategies that have yielded successful outcomes, in addition to

placing a greater focus on international partnerships and liaison. The redesigned program was piloted this year and next year will see a full delivery schedule for the program.

Assets Restrained

The following table below provides a summary of the restraint of assets for 2005–06 compared with those for the 2004–05 financial year.

The provisions allowing for restraint of assets are critical to tracing funds in a timely manner. The continued use of restraint notices to financial institutions reflects the importance of this provision in enabling police to discover the location of the suspects’ funds where minimal information is known. These notices provide legal protection to the financial institutions that make this information available. Importantly, their use is restricted to proceedings under POCA.

In 2005-06, 1028 notices to financial institutions were served, and 22 search warrants and 138 production orders were issued.



Among millions of dollars of criminal assets seized by the AFP were a number of veteran aircraft confiscated as part of Operation Socrates.

Table C: Summary of restraint of assets 2001–06

The table below provides a summary of the restraint of assets for 2005-06 compared to the previous four years.

	2001-02 (\$million)	2002-03 (\$million)	2003-04 (\$million)	2004-05 (\$million)	2005-06 (\$million)
Assets restrained	9.5	21.8	77.3	88.5	21.5
Assets recovered	25.2	13.5	4.0	7.8	11.8
Penalty value of orders	4.3	2.3	1.8	2.8	4.6
Total	39.0	37.6	83.1	99.1	37.9

IDENTITY CRIME

Identity crime affects all levels of the community and government. False and stolen identities are used to commit many serious crimes, including fraud, illegal migration, narcotic importation and even terrorism.

The AFP works in close cooperation with Commonwealth and state agencies on identity crime matters. These activities include participation in the Commonwealth's Identity Security Strategy and Reference Group on Identity Security, the Police Commissioners' Australasian Identity Crime Policing Strategy and Working Party, and by chairing the Opal Group.

The Opal Group is an AFP initiative that brings together a number of Australian Government agencies that have an interest in identity crime-related matters. In addition to exploring where agencies can undertake prevention, investigation and strategic action in a coordinated manner, the Opal Group has a regular program of information sessions. In 2005–06, the Opal Group received presentations on:

- trends in identity crime and directions in fraud
- the National Identity Security Strategy
- Hidden Image Technology
- Identity Crime and the Identity Crime Research Unit of the ATO
- Smart Gate (Series 1)
- Developing and manufacturing secure banknote technologies, academic transcripts and other secure documents, and future directions in polymer technology.

The AFP has taken the lead in the investigation and disruption of criminal syndicates by hosting the Identity Crime Task Force (ICTF) in NSW. The ICTF was formed in March 2003 and consists of AFP, NSW Police, Australian Crime Commission (ACC), NSW Crime Commission and Customs members. The ICTF is further supported by 10 state and Commonwealth government agencies. The ICTF investigates serious and organised identity crime-related offences in NSW. The ICTF has used technologies, such as mobile scanning/card reading devices and facial

recognition and other biometric technologies to assist in the investigation of identity-related crime.

The AFP will replicate the success of the ICTF in other areas of Australia by the creation of Identity Security Strike Teams. The Australian Government has allocated new funding from 1 July 2006 for this initiative. These teams will be hosted by the AFP in Melbourne, Brisbane and Perth. They will include representatives from the ACC, the Customs, the Department of Immigration and Multicultural Affairs, and state police from the relevant jurisdiction.

The AFP has hosted and attended various workshops and conferences during the year and now provides identity crime presentations regularly to the Government and private enterprise groups, mainly based in the financial field.

Bankruptcy and Corporate Crime

The AFP provides assistance to both the Australian Securities and Investments Commission (ASIC) and the Insolvency and Trustee Service Australia (ITSA). These agencies are responsible respectively for enforcing corporations' legislation within Australia and administering and enforcing issues relating to bankruptcy.

The AFP works jointly with ASIC and ITSA to investigate incidents of complex corporate fraud and bankruptcy by providing specialist investigative, technical and forensic support.

During 2005–06, the bulk of assistance by the AFP to both ASIC and ITSA involved search or arrest warrants. On numerous occasions, the AFP was also required to arrest bankrupts attempting to leave the country in contravention of their bankruptcy conditions. This action is valuable in preventing undischarged bankrupts from absconding from Australia prior to discharging their obligations.

Special Operations

CORRUPTION AND BRIBERY

The AFP investigates sensitive matters and special references from the Australian Government and government agencies. These investigations can include a diverse range of offences, including corruption of public officers, unlawful disclosure of Commonwealth information, foreign bribery and other matters that may affect proper governance within the Commonwealth.

Since 1999, Australia has been a party to the Organisation for Economic Cooperation and Development's (OECD) Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. The offence of bribery of a foreign public official came into effect on 17 December 1999. This offence is contrary to Division 70 of the Criminal Code Act and carries a penalty of 10-years imprisonment and/or a fine.

The circumstances that may lead to an investigation by the AFP into the offence of bribery of a foreign official are:

- a formal referral of allegations by a private person, organisation or government department
- as a result of proactive intelligence gathering
- the identification of the offence of bribery of foreign official during the investigation of another criminal offence
- the proactive investigation of persons or organisations where foreign bribery is suspected.

ENVIRONMENTAL CRIME

Crimes against the environment have the capacity to cause serious harm to ecosystems, the community and the economy. The wide ranging nature of potentially harmful activities requires strong partnerships between government agencies, police and the community. The AFP works in close cooperation with agencies, such as the Department of Environment and Heritage (DEH), the Australian Maritime Safety Authority and the Great Barrier Reef Marine Park Authority (GBRMPA) in combating environmental crimes.

The AFP also provides general assistance to the DEH by posting an AFP federal agent at the Department and by providing forensic assistance.

The AFP's Hobart office continues to be involved in the Tasmanian Environmental Crime Working Party, with representation from a range of Australian Government and State agencies.

INTELLECTUAL PROPERTY CRIME

Intellectual property (IP) legislation within Australia encompasses separate Acts for dealing with circuit layouts, copyright, designs, plant breeders' rights, and trademarks. Generally there are civil and some criminal remedies available to rights' holders. There are various summary offences under the *Copyright Act 1968* and the *Trade Marks Act 1995*, and an offence of infringement under the *Plant Breeder's Rights Act 1994*.

There are a range of government and private organisations that have a stake in IP protection and enforcement. Effective rights enforcement requires active participation and effective cooperation by all these entities.

The AFP chairs the Intellectual Property Enforcement Consultative Group (IPECG) that involves Australian Government and industry representatives. The IPECG meets quarterly. Its aim is to encourage practical cooperation between industry and enforcement agencies through information sharing. The AFP is also represented on an inter-departmental committee on IP. This committee provides an opportunity for Australian Government policy and enforcement agencies to promote a more coordinated approach to IP enforcement issues.

WAR CRIMES

The AFP responds to any new information on alleged war criminals in Australia and pursues investigations within the current legislative framework. The legislative framework within Australia encompasses:

- The *War Crimes Act 1945*, which provides a legal framework to investigate and prosecute Australian citizens or residents accused of committing

crimes in Europe during World War II, specifically between 1939 and 1945.

- The *Crimes (Torture) Act 1988*, which criminalises acts of torture committed overseas by a public official or a person acting in an official capacity. The Act applies to Australian citizens and persons present in Australia and applies to conduct from 1988.
- The *Crimes (Hostages) Act 1989*, which gives effect to the International Convention Against the Taking of Hostages and criminalises hostage-taking in Australia or overseas, and applies to conduct occurring from when the legislation came into effect.
- The Criminal Code Act, which includes offences of genocide, crimes against humanity, and war crimes. These offences apply to conduct both within and without Australia that occurred from September 2002.

War crimes are of global concern and many overseas agencies play a role in investigating and prosecuting offenders. The United Nations (UN) has created specific international tribunals to investigate and prosecute war crimes matters arising from the conflicts in Rwanda, Kosovo, and the former Yugoslavia. Australia is a strong supporter of the International Criminal Court as it also provides a framework to investigate genocide, war crimes and crimes against humanity.

The AFP has been successful in contributing to the global response to war crimes by supporting overseas agencies in their endeavours to prosecute alleged war criminals. The AFP acts in these matters through formal mutual assistance and extradition requests and arrangements, in partnership with the Attorney-General's Department and the CDPP. The AFP has assisted overseas agencies through the location and interview of witnesses and the apprehension of suspects residing within Australia for repatriation to the interested country. The AFP has also responded to referrals and information from the Simon Wiesenthal Center.

The AFP is a member of the War Crimes Inter-Departmental Committee chaired by DIMA. This

Committee was formed to consider broad inter-departmental war crimes and crimes-against-humanity issues arising from the refugee visa process and to facilitate a whole-of-government approach to remedial responses.

ONLINE CHILD SEXUAL EXPLOITATION TEAM

The Online Child Sexual Exploitation Team (OCSET) was established in March 2005. During 2005–06, OCSET continued the important work of combating online child sexual exploitation, in partnership with state, territory and overseas agencies.

Since 2005, OCSET has received 582 referrals: 22 from Virtual Global Taskforce (VGT) partners, 88 through the AFP's Overseas Liaison Officer Network, 52 from Interpol, 249 from members of the public, five from state and territory law enforcement, 54 from Internet Service Providers, and 112 from the Australian Communications and Media Authority.

OCSET has made 17 arrests, and three persons have been summonsed to appear before the courts.

As part of OCSET's business, suspected instances of child pornography and online abuse are also referred on to other jurisdictions and law enforcement partners. Since 2005, 559 referrals have been made to Australian law enforcement partners, and 154 to international partners.

This year, a national strategy to counter online abuse was formulated jointly between the AFP and state and territory police. This National Strategy to Counter Online Child Sex Abuse 2005–08 focuses on prevention, ensuring operational commitment, legislative reform and capability development.

This year also saw the creation of the National Investigations Management Group (NIMG) to counter online child sex abuse. The NIMG comprises members from the AFP, the Australian High Tech Crime Centre, the Australian Crime Commission, New Zealand Police, and each Australian state and territory police service. The NIMG met for the first time in Brisbane on 27–28 July 2005 with the AFP holding the chair for the first year

of operation. The chair has now passed to the Western Australia Police Service with ongoing AFP support to the role.

The NIMG has four main goals:

- prevention
- legislative reform
- ensuring operational commitment
- capability development.

The NIMG will work cooperatively to ensure offenders in any jurisdiction are dealt with appropriately and to build a safer community. With this initiative, Australian governments, police and other stakeholders have addressed the need for a nationally coordinated approach to counter the borderless crime of online child sexual abuse.

Between June 2005 and December 2005, three members of OCSET were posted for two-month periods to the US Federal Bureau of Investigation (FBI) Innocent Images International Taskforce. These members, along with officers from Thailand, the Philippines, the United Kingdom (UK), Norway, Finland, Ukraine, Belarus and the United States FBI, performed duties as operational members of the team conducting online covert investigations.

OCSET and the Australian High Tech Crime Centre continued to be joint partners in the Virtual Global Taskforce (VGT) with international partners, the Canadian RCMP, the US Department of Homeland Security, Interpol and the UK Child Exploitation and Online Protection Centre. During the year, OCSET members attended and presented at the VGT international conference in Belfast, and coordinated the practitioners' meeting to develop a business case for a 24 hours a day, seven days a week online-VGT service.

In March 2006, an Investigation Management Workshop was held in the Philippines. The theme of this workshop was 'Combating Child Sexual Exploitation'. The workshop promoted a continued commitment to investigational excellence by creating an international law-enforcement practitioners' network. The workshop brought together

senior law-enforcement practitioners from the Philippines, China, Singapore, Thailand and Indonesia, who were involved in leading and managing serious crime investigations. OCSET funded, facilitated and provided presentations to the workshop.

The AFP strategy for management of this crime type continues to evolve. OCSET will be fully integrated into the AFP's functional model with a permanent OCSET investigation and disruption capability in all Australian states in 2006.

EXTERNAL TERRITORIES POLICING

The AFP provides police members to all the Commonwealth territories to enable the delivery of a policing service. AFP members are supported in their duties by local community members sworn as special constables.

The external territories include:

- Christmas Island
- Cocos (Keeling) Islands
- Norfolk Island
- Jervis Bay.

Christmas Island

AFP staffing on Christmas Island consists of one sergeant, three constables and one locally engaged full-time AFP staff member. The police team is fully funded by the Department of Transport and Regional Services (DOTARS) to provide community policing to the island community as well as being the first response to any illegal border activities.

In addition to normal policing duties, AFP members undertake bailiff and sheriff duties, boat registration, marine compliance and vehicle-licence testing. The police team continued crime prevention initiatives, such as drug- and alcohol-education programs and a road-safety program with the Christmas Island District High School.

Throughout the year, several search warrants were executed by police, which subsequently resulted in the successful prosecution of several people for illicit drug offences. Police were also successful in prosecuting a number of serious assaults.

The police team was involved in the debrief of persons suspected of being involved in people-smuggling offences and undertook a significant information and community-policing role when a number of West Papuan asylum seekers were integrated within the local community. The police team was also involved in a number of significant rescue operations during the financial year.

In May 2006, a male visitor to the island was reported missing. An extensive land and water search failed to locate the missing person. A coronial brief is being prepared for the Western Australian Coroner in relation to the matter.

Cocos (Keeling) Islands

AFP staffing on Cocos (Keeling) Islands consists of one sergeant, one constable and one locally engaged casual special member. The AFP members provide a community policing service as well as customs, quarantine, and immigration services. The police team on the Cocos (Keeling) Islands is funded by DOTARS for the provision of community-policing services to the island communities.

The customs, immigration and quarantine functions, undertaken by the AFP, are funded by Customs and Australian Quarantine Inspection Service (AQIS). During 2005–06, the police team processed 77 international yacht movements and 215 aircraft movements.

The police team is actively involved in environmental law enforcement in conjunction with Parks Australia North and with the planning and management of disasters and emergencies. During 2005, there was one cyclone that passed over Cocos (Tropical Cyclone Adeline) and there were two cyclone warnings during November 2005. The AFP has responsibility for management of land and sea rescue within the region.

In October 2005, the police team intercepted shotgun ammunition imported into the Cocos (Keeling) Islands from mainland Australia, concealed inside frozen chickens. This seizure led to a joint AFP–Customs investigation, resulting in the prosecution and conviction of a Katanning man. It is believed that the ammunition

was to be used for killing protected migratory sea birds on the islands.

During 2005, investigations and prosecutions were undertaken in relation to the unlawful possession and use of firearms and environmental protection. The police team also routinely participates in school and community-based education programs on a wide range of law-enforcement issues, such as road safety and safety at sea.

Norfolk Island

The AFP provides a policing service to the Government and Administration of Norfolk Island in accordance with the Norfolk Island Policing Arrangement.

The AFP provides a principal police officer and two sworn members. The Norfolk Island Government provides four locally engaged special constables, employing one full-time. The principal police officer is also responsible for a range of ancillary services.

The Norfolk Island Police have continued education and enforcement programs, particularly in relation to traffic and property offences during 2005–06. In conjunction with the Norfolk Island Central School, police have begun



A lengthy investigation led to the arrest in New Zealand of a man suspected of the murder of Janelle Patton on Norfolk Island in 2002.

an education program in relation to drugs, alcohol and road safety.

Jervis Bay

Approximately 500,000 people visit the Jervis Bay Territory annually. AFP staffing consists of a sergeant, two full-time constables and one special member, who assists with administrative duties.

The AFP continues to be involved with a number of community organisations including the Justice Advisory Group, which examines legal issues affecting the local Indigenous community at Wreck Bay. Jervis Bay Police are also actively involved in education within the schools and day-care centres in the Jervis Bay Territory.

During 2005–06, there was an increase in property-related crime, which eased with the arrest of a recidivist offender.

Another significant issue for Jervis Bay police is anti-social behaviour within the Wreck Bay community. The majority of these incidents are alcohol related. The number of this type of incidents has reduced in recent months after proactive police action and arrests.

Community concerns and an increase in the number of traffic accidents resulted in a joint traffic campaign being conducted in the Jervis Bay Territory and surrounding area of NSW by the AFP and NSW Police. This resulted in the issuing of several infringement notices for speeding, seat-belt and other offences. The high visibility of police sent a strong message to the community.

FAMILY LAW

The AFP is the primary point of contact for all recovery orders and warrants of arrest issued by the Family Court of Australia. The AFP also receives warrants from the Federal Court of Australia. Dedicated teams across Australia facilitate court requests and coordinate the execution of the orders and warrants. The teams are also responsible for adding and maintaining children's names on the PACE system.

Although recovery orders and warrants of arrest are also directed to state and territory police, the AFP is generally responsible for their execution. AFP members either execute the orders and warrants or obtain assistance from state or territory police.

Table D: Family Court enforcement orders and PACE alert activities 2005–06

Orders received by the AFP	685
Watching brief	7
Active	20
In brief preparation	2
Awaiting finalisation	6
Finalised	645
Terminated	5
PACE Alerts 2005–06	
Generated by the AFP	1935
Deleted by the AFP	1064

Australia is a signatory to the Hague Convention on the Civil Aspects of International Child Abduction. On behalf of the Australian Government, the AFP facilitates the prompt return of children removed from one convention country to another.

NATIONAL MISSING PERSONS COORDINATION CENTRE

Missing persons is a significant issue for the Australian community. Approximately 30,000 people are reported missing each year to both police and non-police agencies. Research suggests that for every person reported missing the impact is felt by 12 others.

The Australian Government has cemented its commitment to missing persons and their families by additional funding for the establishment, within the AFP, of the National Missing Persons Coordination Centre (NMPCC), which has absorbed the existing National Missing Persons Unit.

The vision of the NMPCC is for an informed Australian community united in its efforts to reduce the incidence and impact of missing persons in Australia. The NMPCC works in partnership with state and territory police services, Commonwealth and state government agencies, non-government agencies, and families and friends of missing persons.

To ensure an effective and strategic response to the complexity of issues within the missing persons sector, in 2006 a new position of Coordinator–NMPCC was filled to progress strategic initiatives that have a strong preventative and partnership approach.

The National Missing Persons Policy was endorsed by the Australasian Police Ministers' Council on 29 June 2006. The policy provides a framework for the future direction and implementation of initiatives which will enhance the law enforcement response to the missing persons phenomenon.

Partnership Initiatives

The NMPCC convenes two national committees, the National Advisory Committee on Missing Persons (NACMP) and the Police Consultative Group on Missing Persons (PCGMP). The NACMP brings together government and non-government agencies to identify broad issues that affect the appropriate and effective response to missing persons and their families and friends. The PCGMP meets to identify and resolve any

issues that hamper a consistent and effective law-enforcement response to missing persons.

Research with the Attorney-General's Department of NSW has been commissioned and will provide substantive information regarding the missing person's population and identify of 'at risk' groups, with a focus on identification of preventative measures and outcomes. It is envisaged that this research will have global implications due to the lack of current academic literature and research on missing persons.

Prevention

The NMPCC has adopted a strong prevention focus through the promotion of National Missing Persons Week, held in the first week of August each year.

The NMPCC distributes two national missing persons posters each year that feature missing persons nominated by each state and territory Police Missing Persons Unit.

The NMPCC free telephone call number and website address have been included in all Australian White Pages telephone directories since December 2003. The NMPCC's 1800 number receives an average of 154 calls per month and the NMPCC website receives approximately 500 visits per day.

NATIONAL SURVEILLANCE TEAMS

Surveillance Teams are based in five locations around Australia and are responsible for conducting covert surveillance in support of national and international investigations. The deployment of surveillance teams has contributed to the success of many high-profile operations in the border and international, economic and special operations and counter-terrorism functional streams. The Surveillance Teams are also involved in equipment procurement, training and policy development, as well as developing and enhancing supporting technology to assist in physical surveillance activities.

Surveillance operations successfully involved a whole-of-government approach to operations and worked in partnership with other government agencies, both state and federal.

The Surveillance Teams also provide advice, training and equipment to the AFP's law enforcement partners overseas through the Law Enforcement Cooperation Program (LECP).

AUSTRALIAN HIGH TECH CRIME CENTRE

The AHTCC provides a nationally coordinated approach to high tech crime. Its brief is to combat serious and complex high tech crimes, especially those beyond the capability of a single jurisdiction.

Launched in July 2003, the Australian High Tech Crime Centre (AHTCC) continues to build capacity in all aspects of its operations. The AHTCC has approximately 28 members and receives referrals through its website <www.ahtcc.gov.au> and 24-hour telephone hotline, along with its own proactive investigations and referrals from other agencies. The AFP hosts, and substantially resources the AHTCC through the E-Security National Agenda.

AFP members form the core staff for the AHTCC, but staffing also includes members seconded from state and territory police. The AHTCC also secondes personnel from appropriate government agencies and private industry as required including representatives from the Commonwealth Bank, ANZ, Westpac, Suncorp and National Australia Bank under the Joint Banking and Finance Sector Investigations Team (JBFSIT). The team focuses on online banking fraud involving the unauthorised access to Internet banking services by use of stolen logon information captured through phishing (acquiring personal details) or malicious software (including spyware) and associated criminal activity.

Due to the international nature of high tech crime, the AHTCC continues to build on the strong relationships with partner law enforcement agencies overseas in conjunction with the AFP's International Network.

AHTCC's work also involves education and prevention of high tech crime through cooperation with law enforcement, government agencies, industry groups and private organisations.

Under the Australian Government's E-Security National Agenda, the AHTCC participates in a number of policy forums relating to critical infrastructure protection. The AHTCC also has operational cooperation with ASIO and Defence Signals Directorate for the protection of the national information infrastructure and also contributes to various international programs, in particular, meetings held under the support of Asia Pacific Economic Cooperation (APEC).

The AHTCC's other activities for 2005–06 included:

- Building on its capacity-building program with Vietnam involving the provision of computer forensic, investigations equipment, specialist training and advice, enabling Vietnamese Police to achieve positive operational outcomes.
- Chairing the law enforcement panel at the E-Crime Congress held in the United Kingdom allowing the AHTCC to develop further a strategic level of connectivity with government, law



Director of the Australian High Tech Crime Centre, Federal Agent Kevin Zuccato, speaking at the June AHTCC Investigations and Forensic Conference held in Canberra.

enforcement, intelligence services and private sector suppliers at an international level.

- The AHTCC coordinated the contribution of Australian law enforcement to the AusCERT Australian Computer Crime and Security Survey. A copy of this report is available on the AusCERT website <www.auscert.org.au>.
- Hosting the third annual AHTCC-AFP High Tech Crime Workshop with police attendance from the United States, Russia, United Kingdom, Portugal, Vietnam, New Zealand and all Australian policing jurisdictions. There were also participants from Commonwealth revenue, regulatory and enforcement agencies; invited international law enforcement agencies and selected private sector organisations.
- Hosting a member of the Telstra Law Enforcement Liaison Team. This secondment has resulted in a restructure of Telstra's law enforcement liaison unit and provides a more effective relationship.
- Hosting a spyware workshop with the Department of Communications, IT and the Arts attended by more than 50 people representing more than 30 public and private organisations. Key presentations were delivered by law enforcement and industry representatives regarding the impact of spyware and how this issue may be addressed in the future.

A review into the AHTCC began in the reporting period with the review panel consulting national and international partners from a wide range of public and private disciplines to determine the effectiveness of the current AHTCC model and future needs of law enforcement to address this crime type. The level of interest in participating in this review has been very high.

During the year, the AHTCC investigated electronic commerce fraud, computer intrusions, creation and distribution of computer viruses and threats against Australia's critical national information infrastructure.

Virtual Global Taskforce

The Virtual Global Taskforce (VGT), of which the AHTCC is a founding member, was created in November 2003. The taskforce's mission is for law enforcement to work together globally to reduce the incidence and impact of online child sexual exploitation. Current members of the taskforce include:

- AHTCC
- United Kingdom Child Exploitation and Online Protection Centre
- Royal Canadian Mounted Police
- US Department of Homeland Security and
- Interpol.

The inaugural VGT conference, chaired by the AHTCC Director was held in Belfast in November 2005. It attracted approximately 250 delegates from more than 40 countries representing government, non-government, industry and law enforcement. The conference objectives were to develop transnational projects to reduce the incidence and impact of online child sexual exploitation.

Outcomes included:

- raised awareness of the challenges and opportunities involved in tackling online abuse at political, law enforcement and industry level
- identification of methods for sharing good practice across all sectors
- development of new national and international partnerships and strategies to reduce the sexual exploitation of children in the virtual environment and subsequently in the real world.

Various agencies from Australia were represented including ChildWise, e-gold, NetAlert, NetMap Analytics, Sharman Networks, Telstra Bigpond, Visiphor (Imagis).

The website of the Virtual Global Taskforce is:

<www.virtualglobaltaskforce.com> and was relaunched in April 2006 and up to the end of the financial year received more than 20 million hits.

ASSISTING THE AUSTRALIAN GOVERNMENT AND OTHER AGENCIES

During 2005–06, the AFP continued to review and negotiate external agreements with key agencies. External agency agreements provide a framework for relationships to exist between the AFP and each agency. External agency agreements with ITSA, DIMA and DFAT are being renegotiated and the AFP continues to develop agreements with state and territory police and law enforcement agencies along with Customs in relation to training resources. The AFP has also developed agreements with the law enforcement agencies of neighbouring states in South-East Asia and the South Pacific for international cooperation in the fight against transnational crime.

Domestically, the AFP has 10 federal agents seconded to Centrelink offices across Australia for the purpose of assisting the agency with identifying, detecting and investigating offences. Similarly, in January 2005, an MOU was entered into between the AFP and the Department of Environment and Heritage (DEH) for the purposes of assisting DEH to identify, detect and investigate offences.

The AFP assisted other Australian Government agencies to develop capacity to deal with matters that fall within their responsibility under the Commonwealth Fraud Control Guidelines by also seconding Federal Agents to ASIC, ATO, AUSTRAC, DIMA and DFAT. The secondment of AFP members gave agencies access to AFP expertise and facilitated the mutual transfer of skills and knowledge between those agencies and the AFP. The presence of AFP agents also provided ready access to police powers including the execution of search warrants and arrests.

The AFP continued to provide pre-referral assistance and advice, including training to a range of Australian Government departments and agencies.



Their Royal Highnesses, Crown Prince Frederik and Crown Princess Mary of Denmark, were among the visiting dignitaries provided with AFP protection during 2005–06.

Output 1.2: Protection Services

Protection Services includes the following areas:

- Close Personal Protection
- Witness Protection.

The objective of Protection Services is to ensure that individuals and interests identified to be at risk by the Commonwealth are kept safe and that their dignity is preserved. This is achieved in partnership with other state, territory and Commonwealth agencies and departments.

The AFP provides close personal protection (CPP) covering Australian high office holders, non-Australian office holders, internationally protected persons (IPPs), and visiting dignitaries. It also provides, through the National Witness Protection Program, the authorisation to protect witnesses identified as being at risk as a result of assistance they have provided to police and other law-enforcement agencies.

The delivery of Protection Services is implemented through a business-planning process informed by security threat assessments, Visits Assessment Group arrangements, proactive protective security intelligence and other stakeholders. The activities undertaken to achieve this objective include:

- Provision of CPP to Australian high office holders, parliamentarians and parliamentary delegations (in certain circumstances), IPPs, members of the diplomatic community and visiting overseas dignitaries and others assessed to be at risk
- Administration of the National Witness Protection Program, providing a safe and secure environment for participants of the program who are able to give evidence in criminal trials relating to organised crime, such as large-scale importation of illegal drugs and corruption, which involve a significant degree of criminality.
- Planning and coordination of special events that are of a national interest, with strategic partners.

Performance for this output is measured by the prevention of avoidable incidents; the level of client satisfaction with Protection Services; and the cost-effectiveness of service delivery. (Details page 75)

CLOSE PERSONAL PROTECTION

During 2005–06, the demands on CPP included:

- regular protection of 11 Australian and non-Australian high office holders while also meeting requirements for significant visits and overseas deployments.
- On two occasions during the year, a significant number of CPP personnel were deployed in response to specific intelligence concerning the family of an Australian high office holder.
- The Commonwealth Games of March 2006 was perhaps the most significant event of the year and required extensive resource allocation in the form of CPP personnel and equipment.
- CPP resources were deployed overseas following civil unrest in the Solomon Islands in April–May 2006 and Timor-Leste in May–June 2006.

- In June 2006, CPP resources were deployed to Bali to assist the INP with security arrangements for the Australian-Indonesian Ministerial Forum.
- The commitment of AFP resources to Anzac Day ceremonies continued as part of a whole-of-government approach to ensuring the ceremony in Gallipoli was secure and successful. The AFP worked closely with agencies including the PSCC, DFAT, DVA, PM&C and New Zealand Police to deliver a CPP function to Australian high office holders who travelled to the ceremony. Planning has already begun for Anzac Day 2007, recognising the growing import of the event and significant milestones of the 95th and 100th ceremonies.
- The security situation in Jakarta continues to impact upon CPP resources. The AFP has appointed Security Liaison Officers (SLO) to liaise with the Indonesian National Police (INP) and negotiate protective security arrangements in association with the Australian Ambassador's program. The AFP continues to strengthen relationships with the INP, developing CPP capacity and providing an ongoing service through exclusive utilisation of INP resources.
- The Asia Pacific Economic Cooperation (APEC) 2007 forum, to be held in Australia, will impact significantly upon CPP resources. Planning for the event has also been incorporated into this reporting period.

WITNESS PROTECTION

Witness Protection measures call for a safe and secure environment for participants of the program giving evidence in significant criminal prosecutions with high levels of criminality at both Commonwealth and state level, and whose lives are at risk.

The *Witness Protection Act 1994* requires the Minister for Justice and Customs to report to both houses of Parliament on the operation of the National Witness Protection Program at the end of each financial year. The Act provides that the report must be prepared in such a way that it does not prejudice the effectiveness of the security of the program.

Special Events Coordination and Executive Support

The Special Events Coordination and Executive Support (SECES) coordinates the AFP's response to major and special events impacting on the Australian Government. The main focus of SECES is to facilitate the coordination of briefings to AFP executive attendances at Australian Government forums.

Asia Pacific Economic Cooperation 2007

SECES has continued to liaise with the APEC 2007 stakeholders and has maintained a close working relationship, particularly with NSW Police APEC Planning Unit. The AFP is represented on various working groups, which include intelligence, crime, media, counter-terrorism, dignitary protection and IT support.

Output 1.3: International Deployment Services

International Deployment Group

The International Deployment Group (IDG) was established in February 2004 with a budget in the order of \$1 billion over five years. The IDG was created to provide a formal capacity for the Commonwealth Government to deploy police offshore with the objective of contributing to regional and international stability and security through the delivery of law-enforcement interventions and capacity-building programs.

Creation of the IDG resulted from an increasing demand for Australian police to work offshore in peacekeeping and capacity-building missions. The demand for Australian police to work in these roles has passed through three separate stages over the past 40 years. For much of this period, Australia's only substantive offshore police deployment was to the UN peacekeeping mission



A police presence made many of the suburbs of Dili safe enough to encourage residents to return.

in Cyprus. This situation changed in the period between 1985 and 1998 to incorporate a number of additional missions that were generally scheduled for highly defined periods of time with relatively small personnel requirements and only limited periods of overlap. The AFP managed this demand for offshore policing services by using a 'ramp-up and ramp-down' resource management model, which basically treated each mission as a separate short-term operation. This position changed in an unprecedented way from 1999 with the AFP required by government decisions, taken in the face of rapidly evolving world events, to simultaneously supply multiple offshore missions consisting of several hundred personnel. The 'ramp-up and ramp-down' model was entirely inadequate for this task and was replaced by the IDG to provide the necessary continuity, infrastructure and resource-management flexibility to achieve the Australian Government's international security and stability objectives.

The source of demand for police to participate in offshore peacekeeping and capacity-building operations lies in the institutional significance of police in the orderly conduct of civil societies. Reliance on military interventions is useful for the restoration of order where widespread violence or civil war has broken out, however, this type of intervention does not contain the necessary elements to support a return to the normal functioning of civil society. The establishment of a functional law and justice sector is one of the essential pre-conditions for this and the increasing use of civil police in this role reflects a clear recognition that recovering civil societies must quickly progress from the rule of martial to civil law if this is to be the basis for future development. Joint operations between police and the military are now commonplace across the world with Australia seen as a leader in this field.

As a result of this trend and a related reliance on civil policing to support the development of civil societies, the IDG now has offshore missions and programs in the Solomon Islands, Vanuatu, Timor-Leste, Jordan, Nauru, Cyprus and Sudan. The IDG also has a senior officer with the UN in New York, an AFP officer on secondment to

the Fragile States Unit in AusAID, an AusAID Liaison Officer in the IDG and a Pacific Islands Police Advisor. IDG personnel are drawn from the ranks of the AFP and state and territory police services. Regional Assistance Mission to the Solomon Islands (RAMSI) also includes personnel from Pacific Island countries and New Zealand.

As at 30 June 2006, the IDG had 534 personnel deployed offshore, including 205 members in Timor-Leste for Operation Serene (restoration of civil order in that country). Additionally, there were 224 Australian-based IDG roles. (These numbers do not include New Zealand and Pacific Island officers, nor do they include Protective Service roles (14) in Nauru funded by DIMA).

Major Challenges 2005–06

The reporting period proved to be particularly challenging for the IDG, due to not only the range of activities undertaken on a business-as-usual basis, which often prove to be highly dynamic in their own right, but also a number of major events that shaped, and sometimes threatened the future of entire nations. These major events place an added urgency on the work of IDG personnel who are charged with providing a high level of professional support to offshore missions, often staffed by friends and colleagues, who volunteer to work on the front lines of violent conflicts in fragile states.

Challenges encountered in 2005–06 were greatest in the Solomon Islands and Timor-Leste. These are both countries in which AFP personnel have worked for extended periods of time to assist in building the capacity of emerging police services.

The dramatic events in the Solomon Islands during April 2006 followed a successful democratic general election assisted by extensive police planning to support a fair and intimidation free ballot. This process was carried out to a high standard only to see violence flare in Honiara following the selection and appointment of a new Prime Minister. This violence resulted in several major buildings being destroyed by fire with the almost complete destruction of Honiara's Chinatown district. Thirty-one Australian police were injured and 11 vehicles destroyed in the process of restoring law and order. The dedication

and commitment of AFP and other police personnel to recovering this situation has been widely recognised internationally and investigations have begun to identify those responsible for the damage and destruction associated with this event.

On a positive note, no lives were lost as a result of this civil unrest and unlike three years ago, no firearms were produced or used in the course of this event. It is also noteworthy that this problem did not extend beyond Honiara and that the remainder of the Solomon Islands remained peaceful throughout this event.

Timor-Leste also experienced major incidents of public disorder during June 2006, which regrettably saw loss of life and widespread destruction of property. Small commitments of AFP personnel to the UN contingent in Timor-Leste and the AusAID funded Timor-Leste Police Development Project, had little impact on this problem due to its political antecedents and the resultant level of public disorder. The AFP had, by the end of the reporting period, contributed 200 personnel in support of military



A protective service officer takes stock as a day of rioting in Honiara comes to an end.

operations designed to bring peace to Timor-Leste. This commitment was supported by Australian state and territory police services and will continue into next financial year.

These events, along with others including high-profile arrests and prosecution of major criminals in the Solomon Islands and the Rove Prison riot demonstrate that the processes of nation building are not simple and do not always result in immediate improvements, major gains and successes. The process can involve 'backsliding' and loss of hard-won gains, which can only be overcome by recognition that development requires long-term commitments and that Australian engagement with fragile states will require patience and determination to assist often-troubled neighbours through difficult times.

COUNTRY MISSIONS

Regional Assistance Mission to the Solomon Islands

The Solomon Islands experienced significant and growing internal tensions from the late 1990s until mid-2003. This period was marked by economic collapse, social dysfunction and the emergence of heavily armed militias and criminal gangs. It was a time of increasing lawlessness and previous initiatives to correct this deteriorating situation were ineffective. At the request of the Solomon Islands Government, the Australian Government took a leading role in developing an external assistance mission.

The Regional Assistance Mission to the Solomon Islands (RAMSI) began on 24 July 2003. The police-led operational component of this mission emphasised a return to the rule of law that was, and remains, an essential precondition for the future social and economic development of the Solomon Islands. It was also agreed from the outset that RAMSI would be a multilateral mission and there are now police from 14 Pacific nations contributing to the Participating Police Force (PPF). The AFP leads and coordinates all elements of the multilateral police contribution to RAMSI, including training, provision of logistic support and payment of mission-based allowances to personnel from contributing

nations. The regional character of RAMSI is an extremely positive characteristic of this mission and reflects a newly developing preparedness on behalf of Pacific nations to work together in managing Pacific issues.

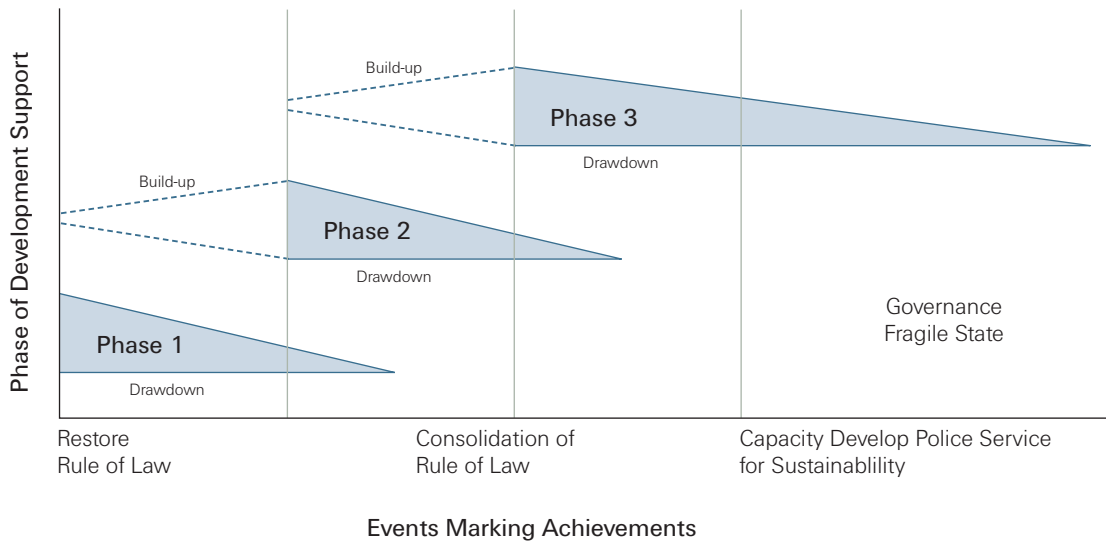
The basic policing strategy for managing the law-and-order situation in the Solomon Islands was designed with the three main components shown in Chart 5. This strategy involved restoring the rule of law, consolidating the rule of law and developing the capacity of the Royal Solomon Islands Police to sustain these achievements into the future. The chart shows that these phases overlap with one another, that is capacity building occurs at the same time as the restoration of the rule of law and consolidation of this process. These are not mutually exclusive processes where phases are artificially segregated from one another and all three types of activity can and do occur together.

This strategy was further refined in the course of the year following a review of the development program. In essence, the review recognised that the most complex task in the strategy is capacity development of the Royal Solomon Islands Police. As a result, phase three of the program was broken down into eight distinct

phases, which included a range of new elements including tasks, such as specification of institutional problems, community-relationship building, mentoring and coaching of key personnel, gap identification, the establishment of transparent processes and the design of a meaningful exit strategy. The assessment of when to wind the program down through implementation of the exit strategy is not time driven or tied to a specific date but event driven and based on the achievement of critical objectives in each phase of the strategy, which will underpin long-term sustainability. This position is consistent with the recommendations of the Eminent Persons Group of the Pacific Island Forum, which conducted an assessment of the mission last year.

The PPF has been actively working across several fronts in the Solomon Islands during 2005–06. In January 2005, a number of important High Court trials, known locally as the ‘Tension Trials’, began in Honiara. These trials relate to offences investigated by the PPF for serious crimes committed during the period of ethnic tension in the country between 1998 and 2003. In 2005, eight matters were completed in the courts for offences ranging from a simple robbery trial

Chart 5: RAMSI Presence and Phases



to lengthy, multiple murder trials. A total of 11 offenders were found guilty of murder and each sentenced to life imprisonment. The highest profile offender sentenced during 2005–06 was Guadalcanal Liberation Front militant Harold Keke, who was found guilty of murdering a Melanesian priest. At the end of the reporting period, two trials had been completed with verdicts yet to be handed down while a number of other trials were part of the way heard. Further trials are listed to be heard during the remainder of the year, including 14 corruption matters with 29 defendants facing prosecution.

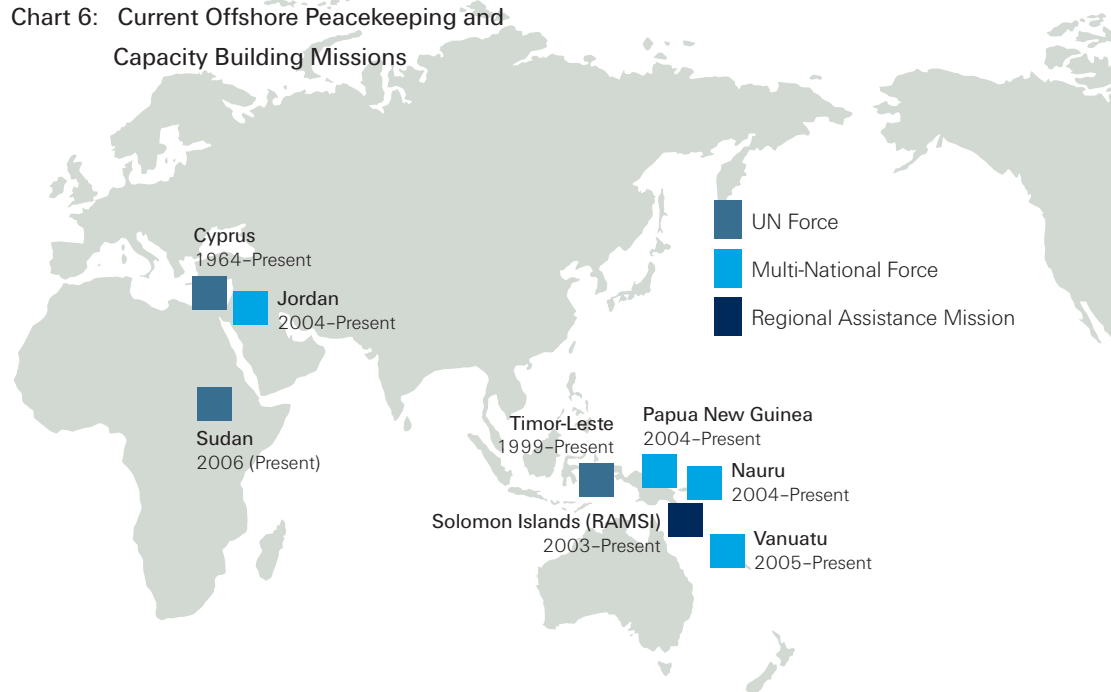
On 18 April 2006, the Solomon Islands descended into a period of civil disorder with violence, looting and destruction of property not seen since commencement of the RAMSI intervention in 2003. The police response saw deployment of an additional 71 Australian police to the Solomon Islands, with the New Zealand and Fiji Governments contributing an further 51 police to the PPF. During the civil unrest, 31 PPF members were injured; including five seriously and 11 vehicles were

destroyed. However, PPF capacity-building efforts were evidenced by a strong Royal Solomon Islands Police response to the unrest. This response included:

- acting as the first response to and communication channel with the local community during the riots
- participation in joint patrols and undertaking self initiated activity to recover stolen goods
- maintaining the safety of people and property on numerous occasions
- operating a joint Police Operations Centre
- preventing similar violent outbreaks in Auki on Malaita
- providing assistance to the PPF search of destroyed buildings in Chinatown.

These cooperative efforts assisted in the restoration of law and order with the situation substantially stabilised within a matter of days. Fifteen arrests were made for inciting the incident and a further 107 arrests for offences relating to it.

Chart 6: Current Offshore Peacekeeping and Capacity Building Missions



The wide range of tasks involving the PPF in the Solomon Islands is extensive and ranges from the management of simple programs, such as driver training, so that police officers can be issued with drivers licences – to use of force training, so that police are able to make basic judgements about when to apply force and the extent to which this should be done. Basic awareness of human rights, the development of investigative skills and creating a functional police environment with well-trained leadership are all challenges being managed by the PPF daily.

Fostering community partnerships is important in the Solomon Islands. Operation Shakim Han began in May 2006 as an initiative to build relationships between the community and the PPF. Members of Operation Shakim Han visited schools, church groups, sporting groups and Rotary clubs with a view to developing friendships and relationships by telling stories about their experiences, including family life and career history. Although only in its early stages, Operation Shakim Han has already addressed more than 1500 students and many church groups. Displaying the human face of the PPF has resulted in warm reactions and interest from most recipients of the program. Complementary to Operation Shakim Han, the Maritime Police also continued to actively engage communities outside Honiara, with visits to Auki, Kira Kira, the Weather Coast, Russell Islands and Lata.

In nearly three years of policing in the Solomon Islands, the PPF, through its capacity-building projects, is rejuvenating the nation's police force to a level where it will be deemed one of the best in the South Pacific. The determination of PPF members to achieve this goal has created an environment where there is an emerging willingness by members of the Royal Solomon Islands Police to embrace change and accept new concepts and standards in policing.

The future of the Solomon Islands remains unclear and the challenges facing the PPF remain significant. These include rebuilding the Royal Solomon Islands Police to a point where it will once again be trusted by the people of

the Solomon Islands; building community confidence in the integrity of that service; and maintaining a relentless pursuit of those who retain illegal firearms or commit serious offences. This work, along with a whole-of-government challenge to rebuild social and economic infrastructure, is long term. It will require the governments of the Solomon Islands and Australia to maintain a strong partnership for many years.

UN Office in Timor-Leste

In 1999, the UN initiated peacekeeping efforts in what was then called East Timor. This intervention followed episodes of extreme violence leading up to and following the act of self determination, which resulted in the creation of Timor-Leste. The AFP has maintained government-authorised deployments to Timor-Leste in support of peacekeeping missions since that time, including the UN Transitional Authority East Timor (UNTAET) and the UN Mission in Support of East Timor (UNMISSET). UNMISSET ended in June 2005, and was replaced by a smaller, one-year political mission, known as the UN Office in East Timor (UNOTIL).

UNOTIL, in accordance with UN Security Council Resolution 1599, has emphasised the proper transfer of skills and knowledge needed to maintain the capacity of Timorese public institutions to deliver services in accordance with the principles of law, justice, human-rights, democratic governance, transparency, accountability and professionalism.

The AFP has supported the UN by contributing four members to UNOTIL. In supporting this mandate, members were deployed as strategic planners, subject matter experts and technical advisors in policy coordination; counter terrorism and intelligence; professional standards; and maritime police service.

UNOTIL's mandate was scheduled to end on 20 May 2006. However, in response to the deterioration in law and order in Dili towards the end of the reporting period, a 30-day extension to UNOTIL was approved by the UN Security Council. Subsequent to this decision, the UN is considering a further extension to the UNOTIL mandate to cover the period until a new UN mission in

Timor-Leste is established. The AFP has extended the service of the four members of UNOTIL to cover the initial extension.

AFP Timor-Leste Scoping Advisory Mission (Operation Serene)

On 24 May 2006, Australia received a formal request for support from the Government of Timor-Leste to assist in re-establishing public order following a major breakdown in the civil governance of that country. In response, the AFP established a Scoping Advisory Mission in Timor-Leste as part of Australia's Joint Task Force. Following the deployment of Australian troops, the Scoping Advisory Mission was established in Dili on 28 May 2006.

The mission is to: provide advice to the Joint Task Force Commander on policing issues; assess the current law-enforcement situation in Timor-Leste; and make recommendations regarding potential future requirements for the provision of policing assistance by the AFP and other contributing countries having regard to



The AFP contributes 10 members to UNMIS, with the first contingent posted in March 2006, and scheduled to remain in Sudan until October 2006.

the breakdown of discipline, structure and control within the indigenous police service of Timor-Leste.

The Scoping Advisory Mission is also assisting in the restoration of law and order by conducting joint patrols with Joint Task Force staff and gathering and preserving evidence of serious crimes committed during the period of unrest. There were 200 personnel staffing the Scoping Advisory Mission at the end of the reporting period. The AFP was working alongside policing representatives from Malaysia, New Zealand and Portugal at the conclusion of the reporting period.

Sudan

Following the establishment of the UN Mission in Sudan (UNMIS) on 24 March 2005, the UN Secretariat issued a formal invitation to the Australian Government to nominate police officers for service with UNMIS. The mandate for UN Police in Sudan is non-executive and stems from UN resolution 1590 and the Comprehensive Peace Agreement for Sudan.

The UN Police mandate is to develop the Sudanese Police Service, monitor and evaluate adherence to the Comprehensive Peace Agreement and support the African Union Mission in Sudan and in Darfur.

The AFP contributes 10 members to UNMIS, with the first contingent deployed March 2006, and scheduled to remain in Sudan until October 2006. The AFP has provided police officers to perform the roles of police mentors, specialist advisors, planners and trainers.

The AFP has agreed to contribute personnel to UNMIS for an initial period of 18 months, after which the contribution will be reviewed. No AFP members have been deployed to the Darfur region during 2005–06.

Jordan

At the request of the United Kingdom, the Australian Government authorised the deployment of police trainers to the Jordan International Police Training Centre as part of an international program to train Iraqi police in May 2004. This is an AusAid-funded mission. The Jordan International Police Training Centre aims to teach the fundamentals of democratic policing, crime investigation, terrorism trends and risk mitigation to Iraqi police officers.

The AFP has provided two members to the Jordan International Police Training Centre on a rotational basis over the life of the project, which is scheduled for completion in December 2006. To date the AFP has contributed 16 members to this program.

AFP members filled a number of significant roles within the Jordan International Police Training Centre including, on several occasions, the position of Chief of Staff for the entire program. These appointments acknowledge the quality of Australia's contribution to the Jordan International Police Training Centre, especially in the areas of strategic planning, policy and management.

The Jordan International Police Training Centre objective was to train 32,000 Iraqi police cadets. The success of the program is evident with 33,496 police trained to the end of the reporting period with the final class expected to graduate in early December 2006.

Cyprus

First formed in 1964, the UN Peacekeeping Force in Cyprus (UNFICYP) today consists of personnel from more than 15 nations, with Australia being one of the few nations involved since inception of the mission. The AFP continues to contribute Australian civilian police with 15 AFP officers currently deployed to UNFICYP.

AFP members form part of a multinational UN Police component staffed by 69 police officers from nine countries. This newly mandated level of staffing was reached in October 2005, with the arrival of personnel from El Salvador. Other countries contributing police to UNFICYP are Argentina, Bosnia, Croatia, India, Ireland, Italy and the Netherlands.

AFP members with UNFICYP are responsible for law enforcement within the buffer zone between Greek Cypriot and Turkish Cypriot communities, supporting the Civil Affairs Branch of the mission to deliver humanitarian services and assisting the military element of the mission in maintaining the integrity of the buffer zone. In the past six months, AFP members have been pivotal in high profile cases and investigations concerning illegal activity in the bi-communal village of Pyla, human trafficking across the buffer zone and the development of intelligence-based policing methodologies that are being employed for the first time in the mission.

Despite failure of the referendum to bring the Greek Cypriot and Turkish Cypriot communities together, members of both groups continue to cross the buffer zone in a peaceful and orderly manner each day to pursue various activities. The opening of the crossings in 2003 continues to affect law enforcement with substantial proof that criminal activity occurs across the buffer zone. AFP members continue to play an important role in maintaining a liaison function between law-enforcement agencies on either side of the buffer zone.

The UN mandate for Cyprus continues to be extended on a six-monthly basis. Although the current situation in Cyprus remains stable, constructive dialogue between the Greek and Turkish communities has been limited to a basic level, including the establishment of Technical Committees to discuss every day issues affecting both parties. Should this dialogue be successful, the formation of a Technical Committee on Law Enforcement issues would be likely and could see AFP members engaged in this process.

The recent appointment of an AFP member to the role of Deputy Senior Police Advisor acknowledges the significance of Australia's contribution to UNFICYP.

Papua New Guinea

Australia and Papua New Guinea (PNG) agreed in December 2003 to an Enhanced Cooperation Program to help address PNG's development challenges in the areas of law and order, justice, economic management,

public sector reform, border control and transport security and safety.

A treaty to implement the program was signed on 30 June 2004, with the PNG Parliament passing enabling legislation on 27 July 2004.

On 29 August 2004, the AFP was deployed to PNG under the Enhanced Cooperation Program. However, the policing component of the Enhanced Cooperation Program was withdrawn from PNG on 17 May 2005 because of a PNG Supreme Court ruling that elements of the PNG implementing legislation were not consistent with the PNG Constitution. This ruling had direct and adverse consequences for AFP personnel assigned to in-line policing duties in PNG at that time.

Negotiations are underway with the PNG Government for a revised policing component of the Enhanced Cooperation Program. High-level ministerial and senior officials meetings toward the end of the reporting period were productive and progress was made towards the re-establishment of a law-and-order component within the Enhanced Cooperation Program.

CAPACITY BUILDING

The IDG Capacity Building business area was established in December 2005 and coordinates, delivers and reports on a range of bilateral and multilateral international law-enforcement capacity-building activities. IDG capacity-building programs are funded through the internal LECP, AusAID development funds or in cooperation with other AFP functional areas.

Capacity-building projects and initiatives are delivered on behalf of the wider AFP, primarily focusing on the Asia-Pacific regions, with projects in other parts of the world delivered on a more selective basis. In delivering these capacity-building initiatives, the IDG aims to:

- increase the operational capacity of partner law-enforcement agencies in the offshore fight against transnational crime
- increase standards of governance in institutional policy, human-resource management, ethics and anti-corruption in recipient law-enforcement agencies to increase the efficiency and

effectiveness as partners in the fight against transnational crime

- continue close collaboration between the AFP and recipient law-enforcement agencies while providing international leadership in the fight against transnational crime
- increase the quantity and quality of international law-enforcement intelligence collected by the AFP.

Indonesian National Police Transnational Crime Coordination Centre

The IDG, AusAID and the Indonesian National Police (INP) continued development of the Jakarta-based Transnational Crime Coordination Centre. This is a four year, \$4.7 million project designed to assist the INP to develop strong capabilities to fight a wide range of transnational-crime types, including counter-terrorism.

The TNCCC is located within the INP Headquarters building in Jakarta and, by 2007, will be staffed by over 100 personnel. Three of eight crime-type portfolios within the Transnational Crime Coordination Centre are now operational, allowing high-level analytical support for the investigation of counter terrorism, narcotics and people smuggling with the remaining five crime-type portfolios scheduled to be operational by May 2007.

An IDG project advisor is working with the INP in Jakarta to ensure that project timelines are being met. The IDG also provided an additional AFP advisor to support intelligence development in the Transnational Crime Coordination Centre, including the establishment of purpose-specific protocols and guidelines. Training provided in 2005–06 included:

- a basic intelligence course for 20 INP officers
- an intelligence practices and principles course for 24 INP officers
- police technical training for 16 INP officers
- intelligence analyst training for 15 senior INP officers
- basic surveillance training for 20 INP officers.

Philippines counter-terrorism capacity-building project

The AFP is managing a two-and-a-half year joint AFP–AusAID project to assist the Philippines Law Enforcement Implementing Agencies to develop an enhanced capacity to combat terrorism. The total assistance package is funded at \$3.7 million over the period of the project.

The project has a major focus on the development of four main capabilities:

- establishment of a bomb-incident centre
- increased counter-terrorism intelligence and investigation skills
- enhancement of technical and forensic capabilities
- establishment of an integrated computer-based Case Management and Intelligence System to facilitate the management of counter-terrorism investigations and intelligence processing.

In support of the project aims, a number of training programs were delivered during 2005–06 in Australia and the Philippines, including intelligence and surveillance courses, Case Management and Intelligence System training, bomb-data training and specialist forensic courses. During the year, this project achieved a major milestone with the official opening of the Philippines Bomb Data Centre. Two members of staff from the Australian Bomb Data Centre were awarded the Philippines National Police *Medalya Ng Katangitanging Gawa* (Philippines National Police Outstanding Achievement Medal) in recognition of their work on this project, in a special ceremony conducted by the Chief of the Philippines National Police. During the ceremony, both officers were cited for their exemplary commitment and assistance to the jointly funded Counter Terrorism Capacity Building Project.

Disaster Victim Identification Project

An IDG-sponsored disaster victim identification project was launched in December 2004, following the October 2002 Bali bombings and other incidents in the region, which resulted in requests from AFP law-enforcement partners for assistance in developing DVI capabilities. The

project was designed to develop a regional DVI-training capacity that satisfied international DVI standards, protocols and procedures. The project has also included the construction and provision of air-portable DVI first-response kits to nominated foreign law enforcement agencies. Each DVI kit has the capability to deal with a mass-casualty incident involving up to 200 victims. The DVI kits were called into service in Indonesia during the 2005 Bali bombings and in the Philippines in response to the 2006 mudslide on the island of Leyete.

The project has been delivered in Indonesia, the Philippines, Singapore and Thailand. Training and equipment will be provided to Fiji, Sri Lanka and Malaysia during 2006–07. Since the project began, 189 law-enforcement officers have completed DVI training with the AFP (165 this financial year).

Asia Region Law Enforcement Management Program

The Asia Region Law Enforcement Management Program was designed to provide a long-term, sustainable management training program for law-enforcement partners in the Asia region. The curriculum was designed to expose police managers to rudimentary aspects of corporate management, including negotiation, multiculturalism, communication, interpersonal skills, research techniques, analytical processes, report writing, creative problem solving, leadership and project management skills.

The Asia Region Law Enforcement Management Program is conducted in partnership with the Vietnamese National Police and the Royal Melbourne Institute of Technology at the Hanoi campus of the University of Vietnam. The IDG has funding for nine programs with the final program in the current plan scheduled for September 2007. The Asia Region Law Enforcement Management Program consists of two annual multilateral courses open to all ASEANPOL countries, including a representative from the AFP, with one annual course exclusively for the development of Vietnamese law-enforcement officers. The first multilateral course was conducted on 21 March 2005 and the first Vietnamese

course took place on 20 June 2005. To date, two Vietnamese specific and three multilateral courses have been conducted, with 89 officers completing training. Consideration is being given to the future of the program beyond 2007 due to the widespread support it has received in the region.

PACIFIC INITIATIVES

The IDG, along with AFP partner law-enforcement agencies in the Pacific, has continued to expand and provide support to the Pacific Transnational Crime Unit network. Transnational Crime Units are now operational in Fiji, Tonga, Samoa, Vanuatu and PNG and are supported through the Pacific Transnational Crime Coordination Centre in Fiji.

The Pacific Transnational Crime Coordination Centre acts as a central law-enforcement intelligence collection and dissemination point with key links to Australia, New Zealand, the US, France and law-enforcement agencies of other nations. Responsibility for the ongoing sustainability of existing Transnational Crime Units was transferred from the LECP to the AFP Border and International Network during 2005–06. Completion of this handover will allow the LECP to focus greater attention on the creation of new Transnational Crime Units over the next two years rather than expending effort on maintaining existing units.

In March 2006, computer-based training centres were also opened in Fiji, Samoa, the Solomon Islands, Tonga and Vanuatu. This was a joint initiative of the AFP and the UN Office on Drugs and Crime (UNODC). Computer-based training centres will assist recipient law-enforcement agencies to develop and implement self-sustaining, self-paced training programs, based on internationally accepted law-enforcement training standards. The IDG is also funding the UNODC development of computer-based Intelligence Training Modules that will be added to the range of programs available to all computer-based training centres around the world.

BROADER INTERNATIONAL PROGRAMS

Many partner law-enforcement agencies located in emerging or developing nations are affected by highly specific impediments to their effectiveness. Where it can, the AFP assists these agencies by providing a range of small and wide-ranging programs. The past year has seen, however, a reduction in the emphasis on providing small quantities of equipment to partner agencies in the interests of more consolidated programs.

An ongoing program of training and equipment provision has been developed by the AFP to support future sustainability of Transnational Crime Units in the Asia-Pacific region. A major requirement of these centres is the ongoing development of computer-based case management and intelligence systems. Case management and intelligence systems provide law-enforcement agencies with the ability to collect, manage and disseminate transnational crime intelligence.

During 2005–06, the AFP, through LECP funding, continued to deliver offshore law-enforcement training and expertise through the targeted provision of AFP trainers and advisers to areas identified as being in need of specific assistance. This type of targeted training included conduct of:

- Australian National Strategic Intelligence Courses (participants from Lebanon, the Philippines, Thailand, Singapore, Greece, Samoa, PNG, Micronesia, Colombia, India and Fiji)
- Police Management Development Programs (participants from Fiji, PNG, Abu Dhabi, China, Myanmar, Pakistan, Sri Lanka, Saudi Arabia, Wales, Singapore and Hong Kong)
- AFP Management of Serious Crime Programs (participants from Iraq, United Arab Emirates, Pakistan, South Africa, the Philippines, Thailand, Vanuatu and Montenegro)
- An AFP International Management of Serious Crime Program (participants from Brunei, Cambodia, China, India, Indonesia, Malaysia, Myanmar, Pakistan, Singapore, Sri Lanka, Timor-Leste and Vietnam)

- Intelligence, Surveillance, Financial Investigations and Close Personal Protection courses for personnel from the Philippines, Colombia, Indonesia, Cambodia and Fiji.

The IDG also funded a number of official visits by high-level law enforcement delegations to Australia, including those from Cambodia, China, Indonesia, the Philippines and Thailand.

Nauru

Nauru has experienced a number of unique development challenges following diminution of its economic resource base and the impacts of this on public service delivery over the past 10 to 15 years, including the provision of a capable and professional police service. A Nauru Police Project has been established in partnership with AusAID to address those issues affecting police. This project will operate for four years at a cost of \$6.6million.

Under the terms of this project, the AFP has provided a police commissioner and three senior technical advisors since October 2004 to assist with development of the Nauru Police Force. The provision of these officers was initially authorised under a February 2004 MOU between the governments of Australia and Nauru for Cooperation in the Management of Asylum Seekers and Related Issues, and continues today under the provisions of the MOU signed in September 2005.

The Commissioner of Nauru Police Force has approved and is implementing an action plan designed to improve the skill level, accountability and professionalism of Nauru Police Force personnel, while also working to reduce the backlog of prosecutions that had accumulated over several years. This mission is part of a whole-of-government approach to the provision of assistance to Nauru, with officials from other Australian Government departments also providing in-line support services.

The Nauru Police Force action plan involves the:

- injection of in-line managers into the Nauru Police Force, including the Commissioner and station officers, to manage, mentor and support senior

Nauruan police officers in the performance of administrative and operational duties

- planning and implementing broader training activities for the Nauru Police Force as a whole
- identification and preparation of future leaders to assume responsibility for future command and management of the Nauru Police Force
- establishing and implementing risk-management strategies for general police activities
- investigation and management of professional standards (complaints) matters
- engagement, on behalf of the Nauruan Government, with regional law-enforcement bodies in relation to policing, national security, prisons, customs, immigration and disaster-management matters
- strengthening police engagement with the local community
- implementation of sound records management procedures.

Enabling the Nauru Police Force to become a modern community police service is the major priority for AFP technical advisors. While the Nauru Education Department has been engaged to provide basic education, the Nauru Police Force is reaching out to other regional police training establishments and providers, including the AFP, the Royal Solomon Islands Police and the Pacific Region Police Initiative to deliver appropriately tailored police-training programs.

Vanuatu

In December 2005, the governments of Vanuatu and Australia signed an MOU that provided for the conduct of a five-year, \$28.5 million, Vanuatu Police Force capacity-building project. The AFP is working in partnership with AusAID to deliver this program. The goal of the project is to contribute to creating a safe and secure environment for all citizens of, and visitors to Vanuatu, including the creation of a secure business environment through the provision of excellent policing services.

The project will introduce strategies, procedures and practices designed to improve the timeliness and

quality of police response to incidents, including case-management processes, investigative practices and evidence preparation. The program will also seek to implement recommendations from the Vanuatu Police Force Comprehensive Review Report undertaken during the initial phase of the project, which also established the need for capacity-building assistance in financial, administrative and human-resource management.

AFP technical advisors began work in Vanuatu during February 2006. As part of the AFP–AusAID partnership arrangement, the AFP has provided eight full-time advisors, including a Fijian police officer and will provide eight part-time technical advisors engaged for various terms during the life of the project.

The major achievement, since the start of the project, has been the preparation of the First Annual Project Plan and its acceptance by the Program Coordinating Committee in May 2006. Preparation of the Project Plan allowed the Project Team, Vanuatu Police Force, AusAID and the AFP an opportunity to review the Project Design Document and set practical directions for the future of the project.

Timor-Leste Police Development Program

With the progressive reduction in UN activity in Timor-Leste, the governments of Timor-Leste, Australia and the United Kingdom identified a need for continued strengthening of the law and justice sector and in particular police services. This resulted in creation of the Timor-Leste Police Development Program and the deployment of AFP advisors to Timor-Leste on 31 July 2004. The Timor-Leste Police Development Program is a four-and-a-half year joint Australian Government (AFP \$20 million, AusAID \$12 million) and UK Government (\$1.1 million) capacity-building initiative. The aim of this project is to contribute to the Government of Timor-Leste's efforts to maintain a safe and stable environment conducive to economic and social development. Key areas of focus for this project included:

- crime prevention and community safety
- investigations and operations
- training and development
- administration, oversight and strategy, including financial, human resource and logistics and asset management.



Pre-deployment involves a wide range of instruction including rigorous first aid training.

With assistance and support from the Timor-Leste Police Development Program, members from the Policia Nacional de Timor-Leste Academy undertook extensive training to prepare them for delivery of basic recruit training courses that subsequently processed 265 recruits. This was the first opportunity for the Academy to deliver training since handover from UN advisors. A number of processes to identify operating parameters for the Policia Nacional de Timor-Leste within the context of the legislative framework were well progressed and arrangements were underway to allow Timor-Leste Police Development Program advisors to work with the Prosecutor General in this regard.

The second Project Monitoring Group Report was completed during the year and was submitted to the Timor-Leste Police Development Program Steering Committee in April 2006. The report noted that development activities were progressing satisfactorily and that there were several areas of improvement since the first review. The report did observe that while the Policia Nacional had a long way to go in relation to investigative capability, there were promising signs of improvement. Subsequent events have shown, however, that the Policia Nacional was not sufficiently robust to withstand the pressures of serious political tensions in Timor-Leste.

The program was suspended in June 2006 due to civil unrest in Dili. The future of the program will be considered in the development of any new arrangements for assistance to Timor-Leste.

IDG TRAINING INITIATIVES

The IDG develops and provides training for members involved in offshore AFP missions. Training delivery is undertaken on behalf of the IDG by the School of Peacekeeping Operations, which is functionally aligned with the Learning and Development stream of the AFP. The IDG has recently created a management level position to enhance coordination with the School of Peacekeeping Operations due to the high volume of activity generated by offshore missions.

Essential in the preparation of all members awaiting deployment is the International Deployment Pre-

Deployment Training course conducted at the AFP International Training Complex in Canberra. Due to the IDG's expanding role, and the move to capacity development as the core business of many IDG missions, this training has been reviewed to ensure it remains relevant.

International Deployment Pre-Deployment Training is a scenario-driven, hands-on program providing instruction and simulation in a range of areas relevant to the needs of members being sent overseas. Training includes subjects such as capacity development, human rights and cultural awareness, as well as basic skills, such as four-wheel driving and field first aid.

In 2005–06, the School of Peacekeeping Operations completed 15 training programs training 356 members. Of these, 101 were from Pacific island nations, including Fiji, Tonga, Nauru, PNG, Tuvalu, Vanuatu, Kiribati, the Federated States of Micronesia, the Marshall Islands, the Cook Islands, Palau and Samoa. Another 30 members were from Australian state and territory police services (one from Western Australia, nine from South Australia, three from Northern Territory, 12 from Queensland and five from Tasmania). One person from the Royal Australian Air Force also took part in the IDPT program. In late June 2006, an extra 66 state police members were trained and sent to Timor-Leste in response to the civil unrest. Fifty of these members were trained and deployed within five days of arriving at the IDG due to their previous service and training with the IDG. The remaining 15 were trained and deployed within 13 days of arriving at the IDG. This example of rapid training and deployment is underpinned by a strong AFP and state and territory police relationship developed over many years.

OPERATIONS RESPONSE TEAM

In January 2005, the AFP Operations Response Team was formed to meet the new and emerging needs for tactical policing capability, and to respond dynamically to these demands in support of the IDG and AFP Outcome 1 operations.

The Operations Response Team consists of 29 tactical operators, who bring a wide range of knowledge and

experience to the IDG from other parts of the AFP and from state and territory police services. The Operations Response Team activities are managed by an operationally experienced coordination group, with support from an armourer, project officer and a logistician.

As the provider of tactical policing services to IDG, the Operations Response Team deployed the first full tactical team into RAMSI on 7 July 2005. Since then, two more teams have been formed, making three teams available for operational deployment on a rotational basis. The Operations Response Team tactical policing services include high-risk entry, high-risk vehicle intercepts, air and waterborne operations, counter-assault tasks, high-risk escort operations, remote rural-patrolling operations, crocodile control, proactive patrolling, remote and covert surveillance, prison-riot response and major civil-disorder interventions.

Since inception, the Operations Response Team has participated in several high-level crisis resolutions, including:

- response to the violent Rove prisoner riot in Honiara in the Solomon Islands in October 2005, which resulted in an AFP group citation for bravery
- Regional Assistance Mission to the Solomon Islands water operations, resulting in the arrest of Hei Bokka and Walter Ronni in October and December 2005 for alleged multiple murders
- assistance in quelling violence in the Honiara riots, Solomon Islands, April 2006
- support during the recent Timor-Leste crisis in May 2006, with two Operations Response Team teams providing high level tactical response and security to AFP members deployed to that mission.

Output 1.4: Guarding and Security Services

The objectives of this output are to provide a range of government-appropriated and user-pays protective security services consistent with the Australian Government's interests; and provide a law-enforcement, first-response and deterrent role to potential terrorist acts against Australia's passenger aviation industry.

To achieve these objectives, Guarding and Security Services provide:

- A Counter Terrorist First Response (CTFR) capability at Australia's 11 designated airports, including Firearms Explosives Detection Canines (FED), Regional Rapid Deployment Teams (RRDT) and the Police Aviation Liaison Officer (PALO) network (formally known as Protective Security Liaison Officers-PSLO).
- Joint Airport Investigation Teams (JAIT).
- Airport Police Commanders (APC).



- Deterrence against any attempt to commit a terrorist act on Australian aircraft through an Air Security Officer (ASO) program.
- Protection of diplomatic and consular missions that is consistent with the level of assessed risks in order to meet the Government's responsibility under international law.
- Protective security services nationally at Commonwealth premises considered by the Government to be at risk, including Parliament House, The Lodge and Government House.
- Protective security services nationally at selected defence establishments.
- Protective security services internationally at premises considered by the Government to be at risk, including three Australian diplomatic missions.
- Operational support for AFP national and international operations.
- Specialist services, including security risk management advice and personnel security vetting.

Significant changes have occurred to the framework within which this output is delivered. Aviation-related functions are now performed under a unified policing model at Australia's major airports, and enhanced methodology and resources are applied to the protection of foreign dignitaries.

The AFP's management framework was restructured to reflect these changes. Management responsibility for aviation-policing operations was separated from the Protection portfolio and established as a separate functional stream.

PROTECTIVE SERVICE OPERATIONS

Protective services continue to be provided at Australia's official establishments, including the Lodge, Government House, Kirribilli, Admiralty House and Parliament House, as well as a number of highly sensitive Defence establishments, such as the Australian Nuclear Science and Technology Organisation (ANSTO), diplomatic missions in Canberra, Melbourne, Perth and Sydney,

sensitive defence facilities and Australian diplomatic missions in Jakarta, Kuala Lumpur and Port Moresby. PSOs have continued to provide substantial operational support to RAMSI, Nauru and deployed 29 officers to Timor-Leste in May 2006.

A surge capacity of PS Operational Deployment Teams (ODTs) was implemented following government funding for it being agreed. ODTs were established in Canberra, Sydney, Brisbane, Adelaide and Perth. The teams supplement protective security measures at high-risk sites already protected by PSOs, and provide additional resources to special events and in the event of a terrorist attack or heightened and sustained threat environment.

Further government funding was provided to enable Diplomatic Protection Units to substantially increase their staffing levels and implement a mobile response concept



National Manager Aviation Mandy Newton at the 9 February Canberra Airport function where the appointment of the Airport Police Commanders was announced.

of operations for diplomatic precincts across Australia. The mobile response concept is being progressively introduced. Static guarding is still provided. Enhanced mobile response capabilities will enable more effective and timely protection of diplomatic precincts.

Forty protective service officers were deployed to Melbourne to provide protective security for Her Majesty Queen Elizabeth II, the Prime Minister, the Governor-General and various foreign dignitaries, during the 2006 Melbourne Commonwealth Games. A combined contingent of PSOs and other AFP operational personnel were also deployed to Sydney to provide security during the major protest at the Villawood Immigration Detention Facility (IDF) and the temporary IDF at Holsworthy at Easter 2006.

Negotiations were undertaken with the Department of Defence to implement a new operational model for the protection of Defence Headquarters, Canberra. The new model is more intelligence driven, proactive and flexible than previously, and has been well received by Defence. Implementation of the new model is expected to begin in the second half of 2006.

New powers were introduced to enable AFP personnel to work more effectively in response to security incidents involving dignitaries and sensitive establishments.

AVIATION LAW ENFORCEMENT

Unified Policing Model (UPM)

In 2005, the Government commissioned the Independent Review of Airport Security and Policing for the Government of Australia, conducted by the Right Honourable Sir John Wheeler (the Wheeler Review). All of the review's findings were endorsed in-principle by the Commonwealth Government, and state and territory governments, through the Council of Australian Governments (COAG) in September 2005.

From the AFP's perspective, key recommendations arising from the review, were the establishment of a unified policing model (UPM) at Australia's 11 designated airports to provide a more coordinated and substantial approach to criminality and protective security at major

airports, underpinned by more robust multi agency intelligence capabilities.

The UPM is being progressively implemented by the AFP, under the command of AFP Airport Police Commanders who began at all of the airports in early 2006. It is anticipated that the implementation of UPM will be well advanced by the end of 2006 and fully implemented by mid 2007. This goal is, however, subject to the ability of state and territory police to provide required numbers of personnel by anticipated dates.

The UPM comprises:

- An Airport Police Commander (APC) coordinating the efforts of Commonwealth agencies, liaising and promoting cooperation with relevant aviation-industry bodies and commanding all AFP airport resources.
- The existing Police Aviation Liaison Officer (PALO) network, comprising AFP officers at each designated airport, facilitating enhanced sharing of information relevant to airport-policing efforts, and contributing to related intelligence capabilities.



Melbourne International Airport Police Commander Ian Thomas, left, Commissioner Mick Keelty and Senator Chris Ellison, Minister for Justice and Customs, field questions at the February announcement of the appointment of the Police Commanders for the 11 designated airports.

- Dedicated Joint Airport Intelligence Groups (JAIG), providing enhanced intelligence product to enable intelligence-led UPM operations.
- The existing dedicated CTFR capability, providing a first response to potential terrorist acts to deter, prevent, cordon and contain them, pending handover for incident management to jurisdictional police. It includes bomb-appraisal personnel, firearms and explosives-detection canine teams.
- A permanent airport uniformed policing (AUP) presence to deal with general crime at airports, comprising local jurisdictional police under AFP command.
- A Joint Airport Investigation Team (JAIT) at each of the five major international airports (Sydney, Melbourne, Brisbane, Perth and Adelaide), deployable to other airports to deal with serious and organised crime in the aviation sector

The UPM complements the following existing aviation-policing measures implemented since 2001, including:

- The Air Security Officer (ASO) program, which provides armed AFP personnel on Australian commercial flights within Australia, and on selected international sectors
- AFP Regional Rapid Deployment Teams (RRDT), providing a deployable CTFR capability to Australian regional airports.

New powers were introduced to enable AFP personnel to work more effectively in response to security incidents at airports.

A key focus of the UPM is a coordinated and cooperative approach among participating agencies and stakeholders. APCs are increasingly involved in key policing and security forums involving the aviation sector. The participation of Commonwealth, state and territory police, intelligence and other agencies, within UPM elements, enhances intelligence capabilities to better direct aviation policing operations and enable greater harmonisation of inter-agency operations. Agreement is being reached with jurisdictional police on the areas

of operation and mutual support between airport UPM resources and local jurisdictional police commands.

Full funding of the UPM was provided by the Australian Government, following agreement to implement recommendations from the Wheeler Review, including the CTFR capability, which was previously jointly funded by the Government and the aviation industry. This change recognises the integral nature of CTFR as part of the UPM law-enforcement package. A more proactive, intelligence-driven, preventative and flexible CTFR model was implemented in consultation with aviation-sector stakeholders and incorporated into broader aviation transport security plans.

Airport Police Commanders

Airport Police Commanders (APCs) were deployed to all 11 designated airports in early 2006, assuming command for and managing implementation of the UPM, in consultation with the federal and state governments and aviation-industry stakeholders. Through consultation with stakeholders, the involvement of the APCs in significant aviation-sector policing and security forums is being substantially increased.

Police Aviation Liaison Officers

Existing Protective Security Liaison Officers (PSLO) were retitled PALO, to reflect the contemporary functional streams within the AFP, particularly the positioning of PALO wholly within the Aviation portfolio under the command of the APC at each airport. PALO continue to provide a valuable means of information sharing within the aviation sector on potential terrorism and criminal risks and make a substantial contribution to related intelligence efforts.

Joint Airport Intelligence Groups (JAIG)

JAIGs are being established at each of the 11 designated airports to provide operationally and strategic-focused tactical intelligence to guide and support airport policing and security operations. Strategic intelligence data and product relating to security incidents, trends and issues will be provided to the Australian Security Intelligence Organisation (ASIO) as part of its collection process for

politically motivated violence, and incidents of crime, including trends analysis, will contribute to the Australian Crime Commission criminal-threat assessment collection process.

Core membership includes the AFP, Customs and state and territory police, with input to the JAIGs from other agencies, such as ASIC, ASIO, DOTARS, DIMA and AQIS, provided as required.

An additional intelligence capacity in AFP Headquarters will bring together higher level, national and international criminal and security intelligence elements, providing a comprehensive capability.

Counter Terrorist First Response (CTFR)

During the year, the Government agreed to fully fund the CTFR capability performed by PSOs, in addition to its existing partial funding. CTFR is integral to the broader UPM focused on protective security.

The AFP has recast the CTFR capability from a role based on deterrent patrolling and first response, to one that is preventative, proactive and intelligence-focused, utilising more flexible methodology that includes greater inter-agency involvement. The new model has been incorporated into airport security planning and incident response frameworks, and revised agreements with airport operators are being developed to recognise the new model and the AFP's imperative to maintain operational independence in the delivery of the capability, in consultation with key aviation sector stakeholders.

Airport Uniformed Policing (AUP)

Consistent with agreement reached by COAG in 2005, states and territories will provide uniformed police to perform airport unified policing (AUP) functions under AFP command. AUP personnel will provide an immediate response capacity to general policing matters, including investigating minor criminal matters, taking of offence reports, arrests, interviews and subsequent judicial processing. Major and/or serious crimes outside the charter of Joint Airport Investigation Teams will be managed by AUP personnel pending handover to local jurisdictional police.

Extensive negotiations were undertaken with jurisdictions to determine required numbers of personnel, terms and conditions of engagement and operational roles and responsibilities. It is anticipated that 90 per cent of the AUP complement will be deployed by the end of 2007 and the remainder in 2008. These personnel will be on attachment to the AFP, wear AFP uniforms and be subject to AFP command and governance requirements.

Joint Airport Investigation Teams (JAIT)

JAITs began operation in November 2005, providing a dedicated resource within the UPM to undertake investigations into serious and organised crime in the airport and aviation environment. They are a fluid resource able to attend to any of the 11 designated airports to undertake investigations in line with their charter, comprising AFP, Customs and jurisdictional police personnel. AFP and Customs personnel are in place in all teams, Western Australia Police have begun in the Perth JAIT, while staffing by other police services is being progressed.

Since commencing operations, JAITs have been involved in 37 investigations, the majority of which are ongoing. Nine prosecutions have started, with other matters before the CDPP for consideration of proceedings commencing. Two investigations have not resulted in prosecutions. Matters investigated included alleged theft and drug trafficking by airport/airline employees, and supplying false particulars in support of security pass applications.

Air Security Officers (ASO)

ASO deployments continued to be provided on domestic and selected international passenger flights, with ASO resource levels enhanced over the course of the year. A high level of cooperation with airlines has been maintained.

Regional Rapid Deployment Teams

In August 2004, the Australian Government launched *Securing our Regional Skies* – a funding package enhancing Australia's regional aviation security. One of the initiatives announced was the provision of

\$20.7 million over five years for the introduction of four Regional Rapid Deployment Teams (RRDTs).

The objective of the RRDTs is two-fold:

- to provide a national response capability able to conduct short -notice, intelligence-driven, and threat-based operational deployments to regional airports to preposition a CTFR deterrence-and-response capability when necessary.
- to conduct routine, planned deployments to regional airports to practise deployment procedures, familiarise other stakeholders with the RRDT capability, and to provide an active deterrence against terrorist threats to regional aviation.

During 2005–06, RRDTs deployed for 338 days at 112 regional airports. RRDTs have participated in joint agency training exercises at regional airports with Western Australia Police in August 2005 and June 2006, Queensland Police in September 2005, Tasmania Police in November 2005 and the NSW Police CT observer program in March 2006.

Firearms and Explosives Detection and Appraisal

The AFP has continued to develop the Firearms and Explosives Detection and Appraisal (FED) program's training methodology to support continuous improvement. The program maintains teams in Brisbane, Melbourne, Sydney, Canberra and Perth. The bomb appraisal officer (BAO) capability at CTFR airports increased marginally in both staff and equipment to extend the capability to the RRDT. The BAO capability at airports has remained in high demand.

Performance Measures

Table E: Performance Outcome 1:

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

Output 1.1 – Investigation Services	Performance Indicator	Results
Quality	Disruptive effect of AFP operations on the criminal environment Client satisfaction with AFP services.	Drug Harm Index - \$165.0 million Estimated Financial return \$39.8 million Court success rate – 92% Client satisfaction rating – 86%
Quantity	Number of criminal investigations	New cases – 5,880 Finalised cases – 6,092
Target	65% of resources employed in high/very high impact cases	80% PBS achieved

Note: new cases, cases on hand and finalised cases refer to all types of cases including criminal investigations, intelligence, assistance and search warrants.

Output 1.2 – Protection Services	Performance Indicator	Results
Quality	Prevention of avoidable incidents Client satisfaction with protection services.	Avoidable incidents – 0.05 per 1,000 movements Client satisfaction rating 80%
Quantity	The number of protection services.	Protection movements 21,153
Target	70% of resources employed in high/very high cases	95% PBS achieved

Performance Measures continued

Output 1.3 – International Services	Performance Indicator	Results
Quality	Extent to which Commonwealth international obligations are met	Resource hours by purpose: Peace operations – 11% Capacity building – 88% Training Delivery – 1%
	Client satisfaction with International services	Client satisfaction rating 93%
Quantity	Number of International services	Number of missions – 9
Target	65% of available resources employed in high/very high impact cases	94% PBS achieved

Output 1.4 – Guarding and Security Services	Performance Indicator	Results
Quality	Prevented attempts to disrupt the safety of Australia's aviation passenger industry	No attempts
	Client and stakeholder satisfaction	Client satisfaction rating 89%
Quantity	Volume of contracted security and related specialist services	2,105,945 hrs of which 792,429 were funded under user-pays arrangements.
Target	Retention and growth of contracted security and related specialist services business.	All major clients retained

From January 2006, CTFR activities at designated airports moved from user-pays to being on budget.

Outputs

Intelligence (Output 1.1)

Workload

- There were 391 new cases and 656 cases finalised in 2005–06.
- There were 1,520 cases on hand at the close of the financial year.

Performance Measures

- 95 per cent of resources were dedicated to high/very high impact cases.
- Client satisfaction with Intelligence was 97 per cent.
- Intelligence contributed to 53 per cent of the Drug Harm Index in the current year (\$87.1 million).
- Initial results of an economic evaluation conducted on drug cases from 2001–05 suggest that the AFP returns \$5.80 to the community for every dollar invested in drug law enforcement. The rate of return is higher for cases involving Intelligence: \$7.90 for every dollar invested.
- Intelligence contributed to 17 per cent of the Estimated Financial Return in the current year (\$6.7 million).



Counter Terrorism (Output 1.1)

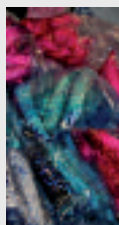
Workload

- There were 137 new cases and 92 cases finalised in 2005–06.
- There were 142 cases on hand at the close of the financial year, 90 were domestic cases and 52 were international.
- Work on hand has been increasing since 2001–02 when the incident type for terrorism was introduced. At the end of that year there were 11 cases on hand.

Performance Measures

- 100 per cent of resources were dedicated to high/very high impact cases.
- Client satisfaction with CT Operations was 85 per cent.
- There were no attacks against Australian interests domestically and three attacks internationally during the financial year.





Border (Output 1.1)

Workload

- There were 749 new cases and 1,098 cases finalised in 2005–06.
- There were 1,942 cases on hand at the close of the financial year.
- Work on hand has been increasing since 2002–03 when there were 1,247 cases on hand.

Performance Measures

- 85 per cent of resources were dedicated to high/very high impact cases.
- Client satisfaction with Border Operations was 83 per cent.
- The Drug Harm Index for 2005–06 was \$165 million compared to \$692.2 million in the previous year. A reduction in the amount of heroin imported, changes to the drug market and a change in priorities within the AFP account for the reduction in seizures.
- Initial results of an economic evaluation conducted on drug cases from 2001–05 suggest that the AFP returns \$5.80 to the community for every dollar invested in drug law enforcement.
- There were 112 cases resulting in a conviction during the financial year. Of the matters proceeding to court, 93 per cent were successful, exceeding the target of 90 per cent.



International (Output 1.1)

Workload

- There were 1,739 new cases and 1,462 cases finalised in 2005–06.
- There were 1,295 cases on hand at the close of the financial year.

Performance Measures

- 70 per cent of resources were dedicated to high/very high impact cases.
- Client satisfaction with International Operations was 98 per cent.
- The International Network contributed to 91 per cent of the Drug Harm Index in the current year (\$150.4 million).
- Initial results of an economic evaluation conducted on drug cases from 2001–05 suggest that the AFP returns \$5.80 to the community for every dollar invested in drug law enforcement. The rate of return is higher for cases involving the International Network: \$8.80 for every dollar invested.

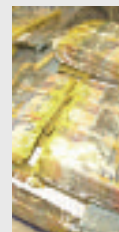
Economic and Special Operations (Output 1.1)

Workload

- There were 2,864 new cases and 2,784 cases finalised in 2005–06.
- There were 1,937 cases on hand at the close of the financial year.
- Work on hand has been increasing since 2001–02 when there were 1,359 cases on hand.

Performance Measures

- 62 per cent of resources were dedicated to high/very high impact cases.
- Client satisfaction with Economic and Special Operations was 79 per cent.
- The Estimated Financial Return (EFR) for 2005–06 was \$39.8 million compared to \$58.5 million in the previous year. Changing priorities within the AFP contributed to a reduction in resources available for these investigations.
- There were 176 cases resulting in a conviction during the financial year. 91 per cent of matters proceeding to Court were successful which exceeded the target of 90 per cent.
- \$36.1 million was recouped under Proceeds of Crime legislation during the financial year which is a slight decrease from the previous year (\$38.2 million) but well above the annual average recouped prior to the introduction of the *Proceeds of Crime Act (2002)*.



Protection (Output 1.2)

Workload

- Protection was involved in 8,538 movements of Australian Office Holders (AOH) and 12,615 movements of Non-Australian Office Holders (NAOH).

Performance Measures

- 95 per cent of resources were dedicated to high/very high impact cases.
- Client satisfaction with Protection was 80 per cent.
- There was one avoidable incident during the financial year, representing a rate of 0.05 per 1,000 movements. This result is considered within acceptable limits for operations of this type (ie less than five such incidents per 1,000 movements).





International Deployment Group (Output 1.3)

Workload

- There were nine missions during 2005–06.
- 88 per cent of resources were involved in capacity building, 11 per cent in peace operations and 1 per cent in training delivery.

Performance Measures

- 94 per cent of resources were dedicated to high/very high impact cases.
- Client satisfaction with IDG was 93 per cent.



Guarding (Output 1.4)

Workload

- A Counter Terrorist First Response (CTFR) capability at Australia's 11 designated airports,
- Joint Airport Investigation Teams (JAIT)
- Airport Police Commanders (APC)
- Air Security Officer (ASO) program.
- Protection of diplomatic and consular missions.
- Protection of Commonwealth premises considered to be at risk.
- Protection of selected Defence establishments.
- Protective security services internationally at premises considered by Government to be at risk, including three Australian diplomatic missions.
- Operational support for AFP national and international operations.
- Specialist services, including security risk management advice and personnel security vetting.

Performance Measures

- Client satisfaction with Guarding and Security Services was 89 per cent.

Significant events

Domestic Counter Terrorism

Significant convictions

- Conviction of Joseph (Jack) Thomas: On 18 November 2004, Melbourne resident Joseph (Jack) Thomas was arrested and charged with a range of offences by members of the Victoria JCTT. Following his trial, which concluded on 26 February 2006, the jury returned guilty verdicts for charges of receiving funds from a terrorist organisation, namely al-Qaeda, contrary to section 102.6(1) of the *Criminal Code Act 1995* and possessing a falsified passport contrary to section 9A(1)(e) of the *Passports Act 1938*. Mr Thomas was convicted by the court and sentenced to five years imprisonment. At the close of the 2005–06 financial year, the conviction was subject to appeal.
- Conviction of Faheem Lodhi: On 22 April 2004, Faheem Lodhi was arrested by the NSW JCTT and charged with Commonwealth terrorism offences. On 19 June 2006, Mr Lodhi was found guilty of three terrorism offences, namely doing an act in preparation for a terrorist act, possessing things connected with preparation for a terrorist act and collecting documents connected with preparation for a terrorist act, contrary to sections 101.6(1), 101.4(1) and 101.5(1) of the *Criminal Code Act* respectively. At the close of the 2005–06 financial year, Mr Lodhi was awaiting sentencing.

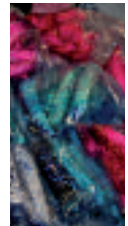


Illicit Drugs

HEROIN

Significant investigations

- On 11 July 2005, a female passenger arriving at Sydney airport from Vietnam was detained in possession of approximately 2.8kg of heroin. Part of the heroin was concealed in the lining of a suitcase with another portion concealed in her body. The offender was later sentenced to five years imprisonment with a non-parole period of three years.
- n On 24 May 2006, an Australian national arrived at Adelaide airport from Singapore. Following an examination of her luggage, two plastic containers of pickled fish were located. Concealed within the pickled fish were 39 condoms containing approximately 2.2kg of heroin. The alleged offender was remanded in custody on a charge of import of a commercial quantity of a border-controlled drug contrary to subsection 307.2(1) of the *Criminal Code Act*.



Significant sentencing decisions

- On 2 October 2004, heroin weighing 24.3kg was located by Customs aboard the bulk liquid tanker Bow De Silver. Following police investigation, two female Malaysian nationals were arrested on 17 January 2005 and charged with the attempt to possess a prohibited import. On 30 September 2005, the offenders were convicted and sentenced to 12 years imprisonment with a non-parole period of seven years and six months.

AMPHETAMINES

Significant investigations

- In August 2005, approximately 383kg of ephedrine was seized, resulting in the arrest of four alleged offenders. The ephedrine was detected by Customs in a shipping container concealed in the bases of ceramic statues. This quantity of ephedrine had a potential to manufacture 1,220,000 ATS tablets with a potential street value of \$72 million.
- On 6 April 2006, the AFP arrested seven men in NSW and Queensland following a six-month investigation. During a search conducted in a remote area near Murwillumbah in northern NSW, a clandestine laboratory was located and approximately 3.5kg of recently produced ATS was seized. From the quantity of precursor chemicals and materials located on the premises, it is estimated that the clandestine laboratory was capable of manufacturing a further 300kg of ATS.
- On 18 June 2006, as a result of a joint operation involving the AFP and Customs, three alleged offenders were arrested and charged in relation to the importation of precursor chemicals used in the manufacture of ATS. The seizure of approximately 2 million tablets of pseudoephedrine prevented an estimated 120kg of ATS being sold on the Australian streets. Cooperation with Indonesian authorities resulted in another two alleged offenders being arrested in relation to this importation.

Significant sentencing decisions

- On 18 May 2006, a Canadian national, residing on the Gold Coast, Queensland, was sentenced to 14 years imprisonment with a non-parole period of seven years following the seizure by police of 11.8kg of crystal methamphetamine (ice) in May 2005. Two serving US defence personnel were also sentenced to 12 years and six years imprisonment respectively for their involvement in importing a prohibited substance into Australia.
- Following the seizure of approximately 112.7kg of ice in Sydney on 9 October 2004, three Chinese nationals were arrested and charged with attempting to possess a trafficable quantity of methylamphetamine. One offender was sentenced to 12 years imprisonment with a non-parole period of eight years. The second offender was sentenced to 10 years and nine months imprisonment with a non-parole period of seven years and two months. The third alleged offender was acquitted after a jury returned a verdict of not guilty.

MDMA

Significant investigations

- On 25 October 2005, AFP members arrested a 40-year-old Melbourne man in relation to charges of incitement to import 100kg of MDMA powder into Australia. This quantity of MDMA powder had the potential to create an estimated 700,000 ecstasy tablets. It is alleged that another 900kg of MDMA powder, capable of producing 6.3 million ecstasy tablets, was to be imported had the initial attempt been successful.
- On 30 June 2006, five men were arrested in relation to an attempt to import 350kg of ecstasy tablets into Melbourne. The tablets, imported from Canada, were located by Customs concealed within plastic drums of printing ink.

COCAINE

Significant investigations

- In August 2005, a modest seizure of cocaine destined for Australia was made in South America. Six people were arrested in South America and three in NSW and this action is believed to have disrupted a group that had been providing cocaine to the international market.
- On 12 August 2005, two New Zealand nationals, who are permanent residents of Australia, were arrested in Buenos Aires following a joint operation with the Argentine Federal Police (PFA). The arrests occurred after the PFA located and seized 4kg of cocaine concealed within the seat and backrest of a wheelchair, souvenirs, the false bottom of a handbag and the sides of a leather briefcase. Following the seizure, three NSW residents were arrested and charged with conspiring to import a prohibited import contrary to Criminal Code Act.
- On 1 September 2005, a South African Airways cabin crew member was arrested in Perth for attempting to import approximately 1 kg of cocaine concealed within the lining of a leather folder.

Significant sentencing decisions

- On 28 March 2006, Tony Mokbel was convicted on charge of being knowingly concerned in the importation of a prohibited import (cocaine). He was sentenced to 12 years imprisonment with a non-parole period of nine years. Australian and international law enforcement authorities continue investigations to locate Mr Mokbel following his disappearance prior to conviction.

People Smuggling

Significant sentencing decisions

- On 11 November 2004, a Pakistani national was extradited from Thailand to Perth to face two charges of people smuggling, contrary to section 233 (1) (a) of the *Migration Act 1958*. These charges specifically related to the arrival of non-citizens at Christmas Island on 22 April 2001 aboard the vessel Nullawarre. On 16 March 2006, the Pakistani national was found guilty on both charges and was sentenced on 7 April 2006 to four years imprisonment on each count, to be served cumulatively with a fixed non-parole period of four years.
- In October 2001, an Iraqi national was arrested in Perth for alleged people-smuggling activity. On 19 December 2003, he was found guilty on 12 counts under section 232A and one count under section 234(1) of the Migration Act. Appeals against conviction and sentence were lodged. On 15 December 2004, the Western Australian Court of Criminal Appeal upheld the appeal against convictions under section 232A and a retrial was ordered. On 13 February 2006, a new trial began with the defendant facing 10 charges under section 232A. On 24 March 2006, the jury returned a guilty verdict on seven counts and not guilty on three counts. On 31 March 2006, the Iraqi national was sentenced to 10 years on each of the seven counts, to be served concurrently, with a non-parole period of six years and six months, which was backdated to the time of arrest on 5 October 2001. (Appeals against conviction and sentence have been lodged).
- On 25 March 2004, an Australian citizen of Turkish descent was deported from Indonesia for visa violations. He was arrested on arrival at Sydney airport for alleged people-smuggling activity, and extradited to the Northern Territory. On 18 January 2006, in the Northern Territory Supreme Court, he pleaded guilty to one count of people smuggling contrary to section 232A of the Migration Act and eight counts of people smuggling contrary to section 233(1)(a) of the Migration Act. Pursuant to s16BA of the *Crimes Act 1914* (scheduled for consideration at sentencing but no conviction), he

admitted his guilt to a further eight offences contrary to section 233(1)(a) of the Migration Act. On 27 January 2006, in the Northern Territory Supreme Court, he received an aggregate sentence of five years and six months imprisonment. The judge ordered him to serve 50 per cent of that sentence in a non-parole period. The sentence was backdated to the time of his arrest on 25 March 2004.

Human Trafficking

Significant investigations

- In June 2006, the AFP in partnership with DIMA investigated a Sydney couple allegedly holding Thai women against their will to work in a Sydney brothel. This investigation resulted in the arrest of a 58-year-old man and a 40-year-old woman. Four trafficking victims were located hiding in an office below the brothel. These victims had been held to 'contracts' and forced to work in the brothel. The couple was charged with 26 offences under the sexual servitude provisions in the Commonwealth Criminal Code Act. They were also charged with offences under the *Crimes Act 1900* (NSW). The investigation is ongoing.

Significant sentencing decisions

- In May 2003, the AFP investigated a number of persons involved in the running of a brothel in Fitzroy, Victoria. This resulted in a 44-year-old Victorian woman, a 37-year-old Sydney-based Thai woman and others being charged with slavery offences. The Thai woman pleaded guilty to three counts of possessing a slave and two counts of engaging in slave trading. In April 2005, she was sentenced to six years imprisonment. The Victorian woman was convicted on 3 June 2006, after trial by jury, on five counts of possessing a slave and five counts of using a slave. On 9 June 2006, she was sentenced to 10 years imprisonment.

Child Sex Tourism

Significant investigations

- In December 2005, an Australian was detained in Cambodia on suspicion of child sex offences. The AFP directly assisted the investigation by providing investigative advice, computer forensics and the execution of search warrants at the suspect's home in Australia. This investigation has resulted in the offender's conviction on charges of debauchery towards a person under the age of 15 years. The offender was sentenced to 10 years imprisonment in April 2006.
- In March 2006, AFP received a referral from the Western Australian Corruption and Crime Commission of indecent assault allegations against a male high school teacher on his students while overseas on school tours. This investigation has resulted in the arrest of the school teacher on two counts of engaging in sexual conduct with a person less than 16 years-of-age. These matters are still before the courts.

Significant sentencing decisions

- In January 2005, the AFP, with the assistance of the Philippines National Bureau of Investigation, began investigating two Sydney men for committing child sex offences in the Philippines. The investigation resulted in one man being charged with six counts of sexual intercourse with a person under 16 years, two counts of engaging in sexual conduct with a person under 16 years and one count of possessing child pornography. This person was sentenced to seven years and six months imprisonment on 24 March 2006 for the offences, and an additional 18 months for the child pornography offences on 31 March 2006. The other offender was charged with one count of possessing child pornography and was sentenced to nine months imprisonment on 20 February 2006.

Fraud

Serious and Complex Fraud

Significant investigations

- In January 2004, an investigation began into a major fraud committed against the Commonwealth Superannuation Scheme (CSS). This investigation identified approximately \$150 million had been fraudulently transferred from the CSS account held by an Australian accounting firm to four bank accounts held in Greece, Switzerland and Hong Kong. The majority of the funds were able to be recovered even though the transfers had already occurred. An amount of \$3 million still outstanding has been restrained and is the subject of legal action in Hong Kong. The fund has been fully reinstated, with no loss to any CSS member. Investigations have resulted in six persons being charged with various offences, including dishonestly obtaining a benefit by deception under section 134.2 of the Criminal Code Act and money laundering under section 400.3(1) of the Criminal Code Act.



Significant developments

Project Wickenby:

- In 2002, the Australian Crime Commission (ACC) received a referral from the ATO to investigate a potential criminal matter arising out of information seized in an ATO investigation. The ACC investigation led, in early 2004, to the examination of a Swiss-based promoter of tax schemes.
- Information gathered during that examination, and data obtained from the Australian Transactions Reports and Analysis Centre (AUSTRAC), indicated that millions of dollars in Commonwealth tax revenue was at risk through the participation of Australians in offshore structures designed to avoid or evade tax.
- It was estimated that \$300 million in revenue was at risk through the use of these offshore structures. The arrangements detected were tailored to individual circumstances and appeared to rely on falsity, international complexity and confidentiality, in order to create false deductions or conceal income.
- This information led to the largest joint operation between the ACC, the AFP, the ATO and the Commonwealth Director of Public Prosecutions (CDPP) to date. In June 2005, search warrants were executed at 48 sites across four states and another 37 sites were visited using the ATO's access powers.

Identity Crime

Significant investigations

- Operation Hickey began in early 2006 and originated with the targeting of a well-known, but elusive offender who persistently had been using false identity documents to commit serious frauds on banking institutions in several states. The ICTF was able to identify and target a large number of persons involved in what was believed to be an identity crime syndicate. The use of telephone intercepts and surveillance further assisted the ICTF to gain valuable intelligence regarding the structure and 'working' relationships that exist within the syndicate. In April and May 2006, the resolution of Operation Hickey began with the arrests of 13 offenders to date, and the laying of more than 230 charges.

- Operation Selway began in early 2006. Customs subsequently detected a number of false Indian passports, hidden in religious items and sent by mail. The ICTF began monitoring a number of Indian and Pakistani suspects to determine if further manufacture or supply of false identity documents was occurring. In May 2006, a number of search warrants were executed that resulted in three persons being charged with identity crime-related offences, and more than \$1 million in assets were restrained, including \$490,000 in cash found at the main offender's premises.
- Operation Hydria began in early 2005 and involved investigating large-scale identity crime and fraud committed by a crime syndicate based in Sydney with extensive links to Indonesia. Numerous false IDs, CD-ROMs containing templates for passport-identity data pages, passport photos, false Indonesian passports and banking documents in various names were seized during this investigation. Additionally, a restraining order was issued in 2005 for more than \$156,000 cash located at a suspect's premises. A man and a woman pleaded guilty to a number of charges, including dealing in proceeds of crime contrary to section 400.5 of the Criminal Code Act, possessing an implement for making a false instrument, namely a false foreign passport, contrary to section 302A of the Crimes Act (NSW), and several offences for opening and operating false name bank accounts contrary to the *Financial Transactions Reports Act 1988*. The male offender was sentenced to four years with no parole period. On completion of his sentence, he will be deported from Australia.

Bankruptcy and Corporate Crime

Significant investigations

- In August 2005, the AFP began an investigation as a result of a referral from ITSA. It was alleged that from 1991, a person had operated numerous construction/building enterprises in the Sydney area while being an undischarged bankrupt. During this time, the person applied for credit, entered into lease agreements, and sought the supply of goods or services, all without disclosing the bankruptcy or paying for the goods and services obtained. The combined loss to the victims was estimated in excess of \$800,000. In November 2005, a person was arrested and charged with a number of offences pursuant to the *Bankruptcy Act 1966* and the *Financial Transactions Reports Act 1988*.

Special Operations

Corruption and Bribery

Significant investigations

- On 17 February 2005, the AFP received a referral about an alleged offence by an Australian company in Bangladesh of bribing a foreign official contrary to section 70.2 of the Criminal Code Act. This matter was accepted for investigation and is ongoing.
- On 5 May 2005, as part of Operation Tegal, the AFP received a referral concerning the alleged unauthorised disclosure of information. It was alleged that between 21 May 2004 and 26 April 2005, a person unlawfully communicated via email documents and faxes. The content of one of the emails sent on 3 March 2005 was subsequently reported in the Sydney Morning Herald on 8 April 2005. On 3 April 2006, the defendant appeared before the ACT Magistrates Court and was found guilty of unlawful disclosure of Commonwealth Information contrary to section 70 of the Crimes Act 1914 and received a 12 month good behaviour bond.

Environmental Crime

Significant investigations

- On 9 August 2005, DEH referred a matter alleging that an art gallery in Victoria, was attempting to unlawfully sell 11 Egyptian artefacts. On 2 December 2005, investigators attended the art gallery and seized 12 items liable to forfeiture under the *Protection of Moveable Cultural Heritage Act 1986*. The items were then handed to DEH for subsequent transfer to the relevant Egyptian authority.
- AFP investigators assisted DEH with the execution of two search warrants in Melbourne in relation to offences against the *Historic Shipwrecks Act 1976*, namely the illegal taking of historic relics from a protected historic shipwreck, the *Loch Ard*. As a result, 210 items were recovered as a result of the warrant executions and were signed over to DEH personnel.
- In March and April 2006, the AFP assisted the Great Barrier Reef Marine Park Authority with the execution of a number of search warrants as a result of allegations that several Australian fishing vessels had entered protected zones of the Great Barrier Reef Marine Park for the purposes of fishing illegally.

Significant developments

- This year, ESO participated in an inter-departmental committee convened to examine the effectiveness of the Australian Government's fisheries compliance and enforcement programs as a result of the increasing incidence of foreign vessels fishing illegally in Australia's northern waters. Through this process, new response and prevention mechanisms were agreed, with the Government providing funding for these significant initiatives. As part of the prevention measures of the Government's initiative, the AFP has begun planning to post a member to Indonesia for the purpose of identifying the sources of illegal fishing ventures to Australia.

War Crimes

Significant investigations

- On 23 July 2004, the AFP accepted a request from the Department of Defence to lead a joint investigation with the Naval Investigation Service into allegations of mistreatment of detainees in Timor-Leste (East Timor) by UN-sanctioned International Force in East Timor (INTERFET) members in September 1999. On 12 November 2004, the AFP took sole carriage of the investigation.
- In September 2004, AFP investigators interviewed and obtained statements from a number of persons in relation to the allegations. By July 2005, the investigation had identified numerous current and former Defence personnel as being present at the time of the detainees' arrest, detention, interrogation and release. AFP investigators have interviewed and/or spoken to 105 of those potential witnesses, who have provided no evidence to support the allegations of the six detainees being mistreated. The investigation was finalised in 2005.
- In June 2005, the AFP received a referral about alleged offences by an Australian company relating to bribing a foreign official contrary to section 70.2 of the Criminal Code Act, and offences contrary to the *Proceeds of Crime Act 2002*, and crimes against humanity under Chapter 8 of the Criminal Code Act. It alleged the Australian company was involved in war crimes and corruption in the Democratic Republic of Congo (DRC) (see earlier reference in the section, 'Corruption and Bribery'). A second referral on the war crimes issues was received from the Secretary of DFAT following the screening of the ABC *Four Corners* television program, *The Kilwa Incident* in early June 2005. Two investigators travelled to South Africa to progress the matter and investigations are continuing.

Significant events

- The AFP provided ongoing assistance in the planned extradition of Charles Zentai to Hungary to face allegations of war crimes. The AFP arrested Mr Zentai in Perth on 8 July 2005, following the issue of a warrant for his arrest under the *Extradition Act 1988*.
- The AFP has provided ongoing assistance in the planned extradition of Dargan Vasiljkovic, suspected of committing war crimes during the 1991–95 Serbo-Croatian war. Mr Vasiljkovic was arrested by the AFP in Sydney on 19 January 2006, pursuant to an arrest warrant issued under the Extradition Act.

Online Child Sexual Exploitation

Significant investigations

- In December 2005, OCSET conducted an investigation with NSW Police and US Immigration and Customs Enforcement that resulted in the arrest of a 46-year-old man in Sydney and the discovery of 21,781 child pornography images and 416 movies. The offender was charged with offences pursuant to section 474.19 and 474.322 of the *Criminal Code Act 1995*.
- In January 2006, a matter was referred by Interpol Brussels via the Belgian Central Judicial Hotline. As a result of this information, OCSET members executed a search warrant on a premises in Western Australia where a 32-year-old man was arrested. The offender had set up a free personal website, offering access to child pornography, the first such located by police in Australia. The offender was charged with a number of offences pursuant to section 474.19 and 474.322 of the *Criminal Code Act 1995*. The offender was found guilty.
- OCSET conducted a joint investigation between Queensland Police, Victoria Police, NSW Police, US Immigration and Customs Enforcement and the Toronto Police Service that identified a network of file sharing known as WINMX. Overseas law enforcement had gained administrative access to

a chat room and had identified international targets involved in the administration and distribution of child pornography. In March 2006, warrants were executed in a number of states including Queensland, Victoria and NSW. A number of offenders were arrested and charged with a series of offences pursuant to section 474.19 and 474.322 of the Criminal Code Act. These matters are still before a court.

- In March 2006, OCSET members executed a search warrant on a premises in Sydney, NSW. This was in response to an allegation that a 72-year-old male had created a website promoting the interests of paedophiles. Liaison between the AFP and the Australian Communications and Media Authority resulted in an interim take-down notice being issued and the site being closed. This matter is still before a court.
- This matter is an ongoing investigation into online child sex offences. The original allegation was received from US authorities and subsequently investigations were conducted within Australia by OCSET and members of the Queensland Police Service (QPS). On Friday, 16 June 2006, OCSET members accompanied by Taskforce Argos (QPS) members executed an s3E Crimes Act search warrant on premises in Queensland. A man was subsequently arrested and charged with a number of offences, including using a carriage service to procure persons under 16 years-of-age contrary to section 474.26 of the Criminal Code Act and using a carriage service to groom persons under 16 years-of-age contrary to section 474.27 of the Criminal Code Act.

External Territories

Significant developments

- In February 2006, AFP members travelled to New Zealand where a man was arrested and extradited to Norfolk Island to face charges relating to the 2002 murder of Janelle Louise Patton. The arrest came following an exhaustive four-year investigation that included extensive forensic procedures. These procedures included mitochondrial DNA testing undertaken in the US.



International Deployment Group

Significant events

- On 24 July 2005 the AFP saw the second anniversary of the Regional Assistance Mission to the Solomon Islands (RAMSI). Concurrent to the anniversary, AFP Federal Agent Will Jamieson was deputised as the third (AFP) Deputy Commissioner of the Royal Solomon Islands Police and Commander of the PPF, and RAMSI transitioned into the capacity-building phase.
- In November 2005 the Australian Government approved the deployment of AFP personnel to the United Nations peacekeeping operation in Sudan. On Monday 6 March 2006, 10 AFP members departed Australia for Khartoum where they joined police from more than 40 countries participating in the United Nations Mission in Sudan (UNMIS) operation.
- In partnership with AusAID, AFP technical advisors commenced deploying to Vanuatu in February 2006 as part of a project to improve the capabilities of the Vanuatu Police Force (VPF). Through the Vanuatu Police Force Capacity Building project there are currently seven full-time advisors, one AusAID project officer and one locally engaged staff member working with the VPF. A further eight part-time technical advisors will be engaged over the life of the project.
- With assistance and support from the Timor-Leste Police Development Program (TLPDP), members from the Policia Nacional de Timor-Leste Academy undertook extensive training to prepare them for delivery of Basic Recruit Training Courses which subsequently processed 265 recruits. With civil unrest in Timor-Leste, the International Deployment Group successfully repatriated TLPDP members and established an AFP Scoping and Advisory Mission (SAM) to Timor-Leste as part of Australia's Joint Task Force (JTF). The AFP, with support from Australian state and territory police services has deployed in excess of 200 personnel to Timor-Leste. These personnel are working with Australian military and peacekeepers from other nations to maintain order in the Timor-Leste capital, Dili.
- On 18 April 2006, the Solomon Islands descended into a period of civil disorder with violence, looting and destruction of property not seen since commencement of the RAMSI intervention in 2003. The police response saw deployment of an additional 71 Australian police to the Solomon Islands to the PPF. During the civil unrest, 31 PPF members were injured, including five who were injured seriously, and 11 vehicles were destroyed.

Chapter 3

Enabling Services



This chapter contains:

information on those AFP areas that provide the support services that 'enable' the operational or performance areas to pursue their objectives including:

- Chief Operating Officer Portfolio
- Chief of Staff Portfolio
- Human Resources Management
- Learning and Development
- Medical Services
- Employee Assistance and
- Psychological Services
- Professional Standards
- Legal
- Financial Services
- Information Services
- Forensic and Technical.

Chapter 3

Enabling Services

Services that directly or indirectly support the AFP's operational areas structurally fall under the Chief Operating Officer and the Chief of Staff.

Chief Operating Officer Portfolio

The Chief Operating Officer portfolio includes:

- Information Services
- Financial Services
- Commercial Services
- Human Resource Management
- Forensic and Technical Services
- Professional Standards
- Internal Audit
- Recognition and Ceremonial.

Chief of Staff Portfolio

The Chief of Staff portfolio includes:

- Commissioner's Office
- Marketing and Communications
- Ministerial
- Policy and Strategic Services (including Legislation)
- Performance Planning.

This portfolio also oversees administrative arrangements for the Australian High-Tech Crime Centre (AHTCC) although the AHTCC reports on operational matters to the National Manager Economic and Special Operations.

The Chief of Staff portfolio also has responsibility for the administration of the Australian Institute of Police Management at Manly in NSW, and for the Asia Pacific Group on Money Laundering Secretariat.

MARKETING AND COMMUNICATIONS

The AFP Marketing and Communications unit consists of two strategic arms:

- National Media Team
- Marketing and Publications Team.

The unit supports the AFP's work by providing specialist advice on the development and implementation of internal and external communication strategies, marketing issues, including corporate identity and branding, media liaison, issues management and monitoring, events management and preservation of the AFP's corporate history through the AFP Museum.

National Media Team

The increased range of the AFP's law-enforcement responsibilities has brought with it a greater public and media profile requiring a significant restructure of the AFP's National Media team and the way it provides its services. During 2005–06, the National Media team member's duties were aligned with the AFP's functional model that underpins the organisation's activities.

The team provides advice to senior management on media matters and generates media releases, organises press conferences and responds to inquiries by journalists on its activities.

Major media issues for 2005–06 were:

- anti-terrorism activity under Operation Pendennis
- Melbourne Commonwealth Games
- various operations targeting online child sexual offences
- roll out of combined AFP–state police teams in airports under the Unified Policing Model
- April riots in the Solomon Islands
- June deployment of 200 police to Timor-Leste
- major drug seizures
- international activities, including the 'Bali 9' case.

Marketing and Publications

Marketing and Publications creates and distributes print, audiovisual and display materials that support the promotion of AFP activities within the organisation and to external audiences.

Following market research, a brand audit led to streamlining the AFP brand mark to reflect changes and growth in the organisation's structure. The re-branding project included a set of visual identity guidelines that now form the basis for all AFP communication tools, including corporate publications, and the AFP uniform patch.

The rebranding coincided with the AFP Internet site redevelopment, providing a fresh look and improved navigation for all users.

The Marketing team introduced new media technologies to corporate communications including expanding its Internet-based production work and use of digital-video technology, such as live-streaming video, for in-house and public purposes.

The Marketing team played a major role in developing a communication strategy for the National Police

The AFP Museum outreach program resulted in a display in the foyer of the AFP's Headquarters in Canberra.

Memorial construction and dedication and chaired the National Communications Working Group consisting of representatives from all Australian state and territory police services, Legacy and other associations.

The project will culminate in the memorial's dedication on National Police Remembrance Day on 29 September 2006.

The team also developed communication strategies for major AFP events including National Missing Persons Week, the rollout of the Unified Policing Model in Australian airports and strategies in support of overseas deployments to the Solomon Islands, Timor-Leste and Sudan.

Australian Federal Police Museum

The AFP Museum closed its exhibition space at its Weston complex in the ACT awaiting development of a future location. In the meantime, as part of an outreach program, an exhibition space has been installed in the foyer of National Headquarters in Canberra City. The display uses a wide range of artefacts from the museum's collection. Similar installations are planned for most AFP establishments.

Part of the AFP Museum outreach program is the touring exhibition about the investigation into the October 2002 Bali bombings *When the Roof Became Stars*,



first exhibited in Old Parliament House in 2003. This exhibition attracted public interest at venues throughout regional Australia and at Sydney's Powerhouse Museum. The AFP Museum also had a significant input into the development of a policing exhibition *In the Line of Duty – Policing in Australia 1788–2006* at Old Parliament House opening in late 2006 in support of the dedication of the National Police Memorial.

MINISTERIAL

The Ministerial team is the primary point of contact between the AFP and the Offices of the Attorney-General and the Minister for Justice and Customs.

Ministerial is responsible for:

- coordination and assistance in the preparation of Possible Parliamentary Questions, Current Issues briefs, Ministerial briefings, Ministerial correspondence, and Questions on Notice
- role of the Cabinet Liaison Officer
- facilitation of submissions to parliamentary committees and invitations to appear at committee hearings
- facilitation of briefings and programs relating to the Parliamentary overseas travel
- coordination and facilitation of all AFP briefings for Senate Estimates hearings and the responses to questions taken on notice from the Estimates Hearings.

Requests for AFP contributions to parliamentary documents from other government departments and agencies are also facilitated through the Ministerial area.

The AFP has a Law Enforcement Liaison Officer (LELO) located in the Office of the Minister for Justice and Customs. This officer provides a single point of contact for Ministerial staff from the Office of the Minister for Justice and Customs and the Office of the Attorney-General. This officer maintains a key operational relationship with both Ministerial offices and provides timely advice on law-enforcement matters. This role works closely with and is supported by the Ministerial team.

Over the past five years, the role of the Ministerial team has grown with the expanded role of the AFP. Parliamentary documents involve greater consultation with other departments and agencies and there has been an increase in the input provided to these documents. AFP business increasingly requires the consultation of a larger number of Ministers in its contribution to whole-of-government projects, including the Minister for Foreign Affairs and Trade, Minister for Defence and Minister for Immigration and Multicultural Affairs. This subsequently requires a greater coordination and liaison role between the Ministerial team and relevant departments and agencies, the LELO and relevant Ministers' offices.

To ensure AFP members are politically aware and contribute to the timely and quality reporting to the Government, the Ministerial team presented 10 Ministerial writing workshops across Australia throughout the reporting year and contributed to other learning and development programs where required.

Table F: Ministerial work progressed

Category	2004–05	2005–06
Ministerial Briefings including PPQs	770	963
Items of Ministerial correspondence	428	543
Questions on Notice	32	32
Senate Estimates and Questions on Notice.	176	195

POLICY AND STRATEGIC SERVICES

The three key objectives of Policy and Strategic Services (PSS) are to:

- ensure that AFP policy development meets the requirements and expectations of the Government and the Commissioner, in particular in response to a dynamic international security and crime environment
- ensure that AFP policy positions are consistent with and advance the organisation's overall strategic direction
- maximise benefits from policy relationships with partners and stakeholders.

PSS is organised into six sections, focusing on distinct aspects of these objectives.

National Security and International Law Enforcement

This section of PSS provides policy advice and support to the AFP's counter terrorism, international law enforcement (particularly the International Deployment Group), high-tech crime and protective and aviation security business areas, as well as providing advice to the AFP Executive and business areas on emerging crime issues.

The section contributed to the AFP's response to a number of major government initiatives and reviews, including measures to respond to Sir John Wheeler's Review of Aviation Security and Policing; the deployment of AFP members to Timor-Leste; the AFP contribution to the UN's Mission in Sudan; the establishment of the Chemical, Biological, Radiological and Nuclear Data Centre; and the associated Chemical Warfare Agent Laboratory Network initiative.

The section supported a multi-jurisdictional review of the Australian High Tech Crime Centre and reported to the Australasian Police Ministers' Council meeting on 29 June 2006 on the impact of inconsistencies in child-pornography legislation on operational outcomes.

National Law Enforcement and Executive Coordination

This section services key internal decision-making committees of the AFP, coordinates AFP participation in peak national law-enforcement policy bodies, and delivers AFP responses to emerging national law enforcement policy issues.

The section provided secretariat services to the meetings of the AFP's Executive Management Board and the National Managers' Group meetings, as well as organising and supporting two Executive Management Retreats.

The section managed the AFP's input to national law-enforcement policy forums, such as the Australasian Police Ministers' Council and its Senior Officers Group, the Police Commissioners' Conference, the Australasian Crime Commissioners Forum and the Heads of Commonwealth Operational Law Enforcement Agencies.

In particular, the section contributed to a major multi-jurisdictional review of national-policing arrangements jointly commissioned by the APMC and PCC. This included supporting the Commissioner's participation on the Steering Committee overseeing the review, and representation on relevant working parties. Decisions on the review taken at the APMC meeting on 29 June 2006, when implemented, will consolidate a number of national policing bodies and provide a stronger capacity for strategic policy advice to Police Ministers and Commissioners on national policing issues. The section also developed a national policy on missing persons, on behalf of Australian law-enforcement agencies, as recommended by the Palmer Inquiry into the Circumstances of the Immigration Detention of Cornelia Rau. This policy was endorsed by the APMC at its June 2006 meeting.

The section continued to support the establishment of a National Police Memorial, principally through the provision of secretariat services for the National Police Memorial Steering Committee, chaired by the AFP Deputy Commissioner. The Memorial will be dedicated on 29 September 2006.

Illicit Drugs

This section provides advice and briefing for the AFP's participation in high-level drug-policy forums, such as the Ministerial Council on Drug Strategy and the Australian National Council on Drugs (ANCD), and represents the AFP at drug policy forums, such as the Intergovernmental Committee on Drugs, the National Drug Law Enforcement Research Fund, the National Working Group on the Diversion of Precursor Chemicals, and the ANCD's Asia Pacific Drug Issues Committee.

Through these forums, the section contributed to the development of National Strategies on Cannabis, Alcohol and Amphetamines, and to the successful outcome achieved by the Australian Delegation at the 49th Session of the Commission on Narcotic Drugs in Vienna in March 2005, where an AFP-initiated resolution was endorsed relating to operational law-enforcement cooperation.

Australian Crime Commission and Asia/Pacific Group on Money Laundering

This section supports the Commissioner as both the Chair of, and AFP representative on, the Australian Crime Commission Board and the Board's Strategic Directions Committee. Support was also provided for the Commissioner's responsibilities as Chair in providing advice to the Intergovernmental Committee on the Australian Crime Commission and the Parliamentary Joint Committee on the Australian Crime Commission.

During the year, the section prepared the AFP submission to the Parliamentary Joint Committee's Review of the *Australian Crime Commission Act 2002*, and briefings for the Commissioner and other AFP representatives' involvement in this and another Australian Crime Commission Parliamentary Joint Committee Inquiries on amphetamines and other synthetic drugs.

This section also supports the activities of the Asia/Pacific Group on Money Laundering by providing regular advice and support to the Commissioner, in his role as co-Chair of the Group, particularly for the annual meeting held in Cairns in July 2005. The section played a major role in coordinating the transfer of the Asia/Pacific Group on

Money Laundering Secretariat from the Australian Crime Commission to the AFP, effective from 1 July 2005.

Strategic Services

This section provides a link between the AFP's emerging operational environment and the development of policy and corporate strategies.

During 2005–06, the section supported the AFP Executive's strategic considerations and actions by:

- completing the annual review of the 2004–06 Strategic Plan
- undertaking the AFP's annual environment scan providing strategic discussion and insight during executive management retreats
- contributing to an AFP examination of its international operating environment over the coming five years
- providing a framework and conceptual base for the AFP's international engagement strategic plan
- completing a scenario analysis project, which addressed the relationship between identity and crime in 2012.

The section also began a significant scenario project, which will explore the factors that will shape the AFP over the next five years.

Legislation Program

During the year, this section participated in a whole-of-government review of Australia's counter-terrorism legal framework. When considered by the Council of Australian Governments in September 2005, significant new powers were established for the AFP and state and territory police to prevent and investigate terrorist offences.

The section contributed to legislative reviews, including the ongoing review of extradition practices and the statutory reviews of security legislation and the *Proceeds of Crime Act 2002*. Furthermore, it coordinated the AFP's participation in the development of the Law Enforcement Integrity Commissioner Bill 2006, the Law Enforcement

Integrity Commissioner (Consequential Amendments) Bill 2006, the Law Enforcement (AFP Professional Standards and Related Measures) Bill 2006, and the Government's ongoing consideration of the recommendations on the Report of the Review of the Regulation of Access to Communications.

New legislation and amendments, which were passed by the Parliament, and which were of significance to the AFP during the reporting year, included:

- *Law and Justice Amendment (Serious Drugs Offences and other Measures) Act 2005*
- *Law and Justice Legislation Amendment (Video Link Evidence and Other Measures) Act 2005*
- *Anti-Terrorism Act 2005; Anti-Terrorism Act (No 2) 2005*
- *Telecommunications (Interception) Amendment Act 2006.*

PERFORMANCE AND PLANNING

Performance and Planning is responsible for the performance monitoring, management and reporting requirements for Outcome 1. These responsibilities include the measurement of organisational performance in delivering high quality results aligned with the Government's and clients' expectations through the application of rigorous planning practices and a dedicated approach to continuous business improvement.

Key corporate service responsibilities are achieved through:

- organisational performance monitoring and management reporting to meet the AFP's accountability requirements to the Government and the Australian community and to provide a knowledge base for the development of best practice in operational activities
- developing partnerships with universities and quality external providers to develop economic and other measures of performance for AFP activities

- management of the AFP's business-planning processes by facilitating the creation of a hierarchy of consistent and coherent business plans, which link operational activity to the AFP strategic objectives
- monitoring of performance against established plans and the conduct of Business Activity Analysis (BAA) reviews that critically examine the operations undertaken and resources utilised to deliver AFP services, to satisfy client demands and to adopt a best-practice approach across the organisation. Seventeen BAAs were conducted in the reporting period.
- management of national client services through quality review and national coordination role for interaction between the AFP and its clients
- coordination of the use of national operations information within the AFP's core-business areas by providing support and advice on emerging information needs
- optimising the configuration of information systems
- undertaking bulk data analyses and data quality initiatives

Through these services, Performance and Planning continues to coordinate business strategies for Outcome 1 activity to further streamline and improve service delivery.

Human Resources Management

PEOPLE STRATEGIES

The AFP's human-resources management function has vigorously pursued strategies and outcomes designed to ensure:

- the AFP remains an employer of choice
- that the AFP provides and continues to develop a highly skilled, flexible, ethical and professional workforce capable of meeting and responding to government expectations
- that the workplace is a safe, equitable and rewarding environment.

Additionally, in concert with other corporate areas of the AFP, People Strategies has continued its drive to provide more efficient and effective corporate-service delivery across the AFP. It has achieved this by the staged introduction of revised human-resource delivery model and the automation of certain transactional processes. For example, the introduction of online recruitment for sworn staff has not only resulted in streamlined practices, but has better positioned the AFP in the marketplace and its ability to attract a greater number of quality candidates. The delivery of an online recruitment system for all recruitment and selection activity is near completion and will deliver further administrative efficiencies.

People Strategies has been engaged, with its corporate partners, in a continuous improvement program of its services, encompassing:

- a review of Finance and Human Resource corporate structures and the development of the AFP's Shared Services Centre that will deliver the majority of Human Resource/Financial transactional processing
- a review of non-automated business processes
- a review of corporate (SAP) systems support and progressive implementation of enhanced/new functionality.

Through the reporting year, the AFP made advancements across all elements of the program:

- The AFP's Shared Services Centre was refurbished to enable the transfer to it of additional financial processing and transactional human resource functions (recruitment processing and movements).
- A suite of non-automated business processes were reviewed, process-mapped and more efficient delivery arrangements instituted.

In order to provide greater automation and access to human resources planning and service delivery information, the AFP's two existing human resources management systems were both aligned to a standard configuration of SAPTM 4.6 software. This will allow for their integration and transition to the SAPTM ERP (enterprise resource planning) software released during 2006, with enhancements to its operation and ease of use. This will benefit all operational and enabling services business areas in managing their personnel, particularly in workforce planning, training and development.

The intention is that, in 2006–07, further expansion of the Shared Service Centre will occur and major systems enhancements and new corporate systems functionality will be delivered.



Over the next two years the AFP will continue to develop and expand its Shared Services Centre, which supplies support services to the AFP.

These enhancements include:

- greater self-service ability for employees and managers
- enhanced training
- development of a coherent deployment management system
- enhanced ability in the medical services area to facilitate operational deployments.

Collectively, these initiatives and innovations have created a platform by which the AFP human-resource function can validate and expand its strategic role and its direct contribution to business outcomes by more efficient and effective means.

WORKFORCE PLANNING

The AFP continues to refine its approach to workforce planning and to its resource allocation models. During 2005–06, more sophisticated data modelling was developed to provide more certainty to the workforce planning committee about workforce trends and their impact on future staffing availability. The AFP joined the Olivier Internet Job index survey to obtain more detailed understanding of labour market trends and issues, particularly for specialised job streams critical to AFP service delivery.

The AFP workforce planning committee, which oversees recruitment activities in light of broader business planning, both current and strategic, and human resource policy issues, met on nine occasions during 2005–06. Plans for base and lateral recruitment programs, for implementing characteristics of the AFP's *Workforce of the Future*, and for integrating workforce strategies into broader strategic business planning were realised during 2005–06.

The AFP continues to adopt a flexible and adaptive approach to mobilising its workforce, so that proper resourcing and skill levels are provided to new initiatives, while maintaining core business activities. The ability to maintain ACT Policing levels in accordance with the service level agreement with the ACT Government was a particular focus this year.

The ability to recruit fresh skills into the AFP is determined on the basis of the affordable staffing levels, and the annual loss of staff through attrition. In 2005–06, the attrition rate for the AFP was 7.7 per cent, with a significantly lower attrition rate of 3.7 per cent for sworn staff. This very low rate reflects a number of workforce characteristics – due to the large recruitment activity over the past four years, more than 50 per cent of the workforce has 10 years of service or less, and 39 per cent are aged 35 and younger.

Preliminary results from Staff Opinion Analysis and Review Survey (SOAR) 2006 reflect high levels of staff satisfaction with the AFP. The challenging nature of today's AFP, and the breadth of professional opportunities currently available to AFP staff provides an employer and career of choice for our staff.

At 30 June 2006 the total number of AFP staff was 5567, comprised the following:

- 2,396 sworn officers
- 1,257 Protective Service Officers
- 1,782 unsworn staff
- 132 state police, who are seconded and paid by AFP.

The change in staff numbers from the previous financial year reflects the sum of recruitment against new measures introduced in 2005–06 and the low attrition rate in the AFP.

A detailed breakdown of selected staff demographics can be found in the Appendix.

Recruitment

In efforts to further promote diversity and cultural competency within the AFP workforce and workplace, Recruitment has been developing an Indigenous Employment Strategy (IES). Developed to support and encourage Indigenous employment, the strategy addresses issues of recruitment, retention, communication and culture. As part of the IES, the inaugural AFP Indigenous Employment Workshop held and was commended by the Human Rights and Equal Opportunity Commission (HREOC) as best practice

in formation of partnerships to promote Indigenous employment.

The AFP also contributed to the National Indigenous Policing Forum to provide for national dialogue on Indigenous Employment and Policing. This was an invaluable opportunity to share experiences and ideas and to develop strong networks from which coordinated and collaborative initiatives to strengthen police responsiveness to Indigenous communities and individual needs can be built.

AFP online applications and processes were reviewed to assess the potential impact on Indigenous applicants. The new process allows applicants to easily and unobtrusively identify as Indigenous. Clear and early identification enables the recruiting team to initiate support and mentoring mechanisms.

During the reporting period, advertising campaigns were conducted in regional areas using regional media to communicate a range of indigenous recruitment opportunities. Protective Service Recruiting has targeted Alice Springs media outlets, including Indigenous specific media, to promote employment opportunities to locals.

The AFP recognises the historical context that continues to influence police and community relations and will endeavour to bridge this divide through respectful communication and longer-term commitments. Following the release of the IES by late 2006, a number of



In October 2005 the AFP Malunggang Indigenous Officers Network provided support to two community service organisations in the Northern Territory by sending two members to a sports leadership camp.

coordinated initiatives will be undertaken to specifically encourage Indigenous employment. Significantly, the Indigenous Entry Level Traineeship will provide permanent employment opportunities. This initiative will focus on building capacity so that trainees, with career development guidance and support can successfully apply for 'need' areas such as sworn and Protective Service Officer candidate pools.

WORKLIFE DIVERSITY

The reporting period has seen the Worklife Diversity Program 2004–07 continue to promote and deliver programs designed to support a diverse, harmonious and flexible workforce.

One of the key results delivered for the Worklife Diversity Program was the pilot Entry Level Recruitment program for Indigenous trainees. Three trainees successfully completed their training and were appointed to on-going positions within the AFP. A project officer has been appointed to develop sustainable processes, structure and support to ensure the success of future entry-level recruitment programs for Indigenous Australians and the AFP. Longer term it is envisaged that this entry-level program will expand to other identified groups, thereby encouraging a culturally diverse workforce.

The Australian Federal Police Malunggang Indigenous Officers Network (MION) held its annual forum in May with the focus on professional development. Support and development of the network is a key retention tool for Indigenous employees. The forum identified several new projects including a Torres Strait Islander component as part of the suite of online learning packages which currently includes Diversity in the AFP and Aboriginal Awareness.

During the reporting period, the AFP continued its commitment to cultural inclusiveness, harmony and diversity offering a range of mandatory and optional online training packages with face-to-face training sessions to recruit, staff induction and leadership courses. A Calendar of Significant Events also provides online support and participation is encouraged through

a range of events such as Harmony Day, International Women's Day, NAIDOC Week (National Aborigines and Islanders Day Observance Committee) and the National Multicultural Festival in Canberra.

During the reporting period, the AFP Gay and Lesbian Liaison Officers (GLLOs) along with AFP employees and for the first time their families, participated in the Sydney Mardi Gras and Victorian Pride March. This provided an opportunity to promote the AFP and demonstrated the organisational commitment to the gay, lesbian, bisexual, transgender and intersex and wider communities.

Another 23 GLLOs were trained in the national policing arena bringing the total number of trained GLLOs to 129. This unique training program now includes specific sessions on diversity and culture.

The GLLO Network also hosted a range of informal events providing an opportunity for AFP recruits, senior executives, liaison officers and network members to meet with community members to foster a spirit of partnership through communication and understanding.

EMPLOYEE RELATIONS

During 2005–06, both the *Australian Federal Police Certified Agreement 2003–06* and the *Australian Federal Police Protective Service Certified Agreement 2005* passed their nominal expiry dates. Significant work has been undertaken in order to negotiate the replacement of these agreements with AFP employees the Australian Federal Police Association and the Commonwealth and Public Sector Union.

It is anticipated that the new agreements will be negotiated in a timely manner and will be focused on enabling the AFP to continue to deliver operational outcomes to meet expectations of the Government and the Australian community.

Integration of the Protective Service will continue to be a focus during negotiations, with the AFP aiming to have all employees covered under a single workplace agreement.

REMUNERATION OF SENIOR EXECUTIVES

The Commissioner determines the remuneration and conditions of service for senior executives within the AFP, with each senior executive entering an individual agreement at the commencement of their employment. Senior executive agreements are reviewed by the Commissioner at least annually or more frequently should it be considered appropriate. Any changes in individual agreements would be in relation to changes in responsibilities and performance in contributing to the achievement of corporate objectives or in line with salary increases relating to other AFP employees.

Where the Commissioner determines that a senior executive has produced outstanding results in achieving objectives or additional outcomes for the organisation a bonus payment may be made. Performance bonuses paid to senior executives during the 2005–06 financial year are included in Table 18 in the Appendix.

OCCUPATIONAL HEALTH AND SAFETY

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

During the reporting period, 321 OH&S training courses were facilitated across the AFP.

These covered such topics as:

- OH&S induction training to recruits, lateral transfers and non-sworn members
- OH&S for locally engaged overseas staff
- local OH&S familiarisation
- mail security and hazards
- workplace ergonomics
- tailored OH&S courses for various specialist areas
- OH&S risk management and workplace incident investigation
- OH&S roles and responsibilities for managers, supervisors and attendees on Leadership Development Programs

- radiation safety training
- first aid
- emergency management and control
- team leader training.

The focus of AFP OH&S risk mitigation strategies during the reporting period included control measures associated with exposure to asbestos, ionising radiation, oleo capsicum (OC) spray, airborne lead at firing ranges, and entry into confined spaces.

The Australian Radiation Protection and Nuclear Safety Agency (ARPANSA) made two inspections. Some opportunities for improvement were identified by ARPANSA, and the AFP has taken action to address these issues.

During 2005–06, the AFP notified Comcare Australia of 44 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. There were no reactive investigations conducted by Comcare during the reporting period.

In December 2005, Comcare Australia released the report on the planned investigation into the management of occupational, health and safety in the AFP. The investigation concluded that the AFP is performing very well when compared with others in the Commonwealth employment sector. The report indicated that the AFP was strong in such areas as allocation of OH&S responsibilities and resources, planning, communication and documentation, reporting and management review.

RECOGNITION AND CEREMONIAL

The Recognition and Ceremonial Team (RCT) coordinates all AFP ceremonial events. The RCT also coordinates formal recognition processes for the AFP, including facilitating the AFP Honours and Awards framework, Australian Honours System and other external recognition providers.

The RCT is responsible to the Commissioner through the National Manager Human Resources. Responsibilities of the RCT include:

- administration of the Recognition Program
- planning and coordination of ceremonial events
- the planning and coordination of the Dedication of the National Police Memorial on 29 September 2006



- the planning of annual National Police Remembrance Day Services and
- the maintenance of standards relating to the AFP Uniform and Standards of Dress.

Recognition

The RCT prepares nominations for AFP internal honours and awards, for consideration of the National Award and Recognition Committee (NARC) that makes recommendations to the Commissioner biennially. Recipients are in turn announced in the Commissioner's Honours List (2 April) and the Foundation Day Honours List (19 October).

In 2005–06, the NARC considered 58 individual or group nominations. Of these nominations 214 AFP and PS members were recognised.

Recognition Investigations

A recognition investigation is underway to identify and nominate AFP employees and others for their actions and conduct during and following the Honiara riots, in the Solomon Islands.

Ceremonial

The Ceremonial team coordinates scheduled and unscheduled ceremonial events as well as providing advice on all issues regarding ceremonial and protocol governances. RCT also provides the secretariat to the National Uniform Committee (NUC)

Significant achievements

Ceremonial events are made possible by members who have the skills and volunteer for such duties as:

- The AFP Ceremonial Guard is a uniformed team (predominantly made up of ACT Policing and Protective Service members is located in the ACT) providing the visual focus of ceremonial events. In the past financial year the Ceremonial Guard has attended ceremonies in other capital cities and overseas.
- The AFP Ceremonial Mounted Cadre (AFP-CMC) is coordinated by the RCT and was established

Installation of the National Police Memorial at Kings Park on the shores of Lake Burley Griffin will be completed for the 29 September dedication.





The Recognition and Ceremonial Team provided a police ceremonial presence at the April funeral of former AFP Deputy Commissioner Reg Kennedy.

to support ceremonial events. This group of ACT-based riders will make its first public appearance at the dedication of the National Police Memorial on 29 September 2006.

- The AFP Pipes and Drums (AFPPD) are central to many ceremonial events, from the provision of a solo piper for funerals and investitures, through to the full band for occasions such as the National Police Remembrance Day Service.

Among its many activities on behalf of the AFP was the AFPPD's attendance at the International Police Tattoo in Adelaide in early May 2006.

Dedication of the National Police Memorial

In addition to its functional roles, the RCT is responsible for planning and coordinating the dedication of the National Police Memorial, currently under construction in Kings Park, Canberra, on the shore of Lake Burley-Griffin. The dedication of this memorial will be the largest ceremonial and commemorative event in the history of policing in Australia. The event will be conducted on 29 September 2006, which is National Police Remembrance Day. More than 700 uniformed police

from all Australian jurisdictions will participate along with former and retired members and families of those officers commemorated by the memorial.

The dedication will be supported by an exhibition outlining the history of policing in Australia from 1788 to 2006. This exhibition, entitled *In the Line of Duty*, tells for the first time, the collective story of policing in Australia. It will be held at Old Parliament House and will be open from 26 August 2006 to 25 February 2007.

WOMEN IN LAW ENFORCEMENT STRATEGY

An initiative of the Heads of Commonwealth Operational Law Enforcement Agencies (HOCOLEA), the Women in Law Enforcement Strategy (WILES) aims to foster and encourage women pursuing careers, especially senior positions, in law enforcement and regulation.

WILES conducts an annual program, providing participants with a mentor from one of the HOCOLEA agencies. This has previously been the main WILES activity but over the course of the 2004–05 program significant changes were made to improve the form and content of the program, to provide support to mentorees and mentors and to provide networking opportunities for the wider group. Initiatives began in 2004–05 including a series of workshops on leadership and work/life balance and the WILES newsletter continued to provide participants with a focus for sharing information and experiences and for enhanced networking.

The 2005–06 program was further improved by the experience gained in 2004–05 and the coordination team incorporated new methods for establishing early success in the mentoring relationships such as sharing information between mentoring pairs and encouraging meetings between pairs prior to the launch. In November 2005, the Chair of WILES was handed to Customs. The AFP continued to provide coordination support to WILES until the March–April 2006 workshops were completed to ensure that the program continued to be delivered in a seamless way.

NATIONAL WOMEN'S CONSULTATIVE TEAM

The National Women's Consultative Team (NWCT) was established in 1999 as a result of a recognised need for women within policing to have the ability to network. A key function of the NWCT is to provide leadership to local women's groups across the AFP and act as a sounding board on the issues concerning women and then take these initiatives forward to influence senior management. NWCT representatives continue to mentor local women's networks, ensuring that issues arising from other forums such as Commissioners' Australasian Women in Policing Advisory Committee are communicated across the AFP.

Learning and Development

During 2005–06, Learning and Development (L&D) has continued to support not only the AFP, but other law-enforcement agencies, forming partnerships with, or delivering services to other law-enforcement agencies and AFP areas to meet the requirements of clients.

Partnerships with government and non-government entities have been critical in ensuring high-quality training is delivered to meet the outcomes of both the AFP and others. These include:

- partnerships with the aviation industry for training, including air security officer training and Airport Uniform Policing requirements



The Australian Federal Police College on Brisbane Avenue in Canberra is the hub of learning and development in the AFP.

- partnership with the Australian Crime Commission for the development of rural-surveillance training to both agencies
- partnerships with Customs, ATO, Centrelink and the Attorney-General's Department regarding training to improve the investigations capability of Commonwealth law-enforcement agencies.

Additionally, L&D has continued to provide considerable support to capacity-building projects, providing training to overseas law-enforcement agencies, including those in Indonesia, the Philippines, Cambodia and South Pacific nations.

New initiatives by L&D in 2005–06 included:

- The Culture and Language Centre, established to encompass the new policy initiative for language training commenced in 2005.
- A review of the Forensic New Member Training Program, conducted to reflect the changed environment confronting forensic science in the international law-enforcement community.
- A General Duties Crime Scene course for airport uniformed police and Commonwealth external territories, designed and implemented to ensure a capability exists to process minor crime scenes at regional airports and remote locations.
- Introductory forensic training for DIMA document examination trainees, redesigned to meet continuous improvement requirements and client needs.
- The Introduction to Law Enforcement Intelligence Program, launched as an online program.
- The Surveillance Training Team (STT), the lead group in the development of the Advanced Diploma of Government Surveillance, formally endorsed in February 2006.
- The STT, critical in fostering and developing the National Surveillance Trainers Network.
- In conjunction with the National Surveillance Advisory Group, the STT, which developed the AFP Practical Guide on Physical Surveillance, based on groundwork done by the Surveillance Best Practice Manual workshop.
- The development of the AFP Alumni to assist Management of Serious Crime (MOSC) and international course participants to retain links, assist with life-long learning and continue the building of partnerships with agencies that have attended AFP training.
- A review of national new-member training programs, conducted to reflect contemporary work practices and organisational needs for the national environment.
- A redesign and changes to the National Recruit Program, based on feedback and liaison with national stakeholders.
- A review of delivery and assessment strategies for Federal Police Development Programs in the ACT region.
- Implementation of a new learning and development structure to meet the needs of training for ACT Policing.
- Restructure of the Federal Police Development Program to introduce new and relevant topics, including enhanced cultural diversity and mental-health training.
- The introduction of a range of topics, designed to enhance members' capabilities in coping with the demands of modern policing. These include cognitive interviewing skills, interview management techniques and command and control counter-terrorism skills.
- The introduction of a range of physical fitness standards that have now been incorporated in the Federal Police Development Programs.

INVESTIGATIONS TRAINING

The delivery of investigations training, both domestic and international, continues to be an important focus of the Investigations Training Team. This type of training is central to ensuring AFP members develop their ability to effectively counter an increasingly complex global criminal environment.

This year saw an increased emphasis on investigations training in the following disciplines.

Advanced Investigators Program (AIP)

In 2005–06, investigations training devoted significant resources to developing and delivering the AFP's Advanced Investigators Program (AIP). The objective of the AIP is to develop an understanding of the skills needed by senior AFP investigators to successfully manage and lead a complex, sensitive and protracted investigation of offences involving narcotics and money laundering. As the flagship training program of Investigations Training for senior AFP investigators, the Advanced Investigations Program was delivered to 20 AFP participants.

National Investigators Development Program (NIDP)

The National Investigators Development Program (NIDP) is designed to develop the skills of investigators to successfully conduct and manage investigations of offences in a multi-jurisdictional environment. In 2005–06, 16 AFP members from NIDP 3–2005 successfully completed all phases of the three-phase program, with a further 20 participants successfully completing phases 1 and 2 (NIDP 1–2006). **These 20 members will complete Phase 3 early in the next financial year.**

Transnational Sexual Exploitation Investigations Program (TSEIP)

The Transnational Sexual Exploitation Investigations Program (TSEIP) aims to develop the knowledge and skills of AFP investigators to successfully conduct complex, sensitive and/or protracted investigations of offences involving sexual exploitation, human trafficking and child sex tourism in a multi-jurisdictional and international

environment. The program aims to identify relevant legislation and best-practice investigative procedures when dealing with offences of human trafficking and child sex tourism. In 2005–06, **two TSEIP's were** delivered to 39 participants (18 AFP, 13 state and/or territory police and eight internationals).

Online Child Sexual Exploitation Investigations Program (OCSET)

The three-stage Online Child Sexual Exploitation Investigations Program (OCSET) has been designed to develop the knowledge and skills of AFP investigators to successfully conduct complex, sensitive and/or protracted investigations of offences involving child sexual exploitation in a multi-jurisdictional and international environment. In 2005–06, **the OCSET Phase 1 was** delivered in the Perth Office with 11 AFP and three external agency participants, with further programs scheduled for the following financial year.

In addition to this program, three-day OCSET workshops were delivered in the financial year to 58 AFP participants in the Perth, Melbourne and Sydney offices.

Advanced Counter-Terrorism Investigations Program (ACTIP)

L&D continues to develop and deliver counter-terrorism investigations training programs for delivery in locations in Australia and overseas. Several Advanced Counter-Terrorism Investigation Programs (ACTIPs) were delivered throughout the financial year to members of the AFP, police services from NSW, Queensland, Victoria, South Australia, Tasmania, Western Australia and the Northern Territory, as well as participants from international law-enforcement partners in the Philippines, Indonesia, Sri Lanka, Pakistan and New Zealand.

Since it began in September 2003, nine ACTIPs have been delivered to 161 participants, including 91 AFP members, 55 members from our state and territory law-enforcement partners and 25 international participants from the countries mentioned.

Counter-Terrorism Security Awareness Workshop (CT-SAW)

Through consultation and cooperation with the ADF, four Counter-Terrorism Security Awareness Workshops (CT-SAWs) were conducted during 2005–06. The workshops encompass broad security awareness training specific to small teams deployed overseas for CT matters. During 2005–06, 61 AFP members completed the CT-SAW.

In addition to these programs, the Investigations Training Team delivered a range of training to members of the AFP and or partner agencies in:

- serious drug offences investigations
- online child sexual exploitation investigations
- financial investigations.

The Investigations Training Team also assisted the Management of Serious Crime Team with the delivery of the Investigations Management Program in Indonesia, the Philippines and Vanuatu.



AFP members have training requirements across a broad spectrum of skills.

LEADERSHIP AND MANAGEMENT DEVELOPMENT

Leadership and Management Development (LMD) continued the delivery of the team leader development program. At the end of the 2005–06 financial year, 55 people had graduated and received the Diploma of Business (Frontline Management) and another 65 AFP members were undertaking the program. A further four programs had been scheduled to begin in the last half of 2006.

LMD has also launched the coordinator development program, which consists of a self- and manager-assessment and the development of an individual development plan. Specialised programs, such as project management, MBTI, workplace coaching and procurement are also coordinated by the LMD team.

LMD is also coordinating the delivery of several seminars and workshops, the first in May 2006 on the subject, 'The Power of Visionary Leadership'.

LMD continues to coordinate the AFP's involvement in the Australasian Police Professional Standards Council (APPSC), with input to project development to support the AFP's partnerships with other policing agencies. The AFP has a lead role in projects to develop consistent national cross-jurisdictional approaches to training in counter terrorism, surveillance and close personal protection.

SPECIALIST AND INTERNATIONAL

The Specialist and International (S&I) portfolio coordinates and conducts specialist AFP training, including forensic, surveillance and intelligence training. Additionally, the area coordinates and conducts training for external agencies and overseas law-enforcement agencies.

S&I is also involved in the development of the AFP Alumni, a forum for past course participants to continue contact and learning.

Federal Law Enforcement Training Coordination Centre

The Federal Law Enforcement Training Coordination Centre (FLETCC) delivered 13 training programs to Australian Government agencies in 2005–06, including Interagency Introduction to Law Enforcement Intelligence, Investigation Management Programs and the Search and Seizure and Evidence and Procedures workshops. These programs involved 180 participants.

The agencies included the ATO (Serious Non-Compliance and Corporate Intelligence business service lines), Attorney-General's Department, Customs (Intelligence and Investigation areas), Australian Fisheries Management Authority, Centrelink, Department of Immigration and Multicultural Affairs, Australian Competition and Consumer Commission, Naval Police, Department of Infrastructure, Planning and Natural Resources (NSW) and the South Australia Police.

The ongoing curriculum assistance, training strategy advice and delivery assistance FLETCC has provided to Australian Customs Service has allowed them to take ownership for the coordination and delivery of the Certificate IV in Government (Investigations) Program.

Forensic Training

Ongoing training was facilitated for AFP Forensic staff in areas including computer forensics, chemical and biological criminalistics, document examination, fingerprints and crime scene investigation. Two Forensic New Member programs were conducted with 25 participants.

This year has seen the demand for forensic awareness training increase considerably. Training has been provided to AFP Recruit courses, specialised investigations courses, IDG pre-deployment courses, partner government agencies, and aviation security.

Intelligence Training

There was a continued demand for law enforcement intelligence training across the AFP, with 233 participants undertaking 15 courses during the year. These courses ranged from introductory law enforcement

intelligence, intelligence officer development (IODP) and national strategic intelligence (NSIC) programs to basic and advanced human-resource handling. A revalidation of the IODP was undertaken to align content with workplace practice. A new initiative was the launch of the Introduction to Law Enforcement Intelligence program as a distance-learning package. All new recruits now undertake the online learning package during their 18-week recruit course with the learning outcome reinforced through a three-day workshop prior to graduation.

International Training

Thirty-six training activities were delivered offshore to approximately 640 participants from 26 international law enforcement agencies. Training programs delivered included law enforcement intelligence, surveillance, disaster victim identification, post-blast investigation, investigations management, financial investigations and computer-based learning programs (a joint LECP/UNODC project).

The main focus for International Training has been on the Australian capacity development projects in Indonesia at the Jakarta Centre for Law Enforcement Cooperation (JCLEC) and the Transnational Crime Centres in Indonesia and the Philippines. The delivery of law-enforcement intelligence training activities at JCLEC continues as a collaborative venture between the AFP, AUSTRAC and the Attorney-General's Department. The Transnational Crime Centres are joint projects of the AFP and AusAID.

Surveillance Training

Surveillance Training has maintained its high standard of training delivery to both domestic and international clients with 20 programs delivered domestically to 150 participants. Domestically delivered programs for both AFP and external agencies include local, national and advanced surveillance programs. Surveillance Training has also delivered Counter Surveillance Programs to both AFP and external agencies, and delivered counter-surveillance awareness sessions to numerous non-surveillance training programs, and to AFP staff in state offices.

Surveillance Training has delivered a number of Electronic Tracking Programs to AFP members.

Development of the curriculum for the Rural Surveillance Program is well advanced, following the successful trial program delivered last year.

Surveillance Training continues to be the lead agency in the National Surveillance Trainers Network and again hosted the annual conference at the AFP College, Barton, ACT.

AFP Alumni

The AFP Alumni is in development stage with ongoing communication and consultation with stakeholders and the International Liaison Network. The membership of the AFP Alumni includes graduates from MOSC, International Training, Investigations Training, International Deployment Group Training and Surveillance Training. Registration forms have been sent out to agencies throughout Australia and internationally, via the Liaison Network. Interest from graduates has been strong with hundreds of registration forms already returned.

The AFP Alumni will be housed within AFPOLL and accessed by AFP Training graduates who have been provided with passwords. A pilot group has been nominated to test the site and functions of the online Alumni, which is expected to take place in the coming months.

RECRUIT TRAINING

The focus of recruit training is to provide recruits with the necessary skills and knowledge to become effective sworn police officers within the AFP. During 2005–06, Recruit Training started nine Federal Police Development Programs (FPDP); four of these programs were completed within 2005–06, **with another five programs still in progress** at the end of the financial year. These programs are scheduled to be completed by 27 October 2006. At the completion of this training, 136 graduates will be performing duties within ACT Policing and 23 in the national arena.

After graduation, recruits begin a 12-month probationary period in the workplace where they will be required to demonstrate the application of the skills and knowledge acquired during the training period. Upon successful completion of the probationary period, their employment is confirmed and they are awarded the Diploma of Public Safety (Policing).

During 2005–06, training was also conducted for 30 State Police deploying to the IDG for a two-year secondment and 63 lateral police deploying to IDG for a two-year period. Upon completion, they will be returning to either the ACT or the national arena.

In addition, Recruit Training also delivered induction training to both sworn and unsworn members of the AFP. In the latter half of 2005–06, **this function was handed over** to the Leadership and Manager Development area of Learning and Development.



The focus of recruit training is to provide recruits with the necessary skills and knowledge to become sworn police officers within the AFP.

PROTECTION SPECIALIST TRAINING

A training-needs analysis has commenced for Protective Service and is due to be finalised in late 2006. The outcome of this process will ensure a robust and sustainable training solution, which will also enhance integration initiatives.

The training-needs analysis has received endorsement and support from the AFP Executive and will provide the catalyst for ongoing professional development for protective service officers. This initiative is a direct result of Project Merida, which was established to examine issues associated with integration.

A similar analysis was conducted for the Air Security Officer program in late 2005 and outcomes will be progressively implemented during 2006–07.

Recruit training continues to be the main focus for Protection Specialist Training. However, career development opportunities and the identified training outcomes are also being examined in light of integration. Several working groups have been established and are working in consultation with the training area to ensure the validity of proposed outcomes.

Integration of Protective Service Officer recruit training into the AFP Recruit Training school will be continued in late 2006. Similarly, the integration of other training areas into one portfolio for Protection Specialist training will be achieved once accommodation issues have been finalised.

AVIATION

As a result of the Wheeler Review, which emphasised the need for a full complement of policing functions using a single-command structure at Australian airports, the AFP commenced negotiations with each state police force concerning provision of uniformed police for the AFP airport functions. Tasmania Police was the first to sign the MOU. Twelve Tasmanian police officers were sworn in as Special Members in Canberra on 17 April. These members participated in a five-week pilot training program, which covered AFP governance,



In April, Deputy Commissioner John Lawler swore in 12 Tasmania Police as AFP Special Members working in aviation security following a five-week training program that covered AFP governance, Commonwealth legislation, Aviation-specific legislation, operational safety training, and forensic training.

Commonwealth legislation, Aviation-specific legislation, operational safety training and forensic training.

Additional programs will be delivered to the other states as each MOU is signed. Induction training for 13 staff members working in Aviation training was held in late June.

MANAGEMENT OF SERIOUS CRIME

Management of Serious Crime (MOSC) conducted three domestic programs this financial year. The themes addressed through the programs were 'Counter Terrorism: Rights versus Powers'; 'Integrity: Managing Cultural Change and Offences against Children'; and 'International Partnerships for the Protection of Children'. MOSC also conducted two international programs, one in Indonesia and one in Singapore. The themes

were 'Terrorism: Regional Threat'; 'United Response and Regional Challenge: Evolving Trends in Transnational Criminal Syndicates'; and 'Cyber Criminals'.

The MOSC programs have produced 82 graduates during 2005–06.

MOSC also delivered the Major Investigation Management Program in the Jakarta Centre for Law Enforcement Cooperation (JCLEC), as well as in Indonesia and Vanuatu, while also delivering Investigation Management Workshops in the Philippines.

MOSC has delivered sessions to the AFP members on investigation programs and a number of external agencies.

LINGUISTICS AND CULTURAL CENTRE

The Linguistics and Cultural Centre has been established to adopt a strategic approach, in line with workforce planning, for a long-term strategy to address language and cultural needs across the organisation. This centre will encompass the NPI for language training commenced in 2005, and will determine supply, demand and discrepancies for both cultural and language requirements within the AFP.

OPERATIONAL SAFETY AND PROTECTION

The financial year 2005–06 has seen significant changes for the Operational Safety and Protection portfolio. A more streamlined approach to training has been introduced as well as a stronger connection with the workplace. The transfer of training responsibilities from ACT Policing to Learning and Development has commenced. During the final months of 2006, the entire AFP training in operational safety will be managed and delivered by Learning and Development.

Operational safety

An additional operational safety training team has been established to support the growing business of the International Deployment Group (IDG). This team not only prepares AFP members with operational safety skills and abilities for overseas duties, but also delivers training and conducts assessments for those special members on secondment to the AFP from participating jurisdictions. The team also manages the training and skill development in Pacific island country participants. The support for IDG has further developed with permanent rotation of training staff to RAMSI to assist with in-mission training and capacity building.

In Australia, operational safety training teams conducted more than 150 formalised assessments, ensuring compliance with AFP governance and the Australasian Centre for Policing Research guidelines. The delivery of other operation safety curricula, including police tactical group, advanced warrant and trainer programs continues to enable the growth of the organisation. Development of skill and knowledge at the pre-entry level has been focused on lateral entrants and recruits, as well as supporting other law-enforcement partners and NPIs, including Aviation Security. The focus on engendering a safety-first approach is continuing to assist with the growth of the AFP capacity to respond at short notice with a qualified and safety-focused workforce.

Peacekeeping Operations

The continuing delivery of training preparatory programs as part of IDG pre-deployment has been the major focus for the training effort. A greater representation by training staff in United Nations forums has strengthened the relationship between nation states and brokered new ways of enhancing the review of training, ensuring a greater connectedness with host nations.

Close Protection

The growing interaction within the Protection stream has meant that pre-workplace training has expanded to include new roles for protective service officers. The growth and interaction has followed closely with the development and roll-out of a skill-maintenance

program, requiring Close Personal Protection members to practise against role competencies on an annual basis. In addition to these developments, close protection training continues to enjoy a strong relationship with the workplace and jurisdictional partners.

BUSINESS AND ACADEMIC MANAGEMENT

The Business and Academic Management portfolio provides support to L&D activities, including the management of catering and accommodation, technical support and building services. These functions are maintained by the Resource Management Team.

The Quality Assurance Team is responsible for ensuring the ongoing maintenance of the AFP College's Registered Training Organisation status, completing annual internal reviews and ongoing evaluation of programs to ensure that a high quality product is maintained.



The growing interaction within the Protection stream has meant that training has expanded to include new roles for protective service officers.

Curriculum design and instructional design responsibilities, including the use of the AFP's online learning system, AFPOLL, have been incorporated into the role of the Learning and Professional Practice Team.

Program development is focused on emerging training needs of the workplace and research and development of emerging crime types. Additionally, training-needs analyses have been conducted by training teams; program evaluations and targeted reviews have been completed by the Quality Assurance Team. This information, supported by outcomes from the Learning and Development (L&D) conference, where functional areas identified training requirements, have guided program development and identified issues for the continuous improvement of training events conducted by the RTO.

L&D has also engaged the University of Ballarat to provide training services for the Certificate IV, Training and Assessment (TAA04), as part of the professional development of staff. The PD strategy will be continued in the coming financial year with additional coaching opportunities provided within a formal PD framework.

EXECUTIVE LEADERSHIP DEVELOPMENT PROGRAM

The Executive Development Program exists to enhance and improve the leadership and management skills of senior AFP officers.

Executive development activities held during 2005–06 specifically related to:

- annual diagnosis of strengths and development needs of SES officers to inform development strategies
- continuation of executive coaching programs (at the end of 2005–06, 50 per cent of senior officers had accessed these programs)
- expansion of executive coaching to other management levels (at the end of 2005–06, 20 per cent of those at coordinator/superintendent level had accessed these programs)

- leadership workshops, used to discuss and resolve corporate issues, develop relationships, explore cross-functional line influences, achieve a cultural shift in our approach to leadership and involve and acknowledge the role of all SES in key-planning processes in the AFP
- implementation of the Emerging Leader's Talent Pool. At the end of the reporting period, there were 120 participants in this program. This initiative is to ensure the focused development of the next wave of leaders in readiness for leadership positions when required. The AFP recognises that leadership must be developed at all levels to ensure people are ready to step into these roles, when required
- implementation of a structured succession-planning program that identifies a risk profile of potential vacancy and transitional risks. Strategies are developed to mitigate identified risks and maintain business continuity.
- continuation of outplacements of senior officers to private industry. Boeing Australia facilitated the outplacement during this period.
- AFP SES inductions: two inductions were held with a total number of 18 participants.
- placement of officers on FBI leadership development programs, held in Virginia in the US. These included FBI National Academy, FBI Law Enforcement Executive Development and FBI National Executive Institute
- placement of an officer as a visiting fellow to the CENTREX leadership program in London.
- attendance at specific seminars and self-contained short courses on leadership development with the Australian Graduate School of Management, and the Mt Eliza Business School
- participation of two officers on the Australian Public Service Commission's program, Leading Australia's Future in Asia (LAFIA)
- participation in the Australian Institute of Company Directors Program to strengthen corporate governance activities (11 officers participated during 2005–06)
- participation on Australian business study tours to increase knowledge of other business-management systems
- continued participation in the Australian Institute of Police Management, the Police Executive Leadership Programs and the Police Management Development Programs (27 officers attended these programs).

As the AFP's business continues to grow in scope and diversity, it is crucial that executive development contributes to improved business performance.

In recognition of the need to develop and maintain highly skilled and flexible leaders, the AFP is fully committed to the provision of executive development opportunities relevant to meeting current and future organisational needs.

Medical Services

Medical Services delivers and monitors occupational medicine, public health support, contemporary health and fitness advice and direct clinical forensic medical support to ACT Policing.

Program delivery

Medical Services initiates and administers two primary programs that directly support the organisations operational imperatives.

Medical Operational Readiness and Fitness Program

Medical Services have responded to the increased demands placed upon the organisation's operational capacity through the delivery of an accelerated and comprehensive medical-review process. This program ensures our employees are optimally prepared and protected to undertake work activities without risk to themselves, their co-workers and/or the community. The upgrade program strengthens the organisation's

operational capacity to deploy and respond to policing activities across the globe.

Medical Services has developed strong relationships with offshore providers to ensure the delivery of highly refined medical services and the provision of sound advice pertaining to country and regional specific health information.

Health and Fitness Program

Medical Services has successfully integrated a number of health and wellbeing initiatives into the workplace. The programs delivered have focused on the following key areas:

- Nutrition—provision of nutritional advice targeted at shift workers, overseas posts and sedentary population
- flu vaccination
- physical activity profiling: Provision of fitness screens and tailored exercise programs aimed at improving the employees' health and fitness
- physical training: Integration of structured physical training programs into key areas, for example, police recruits, national dog squad, forensic services, IDG
- gymnasium upgrade—the AFP now offers state-of-the-art facilities
- physical profiling—provision of an on-site sports physiotherapy clinic aimed at identifying and managing bio-mechanical weaknesses in police recruits and specialist squads

Employee Assistance and Psychological Services

Wellbeing Services

This service provides an in-house consultancy and service delivery to all areas of the AFP on matters related to psychology and mental health. The service also coordinates an external Employee Assistance Program and Wellbeing Network and chaplaincy. These services are delivered to all operational areas and to members and their families.

Major operational activities during 2005–06 included:

- review of trauma-response model and overseas deployment model to ensure best practice
- psychological assessment and suitability for overseas postings (counter terrorism, International Liaison Officers' Network, IDG and posting to external territories)
- expansion of the Wellbeing Network to embrace chaplaincy
- employment of a psychologist to the portfolio of Protection and Aviation to ensure smooth integration and support management and members
- the Protection and Aviation psychologist and the team leader of the Wellbeing Network travelling around the country to explore current issues within the portfolio and promote the support that the Wellbeing Service offers
- employment of a psychologist and family liaison support officer to the portfolio of Forensic Services to provide a range of wellbeing services to members and their families
- employment of a psychologist to the portfolio of ACT Policing
- employment of a psychologist to the portfolio of OCSET
- psychologist to the portfolio of OCSET travelling around the country to deliver educational sessions related to the portfolio
- psychological assessment and suitability for appointment within specialist teams, including those who investigate human exploitation (Electronic Evidence Team, Online Child Sexual exploitation Team and Transnational Sexual Exploitation and Trafficking Team), as well as the Police Technical Team, Protection, Surveillance and ongoing support of staff attached to such teams
- enhancement of psychological wellness and wellbeing through the promotion of services

provided within the Wellbeing Service, the Employee Assistance Program, the Wellbeing Network and the increasing support offered through the Family Liaison Support Officer Network

- pre-deployment briefings and post-deployment debriefs for members and families for those posted within the Border and International Network, counter terrorism, IDG, and external territories, including ongoing support to members and families during the posting period
- testing and debriefing members participating in national and international operations, for example: the 2005 Bali bombings (Operation Affinity), Operation Pendennis, the Solomon Islands uprising and the Timor-Leste uprising
- enhancement of expert psychological opinion and advice to operational teams, including ACT Policing, Human Source Management, Police Negotiation Team, Professional Standards, and Protection.

The AFP has five chaplains, four Christian and one Muslim. This provides a multi-denominational and multi-faith service to the membership. During 2005–06, the chaplaincy provided support to local and national operations and overseas deployments. The chaplaincy officers continue to work closely with state and territory chaplains as per the national chaplaincy plan for mutual support and cooperation. Chaplains regularly visited the workplace and conducted weddings, baptisms and funerals, and provided counselling for AFP members and their immediate families.

During 2005–06, training in behavioural sciences was provided in courses, including ACT Policing, Border and International, Confidant Network, Recruits, GLLO network, Counter Terrorism, Forensic Services, Intelligence, IDG, Professional Standards, Protection, staff member induction, Surveillance and the Welfare Network.

The external National Employee Assistance Program is used by approximately 12 per cent of employees.

This is consistent with the rate for the past three years. Work-related issues included vocational concerns, interpersonal relationships and occupational health. Personal issues included family or relationship concerns and psychological issues.

The Wellbeing Network consists of on-site external providers to assist employees in the management of a range of professional and personal issues. The network provides prevention and early intervention services to enhance overall wellbeing for staff and family members with around 500 members assisted in the reporting period

The demands on the section's services increased during 2005–06. **However, much of the increased workload** relates to supporting an increasing number of members and family members, while the member is overseas with the IDG, forensics and counter-terrorism teams.

Over the course of the next financial year, the Wellbeing Network will move from using contract personnel to recruiting and employing AFP personnel in order to improve service delivery.

Policies and guidelines are being developed to ensure best practice and enable the team to operate in a consistent way within AFP guidelines and the governance framework.

The Wellbeing Network is reviewing its statistical information to ensure relevancy and accountability. A client database is to be developed and a review date has been set.

The Wellbeing Network is participating in health promotion activities in cooperation with Medical Services.

THE CONFIDANT NETWORK

The Confidant Network is an AFP program designed to provide support and assistance to AFP employees reporting activity or conduct that is contrary to the professional standards of the AFP. The Confidant Network is a key component of the AFP integrity framework.

As at 30 June 2006, the network had 270 active confidants throughout the organisation, whose activities are coordinated by a team leader, three case officers and an administration-support member.

The National Guideline for Professional Reporting was amended in October 2005 to improve the working arrangements of confidants and the framework for employees to seek options and/or support when reporting criminal, unethical and inappropriate behaviours in the workplace. The Confidant Network is accountable to the National Manager Human Resources.

Confidants receive regular training to ensure they perform the role in accordance with the National Guideline for Professional Reporting and with respect the principles of privacy and procedural fairness.

The Confidant Network Coordination Team continues to liaise with key stakeholder areas within the AFP to ensure

the integrity and commitment of the program is in line with the AFP Strategic Plan and integrity framework.

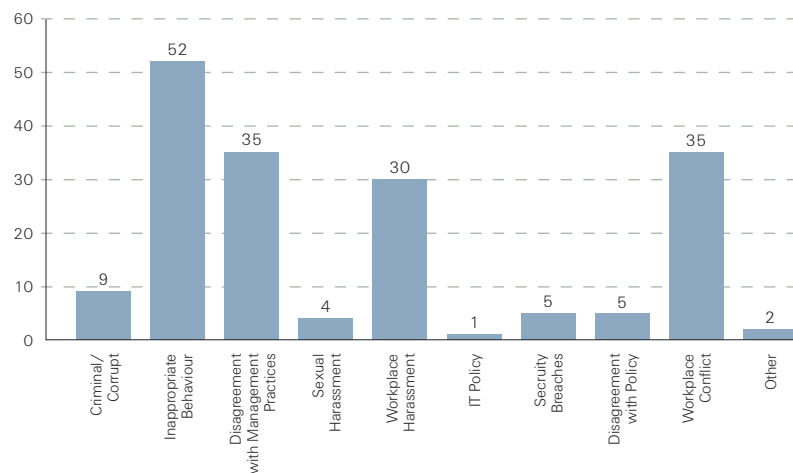
Information awareness sessions are incorporated within training programs for new employees and in addition are conducted at geographical locations across the organisation to broaden the awareness and purpose of the Confidant Network.

Statistics

In 2005–06, the Confidant Network received 178 referrals. This figure is further broken down in the following categories:

- criminal/corruption matters (9)
- inappropriate behaviour (52)
- disagreement with management (35)
- sexual harassment (4)
- workplace harassment (30)
- IT policy (1)
- security breaches (5)
- disagreement with policy (5)
- workplace conflict (35)
- other (2).

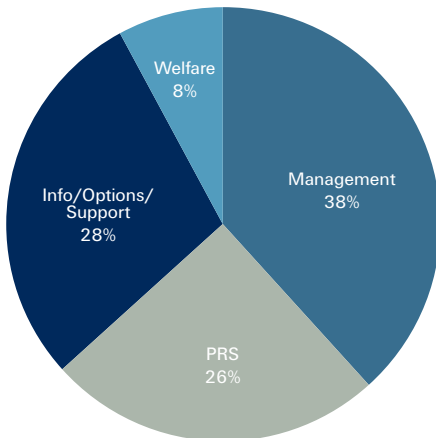
Chart 7: Confidant Network referrals 2005–06



Confidant Network 2005–06 (178 Referrals)

Of the matters reported, 83 per cent have been completed. The other 17 per cent remain current, either still under investigation or the client requires ongoing support in the workplace. Of the total 178 referrals, 38% were referred to management, 26% to Professional Standards, 28% for information, options and support by the Confidant Network and 8% were referred to the Wellbeing Network or external providers such as the AFPA or the Employee Assistance Provider.

Chart 8: Referred Options Confidant Network



Of the matters reported, 83 per cent have been completed. The other 17 per cent remain current, either still under investigation, or the client requires ongoing support in the workplace. Of the total 178 referrals, 38 per cent were referred to management, 26 per cent to Professional Standards, 28 per cent for information, options and support by the Confidant Network and 8 per cent were referred to the Wellbeing Network or external providers, such as the AFPA or the Employee Assistance Provider.

Professional Standards

The AFP has identified six core values which will underpin all business activity.

- **Integrity:** We will be honest and sincere in our dealing with ourselves, each other and our clients.
- **Commitment:** Our work is characterised by decision, application, perseverance and a belief in a personal capacity to achieve and add value.
- **Excellence:** We seek constant improvement in all our undertakings and in the quality of the services we provide to our clients.
- **Accountability:** We accept that we are responsible for our work and answerable for the outcomes.
- **Fairness:** We will be impartial and equitable in all our dealings.
- **Trust:** We rely and depend on each other.

The AFP commits to maintaining a high level of confidence and trust from the Australian Government and the community we serve. The integrity of the AFP and our people are of significant importance in ensuring we deliver high quality services while maintaining certainty in our key partnerships. Flexible resource management strategies and dynamic business capacity underpinned by modern and professional management practices continue to enhance the reputation of the AFP. Professional Standards plays a significant role in preserving the professional reputation of the AFP by providing a proactive approach to promoting, monitoring and fostering the ethical standards of the AFP, maintaining the organisation's values and constructing the security of the AFP and its people.

Professional Standards delivers a range of key business services, including the detection and investigation of corrupt and unethical conduct, strategic-intelligence capability for early detection and prevention, organisational security, including personnel-security measures, drug testing and, most importantly, strategies

to educate and promote professional standards best practice.

During this reporting period Professional Standards received 969 complaint or allegation referrals. These comprised of 660 complaints and 309 allegations. The Commonwealth Ombudsman oversees matters (complaints) applicable under the *Complaints (Australian Federal Police) Act 1981* and exercised his discretion under section 24 of the Act not to further investigate 221 of these matters. All other referrals were managed through Professional Standards investigation or conciliation processes. (Information outlining management strategies for complaints and allegations is provided within the Appendix: Corporate Integrity – Tables 4 to 8).

Professional Standards continues to support AFP operations overseas with involvement in the security assessment for the AFP's International Deployment Group (IDG) operations in Sudan. Professional Standards maintained a full-time presence in the Solomon Islands, while providing a response capacity for IDG operations in Cyprus, Timor-Leste and Papua New Guinea.

Professional Standards continues to work closely with the Commonwealth Ombudsman and its counterparts in other state and territory police agencies in the detection and response to alleged unethical or corrupt behaviour.

The Fisher Review: Implementation

AFP Professional Standards, in partnership with the Commonwealth Ombudsman and the Attorney-General's Department, has been working towards implementing the Government's response to the 2003 Review of the Professional Standards of the AFP. The review, undertaken by the Honourable William Fisher AO QC, will implement a managerial model in dealing with minor complaints. The Government response culminated in the tabling in Parliament of the Law Enforcement (AFP Professional Standards and Related Measures) Bill 2006, which received assent through both houses of Parliament on the 23 June 2006. This Bill, when proclaimed, will enact the reforms through insertion of a new Part in the

Australian Federal Police Act 1979 while repealing the *Complaints (AFP) Act 1981*.

The reforms will refocus the work of Professional Standards and that of the Commonwealth Ombudsman towards more serious and complex complaints. Operationally, complaints dealing with minor breaches of the AFP's professional standards will be managed by line managers who are best placed to deal with underperformance and misconduct. The outcomes for these minor matters will place greater emphasis on changing behaviour rather than imposing punitive measures. Serious matters will continue to be investigated by Professional Standards with oversight from the Commonwealth Ombudsman.

Security

Professional Standards Security Team is responsible for maintaining both personnel and physical security services. The Commonwealth Protective Security Manual (CPSM) 2006 has been adopted as the AFP's key security policy and is relied upon to set strategic direction in whole-of-organisation security. The CPSM extends further by setting measurable criteria for the assessment process, reviews and appeals and provides benchmark standards for all the AFP's security needs. The personnel security-vetting process is an integral component of the organisation's recruitment strategy to ensure the agency is employing the most appropriate people.

Professional Standards Security processed 2,208 personnel security clearances and responded to 89 security operations matters both in Australia and abroad.

This year realised an increase in demand for Professional Standards security-operations capability, both domestically and overseas, and is a real indicator of prevention and protection strategies for core business activity. This security operations capability is also available to serve the needs of the AFP's international network.

During this reporting period, Professional Standards personnel-security vetting processed a substantial quantity of clearances, from Protected through to Top Secret. Increases in AFP recruitment requires timely personnel-security vetting services to be delivered.

Professional Standards is regularly reviewing these processes in line with Commonwealth protective-security standards.

Drug testing

As part of its commitment to a drug-free workforce, the AFP has established a drug-testing program for staff and contractors.

The key components of the AFP's drug testing strategy include:

- Mandatory Applicant Testing
- Mandatory Targeted Testing
- Mandatory Investigation Testing
- Mandatory Certain Incident Testing
- Mandatory Contractor Testing.

The Drug Program Project Office has also established offshore testing capabilities to cover AFP international deployments. All AFP personnel deployed to RAMSI contingent were tested 'in-situ' during June 2006. The results of tests for illicit drugs are shown in Table 9 in the Appendix.

Legal

AFP Legal comprises professional legal and paralegal staff, who provide legal advice and assistance to all areas of the AFP. The section is structured along functional lines, including dedicated lawyers in the areas of operational and information law, employment and litigation law, commercial law, counter-terrorism law and matters arising from deployments in connection with the International Deployment Group.

In 2005–06, AFP Legal provided advice on more than 1,600 matters. While this represented a small growth in the number of new files from previous years, many of the issues considered by AFP Legal were of an increasingly complex nature, reflecting the growing diversity of AFP core business.

Demand for general operational legal advice was high. Many statutes relevant to criminal investigations received legislative attention in the past year, prompting queries

within the AFP as new laws were put into practice, such as the codified federal drug laws, amendments to certain telecommunications-interception laws and aviation-security legislation. The scope of AFP activities across jurisdictional borders, and involving emerging or novel crime types, also generated demand for legal advice in respect of matters beyond traditional policing priorities.

There was a particular increase in demand for advice on industrial relations-related issues leading up to the negotiations of the new AFP Collective Agreements.

AFP Legal also manages claims and litigation against the AFP. AFP Legal was involved in a number of significant litigation matters, including *Rush v Commissioner of Police* [2006] FCA 12. During the hearing of the case, it was argued that the AFP had acted unlawfully by disclosing information to the Indonesian National Police. The Federal Court rejected this argument and confirmed that the AFP's actions, in cooperating with overseas law-enforcement agencies to combat transnational crime, were lawful.

In 2005–06, **AFP Legal experienced a considerable increase in work in support of the Counter Terrorism portfolio**, reflecting the overall growth of the portfolio in line with the domestic and international security environment. AFP Legal provided assistance in relation to a number of major AFP Counter Terrorism investigations and criminal prosecutions, including ongoing involvement in Operation Pendennis, which continues as a significant priority for the AFP. AFP Legal also provided assistance on the implementation measures introduced by the *Anti-Terrorism Act (No 2) 2005*, including the Control Order, Preventative Detention and Notices to Produce regimes. AFP Legal delivered high level training to Counter Terrorism investigators on a number of areas of significance, including police powers and protocols, and regularly participated in the Advanced Counter Terrorism Course.

The ongoing impact of changes to the Commonwealth Procurement Guidelines and a significant increase in AFP tendering processes in 2005–06 generated additional commercial legal work this year. Requests for commercial legal assistance have been received

from almost all functional streams. Notable client areas include Commercial Support, Information Services, Protection, International Deployment Group, Forensic and Technical Services, ACT Policing, Aviation, Learning and Development, People Strategies and Financial Management.

The continuing integration and streamlining of the Protection function within the broader AFP also required significant legal input, with an expectation that the need for assistance in this area will remain for some time.

This year saw deployments of AFP Legal officers as part of the operations of the International Deployment Group, with Legal staff currently in the Solomon Islands and Timor-Leste. Legal assistance in the Nori constitutional challenge to RAMSI operations required significant effort and resulted in the claim brought against RAMSI officials being struck out. The Court confirmed that the operations of the PPF in the Solomon Islands were both Constitutional and necessary. The deployment of lawyers to Timor-Leste has assisted in the settling of arrangements between members of the international forces assisting in the restoration of law and order.

As with previous years, AFP Legal benefited from the experience of seconded legal officers from the Attorney-General's Department and the Department of Defence to assist in operational areas. This support has been greatly beneficial to the area's capacity.

Financial Services

FINANCIAL MANAGEMENT

The audited financial statements in this annual report reflect the consolidated financial position of the AFP and the business operations of the PS. A key feature was a modest operating surplus of \$5.806 million for the year. Table 1 in the Appendix summarises the AFP's financial result.

The Chief Finance Officer's portfolio provides a range of corporate support services to the AFP, multi-jurisdictional bodies and AFP employees, including financial management, financial policy and governance, asset management, budgeting and reporting, accounts processing, payroll management and services, cash management, treasury, taxation compliance and internal and external reporting. The group has consolidated initiatives previously introduced to improve financial management, service delivery and accountability. The CFO's portfolio is continually seeking to improve its services by attracting and retaining high-quality staff with the right skills, and enhancing systems and processes.

Significant contributions during 2005–06 included:

- enhancements in taxation management, including Fringe Benefits Tax and the personal tax implications for AFP employees serving overseas
- development and ongoing update of Commissioner's Order 4, which provides mandated guidance to all employees, special members and seconded staff regarding the requirements of the *Financial Management and Accountability Act 1997* and associated Regulations and Orders
- implementation and ongoing development of a contemporary Shared Service Centre to provide a range of cost-effective transaction services to support the delivery of financial and payroll services within the AFP
- continued integration of the PS support, including the physical integration of budgets, financial

management, transactional service delivery and assets management

- provision of financial services to the delivery of the Government's new Aviation Security measures and transfer of the Asia Pacific Group on Money Laundering from the Australian Crime Commission
- continued financial and business-support service to the IDG, including significant cost analysis, budget management, taxation advice, financial advice, monitoring and reporting to support this dynamic portfolio
- ongoing business-process improvements and focusing on leveraging the technology available in corporate systems to improve business outcomes
- Further improvements in field-asset stocktake processes.

SHARED SERVICES

The AFP has established a contemporary Shared Service Centre to provide transactional support services to the AFP, including the delivery of payroll services, human-resource processing, accounts processing, simple procurement, credit card management, salary-packaging administration and corporate-system support.

Over the next two years, the AFP will continue to develop and expand its Shared Services Centre, aided by the development and implementation of new web-based technologies to deliver business-process improvement to flexibly support the dynamic needs of the AFP and its employees.

The Shared Service Centre will enable the AFP to move further toward best practice in the areas of financial and human-resource service delivery.

BUDGETS AND REPORTING

Over the next 12 months, the AFP will implement a contemporary budgets and reporting management system to improve AFP budget development, ongoing management and forecasting capabilities. The new

system is also expected to result in improved timeliness of information and with reduced effort. This will free up staff time for increased analysis and interpretation of the data.

Commercial Support

Commercial Support provides a range of services including Business Environments (delivery and management of new and existing AFP Business Environments, including major capital works and infrastructure projects, environmental management, leasing, facilities management), national procurement and contracts, travel management, criminal records, fleet management and insurance (including Comcover arrangements). A number of these services are provided with the assistance of outsourced service providers.

AFP BUSINESS ENVIRONMENTS

Over the next three to five years, the AFP will implement its strategic planning for Headquarters Business Environments, which will result in the co-location of its Headquarters functions at the Anzac Park precinct and at Majura. Delivered in partnership with the Department of Finance and Administration, the redevelopment of Anzac Park will primarily accommodate AFP's office-based Headquarters functions. The fit-out of the Anzac Park precinct will be internally funded from ongoing base appropriations.

As part of the consolidation process, the AFP is also in the advanced planning stage for the development of its Majura site. The Majura site will be developed over the next five years as AFP's principal learning and development facility. A master plan for the development of facilities at Majura and attendant capital management strategy are nearing completion.

Initiated in March 2005, to replace the Weston facility destroyed in the 2003 bushfires, the new indoor firing range was opened by the Commissioner on 12 December 2005. The nine-lane range provides firearms training for AFP recruits as well as ongoing recertification for Canberra-based members. The firing range won a

Master Builders Association award in a commercial building category in 2005–006.

A proposal for the development of canine kennelling and training facilities at Majura, to provide increased capability for drug detection, firearm and explosives detection and aviation security, has been referred to the Parliamentary Standing Committee on Public Works.

The Government provided capital measures funding (over four years) in the 2004–05 **Budget for the** redevelopment of the Australian Institute of Police Management (AIPM) site at Manly, NSW. Because of its location and history, the site is environmentally sensitive and has a complex planning approval framework. As a consequence, the focus of activity over the past year has been on procuring the necessary key services contracts needed to manage and implement this project, and on achieving the necessary planning approvals. Under the Project Master Program, the planning approval phase is scheduled to be completed by September 2006, with construction expected to start about December 2006.

In June 2005, a review of aviation security and policing at Australian airports (the Wheeler Review) was announced with an emphasis that there should be a full complement of policing functions using single-command structure at Australian airports. The AFP has entered into a number of new leases to accommodate the requirements of aviation security at 11 major and regional airports throughout Australia.

In 2005, the Australian Government provided funding to establish a Chemical, Biological, Radiological and Nuclear (CBRN) Data Centre. Capital works for the facility has begun and is due for completion in December 2006. The centre will operate 24 hours per day, seven days per week and be administered by the AFP and co-located with the AFP Bomb Data Centre. The centre will be a contact point for CBRN technical issues and provide a mechanism for access to the expertise that presently exists within Australian Government agencies and state and territory facilities.

The AFP has renegotiated and exercised options on a number of leases, including the AFP Headquarters

building in Canberra as well as state offices in Melbourne, Adelaide and Brisbane. The AFP has also completed a number of refurbishments of AFP sites in Canberra.

CRIMINAL RECORDS UNIT

The Criminal Records Unit is responsible for recording court outcomes and their disclosure for both law-enforcement and non-law-enforcement purposes. These court outcomes are contributed by Commonwealth law-enforcement agencies, regulatory bodies and the ACT court system as a consequence of AFP's policing role in the ACT.

Access to this information by Australian law enforcement agencies for authorised purposes throughout the Commonwealth of Australia is undertaken in conformity with the duties and functions of the AFP to enhance public safety. Criminal Records also makes this information available for non-law-enforcement purposes to a wide range of agencies, corporations and individuals, but only with the knowledge and consent of the individual to whom the information relates. This information enhances decision making for a variety of purposes, including security and employment vetting.

Screening of personnel in the current heightened security environment remains a key focal point for both the community and for the Government. There has been an increase in the number of criminal history checks undertaken, from approximately 350,000 in 2004–05 to 490,000 in 2005–06. **A significant proportion** of growth was due to a biannual renewal of Aviation Security Identification Cards (ASIC) for the aviation industry.

Roll-out of the equivalent Maritime Security Identification Card (MSIC) is expected to contribute significantly to checking activity in the next reporting period. At the time of reporting, this had added just over 9,000 checks with the remainder of the industry to be checked in the 2006–07 financial year.

In November 2005, automated processing of criminal history checks began through connection between

the AFP Criminal Records Enquiry and Disclosure Service (CREADS) and the CrimTrac agency. Further enhancements for CREADS are planned for implementation later in 2006 and early 2007. These will provide enhanced reporting capabilities, improved workflow management and the ability to handle higher volumes of check more efficiently with reduced turnaround times.

Criminal Records continues to work collaboratively with partners and stakeholders in supporting the law-enforcement community and the Government's commitment to enhanced safety and security.

PROCUREMENT AND CONTRACTS

While procurement is devolved in the AFP, it is supported by the National Procurement and Contracts team, which, in consultation with AFP's legal team, provides procurement and contracting advice to business areas of the AFP. The AFP has a dedicated contracting and procurement team to support the special requirements of the IDG. The AFP has, during the course of the year, conducted training courses covering procurement and reporting requirements and has established a panel of procurement specialists to assist with tendering processes and probity advice.

The AFP uses electronic tendering through the Government's AusTender system. It has complied with its reporting requirements by including a listing of contracts valued at \$100,000 or more on its website and publishing its annual procurement plan on AusTender.

Information Services

Information Services (IS) provides integrated, secure and cost-effective information and communications systems critical to every facet of the AFP's activity. Routinely, the portfolio:

- provides and maintains secure and effective information systems and networks, nationally and internationally
- extends and revises those facilities commensurate with changes in business need and availability of new products or services
- supplies advice, services and work products to business areas seeking to improve or enhance their business processes
- provides an ongoing support service to all users of AFP information systems
- delivers a specialist response capacity in active support of field operations
- using integration solutions, provides internal and external links facilitating data sharing with client and partner agencies.

Over the reporting period, the AFP has experienced growth and operational change with consequent impacts on IS services. To ensure that IS remains responsive and progressive in a fluid operational environment, significant structural changes have been made to the portfolio and efforts have been focused on active engagement with business areas.

Engagement has been pursued through IS representation in a number of formal AFP processes and by embedding business analysts in operational portfolios to assist them in determining their information requirements and in documenting work practices and processes.

Portfolio Structure

The new IS structure was introduced from September 2005 and continues to be refined. IS now comprises the Office of the CIO, Information Services Delivery and Business Information Solutions.

This structure:

- provides the business with a clearer appreciation of the role of IS
- establishes a partnership between planning, infrastructure and developmental aspects of IS so that AFP information and knowledge are managed and used effectively
- provides a consistent approach to business engagement and communication

Office of the CIO

The Office of the CIO (OCIO) continues to be responsible for establishing and managing the strategic direction for IS and for representing the interests and activities of IS to the AFP Executive and the broader community.

OCIO also manages a project-office function, where major projects can be initiated under the guidance of the CIO. In the previous reporting period, the Architecture Office was established in this way. During 2005–06, Project X has been a major focus for OCIO. The project was approved by the NMG in late 2005 and its outcomes will be critical for the AFP.

At the time of reporting, Project X is in the scoping phase, using broad consultation with 30 groups representing AFP business areas nationally to identify what the AFP needs from its operational systems in the next five to 10 years, and the options available for meeting those needs. The immediate focus of Project X is to use the outcomes from this consultative activity to prepare a bid for project funding.

Approaches have been made by the CIO to other Commonwealth agencies with investigative, regulatory, compliance and intelligence functions to determine where this project will have benefits beyond the AFP.

INFORMATION SERVICES DELIVERY

Information Services Delivery (ISD) is responsible for provision and management of AFP infrastructure, and for information content and classification, such as the Hub and external website. The ISD teams are also responsible



for the continuous improvement of AFP infrastructure and presentation of the information it supports.

Providing these services requires expertise in:

- data and hosting services
- IT services
- network services
- IT security
- information, records and document management
- web-management services
- service management office
- major events planning and coordination.

Over the course of the reporting period, ISD was responsible for supporting projects that enhanced the AFP's profile, nationally and internationally, ensured its effective operation on a day-to-day basis and ensured its immediate response to emerging situations. Some of the operations in which ISD capability has been demonstrated include:

- Operation Serene: ISD has developed a response capacity that delivers IT and communications capability within hours of deploying staff. On 25

May 2006, the AFP began its response to the developing crisis in Timor-Leste. A substantial number of officers drawn from across the AFP are assisting the Timor-Leste police and other international police agencies to restore law and order. ISD staff were part of the initial deployment to the country establishing satellite communications, network capability, video-conferencing facilities and communications to meet immediate requirements. It has since begun a consolidation exercise to ensure that ongoing communications and technology needs of fluctuating numbers of AFP staff deployed to Timor-Leste continue to be met.

- Police Operations Centres (POC): During 2005, ISD developed and delivered POCs to all police jurisdictions. This provided AFPNET-capability and video-conferencing facilities linking all jurisdictions and provided the communications capability that underpinned Operation Mercury and the security of the Commonwealth Games. While the POCs were established to meet the requirements of these high profile events, they are now available to support response to any incident where interaction between jurisdictions and the AFP is necessary.
- Operation Mercury (MJEX): ISD deployed technology and personnel to support the MJEX, the largest counter-terrorism exercise ever undertaken in the southern hemisphere, involving more than 4,000 people from local, state and Commonwealth agencies and real-time involvement by the Prime Minister, senior Ministers, police commissioners and the Governor-General. MJEX provided an opportunity to test the POC structure and much of the technology infrastructure that was deployed for the Commonwealth Games.
- Commonwealth Games: Technology and personnel were deployed by ISD to support the AFP's efforts in providing a Commonwealth law-enforcement capability at the Commonwealth Games in Melbourne in March 2006. The Melbourne Office Major Incident Room maintained coverage of all AFP operations over the Games period 24 hours a day, seven days a week.
- Voice-over Internet Protocol (VOIP): ISD continuously reviews new offerings to ensure that the AFP is using contemporary technology. As part of a technology refresher program, ISD qualified the use of VOIP telephony as offering economies of use, and increased functionality, over the current use of analogue telephony. A phased replacement of the existing analogue voice network is in progress.
- Australian Protective Services (APS) integration: Arising from the Cornall Review into counter-terrorism arrangements in Australia, was the determination by the Government in 2001 that the APS would be integrated into the AFP. ISD has been closely involved in this operation. Integration of the former PS network into the AFP network included projects to upgrade security standards and improve core elements of the network to allow APS employees to access AFP systems. This work is complex and will continue to engage ISD over the next one to two years.
- Project Jupiter: Project Jupiter is a project highlighting the critical contribution of ISD to frontline security initiatives. As a part of its growing emphasis on countering security threats, the Government directed that a new policing and security presence be delivered by the AFP at major Australian airports. Project Jupiter involves delivery and maintenance of IT infrastructure and systems at 17 new operating locations at 11 airports, and has a major impact on the AFP network, support services and resources.

BUSINESS INFORMATION SOLUTIONS

Working in conjunction with the AFP's business areas, Business Information Solutions (BIS) takes a lead role in assessing emerging business requirements and develops IT applications and services that meet both operational and corporate needs. Over the reporting period, BIS has provided the people and skills to work with AFP business areas to document work processes and practices. The operational areas that have benefited from this approach to date include the new Aviation portfolio, Intelligence, the Transnational Crime Coordination Centre, some elements of ACT Community Policing, and Human Resources. BIS comprises:

- business process and analysis
- SAP development
- PROMIS and web development
- specialist business applications
- systems development support
- Integration Coordination Centre
- test and quality assurance
- library services
- reporting and analytics.

The activities of BIS are aimed at maintaining current high standards of performance and at monitoring and actively pursuing a range of solutions that will ensure future operational capability. The contribution of BIS to projects with major implications for the organisation has been significant.

PROMIS Development

PROMIS remains at the forefront of investigative and case-management systems used by law-enforcement agencies across the world. BIS has continued to extend PROMIS functionality in line with the strategic focus identified in the AFP Strategic Plan. Of significance over the reporting period was the release of a revised ACT Case Management interface providing improved work flow and time efficiency. In November 2005, National Case Management functionality was reviewed with the result that improvements are being made to business

flows that will address long-standing productivity shortfalls. BIS also manages an ongoing program of refreshment and improvement to ensure that PROMIS continues to deliver against current and emerging operational requirements.

Project Walsingham

Intelligence is increasingly critical to the AFP's strategic and operational environment. BIS has been working cohesively with the Intelligence portfolio to identify and develop new tools to improve and extend the intelligence capabilities of PROMIS. Work has progressed on the analysis and development phases of three components of the project:

- the Crime Activity Analysis module that can identify similar activity in otherwise disparate cases
- the Text thesaurus/data categorisation enhancements
- the Intelligence Workspace.

All of these will provide critical support for AFP Intelligence activities and operations into the future.

In-Car Computing

The AFP maintains a considerable amount of operational data electronically and rapid and secure access to this data is critical to positive operational outcomes. BIS had been monitoring options for in-car and mobile computing and some internally funded work had been undertaken. During October 2005, \$394,000 was made available from the ITSA-confiscated assets account to support an evaluation and trial of an in-car computing solution for operational police. Initial testing of a solution has been completed successfully. BIS is undertaking more rigorous testing at the time of reporting. Subject to funding, rollout should be possible in the final quarter of 2006. This capability will provide an additional time and access efficiency in the operational environment.

Project Hammer

Effective corporate support systems are critical to meeting staff expectations in relation to terms and

conditions of service. In Project Hummer, BIS has aimed to radically improve corporate systems (HR and Finance) through upgrading the AFP's SAP system. Improved and widely expanded employee- and manager-self-service facilities will enhance overall business effectiveness and efficiencies. This increased automation has been a feature of much of the work BIS has delivered in this area. It will ease the load on operational members and form a central plank of the new Shared Services Centre for AFP/PS. Success with this work will ensure that the AFP will establish systems that are able to add considerable value to the organisation.

Case Management and Intelligence System (CMIS)

CMIS was conceived by BIS as part of the AFP's capacity-building offerings in the Pacific. It has grown considerably beyond these initial expectations, and is now used by the LECP for initiatives in Indonesia, the Philippines, China and Malaysia. Interest has also been expressed by the UK and the US capacity-building programs.

AFP owns the intellectual property for CMIS although the application is built commercially by a third-party vendor. As the reach of the project has now exceeded its original intention, a review has begun to establish new governance arrangements for CMIS and to support planning, future development, deployment and related issues. CMIS demonstrates the creative and responsive capabilities of the BIS team.

Geospatial Information Systems (GIS)

BIS is working towards establishing GIS capability, to provide further significant capability across the AFP. Through its business-assessment processes, BIS has established that the availability of a GIS would provide support to three critical activities.

- Operational: for example, in covert tracking of objects, vehicles and vessels and surveillance of vehicles and vessels
- Planning such as, installation of surveillance equipment or operational planning for high-risk

warrants, terrorist/hostage incidents or bomb incidents

- Demographic crime reporting.

BIS is undertaking geospatial dataset acquisition (mapping data/overlays), strengthening GIS relationships with such agencies as Defence Imagery and Geospatial Organisation and Geoscience Australia, and trialling some geospatial software solutions.

Forensic and Technical

Forensic and Technical comprises Forensic Operations, Technical Operations, the new Chemical, Biological, Radiological, Nuclear and Explosives Data Centres (CBRNEDC) and an Operations Support Group. This year, the portfolio made significant contributions to AFP goals by providing specialist support for national operations, regional deployments, training and capacity building and especially Australia's response to the Indian Ocean tsunami. Australia, in partnership with other countries and agencies, continued to provide leadership and operational support to aid in DVI activities in Thailand until February 2006.

The newly formed CBRNEDC will increase the AFP's capacity to provide intelligence and assist in combating the threat of chemical, biological, radiological, nuclear or explosive incidents, domestically and internationally.

Significant investments have been made in ongoing research, development and implementation with many outstanding examples of enhanced science and technology tools contributing to intelligence and operational outcomes.



The major AFP forensic facility is located at Weston in the ACT and provides services to national, international and ACT-based investigations.

FORENSIC OPERATIONS

Throughout the reporting period, Forensic Operations continued to provide a wide range of forensic services in a demanding and dynamic environment. The broadening scope of forensic support to international capacity-building response to major incidents and the more traditional role of providing forensic services to ACT and national investigations has provided both challenges and opportunities, and included a major commitment to the conclusion of Australian involvement in the tsunami operation in Thailand. AFP Forensic and Technical continues to enhance its reputation both nationally and internationally as the service provider and partner of choice.

ACT and National Field Services

Forensic field operations continue to service AFP investigations internationally, nationally and in the ACT through the application of appropriate and high-quality crime scene, fingerprint, firearms and physical-evidence investigations. International requests have resulted in staff being deployed to assist in drug and counter-terrorism operations in Indonesia and crime scene investigations in Timor-Leste and the Solomon Islands. Crime Scene personnel have continued to contribute and support overseas capacity-building projects and initiatives, including the Jakarta Centre for Law Enforcement Co-operation, in Indonesia. Regional crime-scene personnel have supported a number of significant operations relating to counter terrorism and drug importations. Forensic Drug investigations include a number of very large and varied drug importations:

- 400kg of ecstasy tablets
- 2,001,600 commercially packaged pseudoephedrine tablets
- 46kg of methylamphetamine (ice), heroin concealed in fish and other large concealments containing cocaine, GHB, GHL and amphetamines
- clandestine drug laboratories.

In the ACT, Forensic Field Services continued to provide forensic support for the ACT Policing investigations, including several homicides and serial sex offences. Forensic Operations continues to assist in the forensic investigation of several high-profile cold cases.

Laboratory Services

The disciplines within the Laboratory Services portfolio continued to provide expert forensic support primarily in response to volume and serious crime to ACT Policing and serious crime relating to national and international investigations. The majority of national forensic investigations have related to counter terrorism and drug investigations. The implementation and utilisation of the latest technology and procedures continued this year, both in the laboratory and the field. Research and resources were committed to enhance a diverse range of techniques including DNA analysis, explosive, paint and glass analysis and counterfeit identity-document identification. These measures assist the Laboratory Services teams to continue to operate as leaders in the areas of their respective disciplines.

A significant number of personnel and equipment from Laboratory Services was deployed to Melbourne in March for the duration of the Commonwealth Games. Involvement in this operation further strengthened the relationship with counterparts in state and national agencies.

Laboratory Services engagement in capacity-building projects continued in the Philippines and Indonesia, and personnel were deployed in support of serious incidents that occurred in Bali and Thailand reinforcing our standing internationally. Each of the disciplines maintained provision of forensic support and training to a number of external organisations. During this period, the responsibilities and functions of the portfolio have continued to expand, resulting in a challenge to meet these increasing requirements, and the expectations of the organisation.

Electronic Evidence

The Computer Forensic Team (CFT) continued to support AFP operations across many crime types, including relatively recent initiatives concerning Online Child Sexual exploitation, Offshore Counter Terrorism and Fighting Terrorism at Its Source. Requests were notable for the increasing volume of data seized, compared with the past and the increasing number of mobile phones to be examined. Major operations included Operation Pendennis to which considerable resources were directed.

Members of the CFT and Forensic Imaging section, including members with high level skills in digital imaging and forensic artistry, were deployed to assist overseas law-enforcement agencies with offshore investigations. Excellent results have been achieved with these initiatives.

Forensic Counter Terrorism

The Forensic Counter Terrorism team was developed this year to extend the rapid-response capability of Forensic Services. The team almost trebled in size to include Logistics, DVI, JCLEC training, development of CBRN capability and ongoing commitment to counter terrorism operations. The FCT area has provided a marked increase in expertise, equipment and response capability in support of a wider range of incidents, including terrorism, major crime and natural disasters within Australia and overseas. Some notable operations include simultaneous warrants as part of a multi-jurisdiction counter-terrorism investigation, support to Victoria Police during the Commonwealth Games, intelligence gathering and assistance following terrorist attacks in London, Indonesia and Sri Lanka. The Forensic Counter Terrorism team has been heavily involved in providing forensic support to investigations in Timor-Leste.

Forensic Counter Terrorism continues to be engaged with a number of external agencies including the ACT and national CBR Working Groups, Chemical Warfare Agent Laboratory Network, DFAT, the Department of Prime Minister and Cabinet and EMA in providing a whole-of-government approach to developing capability

and responding to terrorist incidents. The team has been active in the South-East Asia region, building a capability in DVI and post blast examination.

TECHNICAL OPERATIONS

Technical Operations provides technical support and advice to AFP operations. This is achieved through the delivery of operational support services by the:

- Police Technical Teams
- Telecommunications Interception Division
- Radio and Electronic Support
- Capability Development and Engineering

Technical Operations has achieved significant technological advances that have enabled new capabilities. This has been achieved through both effective innovation and maintaining effective relationships with law-enforcement and intelligence-partner agencies, domestically and overseas.

Police Technical Teams (PTTs)

PTTs are based in five locations around Australia and are responsible for conducting covert technical operations in support of ACT Policing, national and international investigations. The functions of the PTTs include covert technical surveillance providing audio, imagery data or tracking product on targets, equipment procurement, training and policy development.

During this year, a number of PTT operations successfully involved a whole-of-government approach to response situations and international operations focused in South-East Asia and the Pacific region.

The PTT also provided advice, training and equipment to the AFP's law-enforcement partners overseas through the LECP.

Telecommunications Interception Division

AFP investigators continued to use telecommunications interception as an effective and flexible tool to gather evidence against persons suspected of committing or having committed serious criminal offences, including narcotics trafficking, acts of terrorism, defrauding the

revenue of the Commonwealth and, more recently, the downloading of child pornography from the Internet.

The Telecommunications Interception Division (TID) supports the investigators engaged in the investigation of these offences by providing a warrant provisioning, monitoring, record-keeping and report service in accordance with the provisions of the *Telecommunications (Interception and Access) Act 1979*, and a record-keeping and report service with respect to the *Surveillance Devices Act 2004*.

TID is also responsible for providing investigators with evidentiary packages, including evidentiary certificates and CDs containing lawfully obtained information, which form an integral part of the Crown's case. When the whole prosecution and appeal process is finally over, TID is responsible for ensuring that the associated lawfully obtained product is destroyed. The extent to which investigators and TID comply with the provisions of both Acts is scrutinised meticulously by the Commonwealth Ombudsman's Office.

Radio and Electronic Support

Radio and Electronic Support manages the AFP's mobile-radio communications systems, tracking systems and



Forensic officers in Bali following the October 2005 bombing.

taped record-of-interview systems throughout Australia and overseas.

With the release of the Sadleir Review and the Wheeler Review, Radio and Electronic Support has been heavily involved in providing estimates for, and the installation of radio communications equipment for the National Protection Operations Centre (NPOC) and radio communications and record-of-interview equipment for the 11 major airports for which the AFP will be providing uniformed police (Project Jupiter). These projects complement and add to the project to upgrade the radio-communications systems used by the former Australian Protective Service that was absorbed into the AFP within the Protection portfolio.

Support to the International Deployment Group has been provided through the provision of some 200 portable radios, 15 mobile radios and 3 base station/repeaters. In addition, a technical officer has been deployed to Timor-Leste to install and maintain the systems that have been installed there.



Support was provided to AFP Surveillance Teams through the development of training in the use of tracking systems and general surveillance equipment.

The present generation of equipment and systems, used by the AFP to tape-record interviews of suspects is about to reach the end of its useful life. A Request for Tender (RFT) has been developed to replace the AFP's inventory of taped record-of-interview systems over a two-year period. The project will be advanced under the AFP's Asset Replacement Program.

Technical Operations represents the AFP and Australian Government interests in mobile radio communications and record-of-interviews equipment and systems at various national committees.

The AFP is a full member of the Law Enforcement and Security Radio Spectrum Committee, formed under the auspices of the Australian Police Ministers Council, to ensure mobile radio systems are compatible and interoperable.

Capability Development

Capability Development is concerned with new field-deployable technical capabilities in support of AFP operations.

During the reporting period, Capability Development has:

- provided capability under the Surveillance Devices Act
- developed new surveillance device-switching systems
- supported LECP programs and training
- provided technical advice to other functional areas of the AFP.

Capability Development liaises with other law-enforcement and intelligence agencies, which has resulted in the purchase of new technology solutions in the reporting period.

Engineering

Engineering liaises with Commonwealth and state and territory law-enforcement and security agencies and overseas partners in relation to engineering standards

and contracts for telecommunications interception on behalf of the AFP and Australian law-enforcement agencies more generally. Statements of compliance with interception obligations from telecommunications carriers are assessed as part of this.

Engineering participates in and chairs national committees that meet regularly to oversee and regulate national telecommunications interception activities.

In the May 2006 budget, new funding was provided to the AFP, which will enable additional recruitment and acquisition of new skills and equipment for the Telephone Intercept (TI) area.

A further initiative announced by the government in the 2006 budget will permit new infrastructure development in support of Counter Terrorism operations. In particular this will include the collection and monitoring of several forms of electronic-surveillance material, and will permit its correlation with telecommunications interception product.

As part of the fight against terrorism, Engineering is providing assistance to the AFP's partner agencies in South-East Asia for the development of comprehensive national surveillance infrastructure, including the commissioning of new TI and related monitoring centre facilities.

FORENSIC OPERATIONS SUPPORT

Research and Development

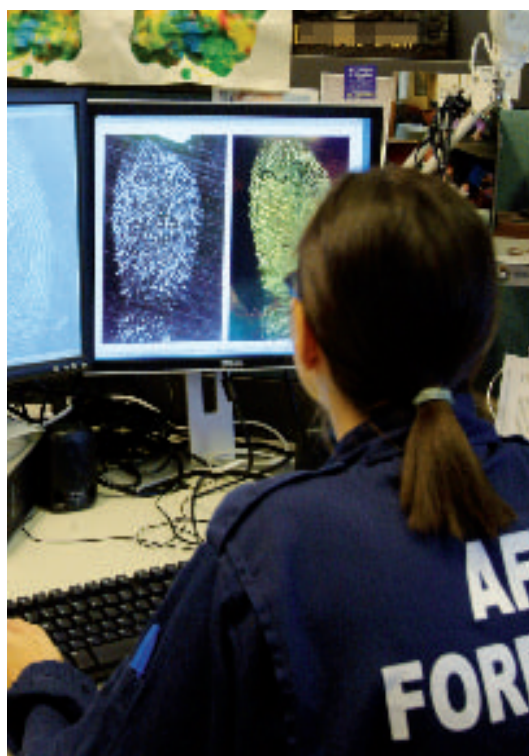
Forensic Services continues to maintain a strong research and development focus that has concentrated on priority areas including field-portable equipment, explosive residue analysis, DNA profiling, electronic evidence, illicit drug profiling, trace evidence, and latent fingerprint detection. Research projects have been undertaken across all of these areas in collaboration with a number of industry and academic partners. A number of projects involve funding from the Australian Research Council (ARC).

Of particular note over this reporting period has been the support provided to the National Security Science

and Technology (NSST) Unit, the Department of Prime Minister and Cabinet, for a number of counter terrorism-related projects. This has included collaboration on a project to investigate various aspects of organic peroxide explosives. Partner agencies for this specific initiative include the Defence Science and Technology Organisation (DSTO), Forensic Science South Australia, the Victoria Police Forensic Services Department, the Chemistry Centre, Western Australia, Flinders University and the University of South Australia.

Information Management

A tendering process is nearing completion for the purchase and implementation of a forensic laboratory information management system (LIMS). This initiative will provide Forensic Services with a state-of-the-art case management and exhibit handling capability to enhance both productivity and accountability across all disciplines. The project is scheduled to be completed by the end of 2007.



Quality Assurance

Forensic Services continues to comply with international accreditation standards (ISO 17025) to ensure the delivery of quality forensic science support for AFP investigations. Laboratory accreditation with the National Association of Testing Authorities (NATA) was reassessed in the second half of 2006 and accreditation renewed for a further two-year period. For the first time, the AFP's Audio and Video Laboratory was also inspected and accreditation against ISO 17025 achieved. This is the first audio-and-video enhancement facility in Australia to gain such accreditation. Forensic Services also provided quality assurance oversight for the AFP's Breathalyser Calibration Laboratory and this facility also achieved NATA accreditation over this reporting period.

In September 2005, a special meeting of the COAG agreed to the creation of the Chemical, Biological, Radiological and Nuclear Data Centre (CBRNDNC). The AFP has created an SES Band 1 manager position to facilitate the creation and continued management of CBRNDNC. The position also manages the Australian Bomb Data Centre (ABDC).

Australian Bomb Data Centre

The Australian Bomb Data Centre's core function of collecting, analysing and disseminating information regarding the unlawful use of explosives remains unchanged. The centre's additional role in regional counter terrorism capability development, noted in the previous reporting period, has also remained and continued to grow.

One of the significant achievements of this new role was the formal opening of the Philippine Bomb Data Centre in September 2005, at which Tony Hely, Ambassador of the Australian Embassy in Manila, was the special guest of honour and keynote speaker. A similar centre is being developed in Kuala Lumpur, Malaysia. A scoping project in Thailand has resulted in the establishment of a Commonwealth-funded project for the development of the Thailand Bomb Data Centre, commencing in the financial year 2006–07. **Discussions and scoping**

studies have also been conducted for future projects in Indonesia.

The ABDC continued its involvement with AFP international and domestic operations with members deployed in support of AFP response to incidents. Key examples are the bombing of the London Underground system in July 2005 and the bombing of three tourist restaurants in Bali, Indonesia, in October 2005. The ABDC also provided extensive support to several domestic counter-terrorism investigations.

The collection and analysis of data relating to explosive incidents within Australia continued along with monitoring of relevant regions internationally. In the reporting period, 143 classified and unclassified publications were issued by the centre with the centre responding to 279 requests for information by stakeholders.

The centre's commitment to the training, both internally to the AFP and externally to appropriate Commonwealth agencies, continued with 1,148 staff hours committed to the training of 1,284 personnel.

The 2005 annual ABDC conference attracted in excess of 250 delegates, primarily from policing and military organisations. The conference attracted both Australian and International delegates with approximately nine countries represented.

Of particular note, with regard to international cooperation between bomb data centres and related agencies, was the establishment of the International Bomb Data Centre Working Group (IBDCWG). The group held its inaugural meeting in July 2005 where the Director of the Australian Bomb Data Centre was selected as the inaugural chair. The aim of the IBDCWG is to achieve the efficient, effective and timely exchange of international technical intelligence related to the unlawful use of explosives.

FORENSIC SERVICES DRUG SUPPORT GROUP

The Forensic Drug Support Group coordinates two Memoranda of Understanding (MOU) between the AFP and the National Measurement Institute (NMI).

The first MOU is for routine analysis of AFP-seized illicit drugs and reporting of results. The second is chemical profiling for the Australian Illicit Drug Intelligence Program.

Australian Illicit Drug Intelligence Program (AIDIP)

AIDIP is an ongoing partnership between the NMI and the AFP. NMI provides chemical-impurity profiling data on AFP seizures of heroin, cocaine and ATS. AFP Forensic Services provides physical-profiling data on the packaging, method of concealment and other details of the illicit substances.

Chemical and physical profiles are combined onto a common AIDIP database and product supplied to AFP Intelligence and other stakeholders. Over the past 12 months, the Joint Drug Intelligence Team (JDIT) has provided 52 drug-information reports containing chemical and physical profiling information on AFP seizures of interest, and JDIT circulated posters depicting current AIDIP-profiling projects, nationally and internationally.

During the year, regular profiling of heroin and cocaine seizures were completed and added to the database, a paper was submitted for publication in conjunction with the United States Drug Enforcement Administration’s (US DEA) Special Testing and Research Laboratory on the heroin seized from the freighter, *Pong Su* (Operation Sorbet). This paper identified the heroin as a new category of heroin not previously encountered.

AIDIP and NMI staff travelled to the US and Europe, exchanging information and methodology with the US DEA’s Special Testing and Research Laboratory in Washington DC and the Netherlands Forensic Institute.

Method development is well under way for ATS seizures, with a European standard for MDMA being implemented by profiling chemists in Europe, US DEA and Australia. It is proposed that common methods for amphetamines and methylamphetamine will be agreed upon and implemented in the near future.

Heroin

During 2005–06, the AFP delivered 37 seizures of heroin to the Australian Forensic Drug Laboratory (AFDL) for chemical analysis including origin determination. Following confirmation of identity and purity determination each seizure was subjected to profiling as part of the Heroin Origin Program. The breakdown for the reporting period, as well as 2004–05, is given in the table below:

Table G: Origin of heroin seized during 2004-05 and 2005–06

Classification	South-East Asian %	South-West Asian %	Unclassified
Jul-Dec 2004	64.5	35.0	0.5
Jan-Jun 2005	78.7	19.2	2.1
Jul-Dec 2005	81.2	17.5	1.2
Jan-Jun 2006	78.3	21.7	0

This data is based only on those border level seizures submitted by AFP to the NMI for origin determination and may not reflect the situation at street level.

The bulk of the heroin samples that were cut had been adulterated with caffeine or paracetamol or a mixture of both.

The purity of the seized heroin remained high with a median value of 68.8 per cent, minimum of 3.5 per cent and a maximum of 79.6 per cent.

Cocaine

During 2005–06, the AFP delivered 70 seizures of cocaine to the AFDL for chemical analysis including origin determination through the Cocaine Origin Program. The breakdown by origin for the Cocaine is given in Table H.

Table H: Origin of cocaine seized during 2005–06

Classification	%
Colombian	59
Peruvian	27
Bolivian	0
Unclassified	14

The average purity of cocaine remained high with a median level of 82.2 per cent and a range of 14.8 per cent to 92.3 per cent.

Adulterants, as a percentage of adulterated seizures, found in cocaine during this period were:

- caffeine (22.5 per cent)
- benzocaine (17.5 per cent)
- levamisole (10 per cent)
- diltiazem (15 per cent)
- phenacetin (10 per cent)
- procaine (5 per cent)
- hydroxyzine (10 per cent)
- lignocaine (5 per cent)
- paracetamol (5 per cent).

The most interesting of these adulterants were levamisole (an anthelmintic drug), diltiazem (used to treat angina and cardiac arrhythmias), and hydroxyzine (used as an antihistamine and a tranquilizer). These adulterants had not been observed previously in border-level seizures of cocaine. Discussions with the US DEA scientists confirmed that they have observed these substances during the past year as have the scientists at the BKA (Germany's federal police).

MDMA (ecstasy)

During 2005–06 AFDL has profiled 34 seizures of MDMA. The largest group had been produced from the precursor 3,4-MDP-2-P, methylamine hydrogen and platinum catalyst.

Table I: Synthetic route for MDMA seizures during 2005–06

Classification	%
Pt/H ₂ Reductive Amination	45.0
Mercury Amalgam Reductive Amination	7.3
Sodium Borohydride Reductive Amination	23.7
Unclassified	24.0

The median purity of ecstasy during this period was 24.6 per cent with a range of 1.9 to 74.4 per cent.

The most common adulterants found were caffeine and ketamine.

Governance and Accountability



This chapter contains:

information on those aspects of AFP administration that relate to:

- Internal Audit
- External Scrutiny
- Competitive Tendering and Contracting
- Exempt Contracts
- Purchasing
- Consultancies
- Advertising and Market Research
- Freedom of Information
- Commonwealth Disability Strategy
- Ecologically Sustainable Development and Environmental Performance.

Governance and Accountability

The AFP has continued the process of reviewing and, where necessary, revising its corporate governance framework and processes.

This process has included:

- the continued evolution and consolidation of the AFP functional business model
- the operations of the Executive Management Board and its various reporting committees
- a refresher of a range of governance policies and instruments
- a continued focus on corporate compliance with internal and external legislative and reporting requirements.

This is underpinned by an emphasis on AFP core values and ethical conduct.

INTERNAL AUDIT

Internal Audit is an independent and objective assurance and consulting activity designed to add value and improve AFP operations. Internal Audit reports functionally to the Security and Audit Team (SAT), which meets at least quarterly to consider audit findings and direct future activity.

Internal Audit and the SAT are both directed at supporting the Commissioner to meet his responsibility for the effective, efficient and ethical use of Commonwealth resources. SAT follows up with line management directly on the implementation of agreed recommendations from previous internal reports. In that regard, SAT continues to actively monitor improvements in relevant systems, processes and controls.

As discussed in last year's report, an independent quality-assurance review of Internal Audit was undertaken by the Institute of Internal Auditors Australia late in the reporting period. Recommendations for improvement arising from that review were this year agreed to by SAT and implemented progressively throughout the year. These changes have improved the timeliness of the internal audit cycle and heightened awareness of the function across the organisation.

In the development of future audit programs, the Manager Internal Audit now meets on an annual basis with at least four national managers who have been audited in a significant way. This is in addition to regular consultation and dialogue with other stakeholders and represents a consultative approach to developing the internal audit program.

Internal Audit initiated a new program this year for the recruitment of graduate internal auditors, who after an initial placement in Internal Audit might be expected to obtain positions elsewhere within the AFP. This is part of an ongoing strategy for inducting accounting graduates into the AFP.

This year, Internal Audit provided proactive assistance to several functional areas within the AFP in addition to providing the SAT with 22 audit reports for consideration. SAT met seven times during the year, and the SAT approved Internal Audit Program for 2005–06 was fully acquitted to the SAT's satisfaction.

Internal Audit adopts a risk-based approach to its program and continues to spread its activity across all aspects of the business in proportion to the associated inherent risks. This approach has resulted in an increased focus on governance and organisational performance. Moreover, internal audits of AFP offshore operations and capacity building were more prominent this year compared with previous years.

A listing of projects completed by Internal Audit this year can be found in Appendix Table 3.

Insurance and Risk Management

The AFP continues its development of an organisational culture that embraces risk management as an integral part of doing business. There are well-established policy and procedures for the management of risk and insurance arrangements. The AFP applies a systemic and systematic approach to the identification and mitigation of risk as part of its strategic and day-to-day decision making.

The identification of strategic and operational risks and their treatment are embedded into standard AFP business planning practices. Business continuity

planning, catering for contingency of a pandemic influenza affecting the continuity of Government services and the continuity of AFP operations, is one example of risk management currently being undertaken by the AFP in a whole-of-government context.

The AFP utilises Comcover insurance arrangements as a key part of its risk-mitigation strategies to manage financial risk. Comcover provides a range of insurance services for:

- public and professional indemnity liability
- property loss and business continuity
- motor vehicle
- overseas travel (medical emergencies and personal effects)

The AFP participated in the 2006 Comcover benchmarking exercise. The AFP results from this activity represented both an above average achievement compared to all participating agencies and an improvement on previous year's efforts. The high-level achievement resulted in a 7 per cent discount to the AFP's Comcover insurance premium for this year. This result reinforces the emphasis the AFP as an organisation places on risk management and its recognition that it is a fundamental component of good corporate governance and sound management practice. The focus area for the coming year is to continue to improve performance measures and the risk reporting framework.

The AFP has in place business continuity plans for each of its key sites across Australia, and covers disaster recovery for critical information and communications technology services for the AFP. The AFP's general approach to risk management is adapted to cater for specific areas of interest including, for example, risks relating to OH&S, fraud control, and AFP financial and commercial practices. The AFP conducts risk assessments for all large procurement activities and assesses risk as part of the procurement and contract life cycle.

Auditor-General Reports

The ANAO audited the AFP's financial statements and performance measures relating to the AFP's community-policing contract with the ACT Government.

The Auditor-General did not include the AFP as a primary subject of any report tabled in Parliament. However, the AFP was an active participant in the following cross-agency audits:

- No 16: The Management and Processing of Leave
- No 22: Cross Portfolio Audit of Green Office Procurement
- No 25: Audits of Financial Statements of Australian Government Entities for period ending 30 June 2005
- No 27: Reporting of Expenditure on Consultants.

In addition, the AFP was mentioned in the following two audit reports:

- No 12: Review of Evaluation Methods and Continuous Improvement Processes for Australia's National Counter Terrorism Coordination
- No 28: Management of Net Appropriation Agreements.

Fraud Control and Anti-Corruption Plan

The AFP 2005–07 **Fraud Control and Anti-Corruption Plan** (FC&AC Plan) was developed and implemented in accordance with the requirements of the Commonwealth Fraud Control Guidelines 2002.

The FC&AC Plan maintains existing organisational fraud-control treatments and identifies new and emerging organisational fraud and corruption risks.

To successfully implement the FC&AC Plan across the organisation, each National Manager and Office Manager is responsible for implementing FC&AC Plan Action Items addressing both the AFP highest risk categories and risk categories specific to the function or office. Progress against Action Item implementation is reported to the Security and Audit Team six monthly, and the Attorney-General's Department annually, for the life cycle of the plan.

Commissioner's Declaration

In accordance with Guideline 1.9 and 2.8 of the Commonwealth Fraud Control Guidelines, the AFP Commissioner certified he was satisfied there were in place appropriate fraud prevention, detection, investigation, reporting and data-collection procedures and processes to meet AFP needs and comply with the Commonwealth Fraud Control Guidelines.

External Scrutiny

Judicial Decisions and Administrative Tribunal decisions impacting on operations

Like other public sector organisations, the AFP's operations and the actions of its members are occasionally affected by judicial or administrative decisions.

Implications for the AFP in a given case are assessed by the Legal Team which may seek further specialist advice as required. Adjustments to operating procedures or the conduct of members arising from assessments are promulgated throughout the AFP in the most appropriate way: written advice, publication of a directive/guideline or the making of a Commissioner's Order.

Parliamentary Committees

Estimates Hearings

- 31 October 2005: Consideration of Supplementary Budget Estimates
- 17 February 2006: Consideration of Additional Estimates
- 25 May 2006: Consideration of Budget Estimates.

Appearances before other Parliamentary Committees of Inquiry

In 2005–06 the AFP appearances before other Parliamentary Committees of Inquiry were:

- 26 July 2005: Senate Foreign Affairs, Defence and Trade Committee:
The Removal, Search for and Discovery of Ms Vivian Solon
- 26 July 2005: Senate Foreign Affairs, Defence and Trade Committee
- Report: Mr Chen Yonglin's request for Political Asylum
- 3 August 2005: Senate Legal and Constitutional Committee
Inquiry into the Provisions of the Law and Justice Legislation Amendment (Serious Drug Offences and Other Measures) Bill 2005
- 7 Oct 2005: Joint Committee on the Australian Crime Commission
Review of the *Australian Crime Commission Act 2002*
- 21 Oct 2005: Senate Legal and Constitutional Committee
Inquiry into the Provisions of the Law and Justice Legislation Amendment (Video Link Evidence and Other Measures) Bill 2005
- 17 Nov 2005: Senate Legal and Constitutional Committee
Inquiry into the Anti-Terrorism (No.2) Bill 2005
- 28 Nov 2005: Joint Committee on Public Accounts and Audit
Aviation Security Inquiry in Australia
- 31 Jan 2006: ACT Standing Committee into Legal Affairs Bill
Inquiry into the exposure draft of the Terrorism (Extraordinary Temporary Powers) Bill 2005 (ACT)

- 14 March 2006: Senate Legal and Constitutional Committee
Exposure draft of the Anti-Money Laundering and Counter-Terrorism Financing Bill 2005
- 15 March 2006: Senate Legal and Constitutional Committee
Telecommunications (Interception) Amendment Bill 2006
- 27 April 2006: Senate Legal and Constitutional Committee
Customs Legislation Amendment (Border Compliance and Other Measures) Bill 2006
- 27 April 2006: Senate Legal and Constitutional Committee
The Law Enforcement Integrity Commissioner Bill 2006, the Law Enforcement Integrity Commissioner (Consequential Amendments) Bill 2006 and the Law Enforcement (AFP Professional Standards and Related Measures) Bill 2006
- 12 May 2006: Joint Standing Committee on Foreign Affairs, Defence and Trade
Human Rights Sub-Committee
Inquiry into Australia's Response to the Indian Ocean Tsunami
- 2 June 2006: Joint Standing Committee on Public Works
Australian Institute of Police Management Redevelopment
- 5 June 2006: Joint Committee on the Australian Crime Commission
- Inquiry into Amphetamines and Other Synthetic Drugs.
- 12 August 2005: Senate Legal and Constitutional Committee
Inquiry into the Administration and Operation of the Migration Act
- 28 August 2005: Joint Committee on the Australian Crime Commission
Review of the *Australian Crime Commission Act 2002*
- 17 Oct 2005: Senate Legal and Constitutional Committee
Inquiry into the Provisions of the Law and Justice Legislation Amendment (Video Link Evidence and Other Measures) Bill 2005
- 11 Nov 2005: Senate Legal and Constitutional Committee
Inquiry into the Anti-Terrorism (No.2) Bill 2005
- 20 Jan 2006: Senate Legal and Constitutional Committee
Inquiry into the Defence Legislation Amendment (Aid to Civilian Authorities) Bill 2005
- 25 Jan 2006: ACT Standing Committee into Legal Affairs Bill
Inquiry into the exposure draft of the Terrorism (Extraordinary Temporary Powers) Bill 2005 (ACT)
- 23 Feb 2006: Joint Committee on the Australian Crime Commission
Inquiry into Amphetamines and Other Synthetic Drugs
- Inquiry into the Exposure Draft of the Anti-Money Laundering and Counter-Terrorism Financing Bill 2005
- 30 March 2006: Joint Standing Committee on Public Works
Australian Institute of Police Management Redevelopment
- 20 April 2006: Senate Legal and Constitutional Committee

AFP Submissions to Parliamentary Committees

- 4 July 2005: Joint Committee on Public Accounts and Audit
Aviation Security Inquiry in Australia

The Law Enforcement Integrity Commissioner Bill 2006, the Law Enforcement Integrity Commissioner (Consequential Amendments) Bill 2006 and the Law Enforcement (AFP Professional Standards and Related Measures) Bill 2006

- 30 June 2006: Joint Standing Committee on Foreign Affairs, Defence and Trade Inquiry into the impact of Australian Aid to the Pacific.

Commonwealth Ombudsman's Reports

The Commonwealth Ombudsman performs an external scrutiny function in relation to the following activities:

- *Complaints (Australian Federal Police) Act 1981*
- Investigating complaints about AFP members in international, national and community policing roles and monitoring practices and procedures of the AFP.
- *Telecommunications (Interception) Act 1979*
Inspecting compliance with the record-keeping requirements of the Act.
- *Surveillance Devices Act 2004*
Inspecting compliance with the record-keeping requirements of the Act.
- *Crimes Act 1914*
Reporting to Parliament on the adequacy and comprehensiveness of controlled operations records.
- *Witness Protection Act 1994*
Investigating complaints from people placed on the witness protection program or from unsuccessful applicants.

Complaints (Australian Federal Police) Act 1981

The AFP is cooperating with the Commonwealth Ombudsman who is progressing two special investigations under the Complaints Act. One of the investigations is looking at the interviewing techniques used by the AFP Professional Standards when interviewing other police about conduct matters. The other investigation stems from a complaint that the AFP did not conduct an adequate investigation into a sensitive personal issue the complainant had earlier raised with the AFP.

Telecommunications (Interception) Act 1979

The Commonwealth Ombudsman conducted two inspections in 2005–06. The reports provided to the AFP after each inspection concluded that generally there was a high degree of compliance with the detailed record-keeping requirements of the TI Act. The Ombudsman made recommendations after each inspection and the AFP has implemented a range of measures aimed at improving compliance.

Surveillance Devices Act 2004

The *Surveillance Devices Act 2004* came into operation in December 2004 and a program of two inspections each year for law enforcement agencies was started in 2005. The first inspections of records under the Surveillance Devices Act was undertaken at the AFP in October 2005.

While the Commonwealth Ombudsman identified some compliance issues, overall there was a satisfactory level of compliance, particularly taking into account the challenge faced by the AFP to settle procedures under the new regime within a short time. The AFP has actively responded to the Ombudsman's recommendations in this regard.

Crimes Act 1914 – Controlled Operations

During the year, two inspections of controlled operations records were conducted at the AFP. The inspections concluded the AFP is generally complying with the requirements of the Crimes Act and providing comprehensive information in formal reports. The AFP commits to continual improvement in this area.

Witness Protection Act 1994

No complaints were received or investigations conducted under this Act during reporting period.

Consultative Services

Competitive Tendering and Contracting

Existing CTC contracts from earlier years

The AFP has a contract with United Group Services (formerly United KFPW Pty Limited) for the provision of building and accommodation services throughout Australia. The contract commenced in December 1999 for an initial period of three years, with provision for two extensions of two years. The contract has now been extended until 17 December 2006. The value of the extended contract is \$1,763,000.

The AFP has a contract with OfficeMax for the national supply of stationery items, including paper. The initial period of the contract expires on 31 December 2007. This contract is valued at \$4,200,000.

Extensions of CTC Contracts

The AFP exercised its remaining option in respect of the contract with Outsource Australia and extended the Agreement from 1 April 2006 until 31 December 2007. The initial contract for the provision of certain records management and information retrieval services commenced in July 2000 for a period of three years. The total value of the extended contract is \$3.9 million.

New CTC Contracts

In January 2006, a new contract for the provision of uniforms, clothing and related services was awarded to Stewart and Heaton Clothing Co Pty Limited of Belmont, Western Australia, for a period of three years. This contract replaces the earlier arrangement between the AFP and Boise (now OfficeMax). The total value of this contract is \$871,000.

In 2006, the AFP established a panel of legal service providers, comprising Clayton Utz, Phillips Fox and the Australian Government Solicitor, for provision of legal services until May 2009. The panellists are engaged under a deed of standing offer arrangement.

The AFP outsourced selected internal audit functions in 2000 for a period of five years. In 2005, the AFP

went back out to the market, which resulted in the establishment of a new panel arrangement. The members of the panel are PriceWaterhouse Coopers, Masters Le Mesurier, KPMG and Acumen Alliance. The panellists are engaged under a deed of standing offer arrangement for an initial period of three years.

In 2006, the AFP established a panel of providers for the provision of procurement and contracting services until June 2009. Members of the panel include Ball Solutions Group, Terrace Services, PSI Consulting, APIS Consulting Group and Grosvenor Management Consulting. The panellists have been engaged under a deed of standing offer arrangement.

EXEMPT CONTRACTS

During the reporting period, the AFP did not gazette a small number of contracts that fall within the scope of public interest immunity primarily for security reasons.

PURCHASING

While procurement is devolved in the AFP, it is supported by the National Procurement and Contracts team which, in consultation with AFP's legal team, provides procurement and contracting advice to business areas of the AFP. In addition, the AFP has conducted training courses covering procurement and reporting requirements and has established panel of procurement specialists to assist with tendering processes and probity advice.

The AFP also has a specific procurement and contracting and procurement team to support the IDG.

As discussed in Procurement and Contracts the AFP uses electronic tendering through the Government's AusTender system. It has complied with its reporting requirements by including a listing of contracts valued at \$100,000 or more on its website and publishing its annual procurement plan on AusTender.

CONSULTANCIES

During 2005–06, **42 new consultancy contracts** were entered into (including eight contracts under \$10,000) involving total actual expenditure of \$1,080,468. In addition, 11 ongoing consultancy contracts were active in 2005–06, involving **total actual expenditure** of \$369,762.

Table J: Expenditure on consultants for the three most recent financial years

	2003–04	2004–05	2005–06
New contracts	21	30	42
Total expenditure (new and ongoing contracts)	\$1,004,987	\$1,958,252	\$1,486,441

Details of consultancy services provided to the AFP for the financial year 2005–06 are shown in Table 11 in the Appendix and at <www.afp.gov.au>. Click 'About the AFP'. Click 'Accountability Requirements'.

ADVERTISING AND MARKET RESEARCH

For 2005–06 the AFP paid \$906,778.98 for its advertising needs. This figure includes costs associated with a range of recruitment services. (see Appendix Table 12). No market research was undertaken in the reporting period.

Freedom of Information

The Freedom of Information (FOI) team facilitates public access to AFP documents, consistent with the provisions of the *Freedom of Information Act 1982* (the FOI Act). Under s.23 of the FOI Act, the team leader of the FOI Team has been given the authorisation to make initial decisions under the Act. In 2005–06, **the AFP received** 184 requests compared with 198 requests in 2004–05. While there has been a slight decrease in the number of requests, it is still significantly higher than for previous years.

FOI applicants generally seek access to information concerning past or present investigations undertaken

by the AFP and its predecessor organisations. These requests often require extensive searches to be undertaken of AFP information holdings and can involve the examination of many hundreds of pages of documents. These documents invariably require the careful and resource-intensive examination of all of the contents, in order to respect the right of access by the applicants without unduly prejudicing personal privacy considerations or the AFP's law-enforcement activities.

The report of the Commonwealth Ombudsman's 'own motion' investigation into the quality of agency processing of requests made under the FOI Act, was published during the year. The AFP, which was the subject of the 1999 report by the Commonwealth Ombudsman, was again audited. The Ombudsman's report made a number of recommendations concerning agencies responses to FOI applications. These are being addressed as part of the AFP's ongoing improvements to its processing of requests.

The AFP submits quarterly and annual returns under the FOI Act for the Attorney-General's report to Parliament under s.93 of the FOI Act. Detailed information about the AFP's FOI procedures appears on page 161 in the Appendix. Information on making FOI requests to the AFP can also be found on the AFP's website at <www.afp.gov.au>.

Commonwealth Disability Strategy

The AFP Disability Program and Strategy 2003–06 is the AFP's commitment to comply with the Disability Discrimination Act and the Commonwealth Disability Strategy principles. This strategy has recently been redrafted and will be implemented for 2007–09. The Commonwealth Disability Strategy has also been taken into consideration regarding the layout of the Anzac Park West building that the AFP will relocate to in 2007.

Through the implementation of this strategy, People Strategies works with business areas to encourage them to consider employing people with a disability. Recruitment selection, placement and advancement

practices were shaped to facilitate the selection of diverse groups. Due to specific requirements for operational law enforcement roles, the AFP focus is on employment opportunities for people with disabilities in non-operational roles.

The AFP encourages its enabling services to provide support mechanisms aimed at delivering an effective police service to the community and providing employment opportunities for people from diverse backgrounds, including those with disabilities.

The AFP's Worklife Diversity team presents to all staff on Recruit and Induction Programs, issues relating to discrimination within the workforce, including treating employees with disabilities with equity.

During the reporting period, the AFP continued to undertake its responsibility under the strategy to enhance understanding and provide support through measures such as commissioning access audits for premises when required.

Ecologically Sustainable Development (ESD) and Environmental Performance

Environmental considerations are taken into account when purchasing office furniture and equipment. The AFP has a recycling program for paper, toner cartridges, metal and fluorescent tubes.

Environmentally sustainable principles and practices are being integrated into the design, construction and operation of the Anzac Park and Majura development projects, including:

- energy-consumption minimisation
- water-consumption minimisation
- consideration of the environmental impact of materials, furniture, fixtures and finishes, including whole-of-life costing, emissions minimisation, materials-waste minimisation, recycled content and use of renewable materials

- development and implementation of an environmental management system, certifiable under ISO 14001.

The AFP's development at Majura incorporated the following environmentally sustainable outcomes during the past year:

- excavated material from earthworks at the new firing range was reused on site
- rainwater from the new firing range roof is being stored and reused for landscape irrigation
- waterless urinals were installed in the new firing range
- an automated cross-flow ventilation system assists with indoor environment quality and climate control in the new firing range training building.

In relation to its motor vehicle fleet, the AFP is proactively managing the size and nature of its vehicle fleet to achieve efficiencies, including use of alternative fuel sources. The AFP has exceeded the recommendation by the Australian Greenhouse Office that at least 69 out of 178 general pool cars are replaced (when their leases expire) with vehicles achieving a GVG score of more than 10. The AFP also has 40 LPG vehicles in its operational fleet. The AFP actively encourages the use of ethanol-blended fuels.

Chapter 5

ACT Policing



Chief Police Officer
ACT Policing
Audrey Fagan APM

This chapter contains:

- Reference information regarding the ACT Policing function of the AFP as described by Outcome 2

Australian Capital Territory Policing

Outcome 2

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

ACT Policing is a business unit of the AFP and was created to deliver policing services to the ACT under the auspices of a five-year Policing Arrangement between the Commonwealth and ACT Governments.

Delivery of the ACT/Commonwealth Joint Study into Policing in the ACT coincided with the expiration of the previous Policing Arrangement in 2005. The Arrangement was extended by an exchange of ministerial letters to allow the ACT Government sufficient time to consider the outcomes of the Joint Study. A new Policing Arrangement was signed in June 2006.

ACT Policing is directly accountable to the ACT Minister for Police and Emergency Services for achievement of the policing outcome and the delivery of outputs as defined in an annual Purchase Agreement for police services.

An interim Purchase Agreement was negotiated during 2005-06 to also take effect while the outcomes of the Joint Study were being considered.

Service delivery under the 2005-06 Interim Purchase Agreement has been articulated in terms of one major outcome and a series of outputs and performance measures.

The major outcome of the Purchase Agreement for police services requires that ACT Policing work in partnership with the community to create a safer and more secure Australian Capital Territory through the provision of quality police services.

Copies of the ACT Policing annual reports are available from the ACT Policing Media and Marketing Team by phoning (02) 6256 7750 or by visiting the AFP website <www.afp.gov.au>

See Table A on page 18 for details of ACT Policing financial performance.



Winchester Police Centre
ACT Policing headquarters in
Belconnen ACT

Appendix



This Appendix contains:

- Statistical information about the AFP relating to the operation of the AFP

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PERFORMANCE MEASURES – OUTCOME 1

Table 1: Financial Result 2005–06

Budgeted revenue (\$m)	Actual revenue (\$m)	Actual expense (\$m)	Variance (\$m)
921.241	916.117	910.311	10.930

The total 2005–06 budget for the AFP, as reported in the Portfolio Additional Estimates, was \$1,086.63 million. The final budget, as shown above, takes into account the return of appropriated revenue of \$165.7 million being \$135 million relating to PNG funding and \$30.7m relating to the new aviation security measures.

After the return of appropriated revenue, the AFP achieved a modest variance in actual revenue and actual expenditure, when compared to the adjusted 2005–06 budget. The variance for actual revenue and actual expenses were \$5.124 (0.56%) and \$10.930 million (1.19%) respectively.

The actual revenue and actual expenditure for the 2005–06 year resulted in a modest Net Surplus of \$5.806m, or 0.63% of the adjusted budget.

Table 2: Staff Years Consumed 2005–06

Outcome 1 staffing	2005–06	2004–05
Staff years consumed in Outcome 1	3322.4 ^a	1899 ^b

a. Includes Protective Service staff

b. This figure includes IDG deployment, but only includes AFP employees and not state police

Table 3: Internal Audit Activity 2005–06

SAT Meeting	Performance Audits	Regularity Audits	Other Significant Completed Projects
14 Sep 2005		Cash Handling – Criminal Records Revenue	Reporting of Key Performance Indicators. Project Walsingham Financial Statements.
6 Dec 2005	Regional Assistance Mission to the Solomon Islands (x2) Close Personal Protection	2004-2005 Advance Accounts Financial Statements (x3)	Response to Quality Review of AFP Internal Audit by Institute of Internal Auditors Australia. Contract negotiations for Internal Audit service providers for ongoing co-sourcing arrangements. Input to Standards Australia on AS8001 Fraud and Corruption Control.
22 Feb 2006	Counter Terrorism Information Management Transnational Crime Centre Risk Management	International Deployment Group – Personnel Entitlements Property & Exhibit Registries (x5) Property & Exhibits Consolidated	Provided a professional development seminar to an Internal Audit delegation of the PRC Ministry of Public Security. Induction of two graduate internal auditors. Presentation to Victoria Police Internal Audit Conference. Assisted AFPPS engage PwC re Due Diligence of Alarm Monitoring Contracts. Annual KPI and Strategic Audit Planning discussions with various National Managers. Induction of new Independent SAT Member. Participated in Standards Australia Working Group regarding update of AS8003 – Fraud and Corruption Control. Private Meeting with Independent SAT Members.
31 May 2006	Indonesian Institutionalisation	Facilitative Agreements Under AFP CA 2003-2006 AFPPS Accounts Receivable & GST Commissioner's Office Cash Handling – Criminal Records Follow Up	Assistance with development of a new property and exhibits control framework. Review of Australian High-Tech Crime Centre governance and risk management. Internal Audit planning retreat. Assisted the following areas in regard to potential use of audit panel: <ul style="list-style-type: none"> • Aviation – Government review of Air Security Officers • Performance & Planning – corporate service benchmarking • Commercial Support – contract compliance reviews, and travel processing • Telephone Intercept Service – general in-house review • ACT Policing – rebasing of revenue exercise • Learning & Development – course costing. Attended Public Sector Audit Managers Group meetings.
	7	15	23

CORPORATE INTEGRITY

Table 4: Complaints and Allegations received in 2005–06 (by source)

Referral Source	Complaints		Allegations	
	Referrals	Percentage	Referrals	Percentage
AFP Internal			303	98.06%
Government Department	5	0.76%		
Media				
Ministerial				
Ombudsman	170	25.76%		
Reported By Public	485	73.48%	6	1.94%
State Police				
Total	660	100.00%	309	100.00%

Table 5: Number of Complaint issues received in 2005–06 (by status and category)

Issue	Completed	Outstanding	Total
Advice	40	27	67
Arrest	36	18	54
Assault	9	2	11
Conduct	28	26	54
Criminal Offence		1	1
Entry and Search	18	9	27
Fraud against the Commonwealth	3	1	4
Harassment	36	15	51
Incivility	128	32	160
Miscellaneous	28	2	30
Misuse of Authority	35	26	61
Neglect Of Duty	173	64	237
Non Complaint	1		1
Practices and Procedures	64	31	95
Property	36	23	59
Traffic	26	9	35
Use of Force/Person	66	31	97
Total	727	317	1044

Footnote: The total number of issues varies from the total number of actual complaints as each referral may comprise a number of separate issues.

Table 6: Results of completed investigations (AFP Complaint issues) 2005–06

Category	A	B	C	D	E	F	G	Total
Advice				1	15	1	23	40
Arrest		2		2	4		28	36
Assault		6				1	2	9
Conduct	1	4	1		9	1	12	28
Criminal Offence								0
Entry And Search				2	2		14	18
Fraud	1	1			1			3
Harassment		4		1	5	2	24	36
Incivility	1			11	93		23	128
Miscellaneous			1	2	5		20	28
Misuse of Authority		3	1	1	9		21	35
Neglect of Duty		6		14	84	3	66	173
Non-Complaint							1	1
Practices and Procedures				4	33	2	25	64
Property		3		3	16		14	36
Traffic				1	18		7	26
Use of Force/Person				10	7	3	46	66
Total	3	29	3	52	301	13	326	727

Footnote: The total number of issues varies from the total number of actual complaints as each referral may comprise a number of separate issues.

- | | |
|-------------------------------------|---|
| A Substantiated | E Conciliation successful |
| B Unsubstantiated | F Withdrawn |
| C Incapable of determination | G Discretion exercised by the Ombudsman not to investigate |
| D Conciliation unsuccessful | |

Table 7: Number of allegation issues received in 2005–06 (by status and category)

Issue	Completed	Outstanding	Total
Advice	1	5	6
Arrest	2		2
Assault	3	7	10
Conduct	70	35	105
Criminal Offence	8	14	22
Entry and Search	3		3
Fraud against the Commonwealth	28	28	56
Harassment	9	24	33
Incivility	4	5	9
Miscellaneous	8	4	12
Misuse of Authority	33	32	65
Neglect Of Duty	31	39	70
Non Complaint	1		1
Practices and Procedures	16	20	36
Property	4	4	8
Traffic	3	8	11
Use of Force/Person	1	5	6
Total	225	230	455

Footnote: The total number of issues varies from the total number of actual allegations as each referral may comprise a number of separate issues.

Table 8: Results of completed investigations (allegation issues) 2005–06

Category	A	B	C	D	E	F	G	Total
Advice		1						1
Arrest				2				2
Assault		3						3
Conduct	31	8	3	19	2		7	70
Criminal Offence	2	3	2				1	8
Entry And Search				3				3
Fraud	5		1	22				28
Harassment	1	3		4			1	9
Incivility				4				4
Miscellaneous	3	1		3			1	8
Misuse of Authority	6	12		8		1	6	33
Neglect of Duty	7	4		20				31
Non-Complaint							1	1
Practices and Procedures	7	4		5				16
Property	1	1		1			1	4
Traffic		1		2				3
Use of Force/Person	1							1
Total	64	41	6	93	2	1	18	225

Footnote: The total number of issues varies from the total number of actual complaints as each referral may comprise a number of separate issues.

- | | |
|-------------------------------------|---|
| A Substantiated | E Reconciliation effected |
| B Unsubstantiated | F Withdrawn |
| C Incapable of determination | G Discretion exercised by the AFP not to investigate |
| D Reconciliation attempted | |

PROHIBITED DRUG TESTING PROGRAMS

Table 9: Prohibited Drug Tests Conducted during 2005–06**

Category	2004–05	2005–06
Mandatory Applicant Testing	627	1439
Mandatory Targeted Testing	2109	2988
Mandatory Investigation & Certain Incident Testing	22	15
Mandatory Contractor Testing	98	92
Totals	2856	4534

**to 30 June 2006

SECURITY CLEARANCES

Table 10: Number of security clearances completed by category

Category	
Restricted	0
Position of Trust	545
Protected	819
Highly Protected/ Confidential	224
Highly Protected/ Secret	0
Highly Protected	716
Confidential	0
Secret	669
Top Secret	424
Total	3397

Footnote: Total number of personnel security vetting matters referred and processed during 2005–06 was 2208. Total figure of 3397 includes carry-over of vetting matters from previous year finalised during 2005–06.

CONSULTANCY SERVICES

Table 11: AFP Consultancy Services 2005–06

Consultant Name	Description	Contract Price	Selection Process (1)	Justification (2)
Acumen Alliance (ACT) Pty Ltd	Review of the Key Expectations of AFP relating to deployment and CMIS	\$62,700.00	Select Tender	B
Acumen Alliance (ACT) Pty Ltd	Compliance Audit of AFP Forensic Services Exhibit Handling	\$13,612.50	Panel	B
SAP Australia Pty Ltd	Consultancy Services SAP Systems	\$65,843.25	Select Tender	A,B,C
Covance Pty Ltd	Provision of statistical and scientific services	\$150,000.00	Select Tender	B
Aspect Organisational Psychologists	Psych assessment of prospective RSIP - Solomon Islands	\$14,300.00	Direct Sourcing	B
Geoffrey R Owens	Independent Review of Operational Activity	\$12,000.00	Direct Sourcing	C
Presence of IT Pty Ltd	Review & Analysis of Learning & Develop. Business activities & Systems requirements	\$77,220.00	Select Tender	A,B,C
Brindella Consulting Pty Ltd	Review the work of the PDF Process	\$77,600.00	Select Tender	B
Chris Morgan	Review of upgrading of AIPM's Distance Education Modules	\$44,000.00	Direct Sourcing	B
Futurebrand FHA Pty Ltd	Provision of AFP Brand Development	\$60,000.00	Direct Sourcing	A,B
Futurebrand FHA Pty Ltd	Provision of AFP Brand Development	\$165,000.00	Direct Sourcing	A,B
PriceWaterhouse Coopers	Audit of Drug and Property holdings	\$28,500.00	Direct Sourcing	A
Chris Farrell Consulting Pty Ltd	Internal AFP survey	\$59,138.20	Select Tender	B,C
Hudson Global Resources Pty Ltd	Internal AFP survey	\$22,720.00	Select Tender	A,B,C
Ramez Jaja Sanber	Provision of research assistance to academic research	\$10,500.00	Direct Sourcing	A
Chandler MacLeod Group - J Simmons	Technical advice re design, construction and delivery of police boats	\$66,500.00	Direct Sourcing	A, B
Acumen Alliance (ACT) Pty Ltd	To review and report on the current organisational structure for information services	\$16,500.00	Select Tender	C
Acumen Alliance (ACT) Pty Ltd	Audit of ACT handgun buyback scheme	\$14,091.92	Panel	B
Acumen	Compliance Audit of Commissioner's Office	\$13,612.50	Panel	B

Table 11: Consultancy Services 2005–06 continued

Consultant Name	Description	Contract Price	Selection Process (1)	Justification (2)
Presence of IT Pty Ltd	Review of the AFP SAP Employee Self Service (ESS) system	\$74,725.00	Direct Sourcing	C
Gartner Australasia Pty Ltd	Provision of a GAP analysis of IT Strategy & Architecture Roadmap	\$52,800.00	Direct Sourcing	B
KPMG	Performance Audit of AFPPS ACCS receivable & Tax	\$35,000.00	Panel	B
Masters Le Mesurier	Compliance Audit of Facilitative Agreements under CA	\$23,793.00	Panel	B
PriceWaterhouse Coopers	Compliance Audit of ACT Police in court orders	\$38,511.00	Panel	B
PriceWaterhouse Coopers	Compliance Audit of ACT (Public) firearms Registry	\$28,644.00	Panel	B
PriceWaterhouse Coopers	Compliance Audit of property & exhibits practices ACT policing	\$23,925.00	Panel	B
KPMG	Compliance Audit of Travel - IS	\$11,550.00	Panel	B
KPMG	Compliance Audit of Travel - IDG	\$11,550.00	Panel	B
KPMG	Preliminary study of financial processes & systems	\$10,450.00	Panel	B
GHD Management Engineering	WPC feasibility study	\$88,220.00	Open Tender	B
Victorian Institute of Forensic Medicine	Victorian Institute of Forensic Medicine	\$330.00	Direct Sourcing	C
D Barclay	Analytical services to ACTPOL	\$60,000.00	Direct Sourcing	B
KPMG	Performance Audit of AFP Travel	\$46,750.00	Panel	B
Len Early Pty Ltd	Conduct an assessment of the strategic financial position of the AFP.	\$44,000.00	Direct Sourcing	A, B, C
Total		\$1,524,086.37		

Selection Process Codes

Open tendering:

A procurement procedure in which a request for tender is published inviting all business that satisfy the conditions of participation to submit tenders. Public tenders are sought from the marketplace using national and major metropolitan newspaper advertising and the Australian Government AusTender internet site.

Select tender:

A procurement procedure in which the procuring agency selects which potential suppliers are invited to submit tenders. Tenders are invited from a short list of competent suppliers.

Direct sourcing:

A form of restricted tendering, available only under certain defined circumstances, with a single potential supplier or suppliers being invited to bid because of their unique expertise and/or ability to supply the goods and/or services sought.

Panel:

An arrangement under which a number of suppliers, usually selected through a single procurement process, may each supply property or services to an agency as specified in the panel arrangements. Tenders are sought from suppliers that have pre-qualified on the agency panels to supply to the government. This category includes standing offers and supplier panels where the consultant offers to supply goods and services for a pre-determined length of time, usually at a pre-arranged price.

Reasons Engaged Codes

- A Skills currently unavailable within agency
 B Need for specialised or professional skills
 C Need for independent research or assessment

ADVERTISING AND MARKET RESEARCH

Table 12: Advertising and Market Research 2005–06

Advertising organisations Company Name	Amount \$
2B Advertising and Design	9,136.00
Fresh Creative Design Pty Ltd	9,000.00
Spectrum Graphics	16,500.00
Total Advertising Organisations	34,636.00
Market research and polling organisations	
No market research was undertaken in 2005–06	Nil
Total Market Research and Polling Organisations	Nil
Direct Mail Organisations	
Canberra Mailing & Envelopes	9,462.54
Total Direct Mail Organisations	9,462.54
Media and Advertising Organisations	
Canberra FM Radio Pty Ltd	111,476.41
Federal Capital Press Pty Ltd	14,359.09
HMA Blaze Pty Ltd	103,954.36
Hudson Global Resources	522,444.42
National Promotions Pty Ltd	68,812.48
OPC Pty Ltd	15,792.68
Prime Television (SOUTHERN) Pty Ltd	13,594.00
Val Morgan & Co (Aust) Pty Ltd	7,260.00
WIN Television Pty Ltd	4,987.00
Total Media and Advertising Organisations	862,680.44
Total Advertising and Marketing	906,778.98

* Denotes information that may be reportable under both Consultancy Services and Advertising and Market Research.

FREEDOM OF INFORMATION

AFP (pursuant to s.8(1) of the *Freedom of Information Act 1982*

This functional statement is published to meet the requirements of section 8 of the *Freedom of Information Act 1982* (the FOI Act). The decision-making powers of the AFP 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 functions and powers of AFP members are set out in the *Australian Federal Police Act 1979* and include the provision of police services to the Commonwealth and the Australian Capital Territory. The corporate overview of this report (Chapter 1) provides information relating to the organisation and functions of the AFP.

Any non-Commonwealth organisation or person interested in participating in the formulation of policy or the administration of a scheme by the AFP should write to the Minister for Justice and Customs or the Commissioner of the AFP.

The AFP releases documents pursuant to the FOI Act, the *Privacy Act 1988* and AFP Regulations, while many documents are made available to the public via the AFP's Internet web site. Details of the requests for information received by the AFP during the financial year are as follows:

Table 13: AFP Information Requests

Category	2005–06	2004–05
Freedom of Information	184	198
Requests for documents – offences against the person	391	469
Requests for documents – accidents	2727	3758
Requests for documents – offences against property	298	50
Subpoena or Summons	339	355
Totals	3939	4830

Figures to 30 June 2006

FOI procedures and contact points

Requests for access to documents under the FOI Act and requests for internal reviews of decisions made under the FOI Act, should be addressed to:

The Freedom of Information Team

Australian Federal Police

GPO Box 401

Canberra ACT 2601

Requests for access to documents held by the AFP should include the following details: the applicant's full name, date of birth and address; and a detailed description of the documents requested. Requests can be delivered to any AFP office or forwarded directly to the AFP Freedom of Information Team.

An application fee of \$30.00 applies to all requests made under the FOI Act, and there are further charges for processing applications. An application fee of \$40.00 applies to all applications for internal review of decisions made under the Act. Fees and charges may be reduced or remitted for reasons

including that payment would result in financial hardship to the applicant, or that the provision of access to the documents is in the public interest. The team leader of the AFP's FOI Team is authorised pursuant to s.23 of the FOI Act to make decisions concerning fees and charges, as well as the release or exemption of documents under the FOI Act.

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

Further information regarding any FOI matter can be obtained by phoning the FOI Team on (02) 6246 2112. There are different fees payable to access documents not covered by the FOI Act. For information about obtaining a copy of a motor vehicle accident or an incident report relating to a property offence, telephone (02) 6202 3243. For information about obtaining an incident report relating to an offence against the person, telephone (02) 6245 7435. Payment may be made to the Receiver of Public Monies. For information about obtaining a character check or criminal and traffic conviction report, telephone (02) 6202 3333.

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>.

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 submissions prepared for the Attorney-General and the Minister for Justice and Customs
- 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
- lost property reports and associated documents
- Ministerial Directions in accordance with the AFP Act

- 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)
- staff recruitment campaign records
- subject indexes, nominal indexes and inward correspondence registers relating to departmental files.

Documents available free of charge upon request

A range of publications are available to members of the public free of charge. These include: the AFP Annual Report, ACT Policing Annual Report, AFP Agency budget statements and AFP Corporate Directions 2001–04.

Services and documents available for a fee.

A list of services and documents available for a fee is available on the AFP web site at:

<www.afp.gov.au/services>

People Strategies

Table 14: AFP Senior Executive 2005–06

Executive	Management	AFP Sworn	AFP Unsworn	Grand Total
Deputy Commissioner Operations	Output 1.1	22	3	25
	Output 1.2	3	1	4
	Output 1.3	5	1	6
Deputy Commissioner Operations Total		30	5	35
Chief of Staff	Chief of Staff Office	1	0	1
	Marketing & Communication	0	1	1
	Policy & Strategic Planning	0	1	1
	Performance & Planning	1	0	1
	High-Tech Crime Centre	1	0	1
Chief of Staff Total		3	2	5
Chief Operating Officer	Chief Operating Officer - COO	0	2	2
	National Manager Human Resources	3	2	5
	Finance & Commercial	0	2	2
	Information Services	1	2	3
	National Manager Forensic & Technical	1	2	3
Chief Operating Officer Total		5	10	15
Chief Police Officer - ACT	ACT Policing	3	1	4
Chief Police Officer - ACT Total		3	1	4
Grand Total		41	18	59

Note: 3 SES paid by the AFP are engaged in senior policing roles in Pacific Island police forces

Table 15: AFP Geographical distribution 2005–06

Location	Sworn			Unsworn			Total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Australian Capital Territory	1 159	297	1 456	622	760	1 382	1 781	1 057	2 838
Commonwealth Territories	13	3	16	5	4	9	18	7	25
New South Wales	486	103	589	54	60	114	540	163	703
Northern Territory	84	11	95	0	7	7	84	18	102
Overseas Posts	381	55	436	42	34	76	423	89	512
Queensland	255	52	307	24	41	65	279	93	372
South Australia	65	19	84	2	11	13	67	30	97
Tasmania	16	3	19	2	1	3	18	4	22
Victoria	342	90	432	27	50	77	369	140	509
Western Australia	195	24	219	14	22	36	209	46	255
Grand Total	2 996	657	3 653	792	990	1 782	3 788	1 647	5 435

Source: EIS 30/06/2006

Table 16: Ongoing and non-ongoing and casual staff at 30 June 2006

Employee Group	2005–06	2004–05	Difference	Change
AFP Permanent Full-time	3 657	3 310	347	10.50%
AFP Permanent Part-time	160	142	18	0.10%
AFP Temporary Full-time	139	125	14	0.10%
AFP Temporary Part-time	19	19	0	0.00%
AFP Casual	10	5	5	0.00%
AFP Seconded Paid	3	0	3	0.00%
AFP Total	3 988	3 601	387	10.70%
PS Permanent Full-time	1 414	n/a		
PS Permanent Part-time	17	n/a		
PS Temporary Full-time	13	n/a		
PS Temporary Part-time	3	n/a		
PS Casual	0	n/a		
PS Seconded Paid	0	n/a		
PS Total	1 447			
Grand Total	5 435			

Source: EIS 30/06/2006

Table 17: Salary ranges available to AFP employees 2005–06

AFP BAND	PAY POINT	PREVIOUS GRADE	BASE SALARY AT 1 JULY 2003	SALARY AS AT		
				12/11/2003 PLUS 4 %	12/11/2004 PLUS 4%	12/11/2005 PLUS 4%
1	1.1	3.2	\$29,009	\$30,169	\$31,376	\$32,631
	1.2	3.3/4.1	\$30,029	\$31,230	\$32,479	\$33,779
	1.3	4.2	\$31,124	\$32,369	\$33,664	\$35,010
	1.4	4.3	\$32,221	\$33,510	\$34,850	\$36,244
2	2.1	5.1	\$32,221	\$33,510	\$34,850	\$36,244
	2.2	5.2	\$33,467	\$34,806	\$36,198	\$37,646
	2.3	5.3/6.1	\$34,680	\$36,067	\$37,510	\$39,010
	2.4	6.2	\$35,983	\$37,422	\$38,919	\$40,476
	2.5	6.3	\$37,434	\$38,931	\$40,489	\$42,108
3	3.1	7.1	\$37,434	\$38,931	\$40,489	\$42,108
	3.2	7.2	\$38,957	\$40,515	\$42,136	\$43,821
	3.3	7.3/8.1	\$40,479	\$42,098	\$43,782	\$45,533
	3.4	8.2	\$42,094	\$43,778	\$45,529	\$47,350
	3.5	8.3	\$43,706	\$45,454	\$47,272	\$49,163
4	4.1	9.1	\$43,706	\$45,454	\$47,272	\$49,163
	4.2	9.2	\$45,490	\$47,310	\$49,202	\$51,170
	4.3	9.3/10.1	\$47,271	\$49,162	\$51,128	\$53,173
	4.4	10.2	\$49,242	\$51,212	\$53,260	\$55,391
	4.5	10.3	\$51,380	\$53,435	\$55,573	\$57,796
5	5.1	11.1	\$51,380	\$53,435	\$55,573	\$57,796
	5.2	11.2	\$53,523	\$55,664	\$57,890	\$60,206
	5.3	11.3	\$55,661	\$57,887	\$60,203	\$62,611
6	6.1	12.1	\$55,661	\$57,887	\$60,203	\$62,611
	6.2	12.2	\$58,538	\$60,880	\$63,315	\$65,847
	6.3	12.3	\$61,413	\$63,870	\$66,424	\$69,081
7	7.1	13.1	\$61,413	\$63,870	\$66,424	\$69,081
	7.2	13.2	\$63,594	\$66,138	\$68,783	\$71,535
	7.3	13.3	\$65,776	\$68,407	\$71,143	\$73,989
8	8.1	14.1	\$65,776	\$68,407	\$71,143	\$73,989
	8.2	14.2	\$68,684	\$71,431	\$74,289	\$77,260
	8.3	14.3	\$71,595	\$74,459	\$77,437	\$80,535
9	9.1	15.1	\$71,595	\$74,459	\$77,437	\$80,535
	9.2	15.2	\$74,807	\$77,799	\$80,911	\$84,148
	9.3	15.3/16.1	\$78,018	\$81,139	\$84,384	\$87,760
	9.4	16.2	\$81,532	\$84,793	\$88,185	\$91,712
	9.5	16.3	\$85,046	\$88,448	\$91,986	\$95,665

Table 18: Senior Executive Performance Bonus Payments

	Amount	Number
SES Level 3	\$20,000	2
SES Level 2	\$95,500	12
SES Level 1	\$125,250	21
Total	\$240,750	35

Please note that these performance bonuses were paid during the 2005–06 Financial Year relating to performance during the 2004–05 Financial Year.

Table 19: Years of Service

Personnel Area	Executive	Service Group							Grand Total
		0 yrs	01-05 yrs	06-10 yrs	11-15 yrs	16-20 yrs	21-25 yrs	26+ yrs	
AFP Sworn	Deputy Commissioner Operations	85	343	313	146	244	186	151	1468
	Chief of Staff	0	7	18	6	12	4	5	52
	Chief Operating Officer	1	28	34	32	51	51	25	222
	Chief Police Officer - ACT	66	294	100	27	54	62	51	654
	Protective Service	98	778	140	74	126	32	9	1257
AFP Sworn Total (250	1450	605	285	487	335	241	3653
AFP Unsworn	Deputy Commissioner Operations	163	255	95	41	42	6	7	609
	Chief of Staff	14	22	11	2	5	0	1	55
	Chief Operating Officer	226	314	97	47	47	25	10	766
	Chief Police Officer - ACT	41	92	12	6	9	2	0	162
	Protective Service	70	92	19	5	3	1	0	190
AFP Unsworn Total		514	775	234	101	106	34	18	1782
Grand Total		764	2225	839	386	593	369	259	5435

Source: EIS 30/06/2006

Table 20: AFP Workforce Composition 2005–06

Band	Sworn			Unsworn			Total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
TPSO	0	0	0	49	5	54	49	5	54
PSO1	66	9	75	0	0	0	66	9	75
PSO2	8	1	9	0	0	0	8	1	9
SPSO	6	0	6	0	0	0	6	0	6
AFR PSO1	795	65	860	0	0	0	795	65	860
AFR PSO2	64	2	66	0	0	0	64	2	66
AFR SPSO	33	3	36	0	0	0	33	3	36
APS*4	146	5	151	1	0	1	147	5	152
Band 0	5	4	9	4	4	8	9	8	17
Band 1	0	0	0	0	2	2	0	2	2
Band 2	74	26	100	85	91	176	159	117	276
Band 3	323	121	444	131	293	374	454	414	868
Band 4	767	249	1016	159	289	448	926	538	1464
Band 5	107	42	149	40	68	108	147	110	257
Band 6	76	25	101	92	95	187	168	120	288
Band 7	330	72	402	65	70	135	395	142	537
Band 8	59	9	68	72	35	107	131	44	175
Band 9	98	20	118	70	34	104	168	54	222
EL1	2	0	2	0	0	0	2	0	2
SES	35	4	39	17	1	18	52	5	57
Statutory Office Holders	2		2				2		2
Casual				7	3	10	7	3	10
Total	2996	657	3653	792	990	1782	3788	1647	5435

Source: EIS 30/06/2006

Table 21: Outposting to other agencies/police services, secondments, Territories policing and peacekeeping.

	Base Salary Group											Total
	0	1	2	3	4	5	6	7	8	9	SES	
High-Tech Crime Centre	0	0	0	0	0	0	0	0	0	0	0	0
Australian High-Tech Crime Commission	0	0	0	0	0	0	0	0	0	0	0	0
External Territories												
Jervis Bay	1	0	0	0	2	0	1	0	0	0	0	4
Christmas Island	5	1	0	0	3	0	0	1	0	0	0	10
Cocos Island	2	0	0	0	1	0	0	1	0	0	0	4
Norfolk Island	0	0	0	1	1	0	0	1	0	0	0	3
Peacekeeping												
Cyprus	0	0	0	0	0	0	0	0	0	0	0	0
Jordan	0	0	0	0	0	0	0	0	0	0	0	0
Nauru	0	0	0	0	0	0	0	0	0	0	0	0
East Timor - UN	0	0	0	0	0	0	0	0	0	0	0	0
East Timor - LECP	0	0	0	0	0	0	0	0	0	0	0	0
Papua New Guinea	0	0	0	0	0	0	0	0	0	0	0	0
RAMSI (Solomon Islands)	0	0	0	0	0	0	0	0	0	0	0	0
Vanuatu	0	0	0	0	0	0	0	0	0	0	0	0
Sudan	0	0	0	0	0	0	0	0	0	0	0	0
Australian Crime Commission												
Sydney	0	0	0	0	2	0	0	1	0	0	0	3
Brisbane	0	0	0	0	2	0	0	0	0	0	0	2
Adelaide	0	0	0	0	2	0	0	0	0	0	0	2
Melbourne	0	0	0	0	6	1	0	0	0	1	0	8
Perth	0	0	0	0	0	0	0	0	0	0	0	0
Australian Crime Commission Total	0	0	0	0	12	1	0	1	0	1	0	15

Source: EIS 30/06/2006


HONOURS AND AWARDS

Table 22: National Medals & Police Overseas Service Medals processed during 2005–06

Operating Division	National Medal				Police Overseas Service Medal						AFP Internal Honours & Awards
	Medal	1st Clasp	2nd Clasp	3rd Clasp	Cyprus		Timor-Leste		RAMSI		See Table 23
					Medal	Clasp	Medal	Clasp	Medal	Clasp	
AFP	65	23	5	–	-	-	-	-	-	-	
APS	34	6	1	–	-	-	-	-	-	-	

Source: Recognition and Ceremonial Team. Data as of 1 July 2006

Table 23: Honours & Awards to AFP Employees 2005–06

Award Type	AFP		APS	
Internal Awards	Medal	Clasp/Bar	Medal	Clasp/Bar
Commissioner's Medal Excellence (CME)	5	-	-	-
Commissioner's Medal Innovation (CMI)	5	-	-	-
Commissioner's Commendation Bravery (CCB)	6 + 1*	-	1	-
Commissioner's Commendation Conspicuous Conduct (CCCC)	17	-	2	-
Commissioner's Commendation Excellence in Overseas Service (CCEOS)	5	-	-	-
Commissioner's Commendation Hazardous Overseas Service (CCHOS)	-	-	-	
Commissioner's Group Citation Bravery (CGCB)	17+2*	-	21	-
Commissioner's Group Citation Conspicuous Conduct (CGCCC)	148+1*+3**	-	7	-
Commissioner's Group Citation Excellence in Overseas Service (CGCEOS)	46+3*	-	7	-
Commissioner's Group Citation Hazardous Overseas Service (CGCHOS)	6	-	2	-
Australian Federal Police Operations Medal Australian Federal Police Service Medal	Yet to be awarded	-		
Australian Protective Service Medal			Yet to be awarded	-
TOTAL	265	-	40	-

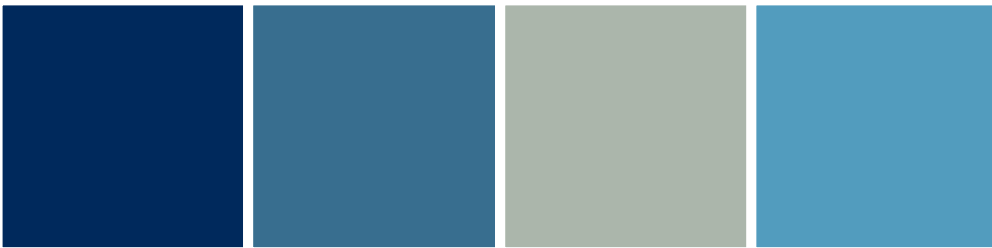
External Awards Australian Honours System				
Bravery Medal (BM)	-	-		
Public Service Medal (PSM)	1	-		
Australian Police Medal (APM)	6	-		
Commendation	-	-		
Brave Conduct	-	-		
Group Citation for Bravery	-	-		
Police Overseas Service Medal	-	-	-	
Humanitarian Overseas Service Medal	-	-	-	
National Medal	65	28	34	7
Foreign Awards				
MEDALYA NG KATANGITANGING GAWA (Philippines National Police Outstanding Achievement Medal)	3	-	-	-

Source: AFP Recognition and Ceremonial Team. Data as of 1 July 2006

*State Police Officer

**Other Government Organisations

Financial Statements



This chapter contains:

- Audited Financial Statements relating to the AFP's financial performance for 2005–06



INDEPENDENT AUDIT REPORT

To the Minister for Justice and Customs

Scope

The financial statements and the Commissioner's responsibility

The financial statements comprise:

- Statement by the Commissioner and Chief Finance Officer;
- Income Statement, Balance Sheet and Cash Flow Statement;
- Statement of Changes in Equity;
- Schedules of Commitments and Contingencies; and
- Notes to and forming part of the Financial Statements

of the Australian Federal Police for the year ended 30 June 2006.

The Commissioner is responsible for preparing financial statements that give a true and fair presentation of the financial position and performance of the Australian Federal Police, and that comply with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997* and Accounting Standards and other mandatory financial reporting requirements in Australia. The Commissioner is also responsible for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial statements.

Audit Approach

I have conducted an independent audit of the financial statements in order to express an opinion on them to you. My audit has been conducted in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial statements are free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive, rather than conclusive, evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

While the effectiveness of management's internal controls over financial reporting was considered when determining the nature and extent of audit procedures, the audit was not designed to provide assurance on internal controls.

GPO Box 767 CANBERRA ACT 2601
Centenary House 18 National Circuit
BARTON ACT
Phone (02) 6201 7900 Fax (02) 6201 7777

I have performed procedures to assess whether, in all material respects, the financial statements present fairly, in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997* and Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with my understanding of the Australian Federal Police's financial position, and of its financial performance and cash flows.

The audit opinion is formed on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial statements; and
- assessing the appropriateness of the accounting policies and disclosures used, and the reasonableness of significant accounting estimates made by the Commissioner.

Independence

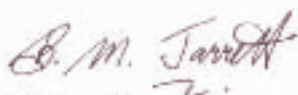
In conducting the audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the ethical requirements of the Australian accounting profession.

Audit Opinion

In my opinion, the financial statements of the Australian Federal Police:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, and
- (b) give a true and fair view of the Australian Federal Police's financial position as at 30 June 2006 and of its performance and cash flows for the year then ended, in accordance with:
 - (i) the matters required by the Finance Minister's Orders; and
 - (ii) applicable Accounting Standards and other mandatory financial reporting requirements in Australia.

Australian National Audit Office



Brandon Jarrett
Executive Director

Delegate of the Auditor-General
Canberra
10 August 2006

Statement by the Commissioner of Police and Chief Finance Officer

In our opinion, the attached financial statements for the year ended 30 June 2006 have been prepared based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, as amended.

Signed



M J Keelty
Commissioner


10 August 2006

Signed



Allan Gaukroger
Chief Finance Officer


10 August 2006

**AUSTRALIAN FEDERAL POLICE
INCOME STATEMENT**

for the year ended 30 June 2006

	Notes	2006 \$'000	2005 \$'000
INCOME			
<i>Revenue</i>			
Revenues from Government	4A	720,640	611,954
Goods and services	4B	184,957	202,619
Other revenues	4C	10,074	17,061
Total revenue		915,671	831,634
<i>Gains</i>			
Other gains	4D	446	380
Total gains		446	380
Total income		916,117	832,014
EXPENSES			
Employee expenses	5A	482,158	459,135
Suppliers expenses	5B	387,752	304,733
Depreciation and amortisation	5C	38,141	39,893
Finance costs	5D	379	373
Write down and impairment of assets	5E	-	402
Loss from disposal of assets	5F	840	1,455
Total expenses		909,270	805,991
Operating result before income tax		6,847	26,023
Income tax equivalent expense	6	1,041	2,904
Operating result		5,806	23,119
Net surplus or (deficit) attributable to the Australian Government		5,806	23,119

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

**AUSTRALIAN FEDERAL POLICE
BALANCE SHEET**

as at 30 June 2006

	Notes	2006 \$'000	2005 \$'000
ASSETS			
Financial assets			
Cash	7A	16,304	27,965
Receivables	7B	348,072	285,256
Accrued revenue	7C	1,445	1,563
Total financial assets		365,821	314,784
Non-financial assets			
Land and buildings	8A,C	39,529	27,193
Infrastructure, plant and equipment	8B,C	74,087	64,216
Inventories	8E	2,998	990
Intangibles	8D	16,009	12,546
Other non-financial assets	8F	9,082	6,725
Total non-financial assets		141,705	111,670
Total assets		507,526	426,454
LIABILITIES			
Payables			
Suppliers	9A	58,991	39,160
Other payables	9B	5,012	3,977
Tax liabilities equivalents	9C	3,579	5,544
Total payables		67,582	48,681
Provisions			
Employee provisions	10A	123,901	118,718
Other provisions	10B	6,992	19,204
Total provisions		130,893	137,922
Total liabilities		198,475	186,603
Net assets		309,051	239,851
EQUITY			
Contributed equity		264,793	199,843
Reserves		12,407	12,749
Retained surpluses / (accumulated deficits)		31,851	27,259
Total equity		309,051	239,851
Current assets		377,901	322,499
Non-current assets		129,625	103,955
Total asset		507,526	426,454
Current liabilities		179,539	172,755
Non-current liabilities		18,936	13,848
Total liabilities		198,475	186,603

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

AUSTRALIAN FEDERAL POLICE
STATEMENT OF CASH FLOWS
for the year ended 30 June 2006

	Notes	2006 \$'000	2005 \$'000
OPERATING ACTIVITIES			
Cash received			
Goods and services		207,690	218,737
Appropriations		705,511	542,268
GST received from ATO		<u>23,000</u>	<u>11,730</u>
Total cash received		<u>936,201</u>	<u>772,735</u>
Cash used			
Employees		474,436	447,780
Suppliers		407,912	301,835
Other - FBT payment		11,067	-
Competitive neutrality payments		5,544	1,634
Cash transferred to OPA		<u>4,000</u>	<u>-</u>
Total cash used		<u>902,959</u>	<u>751,249</u>
Net cash from / (used by) operating activities	12	<u>33,242</u>	<u>21,486</u>
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of property, plant and equipment		<u>3</u>	<u>20</u>
Total cash received		<u>3</u>	<u>20</u>
Cash used			
Purchase of property, plant and equipment		55,890	41,724
Purchase of intangibles		8,598	3,581
Purchase of inventory		<u>4,463</u>	<u>169</u>
Total cash used		<u>68,951</u>	<u>45,474</u>
Net cash from / (used by) investing activities		<u>(68,948)</u>	<u>(45,454)</u>
FINANCING ACTIVITIES			
Cash received			
Capital injections		23,988	29,732
Departmental restructuring		<u>415</u>	<u>-</u>
Total cash received		<u>24,403</u>	<u>29,732</u>
Cash used			
Dividend		358	2,175
Transfer of funds to OPA		<u>-</u>	<u>35,371</u>
Total cash used		<u>358</u>	<u>37,546</u>
Net cash from / (used by) financing activities		<u>24,045</u>	<u>(7,814)</u>
Net increase or (decrease) in cash held		<u>(11,661)</u>	<u>(31,782)</u>
Cash at the beginning of the reporting period		<u>27,965</u>	<u>59,747</u>
Cash at the end of the reporting period	7A	<u>16,304</u>	<u>27,965</u>

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

**AUSTRALIAN FEDERAL POLICE
STATEMENT OF CHANGES IN EQUITY**
for the year ended 30 June 2006

Item	Accumulated Results		Asset Revaluation Reserves		Total Reserves		Contributed Equity		TOTAL EQUITY	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Opening Balance	27,259	4,498	12,749	13,105	12,749	13,105	199,843	170,111	239,851	187,714
Adjusted Opening Balance	27,259	4,498	12,749	13,105	12,749	13,105	199,843	170,111	239,851	187,714
Revaluation Adjustment	n/a	n/a	(342)	(356)	(342)	(356)	n/a	n/a	(342)	(356)
Subtotal income and expenses recognised directly in equity			(342)	(356)	(342)	(356)			(342)	(356)
Net Operating Result	5,806	23,119	n/a	n/a	n/a	n/a	n/a	n/a	5,806	23,119
Sub-total Income and Expenses	5,806	23,119	(342)	(356)	(342)	(356)	-	-	5,464	22,763
Transactions with owner: <i>Distributions to owners</i>										
Returns on Capital										
Dividends	(1,214)	(358)	-	-	-	-	-	-	(1,214)	(358)
<i>Contributions by owners</i>										
Appropriations (equity injections)	-	-	-	-	-	-	64,497	29,732	64,497	29,732
Restructuring (Note 11)	-	-	-	-	-	-	453	-	453	-
Sub-total Transactions with Owners	(1,214)	(358)	-	-	-	-	64,950	29,732	63,736	29,374
Closing balance as at 30 June	31,851	27,259	12,407	12,749	12,407	12,749	264,793	199,843	309,051	239,851
Less: outside equity interests	-	-	-	-	-	-	-	-	-	-
<i>Total equity attributable to the Commonwealth</i>	31,851	27,259	12,407	12,749	12,407	12,749	264,793	199,843	309,051	239,851

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

AUSTRALIAN FEDERAL POLICE SCHEDULE OF COMMITMENTS

as at 30 June 2006

	2006 \$'000	2005 \$'000
BY TYPE		
Capital commitments		
Land and buildings ¹	59,119	7,874
Infrastructure, plant and equipment ²	<u>2,024</u>	<u>6,180</u>
Total capital commitments	61,143	14,054
Other commitments		
Operating leases ³	161,277	164,635
Other commitments ⁴	<u>139,158</u>	<u>41,092</u>
Total other commitments	300,435	205,727
GST commitments receivable	<u>(34,565)</u>	<u>(26,678)</u>
Net commitments by type	<u>327,013</u>	<u>193,103</u>
BY MATURITY		
Capital commitments		
One year or less	47,596	14,054
From one to five years	13,547	-
Over five years	<u>-</u>	<u>-</u>
Total capital commitments	<u>61,143</u>	<u>14,054</u>
Operating lease commitments		
One year or less	43,486	44,800
From one to five years	76,545	71,353
Over five years	<u>41,246</u>	<u>48,482</u>
Total operating lease commitments	<u>161,277</u>	<u>164,635</u>
Other commitments		
One year or less	76,272	32,908
From one to five years	62,886	8,184
Over five years	<u>-</u>	<u>-</u>
Total other commitments	<u>139,158</u>	<u>41,092</u>
GST commitments receivable		
One year or less	(17,176)	(12,574)
From one to five years	(13,652)	(9,715)
Over five years	<u>(3,737)</u>	<u>(4,389)</u>
Total GST commitments receivable	<u>(34,565)</u>	<u>(26,678)</u>
Net commitments by maturity	<u>327,013</u>	<u>193,103</u>

NB: Commitments are GST inclusive where relevant.

¹ Outstanding contractual payments for buildings under construction (including leasehold improvements).

² Contracts for the purchase of IT software and equipment for operational activities.

³ Operating leases included are effectively non-cancellable and comprise:

⁴ Contracts for the purchase of a variety of goods and services including logistics support for overseas deployments.

Nature of lease	General description of leasing arrangement
Leases for office accommodation	<ul style="list-style-type: none"> • lease payments are subject to terms as detailed in the lease agreement; and • 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	<ul style="list-style-type: none"> • no contingent rentals exist; and • there are no renewal or purchase options available to the AFP.
Leases in relation to computer and other equipment	<ul style="list-style-type: none"> • the lessor provides computer and other equipment to the AFP; and • no contingent rentals exist; and • 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**

as at 30 June 2006

Contingent liabilities	Claims for damages/costs		Total	
	2006	2005	2006	2005
	\$'000	\$'000	\$'000	\$'000
Balance from previous period	2,995	1,195	2,995	1,195
New	13,418	2,540	13,418	2,540
Re-measurement	(298)	(670)	(298)	(670)
Liabilities crystallised	286	70	286	70
Obligations expired	180	-	180	-
Total contingent liabilities	15,649	2,995	15,649	2,995
Contingent assets	Claims for damages/costs		Total	
	2006	2005	2006	2005
Balance from previous period	-	-	-	-
New	-	-	-	-
Re-measurement	-	-	-	-
Assets crystallised	-	-	-	-
Expired	-	-	-	-
Total contingent assets	-	-	-	-
Net contingencies	15,649	2,995	15,649	2,995

Details of each class of contingent liabilities and assets, including those not included above (because they cannot be quantified or are considered remote), are disclosed at **Note 13: Contingent liabilities and assets**.

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 2006

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Notes to and forming part of the Financial Statements

Note 1: Summary of significant accounting policies

1.1 Objectives of Australian Federal Police

The objectives of 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 AFP is structured to meet two outcomes:

Outcome 1: National - International Focus

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

Outcome 2: ACT Community Policing Focus

Policing activity creates a safe and secure environment in the Australian Capital Territory (ACT).

AFP activities contributing toward these outcomes are classified as departmental. Departmental activities involve the use of assets, liabilities, revenues and expenses controlled or incurred by the AFP in its own right.

Departmental activities are identified under eight Outputs.

The following four outputs relate to Outcome 1:-

- Output 1.1 Investigation Services Objectives;
- Output 1.2 Protection Services Objectives;
- Output 1.3 International Deployment Services; and
- Output 1.4 Guarding and Security Services Objectives.

The following four outputs relate to Outcome 2:-

- Output 2.1 Crime and Safety Management Objectives;
- Output 2.2 Traffic Law Enforcement and Road Safety Objectives;
- Output 2.3 Crime Prevention Objectives; and
- Output 2.4 Prosecution and Judicial Support Objectives.

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

Notes to and forming part of the Financial Statements

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 Minister for Finance and Administration (acting under clause 1D.1 of Schedule 1 to the *Financial Management and Accountability Orders (Financial Statements for reporting periods ending on or after 01 July 2005)*) has exempted the AFP from the requirements under appendix A of the Finance Ministers Orders in respect of activities relating to sensitive operational units.

Except for the disclosure of the activities exempted by the Minister for Finance and Administration, the financial statements have been prepared in accordance with:

- Finance Minister's Orders (or FMOs, being the *Financial Management and Accountability Orders (Financial Statements for reporting periods ending on or after 01 July 2005)*);
- Australian Accounting Standards issued by the Australian Accounting Standards Board that apply for the reporting period; and
- Interpretations issued by the AASB and UIG that apply for the reporting period.

This is the first financial report to be prepared under Australian Equivalents to International Financial Reporting Standards (AEIFRS). The impacts of adopting AEIFRS are Disclosed at Note 2.

The Income Statement and Balance Sheet have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets and liabilities, which, as noted, are at fair value or amortised cost. Unless otherwise stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial report is presented in Australian dollars and values are rounded to the nearest thousand dollars unless disclosure of the full amount is specifically required.

Unless alternative treatment is specifically required by an accounting standard, assets and liabilities are recognised in the Balance Sheet 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. However, assets and liabilities arising under agreements equally proportionately unperformed are not recognised unless required by an Accounting Standard. Liabilities and assets which are unrecognised are reported in the Schedule of Commitments and the Schedule of Contingencies (other than unquantifiable or remote contingencies, which are reported at Note 13).

Unless alternative treatment is specifically required by an accounting standard, revenues and expenses are recognised in the Income Statement when and only when the flow or consumption or loss of economic benefits has occurred and can be reliably measured.

1.3 Significant accounting judgement and estimates

In the process of applying the accounting policies listed in this note, the AFP has made the following judgements that have the most significant impact on the amounts recorded in the financial statements:

- The fair value of land and buildings has been taken to be the market value of similar properties as determined by an independent valuer. In some instances, the AFP buildings are purpose built and may in fact realise more or less in the market.

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

Notes to and forming part of the Financial Statements

1.4 Statement of compliance

The financial report complies with Australian Accounting Standards, which include Australian Equivalents to International Financial Reporting Standards (AEIFRS).

Australian Accounting Standards require the AFP to disclose Australian Accounting Standards that have not been applied, and standards that have been issued but are not yet effective.

The AASB has issued amendments to existing standards, these amendments are denoted by year and then number, for example 2005-1 indicates amendment 1 issued in 2005.

The table below illustrates standards and amendments that will become effective for the AFP in the future. The nature of the impending change within the table, has out of necessity been abbreviated and users should consult the full version available on the AASB's website to identify the full impact of the change. The expected impact on the financial report of adoption of these standards is based on the AFP's initial assessment at this date, but may change. The AFP intends to adopt all of standards upon their application date.

Title	Standard affected	Application date*	Nature of impending change	Impact expected on financial report
2005-10	AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038	1 Jan 2007	Amends AASB 101 to include capital disclosure requirements that replicate those contained in the IASB's complementary Amendment to IAS Presentation of Financial Instruments - Capital Disclosures; and makes consequential amendments to the other standards listed from the release of AASB 7.	No expected impact.

* Application date is for annual reporting periods beginning on or after the date shown.

1.5 Revenue

Revenues from Government

Amounts appropriated for Departmental outputs appropriations for the year (adjusted for any formal additions and reductions) are recognised as revenue, except for certain amounts which relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned.

Appropriations receivable are recognised at their nominal amounts.

Other revenue

Revenue from the sale of goods is recognised when:

- The risks and rewards of ownership have been transferred to the buyer;
- The seller retains no managerial involvement nor effective control over the goods;
- The revenue and transaction costs incurred can be reliably measured; and
- It is probable that the economic benefits associated with the transaction will flow to the entity.

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

- The amount of revenue, stage of completion and costs incurred can be reliably measured; and
- The probable economic benefits with the transaction will flow to the entity.

Notes to and forming part of the Financial Statements

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any provision for bad and doubtful debts. Collectability of debts is reviewed at balance date. An allowance for doubtful debts is made when there is objective evidence that the AFP will not be able to collect the debts. Bad debts are written off when identified.

1.6 Gains

Resources Received Free of Charge

Services received free of charge are recognised as gains 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 as gains 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.

Other Gains

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

1.7 Transactions with the Government as owner

Equity injections

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) are recognised directly in Contributed Equity in that year.

Dividend

The 1995 Memorandum of Understanding between the Department of Finance and Administration (DoFA) and the then Australian Protective Service (APS), now Australian Federal Police – Protective Service – (AFPPS) was revoked. However, DoFA specifies that the Government's position on seeking profit share via dividend arrangements has not been altered. AFPPS will be able to earn nominal interest to offset against competitive neutrality and dividend payments. AFPPS is currently reviewing this policy with DoFA.

Restructuring of Administrative Arrangements

Net assets received from or relinquished to another Commonwealth agency or authority under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

Other distributions to owners

The FMOs require that distributions to owners be debited to contributed equity unless in the nature of a dividend. In 2005-06, by agreement with Finance, AFP relinquished control of surplus output appropriation funding of \$165,700,000 and capital appropriation of \$17,000,000, which it had not drawdown from the Official Public Account. On 20 June 2006, the Finance Minister issued a determination to reduce Departmental Output Appropriations by \$165,700,000 and Departmental Capital Appropriation by \$17,000,000.

1.8 Employee benefits

As required by the Finance Minister's Orders, the AFP has early adopted *AASB119 Employee Benefits* as issued in December 2004.

Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled.

Liabilities for 'short-term employee benefits' (as defined in AASB 119) and termination benefits due within twelve months of balance date are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

All other employee benefit liabilities are measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

Leave

The liability for employee benefits 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 leave liabilities are calculated on the basis of employees' remuneration, including the AFP's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by reference to the work of an actuary as at 30 June 2006. The estimate of the present value of the liability takes into account attrition rates and pay increases.

Separation and redundancy

Provision is made for separation and redundancy benefit payments only in circumstances where the AFP has formally identified positions as excess to requirements.

Superannuation

Staff of Australian Federal Police are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) or the PSS accumulated plan (PSSap).

The CSS and PSS are defined benefit schemes for the Commonwealth. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course.

The AFP makes employer contributions to the Australian Government at rates determined by an actuary to be sufficient to meet the cost to the Australian Government of the superannuation entitlements of the AFP's employees.

From 1 July 2005, new employees are eligible to join the PSSap scheme.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the final fortnight of the year and superannuation on-costs on leave provisions.

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 2000-01 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 the years prior to the scheme ceasing.

1.9 Leases

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of leased non-current assets. An operating lease is a lease that is not a finance lease. In operating leases, 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 either fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. 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 on a straight line basis which is representative of the pattern of benefits derived from the leased assets.

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.

1.10 Finance costs

All financing costs are expensed as incurred.

1.11 Cash

Cash means notes and coins held and any deposits held at call with a bank or financial institution. Cash is recognised at its nominal amount.

1.12 Financial risk management

The AFP's activities expose it to normal commercial financial risk. As a result of the nature of the AFP's business and internal and Australian Government policies, dealing with the management of financial risk, the AFP's exposure to market, credit, liquidity and cash flow and fair value interest rate risk is considered to be low.

1.13 Derecognition of financial assets and liabilities

As prescribed in the Finance Minister's Orders, the AFP has applied the option available under AASB 1 of adopting AASB 132 and 139 from 1 July 2005 rather than 1 July 2004.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or the asset is transferred to another entity. In the case of a transfer to another entity, it is necessary that the risks and rewards of ownership are also transferred.

Financial liabilities are derecognised when the obligation under the contract is discharged, cancelled or expires.

For the comparative year, financial assets were derecognised when the contractual right to receive cash no longer existed. Financial liabilities were derecognised when the contractual obligation to pay cash no longer existed.

1.14 Impairment of financial assets

As prescribed in the Finance Minister's Orders, the AFP has applied the option available under AASB 1 of adopting AASB 132 and 139 from 1 July 2005 rather than 1 July 2004.

Financial assets are assessed for impairment at each balance date.

Notes to and forming part of the Financial Statements

Financial Assets held at Amortised Cost

If there is objective evidence that an impairment loss has been incurred for loans and receivables or held to maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in profit and loss.

Financial Assets held at Cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because it cannot be reliably measured, or a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate for similar assets.

Comparative Year

The above policies were not applied for the comparative year. For receivables, amounts were recognised and carried at original invoice amount less a provision for doubtful debts based on an estimate made when collection of the full amount was no longer probable. Bad debts were written off as incurred.

Other financial assets carried at cost which were not held to generate net cash inflows, were assessed for indicators of impairment. Where such indicators were found to exist, the recoverable amount of the assets was estimated and compared to the assets carrying amount and, if less, reduced to the carrying amount. The reduction was shown as an impairment loss.

1.15 Trade creditors

Trade 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).

1.16 Contingent liabilities and contingent assets

Contingent Liabilities and Assets are not recognised in the Balance Sheet but are discussed in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset, or represent an existing liability or asset in respect of which settlement is not probable or the amount cannot be reliably measured. Remote contingencies are part of this disclosure. Where settlement becomes probable, a liability or asset is recognised. A liability or asset is recognised when its existence is confirmed by a future event, settlement becomes probable (virtually certain for assets) or reliable measurement becomes possible.

1.17 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. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

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.

1.18 Property (land, buildings and infrastructure), plant and equipment

Asset recognition threshold

Purchases of property, plant and equipment are recognised initially at cost in the Balance Sheet, 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).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'makegood' provisions in property leases taken up by the AFP where there exists an obligation to restore the property to its original condition. These costs are included in the value of the AFP's leasehold improvements with a corresponding provision for the 'makegood' taken up.

Revaluations

Basis

Land, buildings, plant and equipment are carried at fair value, being revalued with sufficient frequency such that the carrying amount of each asset class is not materially different, at reporting date, from its fair value. Valuations undertaken in each year are as at 30 June.

Fair values for each class of asset are determined as shown below.

Asset class:	Fair value measured at:
Land	Market selling price
Buildings	Market selling price
Leasehold improvements	Depreciated replacement cost
Plant and equipment	Market selling price and depreciated replacement cost

Following initial recognition at cost, valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not materially vary with the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised through profit and loss. Revaluation decrements for a class of assets are recognised directly through profit and loss except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

Depreciation and amortisation

Depreciable property, plant and equipment 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 depreciated on a straight-line basis over the lesser of the estimated useful life of the improvements or the unexpired period of the lease.

Notes to and forming part of the Financial Statements

Depreciation and amortisation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

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

	<u>2006</u>	<u>2005</u>
Buildings	2 to 25 years	2 to 25 years
Plant and equipment	2 to 20 years	2 to 20 years
Leasehold improvements	max. 10 years	max. 10 years

Impairment

All assets were assessed for impairment at 30 June 2006. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the AFP were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

No indicators of impairment were found for assets at fair value.

1.19 Intangibles

AFP's intangibles comprise internally developed and externally acquired software. These assets are carried at cost.

All software assets were assessed for impairment as at 30 June 2006. None were found to be impaired.

Internally developed and externally acquired software are amortised on a straight line basis over their anticipated useful lives.

Useful Lives are:

	<u>2006</u>	<u>2005</u>
Internally Developed Software	5-7 years	5-7 years
Purchased Software	3-7 years	3-7 years

1.20 Inventories

Inventories held for distribution are measured at the lower of cost and current replacement cost.

1.21 Taxation / competitive neutrality

The AFP is exempt from all forms of taxation except fringe benefits tax (FBT) and goods and services tax (GST).

Revenues, expenses and assets are recognised net of GST:

- except where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- except for receivables and payables.

Competitive Neutrality

The Protective Services Portfolio within the AFP provides services on a for-profit basis. As a business operation of an Australian Government Agency, Protective Services is not subject to taxation other than GST and FBT. However, under Competitive Neutrality arrangements, Protective Services is required to make Australian Income Tax Equivalent payments to the Government.

1.22 Comparative Figures

Comparative figures have been adjusted to conform to changes in presentation in these financial statements where required.

Note 2: The impact of the transition to AEIFRS from previous AGAAP

	2005	2004
	\$'000	\$'000
Reconciliation of total equity as presented under previous AGAAP to that under AEIFRS		
Total equity under previous AGAAP	248,383	195,020
Adjustments to retained earnings:		
'Makegood' provisions ¹	(3)	1,070
Employee Provisions ²	506	74
'Makegood' assets ¹	1,521	2,617
Prior year FBT provision ³	(11,067)	(11,067)
Inventory ⁴	512	-
Total Equity translated to AEIFRS	<u>239,852</u>	<u>187,714</u>
Reconciliation of profit or loss as presented under previous AGAAP to AEIFRS		
Prior year profit as previously reported	23,989	
Adjustments:		
Other Revenues ⁵	(869)	
Prior year profit translated to AEIFRS	<u>23,120</u>	

The cash flow statement presented under previous AGAAP is equivalent to that prepared under AEIFRS

¹AEIFRS requires the recording of assets reflecting future estimated restoration costs. Amounts for 'makegood' provisions in existing accommodation leases (operating) have been taken up accordingly.

²AEIFRS requires that annual leave that is not expected to be taken within 12 months of balance date is to be discounted.

³As at 30 June 2005, the AFP were in negotiations with the Australian Taxation Office (ATO) in relation to an underpayment of Fringe Benefits Tax (FBT) liability for the years ending on 31 March 2003 and 31 March 2004. At 30 June 2005 the exact amount could not be quantified and therefore no provision was made. During the 05/06 financial year the amount was quantified and subsequently paid to the ATO. Under AEIFRS, adjustments for errors are made to retained earnings rather than the current year income statement.

⁴Under AEIFRS not-for-profit entities require inventories held for distribution to be measured at the lower of cost and current replacement cost, whereas under AGAAP all inventories were to be measured at lower of cost and net realisable value.

⁵Lease restorations that are waived by the lessor were recognised as revenue under AGAAP.

The AFP has not restated comparatives for financial instruments. The adjustments between AEIFRS and the previous GAAP have been taken up at 1 July 2005. The only adjustment necessary was an increase in the Makegood Provision of \$3,000 reflecting the discounting of the provision to present value.

Notes to and forming part of the Financial Statements

Note 3: Events after the balance sheet date

No significant events have occurred since the reporting date requiring disclosure in the financial statements.

Notes to and forming part of the Financial Statements

	2006 \$'000	2005 \$'000
Note 4: Income		
<u>Revenues</u>		
<u>Note 4A: Revenues from Government</u>		
Appropriations for outputs	720,640	611,954
<i>Total revenues from Government</i>	720,640	611,954
<u>Note 4B: Goods and services</u>		
Goods	21	19
Services	184,936	202,600
<i>Total sales of goods and services</i>	184,957	202,619
Provision of goods to:		
Related entities	10	3
External entities	11	16
<i>Total sales of goods</i>	21	19
Rendering of services to:		
Related entities	56,413	78,117
External entities	128,523	124,483
<i>Total rendering of services</i>	184,936	202,600
<u>Note 4C: Other revenues</u>		
Ausaid project	3,832	2,524
Indonesian Transnational Crime Centre	930	1,597
Motor vehicle recovery	124	36
Reduction in provisions	473	7,824
Legal projects	-	248
Australian Defence Force support	1,602	1,769
Asset recognition	524	-
Other	2,589	3,063
<i>Total other revenues</i>	10,074	17,061
<u>Note 4D: Other gains</u>		
Resources received free of charge	446	380
<i>Total other gains</i>	446	380

Notes to and forming part of the Financial Statements

	2006 \$'000	2005 \$'000
Note 5: Operating expenses		
Note 5A: Employee expenses		
Wages and salaries	365,239	327,850
Superannuation	58,165	58,834
Leave and other entitlements	49,586	59,458
Separation and redundancies	1,379	610
Other employee expenses	7,789	12,383
Total employee expenses	482,158	459,135
Note 5B: Suppliers expenses		
Goods from related entities	963	1,657
Goods from external entities	34,190	26,106
Services from related entities	22,396	21,813
Services from external entities	267,734	197,607
Operating lease rentals*	49,763	43,687
Workers' compensation premiums	10,638	13,528
Other	2,068	335
Total supplier expenses	387,752	304,733
* These comprise minimum lease payments only.		
Note 5C: Depreciation and amortisation		
Depreciation		
Other infrastructure, plant and equipment	22,124	22,960
Buildings	309	126
Total depreciation	22,433	23,086
Amortisation		
Intangibles - Computer software	5,342	3,819
Leasehold improvements	10,366	12,988
Total amortisation	15,708	16,807
Total depreciation and amortisation	38,141	39,893
The aggregate amounts of depreciation or amortisation expensed during the reporting period for each class of depreciable asset are as follows:		
Buildings	309	126
Plant and equipment	22,124	22,960
Computer software	5,342	3,819
Leasehold improvements	10,366	12,988
Total depreciation and amortisation	38,141	39,893
No depreciation or amortisation was allocated to the carrying amounts of other assets.		
Note 5D: Finance costs		
Unwinding of discount	379	373
Total finance costs expense	379	373
Note 5E: Write down and impairment of assets		
Bad and doubtful debts expense	-	402
Total write-down of assets	-	402

Notes to and forming part of the Financial Statements

	2006 \$'000	2005 \$'000
Note 5F: Net losses from sale of assets		
Land and buildings:		
Write-offs	24	166
Net loss from disposal of land and buildings	24	166
Infrastructure, plant and equipment:		
Proceeds from disposal	-	(20)
Net book value of assets disposed	411	357
Write-offs	405	-
Net loss from disposal of infrastructure, plant and equipment	816	337
Intangibles:		
Write-offs	-	952
Net loss from disposal of intangibles	-	952
Total proceeds from disposals	-	(20)
Total value of assets disposed	840	1,475
Total net loss from disposal of assets	840	1,455
Note 6: Competitive neutrality expense		
Payroll Tax	2,538	3,656
Income tax equivalents	1,041	2,904
Total competitive neutrality expense	3,579	6,560

Notes to and forming part of the Financial Statements

	2006 \$'000	2005 \$'000
Note 7: Financial assets		
<u>Note 7A: Cash</u>		
Special account	5,847	6,780
Departmental (other than special accounts)	<u>10,457</u>	<u>21,185</u>
Total cash and cash equivalents	<u>16,304</u>	<u>27,965</u>
All cash are current assets.		
<u>Note 7B: Receivables</u>		
Goods and services	12,852	16,870
Less: Provision for doubtful debts	<u>(564)</u>	<u>(602)</u>
	12,288	16,268
GST receivable from the Australian Taxation Office	3,537	1,152
Appropriations receivable		
- for existing outputs	<u>323,698</u>	<u>264,061</u>
Other receivables	<u>8,549</u>	<u>3,775</u>
Total receivables (net)	<u>348,072</u>	<u>285,256</u>
All receivables are current assets.		
Receivables (gross) are aged as follows:		
Current	<u>343,206</u>	<u>282,728</u>
Overdue by:		
Less than 30 days	678	1,632
30 to 60 days	431	330
60 to 90 days	55	81
More than 90 days	<u>4,266</u>	<u>1,087</u>
	<u>5,430</u>	<u>3,130</u>
Total receivables (gross)	<u>348,636</u>	<u>285,858</u>
The provision for doubtful debts is aged as follows:		
Current	-	-
Overdue by:		
Less than 30 days	-	6
30 to 60 days	-	-
60 to 90 days	-	-
More than 90 days	<u>564</u>	<u>596</u>
	<u>564</u>	<u>602</u>
Total provision for doubtful debts	<u>564</u>	<u>602</u>
<u>Note 7C: Accrued revenue</u>		
Goods and services	<u>1,445</u>	<u>1,563</u>
Total accrued revenue	<u>1,445</u>	<u>1,563</u>
All accrued revenue are current assets.		

Notes to and forming part of the Financial Statements

	2006 \$'000	2005 \$'000
Note 8: Non-financial assets		
Note 8A: Land and buildings		
Land		
- freehold land - at fair value	360	132
- leasehold land - at fair value	<u>132</u>	<u>130</u>
Total land	<u>492</u>	<u>262</u>
Buildings		
Buildings on freehold land		
- at fair value	1,863	400
- accumulated depreciation	<u>-</u>	<u>(138)</u>
Total buildings on freehold land	<u>1,863</u>	<u>262</u>
Buildings on leasehold land		
- at fair value	7,590	2,560
- accumulated depreciation	<u>-</u>	<u>(228)</u>
Total buildings on leasehold land	<u>7,590</u>	<u>2,332</u>
- work in progress - at cost	<u>455</u>	<u>923</u>
Total buildings	<u>9,908</u>	<u>3,517</u>
Leasehold improvements		
- at fair value	27,612	46,963
- accumulated amortisation	<u>(2,007)</u>	<u>(24,744)</u>
	<u>25,605</u>	<u>22,219</u>
Leasehold improvements - work in progress - at cost	<u>3,524</u>	<u>1,195</u>
Total leasehold improvements	<u>29,129</u>	<u>23,414</u>
Total land and buildings (non-current)	<u>39,529</u>	<u>27,193</u>
Note 8B: Infrastructure, plant and equipment		
Infrastructure, plant and equipment		
- at fair value	73,037	104,302
- accumulated depreciation	<u>-</u>	<u>(42,325)</u>
	<u>73,037</u>	<u>61,977</u>
Infrastructure, plant and equipment - work in progress - at cost	<u>1,050</u>	<u>2,239</u>
Total infrastructure, plant and equipment (non-current)	<u>74,087</u>	<u>64,216</u>

Notes to and forming part of the Financial Statements

Note 8C: Analysis of Property, Plant and Equipment

TABLE A - Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment

Item	Leasehold Land \$'000	Freehold Land \$'000	Buildings on Freehold Land \$'000	Buildings on Leasehold Land \$'000	Buildings - Leasehold Improvements \$'000	Land & Buildings - Total \$'000	Other IP&E \$'000	TOTAL \$'000
As at 1 July 2005								
Gross book value	130	132	400	3,483	48,158	52,303	106,541	158,844
Accumulated depreciation/amortisation	-	-	(138)	(228)	(24,744)	(25,110)	(42,325)	(67,435)
Opening net book value	130	132	262	3,255	23,414	27,193	64,216	91,409
Additions:								
By purchase	-	-	-	6,603	7,536	14,139	42,130	56,269
Revaluations and impairments through equity	2	228	340	487	1,054	2,111	(2,453)	(342)
Reclassifications	-	-	1,326	(2,056)	7,517	6,787	(6,866)	(79)
Depreciation/amortisation expense	-	-	(65)	(244)	(10,366)	(10,675)	(22,124)	(32,799)
Other movements	-	-	-	-	(2)	(2)	-	(2)
Disposals:								
Disposals/write-offs	-	-	-	-	(24)	(24)	(816)	(840)
As at 30 June 2006								
Gross book value	132	360	1,863	8,045	31,136	41,536	74,087	115,623
Accumulated depreciation/amortisation	-	-	-	-	(2,007)	(2,007)	-	(2,007)
Closing net book value	132	360	1,863	8,045	29,129	39,529	74,087	113,616

TABLE B - Property, Plant, and Equipment at Valuation

Item	Leasehold Land \$'000	Freehold Land \$'000	Buildings on Freehold Land \$'000	Buildings on Leasehold Land \$'000	Buildings - Leasehold Improvements \$'000	Land & Buildings - Total \$'000	Other IP&E \$'000	TOTAL \$'000
As at 30 June 2006								
Gross value	132	360	1,863	7,590	27,612	37,557	73,037	110,594
Accumulated depreciation / amortisation		-	-	-	(2,007)	(2,007)	-	(2,007)
Net book value	132	360	1,863	7,590	25,605	35,550	73,037	108,587
As at 30 June 2005								
Gross value	130	132	400	2,560	46,963	50,185	104,302	154,487
Accumulated depreciation / amortisation	-	-	(138)	(228)	(24,744)	(25,110)	(42,325)	(67,435)
Net book value	130	132	262	2,332	22,219	25,075	61,977	87,052

TABLE C - Property, Plant, and Equipment under Construction

Item	Buildings on Freehold Land \$'000	Buildings on Leasehold Land \$'000	Buildings - Leasehold Improvements \$'000	Land & Buildings - Total \$'000	Other IP&E \$'000	TOTAL \$'000
Carrying amount at 30 June 2006						
	-	455	3,524	3,979	1,050	5,029
Carrying amount at 30 June 2005						
	-	923	1,195	2,118	2,239	4,357

Notes to and forming part of the Financial Statements

	2006 \$'000	2005 \$'000
Note 8D: Intangibles		
Computer software:		
Internally developed - in progress	679	-
	<u>679</u>	<u>-</u>
Internally developed - in use	20,966	15,843
- accumulated amortisation	<u>(10,495)</u>	<u>(6,354)</u>
	<u>10,471</u>	<u>9,489</u>
Externally acquired - at cost	9,838	6,824
- accumulated amortisation	<u>(4,979)</u>	<u>(3,767)</u>
	<u>4,859</u>	<u>3,057</u>
Total intangibles (non-current)	<u>16,009</u>	<u>12,546</u>

TABLE A - Reconciliation of the Opening and Closing Balances of Intangibles

Item	Computer software internally developed \$'000	Computer software purchased \$'000	Intangibles - Total \$'000
As at 1 July 2005			
Gross book value	15,843	6,824	22,667
Accumulated depreciation/amortisation	(6,354)	(3,767)	(10,121)
Net book value	9,489	3,057	12,546
By purchase	5,742	2,954	8,696
Reclassifications	61	48	109
Depreciation/amortisation expense	(4,142)	(1,200)	(5,342)
Impairments recognised in the operating result	-	-	-
Other movements	-	-	-
Disposals			
Other disposals	-	-	-
As at 30 June 2006			
Gross book value	21,645	9,838	31,483
Accumulated depreciation/amortisation	(10,495)	(4,979)	(15,474)
Net book value	<u>11,150</u>	<u>4,859</u>	<u>16,009</u>

TABLE B - Intangibles under Construction

Item	Computer software internally developed \$'000	Computer software purchased \$'000	TOTAL \$'000
Carrying amount at 30 June 2006	679	-	679
Carrying amount at 30 June 2005	-	-	-

Notes to and forming part of the Financial Statements

	2006	2005
	\$'000	\$'000

Note 8E: Inventories

Inventories held for distribution

	2,998	990
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Total inventories	2,998	990
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All inventories are current assets.

Note 8F: Other non-financial assets

Prepayments

	9,082	6,725
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Total other non-financial assets	9,082	6,725
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All other non-financial assets are current assets.

Note 9: Payables

Note 9A: Suppliers

Trade creditors

	58,991	39,160
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Total suppliers	58,991	39,160
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All supplier payables are current liabilities.

Note 9B: Other payables

Unearned revenue	2,549	3,357
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Dividends payable	1,214	358
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Lease incentives	678	141
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Other payables	571	121
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Total other payables	5,012	3,977
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Other payables are represented by:

Current	4,520	3,959
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Non-current	492	18
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Total other payables	5,012	3,977
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Note 9C: Tax liabilities

Tax liabilities equivalents	3,579	5,544
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Total tax liabilities equivalent	3,579	5,544
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All tax liabilities are current liabilities

Notes to and forming part of the Financial Statements

	2006	2005
	\$'000	\$'000

Note 10: Provisions

Note 10A: Employee provisions

Salaries and wages	5,291	4,656
Leave	116,874	111,941
Superannuation	498	197
Other	1,238	1,924
Total employee provisions	123,901	118,718

Employee provisions are represented by:

Current	109,352	108,076
Non-current	14,549	10,642
Total employee provisions	123,901	118,718

The 2005/06 FMO's were updated to include a requirement that when there is a legal requirement to make payment within 12 months (even when payment is not expected) then the liability should be disclosed as current. In 2004/05 and previous years AFP have disclosed current employee provisions as amounts likely to be paid in the next 12 months. As result of this change \$53.455m was transferred from non-current employee provisions to current.

Note 10B: Other provisions

Provision for 'makegood'	4,842	5,201
Provision for disposal expenses	-	2,156
Provision for legal settlements	2,150	780
Provision for prior year FBT	-	11,067
Total other provisions	6,992	19,204

Other provisions are represented by:

Current	3,097	16,016
Non-current	3,895	3,188
Total other provisions	6,992	19,204

	Provision Other	Provision for 'make good'	Total
Carrying amount at beginning of period	14,003	5,201	19,204
Additional provisions made	1,400	240	1,640
Provision called	(13,253)	(978)	(14,231)
Unwinding of discounted amount arising from the passage of time	-	379	379
Amount owing at end of period	2,150	4,842	6,992

Notes to and forming part of the Financial Statements

	2006	2005
	\$'000	\$'000

Note 11: Restructuring

Note 11A: Departmental restructuring

Under ministerial direction, the AFP assumed responsibility of the Asia Pacific Group on Money Laundering on 1 July 2005 from the Australian Crime Commission.

In respect of functions assumed, the net book values of assets and liabilities transferred to the Agency for no consideration and recognised as at the date of transfer were:

Total assets recognised	1,336	-
Total liabilities recognised	(883)	-
Net assets assumed	453	-
Net contribution by Government as owner during the year	453	-

Note 12: Cash flow reconciliation

Reconciliation of cash per balance sheet to statement of cash flows

Cash at year end per statement of cash flows	16,304	27,965
Balance sheet items comprising above cash:		
'Financial asset - cash'	16,304	27,965

Reconciliation of operating result to net cash from operating activities:

Add:		
Operating result	5,806	23,119
Depreciation and amortisation	38,141	39,893
Write down of non-current assets	-	402
Loss on disposal of assets	840	1,455
Reduction in provisions	(473)	-
Resource received free of charge	446	-
Asset recognition	(524)	-
Finance costs	379	-
Other Non cash Expenses/Revenues	69	(8,998)
	44,684	55,871
(Increase) / decrease in net receivables	(22,189)	(51,547)
(Increase) / decrease in inventories	(2,008)	(166)
(Increase) / decrease in prepayments	(2,357)	5,687
Increase / (decrease) in employee provisions	5,186	21,128
Increase / (decrease) in supplier payables	22,761	6,945
Increase / (decrease) in other provisions	(10,870)	(21,357)
Increase / (decrease) in competitive neutrality payable	(1,965)	4,925
Net cash from / (used by) operating activities	33,242	21,486

Notes to and forming part of the Financial Statements

Note 13: Contingent liabilities and assets

Quantifiable contingencies

The Schedule of Contingencies reports contingent liabilities in respect of claims for damages/costs of \$15.649m (2005: \$2.995m). The amount represents an estimate of the AFP's liability based on precedent cases. The AFP is defending the claims. We did not recognise this as a liability as we believed that the probability of unfavourable outcome is less likely rather than more likely.

Unquantifiable contingencies

As at 30 June 2006, 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.

Remote contingencies

The AFP currently has a small number of pending claims/recovery 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.

The AFP has a number of property leases where it has indemnified the Landlord from and against all claims, losses and damage that the Landlord may become liable for as a result of negligence or misuse by the AFP resulting in loss, damage or injury to property and/or person. Most of these indemnities are uncapped, but the benefits of these arrangements outweigh any potential loss or damage which may arise through the indemnification of the building owner by the AFP. The likelihood that any of these indemnities will be called is assessed as remote.

Note 14: Executive remuneration

	2006	2005
The number of executives who received or were due to receive total remuneration of \$130,000 or more:		
\$130 000 to \$144 999	1	3
\$145 000 to \$159 999	6	3
\$160 000 to \$174 999	5	10
\$175 000 to \$189 999	9	8
\$190 000 to \$204 999	8	10
\$205 000 to \$219 999	7	7
\$220 000 to \$234 999	2	4
\$235 000 to \$249 999	3	-
\$250 000 to \$264 999	2	2
\$265 000 to \$279 999	1	2
\$295 000 to \$309 999	1	-
\$310 000 to \$324 999	1	1
\$415 000 to \$429 999	1	-
\$430 000 to \$444 999	-	1
Total	47	51
The aggregate amount of total remuneration of executives shown above.	\$9,621,848	\$10,165,730
The aggregate amount of separation and redundancy/termination benefit payments during the year to executives shown above.	\$101,796	Nil

Notes to and forming part of the Financial Statements

Note 15: Remuneration of auditors

	2006	2005
	\$	\$
Financial statement audit services are provided free of charge to the AFP.		
The fair value of audit services provided was:	335,000	370,000
Additional services provided and charged by the Auditor-General:	62,000	62,000

Note 16: Average staffing levels

	2006	2005
The average staffing levels for the Agency during the year were:	5,150	4,778

Notes to and forming part of the Financial Statements

Note 17: Financial instruments

Note 17A: Interest rate risk

Financial instrument	Notes	Floating interest rate		Fixed interest rate maturing in				Non-interest bearing		Total		Weighted average effective interest rate	
		2006 \$'000	2005 \$'000	1 Year or Less 2006 \$'000	2005 \$'000	1 to 5 Years 2006 \$'000	2005 \$'000	> 5 Years 2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 %	2005 %
Financial Assets													
Cash	7A	-	-	-	-	-	-	-	16,304	27,965	16,304	0.0	0.0
Other receivables	7B	-	-	-	-	-	-	-	8,549	3,775	8,549	n/a	n/a
Receivables for goods and services (gross)	7B	-	-	-	-	-	-	-	12,852	16,870	12,852	n/a	n/a
Accrued revenue	7C	-	-	-	-	-	-	-	1,445	1,563	1,445	n/a	n/a
Total Assets		-	-	-	-	-	-	-	39,150	50,173	39,150	n/a	n/a
									507,526	426,454			
Financial Liabilities													
Lease restoration	10B	-	-	-	-	-	-	-	4,842	5,201	4,842	n/a	n/a
Trade creditors	9A	-	-	-	-	-	-	-	58,991	39,160	58,991	n/a	n/a
Other payables	9B	-	-	-	-	-	-	-	571	121	571	n/a	n/a
Total Liabilities		-	-	-	-	-	-	-	64,404	44,482	64,404	n/a	n/a
									198,475	186,603			

The fair value of financial assets and financial liabilities is equal to the carrying amount in both current and comparative reporting periods.

There were several financial liabilities reported in the comparative reporting period which do not meet the current criteria of financial liabilities, and therefore omitted from this table. The total value of items in the comparative period that have been omitted is \$12,336,000.

Notes to and forming part of the Financial Statements

Note 17B: 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 Balance Sheet.

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.

Notes to and forming part of the Financial Statements

Note 18: Appropriations

Note 18A: Acquittal of authority to draw cash from the Consolidated Revenue Fund for ordinary annual services appropriations

Particulars	Departmental outputs		Total	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Year ended 30 June 2006				
Balance carried from previous year	179,140	145,752	179,140	145,752
Reallocation of appropriation prior years	13,656	-	13,656	-
Unspent prior year appropriations - invalid s31	-	(145,752)	-	(145,752)
Adjusted balance carried for previous period	165,484	-	165,484	-
Appropriation Act (No. 1) 2005 - 2006	816,463	711,535	816,463	711,535
Appropriation Act (No. 3) 2005 - 2006	69,877	30,499	69,877	30,499
Appropriation (Tsunami Financial Assistance) Bill 2004-05	-	4,920	-	4,920
Departmental adjustments by the Finance Minister (Appropriation Acts)	-	-	-	-
Comcover receipts (Appropriation Act s13)	164	34	164	34
Advance to the Finance Minister	-	-	-	-
Adjustment of appropriations on change of entity function (FMAA s32)	-	-	-	-
Refunds credited (FMAA s30)	1,467	-	1,467	-
Appropriation reduced by section 9 determinations (current year)	165,700	149,400	165,700	149,400
Sub-total 2005 - 06	722,271	597,588	722,271	597,588
Appropriations to take account of recoverable GST (FMAA s30A)	16,646	10,212	16,646	10,212
Annotations to 'net appropriations' (FMAA s31)	137,136	65,686	137,136	65,686
30 June 2005 variation - s31	-	197,362	-	197,362
Total Appropriations available for payments	1,041,537	870,848	1,041,537	870,848
Cash payments made during the year (GST inclusive)	766,606	629,208	766,606	629,208
Appropriations credited to special accounts (excluding GST)	123,109	62,500	123,109	62,500
Balance of authority to draw cash from the CRF for ordinary annual services appropriations	151,822	179,140	151,822	179,140
<i>Represented by:</i>				
Cash at bank and on hand	10,457	9,944	10,457	9,944
Receivables - departmental appropriations	138,272	170,650	138,272	170,650
Receivables - GST receivable from customers	779	1,730	779	1,730
Receivables - GST receivable from the ATO	3,525	319	3,525	319
Payables - GST payable	(1,211)	(3,503)	(1,211)	(3,503)
Total	151,822	179,140	151,822	179,140

Notes to and forming part of the Financial Statements

Note 18B: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund for Other than Ordinary Annual Services Appropriations

Particulars	Non-operating								Total			
	Equity		Loans		Previous years' outlays		Admin assets and liabilities					
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000		
Year ended 30 June 2006												
Balance carried from previous year	69,282	58,061	-	-	-	-	-	-	69,282	58,061		
Reduction of appropriations (prior years)	-	-	-	-	-	-	-	-	-	-		
Adjusted balance carried from previous period	69,282	58,061	-	-	-	-	-	-	69,282	58,061		
Appropriation Act (No.2) 2005 - 2006	43,548	10,553	-	-	-	-	-	-	43,548	10,553		
Appropriation Act (No.4) 2005 - 2006	37,949	19,179	-	-	-	-	-	-	37,949	19,179		
Departmental adjustments and borrowings	-	-	-	-	-	-	-	-	-	-		
Advance to the Finance Minister	-	-	-	-	-	-	-	-	-	-		
Adjustment of appropriations on change of entity function (FMAA s3.2)	-	-	-	-	-	-	-	-	-	-		
Refunds credited (net) (FMAA s30)	17,000	-	-	-	-	-	-	-	17,000	-		
Appropriation reduced by a section 11 determination (current year)	64,497	29,732	-	-	-	-	-	-	64,497	29,732		
Sub-total 2005 - 06 annual appropriation	-	-	-	-	-	-	-	-	-	-		
Appropriations to take account of recoverable GST (FMAA s30A)	-	286	-	-	-	-	-	-	-	286		
Total appropriations available for payments	133,779	88,079	-	-	-	-	-	-	133,779	88,079		
Cash payments made during the year (GST inclusive)	23,989	18,797	-	-	-	-	-	-	23,989	18,797		
Appropriations credited to special accounts (GST exclusive)	-	-	-	-	-	-	-	-	-	-		
Balance of authority to draw cash from the CRF for other than ordinary annual services appropriations	109,790	69,282	-	-	-	-	-	-	109,790	69,282		
<i>Represented by:</i>												
Departmental appropriation receivable	109,790	58,041	-	-	-	-	-	-	109,790	58,041		
Cash at bank and on hand	-	11,241	-	-	-	-	-	-	-	11,241		
Total	109,790	69,282	-	-	-	-	-	-	109,790	69,282		

Notes to and forming part of the Financial Statements

Note 19: Special accounts

AFP Official Exhibit & Seized Monies and Manual Cheque Issue Exempt SPM Account	2006	2005
	\$	\$
Legal authority: Section 20 of the <i>Financial Management and Accountability Act 1997</i> Purpose: For the receipt of moneys temporarily held in trust or otherwise for the benefit of a person other than the Commonwealth.		
Balance carried from previous year	1,135,964	1,150,612
Receipts during the year	754,692	1,941,798
Available for payments	1,890,656	3,092,410
Payments made during the year	74,737	1,956,446
Balance carried to next year	1,815,919	1,135,964
Represented by:		
Cash at bank	1,815,919	1,135,964
Total balance carried to the next period	1,815,919	1,135,964

AFP Official MPR & Warrants and Manual Cheque Issue SPM Account	2006	2005
	\$	\$
Legal Authority: Section 20 of the <i>Financial Management and Accountability Act 1997</i> Purpose: For the receipt of moneys temporarily held in trust or otherwise for the benefit of a person other than the Commonwealth.		
Balance carried from previous year	13,141	9,441
Receipts during the year	127,361	101,888
Available for payments	140,502	111,329
Payments made during the year	135,979	98,188
Balance carried to next year	4,523	13,141
Represented by:		
Cash at bank	4,523	13,141
Total balance carried to the next period	4,523	13,141

AFP Official Salary Packaging Exempt SPM Account	2006	2005
	\$	\$
Legal Authority: Section 20 of the <i>Financial Management and Accountability Act 1997</i> Purpose: For the receipt of moneys temporarily held in trust or otherwise for the benefit of a person other than the Commonwealth.		
Balance carried from previous year	562,253	636,473
Receipts during the year	9,351,819	7,491,188
Available for payments	9,914,072	8,127,661
Payments made during the year	7,604,099	7,565,408
Balance carried to next year	2,309,973	562,253
Represented by:		
Cash at bank	2,309,973	562,253
Total balance carried to the next period	2,309,973	562,253

Notes to and forming part of the Financial Statements

AFP Official National Police Memorial Exempt SPM Trust Account	2006	2005
	\$	\$
Legal Authority: Section 20 of the <i>Financial Management and Accountability Act 1997</i>		
<i>Purpose:</i> For the payment of moneys in connection with services performed on behalf of other governments and non-agency bodies.		
Balance carried from previous year	72,626	163,534
Receipts during the year	2,549,034	109,092
Available for payments	2,621,660	272,626
Payments made during the year	2,561,699	200,000
Balance carried to next year	59,961	72,626
<i>Represented by:</i>		
Cash at bank	59,961	72,626
Total balance carried to the next period	59,961	72,626

AFP Official Comcare SPM Trust Account	2006	2005
	\$	\$
Legal Authority: Section 20 of the <i>Financial Management and Accountability Act 1997</i>		
<i>Purpose:</i> For the payment of moneys in connection with services performed on behalf of other governments and non-agency bodies.		
Balance carried from previous year	1,796,798	1,154,823
Receipts during the year	4,101,625	3,565,791
Available for payments	5,898,423	4,720,614
Payments made during the year	2,785,760	2,923,816
Balance carried to next year	3,112,663	1,796,798
<i>Represented by:</i>		
Cash at bank	3,112,663	1,796,798
Total balance carried to the next period	3,112,663	1,796,798

Notes to and forming part of the Financial Statements

Australian Protective Service Account		
	2006	2005
	\$	\$
Legal Authority: Section 20 of the <i>Financial Management and Accountability Act 1997</i>		
<i>Purpose:</i> For the expenditure in connection with the provision of guarding and related security services consistent with the Governments interest.		
This account is interest bearing (for 02/03 only)		
Balance carried from previous year	42,150,814	41,900,394
Reallocation of appropriation prior years	13,656,000	-
Appropriation received	123,109,000	62,500,000
Services-Rendering of services to external entities	-	29,263,967
Services-Rendering of services to related entities	66,029,094	72,161,698
GST credits (FMAA s30A)	5,083,012	2,393,317
Available for payments	250,027,920	208,219,376
Payments made to employees	110,904,085	109,093,820
Payments made to suppliers	41,284,756	38,892,898
GST payments	5,080,763	7,991,089
Payments made for competitive neutrality	5,544,000	1,634,967
Purchase of assets	6,372,363	6,280,306
Dividend payments	358,000	2,175,482
Balance carried to next year	80,483,953	42,150,814
<i>Represented by:</i>		
Cash - held by the agency	4,845,704	6,779,814
Receivables - Departmental Appropriations	75,636,000	35,371,000
Less: Other payables - Net GST payable to the ATO	2,249	-
Total balance carried to the next period	80,483,953	42,150,814

Financial Action Task Force - Asia Pacific Group Secretariat Account		
	2006	2005
	\$	\$
Legal Authority: Section 20 of the <i>Financial Management and Accountability Act 1997</i>		
<i>Purpose:</i> For expenditure relating to the operations of the Secretariat to the Financial Action Task Force - Asia Pacific Group		
Balance carried from previous year	-	-
Balance assumed due to restructuring	415,000	-
Receipts during the year	2,771,665	-
Available for payments	3,186,665	-
Payments made during the year	2,170,817	-
Balance carried to next year	1,015,848	-
<i>Represented by:</i>		
Cash at bank	1,001,167	-
Add: GST receivable from th ATO	14,681	-
Total balance carried to the next period	1,015,848	-

Notes to and forming part of the Financial Statements

AFP Trust Account - Australasian Disaster Victim Identification Committee		
	2006	2005
	\$	\$
Legal Authority: Section 20 of the <i>Financial Management and Accountability Act 1997</i>		
<i>Purpose:</i> To enable the management of the ADVIC funds for a minimum of two financial years		
Balance carried from previous year	-	-
Receipts during the year	99,266	-
Available for payments	99,266	-
Payments made during the year	-	-
Balance carried to next year	99,266	-
<i>Represented by:</i>		
Cash at bank	99,266	-
Total balance carried to the next period	99,266	-

Notes to and forming part of the Financial Statements

Note 20: Compensation and debt relief

	2006	2005
	\$	\$
Departmental		
No 'Act of Grace' expenses were incurred during the reporting period (2005: No expenses).	-	-
One waiver of an amount owing to the Commonwealth was made pursuant to subsection 34(1) of the Financial Management and Accountability Act 1997 (2005: No waivers).	423	-
Two payments were made under the 'Defective Administration Scheme' during the reporting period (2005: No payments made).	3170	-
No payments were made under s73 of the Public Service Act 1999 during the reporting period (2005: No payments made).	-	-
No ex-gratia payments were provided for during the reporting period (2005: No payments provided for).	-	-

Note 21: Reporting of outcomes

Note 21A: Net Cost of Outcome Delivery

	Outcome 1		Outcome 2		Total	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Administered expenses	-	-	-	-	-	-
Departmental expenses	814,658	717,522	95,653	91,373	910,311	808,895
Total expenses	814,658	717,522	95,653	91,373	910,311	808,895
<i>Costs recovered from provision of goods and services to the non-government sector</i>						
Administered	-	-	-	-	-	-
Departmental	34,343	34,779	94,191	89,720	128,534	124,499
Total costs recovered	34,343	34,779	94,191	89,720	128,534	124,499
<i>Other external income</i>						
Goods and Services Income from Related Entities	56,423	78,120	-	-	56,423	78,120
Other	8,599	15,454	1,475	1,607	10,074	17,061
Total Departmental	65,022	93,574	1,475	1,607	66,497	95,181
Total other external income	65,022	93,574	1,475	1,607	66,497	95,181
Net cost/(contribution) of outcome	715,293	589,169	(13)	46	715,280	589,215

Notes to and forming part of the Financial Statements

Note 21B: Major Classes of Departmental Income and Expenses by Output Groups and Outputs

Outcome 1	Output Group 1.1		Output Group 1.2		Output Group 1.3	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Departmental expenses						
Employees	188,278	179,893	41,543	41,533	68,888	68,305
Suppliers	156,962	138,669	35,837	22,990	134,071	90,596
Depreciation and amortisation	23,619	25,826	5,492	5,003	5,635	6,293
Other expenses	800	3,052	152	32	267	2,050
Total departmental expenses	369,659	347,440	83,024	69,558	208,861	167,244
Funded by:						
Income from government	330,960	311,590	102,010	55,311	199,800	208,554
Sale of goods and services	22,090	31,411	2,098	20,313	7,071	1,538
Other non-taxation income	9,045	4,848	-	591	-	35
Total departmental income	362,095	347,849	104,108	76,215	206,871	210,127

Outcome 1 (continued)	Output Group 1.4		Outcome 1 Total	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Departmental expenses				
Employees	110,664	100,023	409,373	389,754
Suppliers	39,078	31,542	365,948	283,797
Depreciation and amortisation	2,331	1,715	37,077	38,837
Other expenses	1,041	-	2,260	5,134
Total departmental expenses	153,114	133,280	814,658	717,522
Funded by:				
Income from government	87,870	36,499	720,640	611,954
Sale of goods and services	59,507	59,637	90,766	112,899
Other non-taxation income	-	10,360	9,045	15,834
Total departmental income	147,377	106,496	820,451	740,687

Notes to and forming part of the Financial Statements

Outcome 2	Output Group 2.1		Outcome 2 Total	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Departmental expenses				
Employees	72,785	69,381	72,785	69,381
Suppliers	21,804	20,936	21,804	20,936
Depreciation and amortisation	1,064	1,056	1,064	1,056
Total departmental expenses	95,653	91,373	95,653	91,373
Funded by:				
Sale of goods and services	94,191	89,720	94,191	89,720
Other non-taxation income	1,475	1,607	1,475	1,607
Total departmental income	95,666	91,327	95,666	91,327

Glossary

ACRONYMS

ABDC	Australian Bomb Data Centre	DOTARS	Department of Transport and Regional Services
ACC	Australian Crime Commission	DVI	disaster victim identification
ACON	Assistant Ceremonial Officer's Network	EA&PS	Employee Assistance & Psychological Services
ACS	Australian Customs Service	EAP	Employee Assistance Program
ACTIP	Advanced Counter-Terrorism Investigations Program	ECPAT	End Child Prostitution, Child Pornography and Trafficking of Children for Sexual Purposes
ADF	Australian Defence Force	EDC	explosives detection canines
AFP	Australian Federal Police	EMB	Executive Management Board
AFPOLL	Australian Federal Police Online Learning	FATF	Financial Action Task Force
AFR	advanced first response	FBI	Federal Bureau of Investigation–United States of America
AGD	Attorney-General's Department	FCA	Family Court of Australia
AHTCC	Australian High-Tech Crime Centre	FLF	Fraud Liaison Forum
AIDIP	Australian Illicit Drug Intelligence Program	FOI	Freedom of Information
ANAO	the Australian National Audit Office	GBRMPA	Great Barrier Reef Marine Park Authority
ANSTO	Australian Nuclear Science and Technology Organisation	GLLO	Gay and Lesbian Liaison Officer
ANZEOCC	Australian New Zealand Equal Opportunity Consultative Committee	ICMEX	Investigation and Consequence Management Exercise
APG	Asia Pacific Group on Money Laundering	ICTF	Identity Crime Task Force
APPSC	Australasian Police Professional Standards Council	IDF	Immigration Detention Facility
APS	Australian Protective Service	IDG	International Deployment Group
APW	Anzac Park West	IDPT	international deployment pre-deployment training
AQIS	Australian Quarantine and Inspection Service	IFTS	informal fund transfer systems
ASIO	Australian Security Intelligence Organisation	IM	Information Management
ASO	Air Security Officer	INP	Indonesian National Police
ATO	Australian Taxation Office	Interpol	International Criminal Police Organisation
ATS	Amphetamine-type stimulants	IPECG	Intellectual Property Enforcement Consultative Group
AUSCERT	Australian Computer Emergency Response Team	IS	Information Services
BAA	Business Activity Analysis	IT	Information Technology
BAO	bomb appraisal officer	IWG-TF	International Working Group on Terrorist Financing
CA	Certified Agreement	JCLEC	Jakarta Centre for Law Enforcement Cooperation
CCPM	Case Categorisation and Prioritisation Model	JCTICU	Joint Counter-Terrorism Intelligence Coordination Unit
CDPP	Commonwealth Director of Public Prosecutions	JCTT	Joint Counter-Terrorism Team
CIE	Centre for International Economics	JIPTC	Jordan International Police Training Center
CIO	Chief Information Officer	JOC	Jakarta Operations Centre
CMIS System	Case Management and Intelligence	JOMC	Joint Operations Monitoring Centre
CNCT	Confidant Network Coordination Team	KPI	Key Performance Indicator
CPP	Close Personal Protection	L&D	Learning and Development
CPSM	Commonwealth Protective Security Manual	LECP	Law Enforcement Cooperation Program
CTFR	counter-terrorist first-response	LRQA	Lloyds Register Quality Assurance
CTORG	Counter-Terrorist Overseas Response Group	MCDS	Ministerial Council on Drug Strategy
DEA	Drug Enforcement Agency	MCT	Manager Counter-Terrorism
DEH	Department of Environment and Heritage	MDMA	3, 4-methylenedioxymethamphetamine
DFAT	Department of Foreign Affairs and Trade	MION	Malunggang Indigenous Officer Network
DIMIA	Department of Immigration and Multicultural and Indigenous Affairs	MJEX	Multi-Jurisdictional Exercise

MOSC	Management of Serious Crime
MOU	Memorandum of Understanding
NACMP	National Advisory Committee on Missing Persons
NARC	National Award and Recognition Committee
NATA	National Association of Testing Authorities
NCB	National Central Bureau
NIDS	National Illicit Drug Strategy
NIFS	National Institute of Forensic Science
NIMT	National Intelligence Management Team
NMCT	National Manager Counter-Terrorism
NMG	National Managers Group
NMPU	National Missing Persons Unit
NSW	New South Wales
NTAC	National Threat Assessment Centre
NWPP	National Witness Protection Program
OC	operations committee
OH&S	Occupational Health and Safety
OMC	Operations Monitoring Centre
ORT	Operations Response Team
PACE	Passenger Alert and Clearance Evaluation
PCGMP	Police Consultative Group on Missing Persons
PI	Protection Intelligence
PM&C	Prime Minister and Cabinet
PNG	Papua New Guinea
PNP	Philippines National Police
PNTL	Policia Nacional de Timor-Leste
PPF	Participating Police Force
PROMIS	Police Real-time Online Management and Investigations System
PRS	Professional Standards
PS	Protective Service
PSCC	Protective Security Coordination Committee
PSLO	protective security liaison officer
PSS	Policy and Strategic Services
PSST	People Smuggling Strike Team
PTCCC	Pacific Transnational Crime Coordination Centre
PTT	Police Technical Teams
QMS	Quality Management System
RAMSI	Regional Assistance Mission to the Solomon Islands
RBA	Reserve Bank of Australia
RPNGC	Royal Papua New Guinea Constabulary
RRDT	Regional Rapid Deployment Teams
RSIP	Royal Solomon Islands Police
RTP	Royal Thai Police
SAT	Security and Audit Team
SECES	Special Events Coordination and Executive Support
SOPKO	School of Peacekeeping Operations
STSC	Science and Technology Steering Committee
TACREX	Tactical Exercise

TCCC	Transnational Crime Coordination Centre
TCU	Transnational Crime Unit
TID	Telecommunications Interception Division
TSETT	Transnational Sexual Exploitation and Trafficking Team
UN	United Nations
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFICYP	United Nations Peacekeeping Force in Cyprus
UNMISSET	United Nations Mission in Support of East Timor
VGT	Virtual Global Taskforce
WNC	Wanggirrali Ngurrumbai Centre

GEOGRAPHIC TERMS USED IN THE TEXT

South Asia	the Indian sub-continent and immediate surrounding countries.
South-East Asia:	the sub-region of Asia consisting of the countries geographically east of India, but south of China.
South-West Asia:	those countries to the west of India including some of those commonly referred to as the Middle East.

GLOSSARY OF PERFORMANCE REPORTING TERMS

<p>Cases</p> <ul style="list-style-type: none"> • New • Finalised • Work on hand • Resulting in a conviction 	<p>Cases are the basic work unit within the AFP. Cases can be a criminal investigation, forensics analysis or intelligence report. Cases are also used to manage the administration of Protection Services, Aviation and the International Deployment Group. Cases are either referred by external agencies or instigated internally.</p> <ul style="list-style-type: none"> • New cases are those created in the financial year. • Finalised cases are those completed in the financial year. • Work on hand relates to the number of cases active at the end of the financial year. • Only criminal investigations can result in a conviction. The AFP reports the number of cases where there was at least one individual convicted and the proportion of cases reaching court that are successful.
Resources devoted to high/very high matters	<p>The Portfolio Budget Statement (PBS) establishes a target for the proportion of work that is related to serious and complex matters. The Case Categorisation and Prioritisation Model (CCPM) classifies cases according to their impact on Australian society (refer http://www.afp.gov.au/services/applying_operational_priorities/how_the_ccpm_is_applied). The proportion of resources devoted to High or Very High Impact is used as performance measure for the PBS target.</p>
Client satisfaction	<p>The AFP engages an external provider to undertake an annual client satisfaction survey. The client satisfaction survey gauges client attitudes and perceptions regarding services provided by the AFP and was first undertaken in 1999.</p>
Drug Harm Index	<p>The AFP Drug Harm Index was developed to provide a single measure that encapsulates the potential value to the Australian community of AFP drug seizures. The index represents the dollar value of harm that would have ensued had the seized drugs reached the community. The index includes both domestic drug seizures and international seizures destined for Australia where the AFP played a significant role. More detail is available at http://www.afp.gov.au/__data/assets/pdf_file/3927/rn5.pdf</p>
Economic evaluation	<p>Benefit-cost analysis is a quantitative method of assessing the costs and benefits of public and private sector programs. The results of such an analysis can be used for a number of purposes including deciding the level of investment in a program, assisting in the selection and maintenance of programs, and determining the optimal benefits of a given budget. As part of its program of reporting its performance to the Government and the wider community, the AFP has commissioned a number of economic evaluations of key functions (see http://www.afp.gov.au/__data/assets/pdf_file/3930/rn8.pdf).</p>
Estimated Financial Return	<p>This is the estimated return to the community and the Government of successful fraud prosecutions. It includes estimates of monies directly recovered, fines imposed and specific and general deterrence effects. It is based on economic evaluations cited above.</p>
Amount recouped -Proceeds of Crime	<p>The AFP employs the amount recouped as a measure of disruption to criminal enterprise. The amount recouped refers to the cost to the criminal rather than the actual amount forfeited. For example, a sports car seized may be valued at \$250,000 at the time of seizure. This is the value recouped. Taking into account depreciation, storage costs and the cost of disposal, the total return to the Commonwealth may be say \$170,000. This is the actual amount forfeited. Both figures (recouped and forfeited) are reported by the AFP.</p>

Glossary of performance reporting terms continued

Protection <ul style="list-style-type: none"> • Movements • Incidents • Avoidable Incidents 	Protection services provide protection to Australian and non-Australian office holders. <ul style="list-style-type: none"> • The main unit of analysis is the movement of protected individuals between or within locations. • Protection incidents are defined as movements that present a higher-than-average risk of threat to the protected person. • Avoidable incidents are those occasions where injury or insult to the protected person has occurred and the AFP could be reasonably expected to have anticipated such an occurrence.
Resource hours by purpose	Resource hours by purpose are used to measure the type of activity undertaken by the International Deployment Group. <ul style="list-style-type: none"> • Peace operations refer to the restoration of order where widespread violence or civil war has broken. This will often be the first stage of a peace intervention. • Capacity building refers to the development of law enforcement infrastructure within the subject country to allow local law enforcement agencies to resume their proper role. This is generally the major part of the AFP's role in any overseas mission. • Training refers to specific training programs provided internationally with the aim of enhancing local law enforcement capability.

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