



Australian Federal Police

Annual Report

2006–07





Australian Federal Police Annual Report 2006–07



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Letter of Transmittal

28 September 2007

Senator the Hon. David Johnston
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 2006 to 30 June 2007. The report has been prepared in accordance with section 67 of the *Australian Federal Police Act 1979* and in regard to section 5 of the *Financial Management and Accountability Act 1997*.

This report summarises the AFP's performance for 2006–07 and includes our audited financial statements.

A copy of this report is to be laid before each House of Parliament on or before 31 October 2007.

In accordance with Guideline 1.9 and 2.8 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*.



M J Keelty APM

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About this report

The Australian Federal Police Annual Report 2006–07 is the organisation’s primary accountability document to the Australian Parliament and to the Australian people. The document 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 2006-07 Portfolio Budget Statements.

The report contains information prescribed by the Requirements for Annual Reports for Departments, Executive Agencies and *Financial Management and Accountability Act 1997* (FMA Act) Bodies issued 13 June 2007. That information is contained within a narrative of the AFP’s activities for 2006–07.

- Chapter 1 contains:
 - the Commissioner’s review of the year’s activities
 - the departmental overview
 - organisation charts.
- Chapter 2 provides a summary of the AFP’s performance outcomes
- Chapter 3 provides details of the AFP’s performance along with a selection of significant events for 2006–07.
- Chapter 4 reports on the services that closely support the operational activity.
- Chapter 5 reports on the AFP’s corporate support.
- Chapter 6 reports on the AFP governance and accountability processes.
- Chapter 7 reports in general terms on the activities of the AFP’s policing activities in the Australian Capital Territory (ACT Policing).
- The Appendixes provide ready reference to a wide range of AFP statistical information.
- The audited Financial Statements show the AFP’s financial performance.
- The Glossary and Indexes support the reader’s ability to understand acronyms and terminology used in this report and to locate specific information by key words.



AFP
AUSTRALIAN FEDERAL POLICE

CHAPTER 1

Executive Review



Executive Review

The past financial year has been one of accelerated growth and operational success for the AFP. Our success comes at a time when the range of activities in which the AFP engages continues to expand.

In pursuing its role of preventing crime impacting on Australia, the AFP provides policing services that include intercepting attempted importations of illicit drugs, investigating crimes committed using computer technology, and investigating fraud and other crimes against federal law. The AFP provides security to designated high-profile members of government and to users of Australia's major airports. Significantly, the AFP plays a leading role in Australia's counter-terrorism strategy.

In addition to its role in the prevention of offences against federal law, the AFP performs an important community policing role in the Australian Capital Territory. It also contributes to the stability of Australia's Pacific neighbours by helping to maintain peace in some of our nearby troubled nations.



M J Keelty, APM
Commissioner
Australian Federal Police

Our operational activities are supported by highly professional intelligence, forensic and administrative officers whose dedication makes possible the AFP's operational activities.

While the AFP has achieved some of its best operational results during the reporting year, the difficulties associated with choosing a policing career have been made obvious.

The deaths of Federal Agent Mark Scott and Commander Brice Steele in the March 2007 Indonesian plane crash in Yogyakarta, was a severe loss to the organisation, as was the death of our ACT Chief Police Officer, Assistant Commissioner Audrey Fagan, in April.

MANY FUNCTIONS—ONE TEAM

The AFP's performance and financial accountability goals are presented to Parliament each year in our Portfolio Budget Statements. The Annual Report is an

assessment of how we have performed against those goals. To meet those goals we have six outputs: Border and International Network, Economic and Special Operations, Counter Terrorism, International Deployment Services, Protection Services, and Aviation Services.

While details on the full range of AFP investigations can be found in the body of this report, the following highlights are worth mentioning.

Illicit Drugs

The major drug investigations for the year involved attempted importations of amphetamine type substances and precursor chemicals. Cocaine seizures were significantly above those of heroin during 2006–07. The combined estimated damage that these drugs would have wrought on Australian society, had they managed to get to drug users, is expressed as the Drug Harm Index. For 2006–07 the Drug Harm Index was \$621.2 million compared with \$165 million for 2005–06.

Illicit drugs are just one aspect of criminality crossing Australia's borders. People smuggling, human trafficking and child-sex tourism are also ongoing subjects of AFP investigations that traverse Australia's borders.

Economic and Special Operations

While these investigations cover a broad range of criminal activity, there is an increasing trend for technology to partner these crimes.

The potential for the Internet as a conduit for the distribution of child pornography has sadly become all too apparent. In February 2007, our Online Child Sexual Exploitation Team, in partnership with state and territory law enforcement, took part in a world-wide investigation which was initiated in the United States. The investigation resulted in computer equipment containing more than a million child pornography images being seized and nine arrests in four Australian jurisdictions.

Terrorism

The AFP's counter-terrorism efforts continued during the year. The combined efforts of the AFP and our partner agencies resulted in 13 men in Sydney and nine in Melbourne being committed for trial on terrorism-related charges, while Australia's first interim control order was issued on a person suspected of terrorist activity. In another case, a man was convicted and sentenced to 20 years imprisonment after being found guilty of possessing things connected with the preparation for a terrorist act.

Protection

Aside from our Protection portfolio's routine responsibilities of providing protection to high-office holders and Commonwealth property, much of the year's efforts were directed towards providing support to security measures for Asia Pacific Economic Cooperation (APEC) regional meetings and preparing for the APEC Leader's Week in Sydney during the first week of September.

Aviation Security

The 2005 Wheeler Review into Airport Policing and Security recommended the establishment of a single police command structure at Australian airports. Subsequently, the AFP was tasked with creating the Unified Policing Model (UPM), a permanent community policing presence at Australia's 11 major airports. The AFP has established a presence at all these airports. By the end of 2006–07, it had achieved the full staffing targets at Adelaide, Hobart and Melbourne with the remainder expected to be progressively achieved by late 2008.

AFP services provided to these airports prior to the creation of the UPM, including counter-terrorism first response, have been integrated into that model.

ACT Policing

ACT Policing is the arm of the AFP that provides community policing services to the people of the Australian Capital Territory. It provides this service under a formal agreement with the ACT Government.

In 2006–07, total offences against the person, sexual offences, offences against property and theft (excluding motor vehicle theft), were at their lowest point in five years. Clear-up rates in 2006–07 for many crime-types, including sexual offences, burglary, theft (excluding motor vehicle theft) and property damage are all at their highest levels in five years.

Policing internationally

To assist the AFP's fight against crimes that impact Australia from overseas, AFP liaison officers are located around the world in 27 countries as part of the AFP's International Network. These officers work with local law enforcement authorities to protect Australia's interests and provide a valuable range of services to all the AFP's activities. Notable during 2006–07 was the involvement of our officers in Lebanon in July 2006 following the outbreak of hostilities and the subsequent evacuation of more than 5000 Australian citizens.

AFP International Liaison Officers working with Greek authorities were instrumental in the arrest of alleged Melbourne crime boss Tony Mokbel who disappeared in March 2006 while on bail for charges relating to the alleged importation to Australia of almost 3kg of cocaine from Mexico in 2000.

The AFP is a leading law enforcement agency in international efforts to combat sexual offences against children. Through its International Network, the AFP contributed significantly to child-sex offence investigations. Australia signed a number of memorandums of understanding (MOUs) with countries in Asia, the Pacific and South America to facilitate efforts to combat 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 signed MOUs with the Metropolitan Police Service (MPS) and other law enforcement agencies in the United Kingdom to promote closer working relationships and strengthen the transnational response to terrorism and fighting crime.

In November 2006, the AFP signed an MOU with the Royal Thai Police (RTP). Also signed were the Exchange of Letters for the development of the RTP Transnational Crime Network (TCN) Project and the establishment and development of the RTP Bomb Data Centre.

The AFP increased its affiliation with significant international law enforcement organisations during the year. In February 2007, I signed an operational agreement with Europol, the European Union's law enforcement body. At the 27th annual ASEANAPOL conference in Singapore in June 2007, an invitation was extended to the AFP to become a dialogue partner. The elevation in status is recognition of the importance of strengthening cooperation among law enforcement agencies in the region.

The AFP has, for many years, provided police officers for United Nations (UN) peacekeeping missions. In the past year, AFP officers served in Cyprus and Sudan. In addition to these UN missions, the AFP also undertook deployments to Cambodia, Nauru, Vanuatu and Tonga.

Since its formation in 2004, the AFP's International Deployment Group (IDG) has coordinated the AFP's commitments to a range of Pacific nations' police services. In response to the November 2006 riots in Tonga's capital, Nuku'alofa, the AFP, with support of the Australian Defence Force (ADF) and New Zealand Police, responded to assist the Tonga Police Force restore public order and investigate criminal activity.

June 2007 saw the fourth anniversary of the Regional Assistance Mission to the Solomon Islands. Our emphasis on rekindling relationships with the community following the riots of April 2006 has, I am happy to say, been met with a great deal of success.

While there is still work to do, Solomon Islanders are living in a safer and more stable society than was thought possible a few years ago. In tandem with community relationships building there is an ongoing program of capacity building to enhance the skills of the Solomon Islands Police. Similarly, the AFP is on

a five-year mission to improve the capabilities of the Vanuatu Police Force through assistance with police officer training.

The AFP's commitment to the Pacific has also included providing key personnel to serve with local police forces. Until late 2006, both the Solomon Island Police and the Fiji Police were headed by commissioners who had been AFP senior officers before their appointment to those Pacific nations. The difficulties of policing in a political space was the subject of an address I gave at the National Press Club in October 2006. My concerns were reinforced with the ousting of Commissioners Shane Castles from the Solomon Islands and Andy Hughes from Fiji following local agitation.

Financial performance

The AFP has undergone significant growth over the past five years with its revenue base having increased from \$409 million in 2001–02 to just under \$1.1 billion for 2006–07. Most funding growth has occurred in the areas of National Security and the AFP's International Deployment Group. The \$1.1 billion operating revenue budget for 2006–07 comprised \$889 million in government appropriation, \$98 million from the ACT Government for ACT Policing, and \$104 million in other externally generated revenue (including protective services and criminal records checking).

Business satisfaction

A survey of AFP clients, stakeholders and partners has been undertaken annually since 1999–2000. The current survey was renamed from Client Satisfaction to Business Satisfaction to better reflect the relationship between the AFP and survey participants. Overall satisfaction with the AFP has increased from 76 per cent last year to 80 per cent this year. Respondents were more satisfied this year than last with each aspect of the AFP's core values. Integrity remained the value attracting the highest satisfaction ranking (88 per cent compared to 86 per cent last year). There were also significant increases

in satisfaction with Commitment (80 per cent up from 69 per cent) and Excellence (72 per cent up from 63 per cent).

FUTURE ORIENTATION

An independent review of the AFP's medium term financial outlook was undertaken during 2006–07, by Mr Len Early, a former Deputy Secretary of the Department of Finance and Administration. Phase 1 of the review concluded that, although AFP budget funding has grown strongly in recent years, new funding initiatives have masked increasing financial pressure on traditional core AFP business. In this context he noted that the medium-term outlook for the AFP budget would flatten off, requiring the AFP to identify new efficiencies as its costs continued to grow.

Phase 2 of the review focused on the development of strategies to address coming budget challenges. Mr Early concluded that the AFP will be able to achieve the savings target for 2007–08 through improved efficiencies and other relatively low-risk strategies.

During 2006, a review of the AFP's policy capabilities was undertaken by a consultant, Mr Dominic Downie. Mr Downie's recommendations to enhance the AFP's policy performance, including the establishment of a new National Manager position responsible for policy development and future strategies, are being implemented.

Mr Downie's recommendation that a second Deputy Commissioner position be established was further examined as part of the review of the AFP's governance and executive structure conducted by former New Zealand Police Commissioner Rob Robinson. The findings of Mr Robinson's review, which included support for the establishment of a second Deputy Commissioner position, were endorsed at the AFP Executive Retreat in May 2007. Implementation of Mr Robinson's recommendations has commenced and will continue into the 2007–08 year.

Executive Development

The Executive Development Program continues to support the achievement of AFP's strategic objectives by better preparing senior AFP managers to meet the changing demands of the contemporary policing environment. The program incorporates assessment and self-awareness of leadership styles, coaching and mentoring, special deployments, and access and exposure to strategic forums. Succession planning continued to be a top business priority, with potential successors being identified and the management of vacancy, transition and readiness risks being undertaken.

In support of a sound management base, the Emerging Leaders' Group program offers accelerated development for high-achieving middle managers to prepare them for future responsibilities.

International Policing Toward 2020

Also with the future in mind, the AFP will be hosting a major international conference exploring the likely influences that will shape crime and law enforcement through to the year 2020. The *International Policing Toward 2020* conference in Canberra in November is expected to attract delegates from around the world.

PARTNER FOCUSED

The AFP continued to enter into formal agreements with Australian and overseas law enforcement agencies to increase crime fighting effectiveness. That the high level of liaison and cooperation that exists between Australia's federal, state and territory law enforcement agencies, is not limited to its operational activities was clearly evidenced by the dedication ceremony for the National Police Memorial in September 2006. The memorial, which was a result of the combined long-term efforts of all jurisdictions, is dedicated to the memory of those police officers who have been killed or have died on duty. The dedication of the memorial took place in the presence of Prime Minister John Howard and more than 700 police officers from all jurisdictions.

TECHNOLOGY ENABLED CRIME

The Technology Enabled Crime Working Group was established in September 2006 as a result of environmental, operational and strategic factors facing law enforcement as a consequence of continued advances in technology.

The objective of the working group is to formulate a response for the AFP to technology enabled crime and position the AFP to meet these challenges. The work of this group is ongoing throughout the AFP in areas such as Forensic and Technical and the Australian High Tech Crime Centre.

EMPLOYER OF CHOICE

Robust workforce planning and online recruitment has supported the AFP through its largest growth period, with staffing numbers almost doubling over the past two years. Despite this rapid growth, the core level of experience of the organisation is being maintained. The 2006–07 combined attrition rate for sworn and unsworn staff was 8.3 per cent, with a significantly lower attrition rate of 4.3 per cent for sworn staff.

Preliminary results from the Staff Opinion Analysis and Review Survey (SOAR) 2006 demonstrated high levels of staff satisfaction reflecting the challenging nature of today's AFP, and the breadth of professional opportunities available to AFP employees.

We actively encourage diversity within the AFP through well-established networks such as the Malunggang Indigenous Officers Network, the Gay and Lesbian Liaison Officers Network and the Women's Network. Additionally, we have recently recruited three Indigenous trainees and have begun a range of innovative strategies to attract more women to the AFP. During 2006–07, a recruiting campaign targeted at attracting women to the AFP resulted in an increase in applications from 12 per month in January 2006 to 75 per month by the end of June 2007.

In April 2007 a new Collective Agreement (CA) that will see the AFP through to 2011 was endorsed

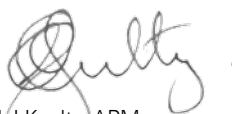
by our members. The agreement is already working to provide a stable and practical operational base for the years ahead. The new CA has consolidated a number of disparate terms and conditions across the organisation into one agreement, resulting in improvements to flexibility in managing the workforce as well as realising significant efficiencies. At the same time, improvements to our performance management framework will result in higher levels of accountability throughout the AFP and delivery of outcomes to the community.

CONCLUSION

The year's operational successes have demonstrated the wide range of expertise that lies within the AFP when it comes to serving the law enforcement needs of the Australian Government and the Australian people. The level of dedication, skill and enthusiasm of our employees is high and fundamental to our performance.

The AFP's profile has made it a desirable employer for those seeking a law enforcement career and our retention of employees indicates that there is a high degree of satisfaction in the work place.

Operationally, we are returning very high levels of client satisfaction with our services and our joint investigations with Australian and overseas law enforcement agencies have led to a number of notable successes. While there will always be challenges ahead, it is clear that the AFP is on a sound organisational footing with which to meet them.



M J Keilty, APM
Commissioner
Australian Federal Police



Commissioners and members of all Australian police jurisdictions assembled at Old Parliament House on 29 September 2006 prior to more than 700 current and retired officers marching to the National Police Memorial for its dedication.

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. 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.

CURRENT ROLE

The AFP's primary role is to enforce Commonwealth criminal law and protect Commonwealth and national interests from crime in Australia and overseas. The AFP provides a range of investigative and other services supporting the Commonwealth's law enforcement objectives, directing a large proportion of its efforts toward preventing and responding to high impact, high level crime which threatens Australia's national interests.

The AFP also provides community policing services to the ACT under contract and to Australia's external territories. It uses skills from both these areas to support the significant offshore commitments to law and order and peace operations delivered by the International Deployment Group. It also provides protective security services through the AFP Protective Service, Close Personal Protection services to high office-holders and visiting dignitaries and Uniform Policing at the major airports.

Reporting Structure

Under the Minister of Justice and Customs and within the functional framework established in section 8 of the *Australian Federal Police Act 1979*, the AFP pursues clearly defined outcomes

agreed with the Government. For the 2006–07 financial year the AFP’s outcomes were:

Outcome 1

Outcome 1 focuses on national and international prevention of crime against the Commonwealth and the protection of Commonwealth interests in Australia and overseas.

- 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

Outcome 2

Outcome 2 focuses on a safe and secure environment in the ACT through the provision of community policing services. The objectives of this output are defined in annually negotiated purchase agreements for the provision of police services established under a five-year agreement between the AFP and the ACT Government provided for under section 8 of the *Australian Federal Police Act 1979*.

MINISTERIAL DIRECTION

As set out in the current Ministerial Direction to the Commissioner issued in August 2004, the AFP focuses on:

- 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 identification, restraint, seizure and confiscation 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 Australian Crime Commission (ACC) at Board level, particularly in the area of national criminal intelligence
- contributing effectively to the Government’s international law enforcement interests, including through United Nations Peace Operations, the restoration of law and order and foreign law enforcement capacity building missions including the Law Enforcement Cooperation Program, enforcement of child sex tourism legislation, and 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 preventive 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.

Executive Management Board (EMB)

The Executive Management Board's advisory role included ongoing review of the AFP's strategic direction and high-level policy settings. Its membership comprised 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. In its meetings during 2006–07 and in the two Executive Retreats it hosted, strategic issues considered by the EMB included the AFP's capability to combat technology-enabled crime into the future; international law enforcement issues, particularly the importance of China and the AFP's relationship with Chinese law enforcement; the new AFP Collective Agreement; and the AFP's recruitment strategies to improve targeted recruitment and the engagement process.

The Robinson Review recommended that the EMB and the National Managers Group conduct self-assessments of their governance. With all members of both groups in attendance at the Executive Retreat in May 2007 where the Robinson Review was considered, the Retreat agreed to amalgamate both committees into a single Strategic Leaders' Group (SLG) to support the Commissioner with high-level strategic advice. The two non-executive members of the EMB were invited to continue as members of the SLG. The SLG is expected to meet bi-monthly and will continue to hold bi-annual retreats.

EXECUTIVE TEAM

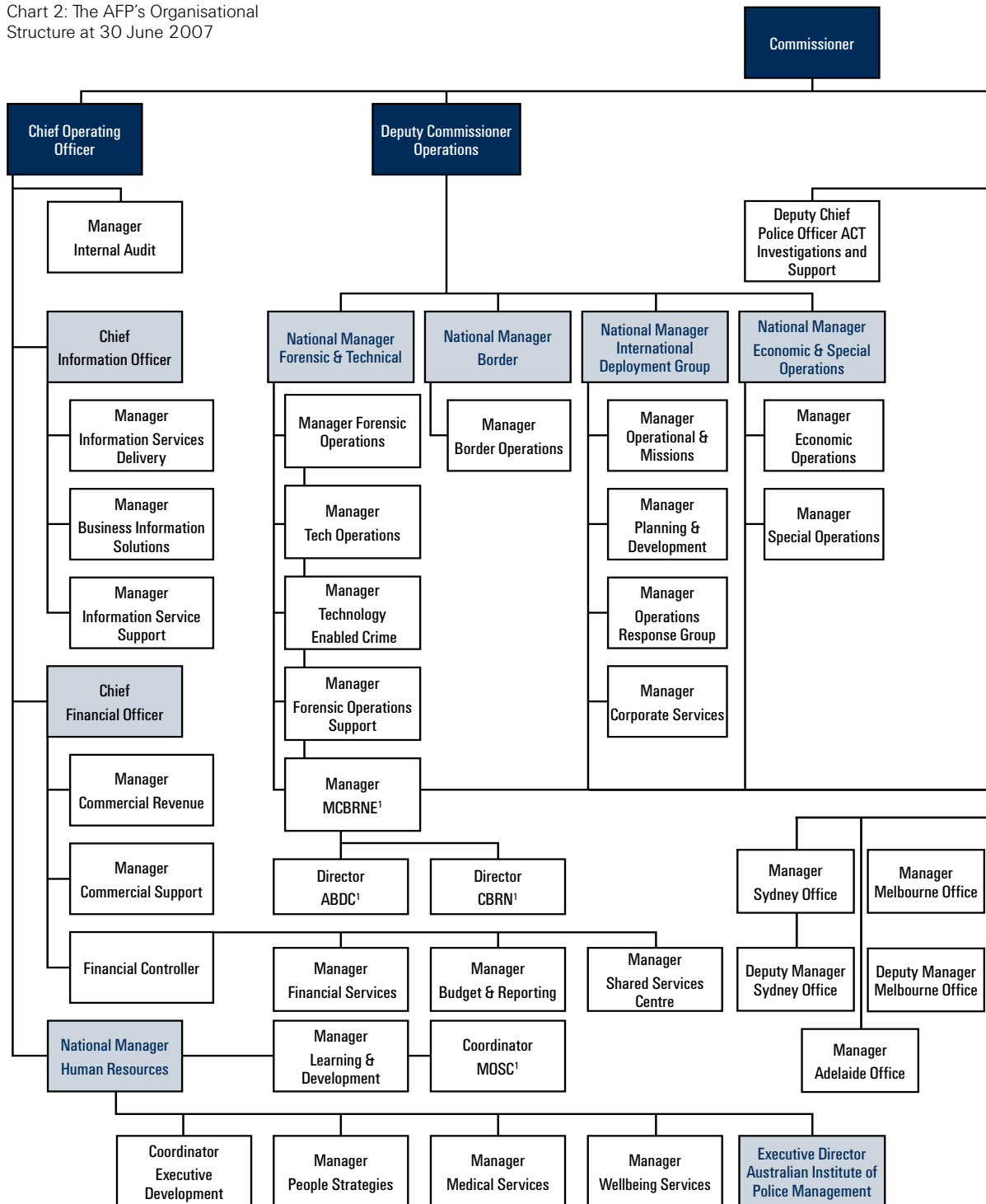
Chart 1: The AFP's Executive Structure at 30 June 2007

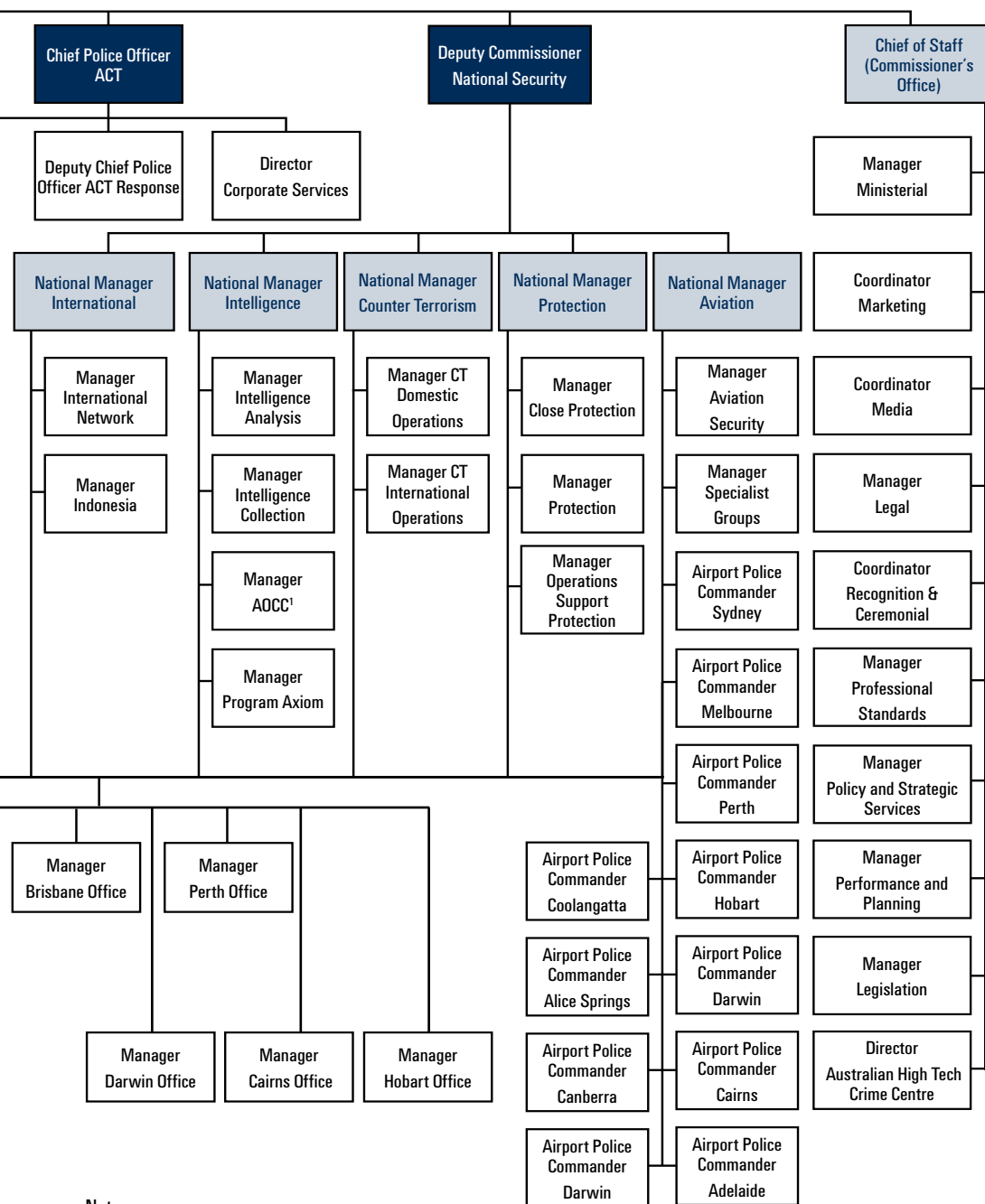
Organisation



ORGANISATION CHART

Chart 2: The AFP's Organisational Structure at 30 June 2007





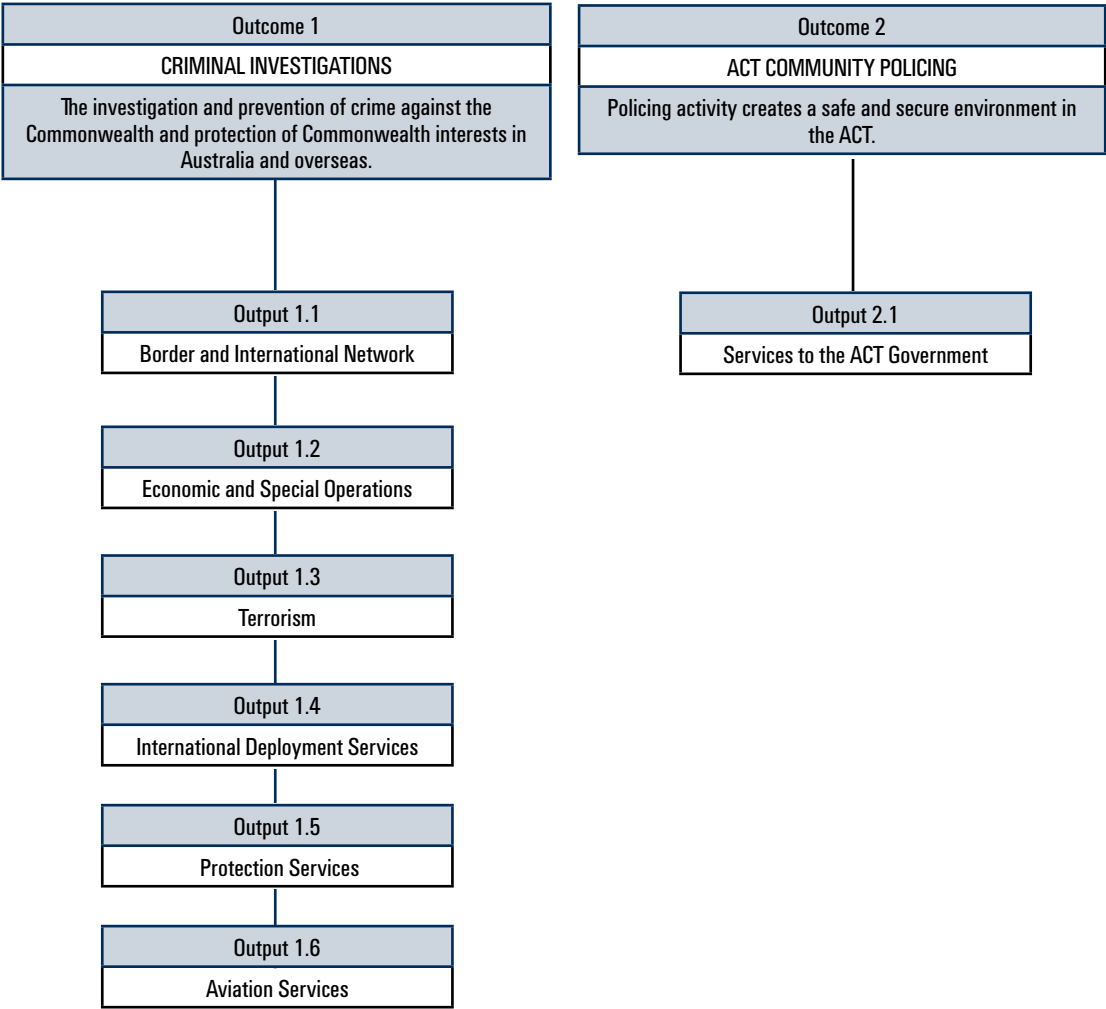
Notes:

1. See Glossary for definitions of acronyms

OUTCOME STRUCTURE

Outcomes and Outputs

Chart 3: The AFP's Outcomes and Outputs structure for 2006–07.



CHAPTER 2

Outputs Summary



AFP at a glance

The cost of the AFP

Actual Revenue.....	\$980.564 million
(see Table C, page20 and Note 20B, page 202)	
Actual Expense.....	\$986.879 million
(see Table C, page20 and Note 20A, page 201)	

Who we employ

Sworn police officers	2,501
Protective Service Officers.....	1,341
Unsworn staff (Administration, technical, forensic etc).....	2,194
Subtotal.....	6,036
(see page 110 and Table 18, page 154)	
Seconded state police.....	284
Total employment	6,320

Business satisfaction

Overall satisfaction with the AFP with its clients has increased from 76% last year to 80% this year.
(see page 5)

SUMMARY OF OUTPUTS

Table A: Performance Outcome 1

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

Output	Performance Indicator	Results
1.1: Criminal Investigations – Border and International Network	Quality: <ul style="list-style-type: none"> Disruptive effects of AFP operations on the criminal environment nationally and internationally Client satisfaction with AFP investigations 	Drug Harm Index – \$621.2 million Proportion of cases reaching court and resulting in a conviction – 92% Client satisfaction rating – 82%
	Quantity: <ul style="list-style-type: none"> Number of cases 	New cases – 2,156 Finalised cases – 2,246
	Target: <ul style="list-style-type: none"> 80% of resources employed in high/very high impact cases 	Target achieved – 87%
1.2: Criminal Investigations – Economic & Special Operations	Quality: <ul style="list-style-type: none"> Disruptive effects of AFP operations on the criminal environment Client satisfaction with AFP investigations 	Estimated financial return – \$127.6 million Proportion of cases reaching court and resulting in a conviction – 88% Client satisfaction rating – 73%
	Quantity <ul style="list-style-type: none"> Number of cases 	New cases – 2,824 Finalised cases – 2,482
	Target <ul style="list-style-type: none"> 65% of resources employed in high/very high impact cases 	Target achieved – 65%

1.3: Criminal Investigations – Terrorism	Quality: <ul style="list-style-type: none"> Disruptive effects of AFP operations on the criminal environment Client satisfaction with AFP investigations 	% case hours by purpose – Domestic: 90% International: 10% Client satisfaction rating – 77%
	Quantity: <ul style="list-style-type: none"> Number of cases 	New cases – 76 Finalised cases – 83
	Target: <ul style="list-style-type: none"> 100% of resources employed in high/very high impact cases 	Target achieved – 99%
1.4: International Deployment Services	Quality: <ul style="list-style-type: none"> Extent to which Commonwealth obligations are met Client satisfaction with AFP international deployment services 	% case hours by purpose – Peace operations case hours: 11% Capacity building case hours: 89% Client satisfaction rating – 86%
	Quantity: <ul style="list-style-type: none"> Number of resource hours delivered 	Resource hours – 440,800
	Target: <ul style="list-style-type: none"> 90% of resources employed in high/very high impact cases 	Target achieved – 90%

1.5: Protection Services	<p>Quality:</p> <ul style="list-style-type: none"> • Prevention of avoidable incidents • Satisfaction of clients and stakeholders with AFP service provision 	<p>Avoidable incidents – 0.1 per 1,000 movements</p> <p>Client satisfaction rating – 81%</p>
	<p>Quantity:</p> <ul style="list-style-type: none"> • Number of protection movements 	<p>Protection movements – 17,907</p>
	<p>Target:</p> <ul style="list-style-type: none"> • 85% of resources employed in high/very high impact cases 	<p>Target achieved – 95%</p>
1.6: Aviation Services	<p>Quality:</p> <ul style="list-style-type: none"> • Prevention of attempts to disrupt the safety of Australia's aviation passenger industry • Satisfaction of clients and stakeholders with AFP service provision 	<p>No attempts.</p> <p>Client satisfaction rating – 88%</p>
	<p>Quantity:</p> <ul style="list-style-type: none"> • Number of cases 	<p>New cases – 240</p> <p>Finalised cases – 201</p>
	<p>Target:</p> <ul style="list-style-type: none"> • 65% of resources employed in high/very high impact cases 	<p>Target achieved – 65%</p>

Table B: Price of Agency Outputs (Financial Performance)

	Budget ^a 2006–07	Actual 2006–07	Variation 2005–06	Budget ^b 2007–08
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
OUTCOME 1				
1.1 Border & International	136,372	156,205	-19,833	138,789
1.2 Economic & Special	131,610	119,393	12,217	139,827
1.3 Terrorism	53,714	59,681	-5,967	57,783
1.4 IDG	254,019	251,668	2,351	263,727
1.5 Protection Services	179,520	187,005	-7,485	208,984
1.6 Aviation Services	222,368	212,927	9,441	244,535
Total Price of Outputs	977,603	986,879	-9,276	1,053,645
Revenue from Government	873,580	873,580	-	975,801
(Appropriation) for Agency Outputs	-	-	-	-
Revenue from Other Sources	104,023	106,984	-2,961	77,844
Total Departmental Revenue	977,603	980,564	-2,961	1,053,645
Total Price of Outputs for Outcome 1	977,603	986,879	-9,276	1,053,645
OUTCOME 2				
2.1 Services to the ACT Government	97,701	108,443	-10,742	117,056
Total Price of Outputs	97,701	108,443	-10,742	117,056
Revenue from Government	-	-	-	-
(Appropriation) for Agency Outputs	-	-	-	-
Revenue from Other Sources	97,701	108,707	-11,006	117,056
Total Departmental Revenue	97,701	108,707	-11,006	117,056
Total Price of Outputs for Outcome 2	97,701	108,443	-10,742	117,056

a. Full Year budget, including additional Estimates

b. Budget as announced in the 2007–08 Portfolio Budget Statements

Table C: Financial Result 2006–07

Budgeted Revenue (\$m)	Actual Revenue (\$m)	Actual Expenses (m)	Variance (m)
977.603	980.564	986.879	-9.276

The total Outcome 1 budgeted revenue, as reported in the Portfolio Additional Estimates, was \$993.303m. The final budget shown above takes into account the return of appropriated revenue of \$15.7m relating to 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 2006–07 budget. The variance for actual revenue and actual expenses were \$2.961m (0.3%) and -\$9.276m (-0.95%) respectively.

CHAPTER 3

Performance Details



PERFORMANCE

Outcome 1:

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

OUTPUT 1.1: BORDER AND INTERNATIONAL

Although it operated as a single entity during the majority of 2006–07, the National Management Group decided towards the end of the financial year that the Border and International functions would be better served by appointing a National Manager International and a National Manager Border. This decision reflects the pivotal role that both functions play in the AFP's future direction.

Border

The Border portfolio manages border crime incidents including:

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

The investigation and prevention of border crimes against the Commonwealth by the AFP is 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

In 2006–07, there was an increased use of the postal system for drug smuggling. This resulted in a large number of low-weight seizures and an ongoing reduction in the supply of heroin. However, there was an increase in the domestic production of previously imported drugs such as ecstasy and crystal methamphetamine.

The AFP is intensifying its fight overseas against illicit drug and precursor trafficking in an effort to dismantle and disrupt syndicates before they actually undertake an importation.

The AFP had major successes in 2006–07, with cocaine seizures of approximately 597kg, exceeding the full year result of 84.8kg for 2005–06 of cocaine seizures by federal law enforcement agencies.

The AFP is strengthening its proactive drug investigations through development of "Orion" drug investigation teams in Sydney, Melbourne and Brisbane focusing on serious drugs including synthetic and chemical operations.

New policy initiative funding for Specialist Response ATS (amphetamine type substances) over four years further added to capacity with the establishment of a specialist team based in Sydney that can respond at short notice to investigate significant ATS offences, including the detection of clandestine laboratories in Australia and the Asia-Pacific region.

Drug Harm Index

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 for the period 2006–07 is \$621.2 million.

Heroin

During 2006–07, the AFP seized approximately 47kg of heroin.

The Australian heroin market remains primarily supplied by heroin sourced from Golden Triangle countries (Myanmar, Laos and Thailand) despite a decrease in opium cultivation in this area and a continued increase in opium cultivation in Afghanistan. Consistent with previous years, Australian drug users continued to move away from opiate use towards ATS.

Recent heroin seizures at the Australian border have typically resulted from low-volume, high-frequency parcel post and air passenger importations. In 2006–07, 46 people hiding drugs inside their bodies were detected at the Australian international entry points. The majority of these people were attempting to import heroin.

Australia continued to be targeted for heroin importations by organised criminal syndicates, most often Asian and West African groups and opportunistic individuals. Syndicates importing heroin to Australia also continued to traffic several drug types at once. Scatter importations, a method of importation using large numbers of small packages, usually through parcel post, are still frequently used to traffic illicit drugs such as heroin, cocaine and MDMA to Australia.

OUTPUT 1.1: BORDER AND INTERNATIONAL

RESULTS FOR 2006–07

Workload

- 1540 new Border cases and 616 new International cases.
- 914 finalised Border cases and 1332 finalised International cases.
- 904 Border cases and 483 International cases on hand at the close of 2006–07.

Performance Measures

- 87 per cent of resources were directed to high/very high impact cases.
- Client satisfaction was 82 per cent.
- The Drug Harm Index was \$621.2 million.
- 92 per cent of cases reaching court resulted in a conviction.

Amphetamine-type substances (excluding MDMA)

A global shift towards ATS use continued, with an increasing trend towards the use and production of crystal methylamphetamine (commonly referred to as ice). Synthetic drug use remained prevalent in Australia, in line with the international trend. ATS are the second most widely used illicit drugs in Australia, behind cannabis.

In 2006–07, the AFP seized approximately 67kg of ATS. The Australian ATS market is predominantly supplied by domestic manufacture. However, powder and liquid methylamphetamine, crystal methylamphetamine and tablets containing amphetamines are still detected at the Australian border. Individuals and criminal groups continued to

change their importation and concealment methods in an effort to avoid detection by law enforcement.

The tightening of domestic ephedrine and pseudoephedrine regulatory controls in Australia significantly restricted the availability of ATS precursor chemicals. However, criminal interest in obtaining bulk amounts of chemical precursors remained high. Manufacturing syndicates have continued attempts to source relevant precursors overseas. During 2006–07, the AFP seized approximately 558kg of precursor chemicals, including the April 2007 seizure of 200kg of phenylacetic acid consigned from India and 102kg of pseudoephedrine concealed in cosmetics from Vietnam in March 2007.

MDMA

Australia remains a target for MDMA importations because of high rates of domestic MDMA use and the high profit margins available to criminal syndicates involved in trafficking MDMA. Seizures in 2006–07 suggest that groups involved in MDMA trafficking to Australia range from organised criminal syndicates importing multi-kilogram shipments to low-level criminals involved in the importation of smaller quantities, typically through the parcel post system. During 2006–07, the AFP seized approximately 806kg of MDMA.

Organised syndicates have remained adaptive to Australian law enforcement operations and continued their attempts to establish high-volume production and final processing facilities in Australia, as evidenced by detections of MDMA liquid, powder and precursors. In March 2007, 113kg of MDMA powder was detected in sea cargo consigned from Israel.

Cocaine

International cocaine production remains high, with Colombia dominating the global supply market (followed by Peru and Bolivia). Despite significant seizures by international law enforcement agencies in 2006–07, Colombian syndicates have successfully exported multi-tonne shipments from South and Central American countries.

Illicit drug syndicates continued to use West African countries as transshipment points for the movement of cocaine to Spain and Portugal for distribution in European markets and continued to adapt in response to law enforcement activities as they expand their global cocaine markets. The trend of detections in countries where cocaine has not usually been a drug of concern has continued. These countries include China, Cambodia and India.

Table D: Drug Seizures Federal Agencies^a

Type of Drug	2006–07		2005–06	
	Weight (kg)	Number Items Seized	Weight (kg)	Number Items Seized
Amphetamine – Excluding MDMA	67.4	198	100.3	115
Cannabis (Including Resin)	16.9	298	35.0	477
Cocaine	597.4	147	84.8	315
Heroin	47.1	158	37.0	179
MDMA	806.6	62	458.7	107
Precursor	558.2	42	1332.4	42
Other	77.2	207	63.6	217

(a) Figures for 2006–07 are correct at time of publication. 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.

Criminal syndicates continued to target Australia for small-scale cocaine importations via air passengers/cargo and the postal stream, as well as large-scale importations via sea and air cargo. During 2006–07, approximately 597kg of cocaine was seized at the Australian border.

In 2006–07, significant detections of cocaine included 141kg concealed in an air freight shipment from Hong Kong in March 2007. These detections reverse the 2005–06 situation, when no significant seizures of cocaine were recorded.

PEOPLE SMUGGLING

The Australian Government established the People Smuggling Strike Team (PSST) in 2000 to counter people smuggling by boat to Australia. This funding has been extended to 2008. PSST members are drawn from the AFP and Department of Immigration and Citizenship (DIAC) investigators and are attached to a single team operating from within the AFP. In accordance with Ministerial Direction, the PSST continued to investigate and disrupt organised people smuggling to Australia.

The AFP works closely, both in Australia and overseas, with Australian Government agencies and international law enforcement partners. During 2006–07, several instances of potential illegal immigrants being transported by boat to Australia were detected. Intelligence indicates Australia remains a target destination for maritime people smuggling, and illegal arrivals involving passport offences.

The February 2007 intercept of a suspect illegal entry vessel carrying 83 Sri Lankans off the West Australia coast, the subsequent arrest and prosecution of the crew and the later detention of organisers by Indonesian authorities is an example of the cooperative and complex nature of people smuggling offences. The crew has entered pleas of guilty and are awaiting sentence.

HUMAN TRAFFICKING

As part of a whole-of-government approach 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). Australia remains a destination country for human trafficking. This funding was extended to 2011 with increased funding of \$9.1 million bringing the total AFP funding to \$16.3 million over the next four years.

Since 2004, the AFP investigated 125 cases of human trafficking, with 15 new cases 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 children).

The trend of victims originating from South-East Asia, particularly Thailand, continued. Other source countries are Indonesia, Malaysia, South Korea and China, and to a lesser extent, Hong Kong and the Philippines.

The majority of victims identified were sex industry workers in their country of origin and were aware they would be working in the sex industry in Australia, prior to their being trafficked. However, until they arrived in Australia, many were not aware that they would be exploited.

The groups detected in sex trafficking have been small rather than large organised crime groups. Australians using family or business contacts overseas to facilitate movement and visa violations continued. Human trafficking continued 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.

Successful prosecutions rely on victim and witness first-hand accounts of exploitation. The need continues

for a focus on victim identification and support. The AFP uses the services of the Australian Government-funded 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. By the end of the reporting period, VoTCare had supported 35 victims and witnesses of trafficking. Since 2004 there have been 78 victims of trafficking referred to VoTCare.

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 contributed significantly to child sex-offence investigations. Australia 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 supports local law enforcement efforts by providing investigative assistance, forensic support, computer forensics and international liaison. Current analysis indicates 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. 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 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 helps 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 uses the 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 28 prosecutions, resulting in 18 convictions and two matters before court.

International Network

A key strategy in the AFP's fight against transnational crime is the AFP's International Network comprising 86 officers in 33 cities in 27 countries around the world, with an additional office (New Delhi), pending approval from the Government of India.

The role of the network is to work with international law enforcement agencies to promote information and intelligence exchange to combat transnational crime at its source.

The shifting focus of transnational crime created new demands on the AFP's overseas law enforcement activities. In early 2007, the AFP opened new posts in Dhaka, Bangladesh and Guangzhou, China.

The AFP received additional funding under the Australian Government's ATS package to expand the International Network to include an additional post in Vientiane (pending approval from the Lao People's Democratic Republic and a second position in China to more effectively address criminal intelligence collection and multilateral investigations into the importation and manufacture of ATS.

On 20 February 2007 the AFP became the first policing agency in the Asia Pacific, and the second in the Southern Hemisphere, to sign a strategic and operational agreement with Europol, the policing organisation for the European Union.

This agreement was the culmination of seven years of negotiation and is significant in Australia's strategic approach to strengthening international capacity to fight all forms of transnational crime, including terrorism.

The AFP has placed a liaison officer in Europol Headquarters in The Hague to facilitate the flow of information between Australian law enforcement agencies and Europol.

The AFP signed further MOUs with the Metropolitan Police Service (MPS) and other law enforcement agencies in the United Kingdom to promote closer working relationships and strengthen the

transnational crime-fighting and counter-terrorism response. The MOUs underpin exchanges between the AFP and the MPS Counter Terrorism Command and the AFP and other UK law enforcement agencies in order to enhance collaborative relationships.

In November 2006, the AFP signed an MOU with the Royal Thai Police (RTP). Also signed were the Exchange of Letters for the development of the RTP Transnational Crime Network (TCN) Project and the establishment and development of the RTP Bomb Data Centre.

At the 27th annual ASEANAPOL conference in Singapore, in June 2007, an invitation was extended to the AFP to become a dialogue partner. The elevation in status is recognition of the importance of further strengthening the cooperation between law enforcement agencies in the region.

In July 2006, the AFP, working in conjunction with whole-of-government partners, assisted in the evacuation of more than 5 000 Australian citizens from Lebanon.

Collaboration with our international partner agencies in 2006–07 resulted in operational successes including:

- Working with Victoria Police and Greek authorities resulted in the arrest of an Australian citizen in Greece, wanted on drug trafficking and murder charges in Australia.
- In July 2006 a major sophisticated methamphetamine laboratory was located in Kulim, Malaysia. The AFP provided forensic and investigative assistance to the Royal Malaysia Police.
- The AFP assisted in locating an Australian citizen wanted for a child sex offence in NSW. The Australian citizen was deported from Thailand and returned to Australia where he was arrested and charged.
- In May 2007, an offender was arrested in Bogota, Colombia who was linked to numerous parcel shipments of cocaine to Australia and

other countries. The investigation was conducted by the Transnational Crime Team (TCT), which is a joint initiative by the AFP and the Colombian Administrative Department of Security. The arrest of this person disrupted a significant group and demonstrates the AFP focus of targeting key suspects involved in the global trafficking of cocaine.

- The presentation of drug sampling equipment to Lebanese police resulting in a significant number of arrests in Lebanon.
- Assisting the RTP to locate a 6-year-old child in Thailand and arranged for her safe return to Australia after being abducted by her father. The father was deported from Thailand to Australia to face a range of offences including, kidnapping.

The AFP's role is seen as more than just achieving immediate operational successes.

The Pacific Transnational Crime Network (PTCN) is an Australian Government initiative providing a proactive, transnational criminal intelligence and investigative capability to Pacific region law enforcement agencies. It is a law enforcement network that includes police, customs and immigration officers and comprises Transnational Crime Units (TCUs) in Fiji, Samoa, Tonga, Papua New Guinea and Vanuatu. The PTCN also includes the Pacific Transnational Crime Coordination Centre, which was established in Suva in June 2004 to coordinate, exploit and disseminate regional law enforcement intelligence produced by the TCUs.

A Micronesia Regional TCU is being established in Pohnpei in the Federated States of Micronesia and will be operational in November 2007. This will be a partnership arrangement between the AFP and the United States Joint Interagency Task Force West and Micronesian law enforcement agencies.

In the past year, the PTCN achieved a number of high impact outcomes in the Pacific, including:

- Joint investigation between Fiji, Vanuatu, the AFP and Federated States of Micronesia into the fraud and money laundering activities of an international fraud offender.

- Joint narcotics targeting activities in Samoa between Samoa TCU, the AFP and Customs.
- Arrest of a key identity and document fraud offender in Vanuatu.
- Arrest of an Australian paedophile in PNG for child sex offences.
- Arrest of a Fiji national for online child pornography offences.
- Tonga TCU-led investigation role in relation to November 2006 riots in Nuku'alofa, Tonga.
- Interdiction of approximately 55kg of cannabis smuggled between Fiji and Tonga and dismantling of a drug trafficking syndicate.
- Seizure of cocaine in Samoa.

The AFP continued to support the commitment made by the Commissioner in 2004 to the regional Pacific Islands Chiefs of Police organisation by funding the placement of a full-time project officer from a Pacific police service to the Secretariat based in Wellington, New Zealand. The country from which the member is selected rotates with the annual Chair of the PICP and this year the member is an officer from Palau. Together with the AFP member posted to Wellington, the Pacific officer supervises the project arm of the Secretariat, on behalf of the 21 Chiefs of Police in the region.

SIGNIFICANT EVENTS

BORDER AND INTERNATIONAL

Border and International portfolio is responsible for detecting and preventing illegal activity crossing Australia's international borders, including illicit drug trafficking, people smuggling and child sex tourism. These efforts are supported by the AFP's International Network of 33 posts in 27 countries that play a liaison role with the law enforcement agencies of their host countries.

From July 2007, the single Border and International portfolio separated into two distinct portfolios overseen by National Manager Border and National Manager International.

ILLICIT DRUGS

The importation of illicit drugs into Australia inflicts a high personal and social cost on the Australian community. The AFP, in conjunction with Customs and other federal and state law enforcement agencies, works to discourage, detect and seize importations of this nature. The cases given below are considered significant events in the battle against drug syndicates.

HEROIN

Significant investigations

Heroin weighing 3.49kg seized at Perth airport in June 2007.

- On 1 June 2007, Customs officers intercepted a 32-year-old Malaysian man attempting to import 3.49kg of heroin into Australia after he arrived on a flight from Kuala Lumpur. The seizure was the largest at Perth airport for 2006–07. An X-ray of his luggage revealed inconsistencies in the bases of two suitcases. An examination revealed heroin. AFP officers charged the man with offences under the Commonwealth Criminal Code.

Heroin weighing 3.97kg seized at Sydney in July 2006.

- Following a referral from the Australian Quarantine and Inspection Service, Customs officers at Sydney airport stopped a Malaysian woman on her arrival from Malaysia in July 2006. A number of soft-sided bags carried by the woman were X-rayed, revealing inconsistencies in the bases of the bags. A Customs drug detector dog also reacted positively to the bags and close examination revealed 15 packages hidden in the bottom of the bags. The woman was charged them with offences under the Commonwealth Criminal Code. The total weight of heroin recovered was 3.97kg.

AMPHETAMINES

Significant investigations

Amphetamine precursor weighing 200kg seized in Melbourne in March 2007

- In March 2007, Customs officers identified 200kg of phenylacetic acid imported into the Port of Melbourne. Phenylacetic acid is a precursor chemical for amphetamines. This quantity of precursor chemical could have made up to 168kg of amphetamines, with an approximate street value of more than \$10 million. Following a joint controlled operation with Victoria Police, the AFP arrested and charged two people with pre-trafficking and importation offences relating to the precursor chemical.

Pseudoephedrine weighing 102kg seized in Sydney in air courier boxes

- In March 2007, Customs officers detected 102kg of pseudoephedrine in cardboard boxes arriving in Sydney from Vietnam via an air courier. Further AFP investigations resulted in the arrest of six offenders, charged with Attempt to Possess a Controlled Precursor, section 308.2(1) *Criminal Code Act 1995*.

Two million pseudoephedrine tablets found in furniture shipping containers

- In June 2006, Customs notified the AFP that a shipping container of furniture held 2 million tablets of Actifed/Sudafed (with a yield of 92.91kg of pseudoephedrine), consigned to a business in Sydney. AFP investigations resulted in one person being charged with the importation contrary to section 307.11 of the *Criminal Code 1995*. Two other people were charged with aid and abet the importation, contrary to section 307.11 of the Criminal Code and by virtue of section 11.2 of the Criminal Code. Two people were also detained in Indonesia.

Significant sentencing decisions

Crystal meth import results in long sentences

- In October 2005, a new speedboat and trailer arrived in a container at Port Botany. The container originated from Canada and examination of the boat revealed 46 packages of crystal methamphetamine, weighing 45.83kg, hidden in the lining of the hull of the vessel.

A controlled operation resulted in the arrest of five people who were charged in relation to the importation. To date, one offender has been sentenced to nine years imprisonment, with a five-year non-parole period and a second offender to 17 years imprisonment with a 10-and-a-half year non-parole period. The Crown appealed the latter sentence.

Four men sentenced over 345kg of pseudoephedrine in statues

- On 17 August 2005, Customs officers at the Container Examination Facility, Port Botany, examined a shipping container from Vietnam with contents described as rattan goods, artificial flowers and gypsum statues. A total of 886 gypsum statues were located with 766 containing approximately 500 grams of pseudoephedrine in each statue. The total weight was approximately 345kg of pseudoephedrine.
- A controlled operation resulted in the arrest of

five offenders who were charged with a range of Commonwealth and state offences relating to the import and supply of the pseudoephedrine. One offender was sentenced to 12 years imprisonment with an eight-year non-parole period. A second offender received a two-year suspended sentence.

On 25 May 2007, a third offender was sentenced to 10 years imprisonment with a seven years and six month non-parole period for supplying of a commercial amount of a prohibited drug. A fourth offender was sentenced to 12 years imprisonment with a nine-year non-parole period for supplying a large amount of a prohibited drug. He also received a sentence of three years imprisonment to be served concurrently with the sentence for supplying a traffickable quantity of a prohibited substance.

MDMA

Significant investigations

MDMA base oil concealed in paraffin

- On 16 August 2006, a shipping container containing giftware and 1500kg of paraffin oil arrived in Sydney from the Netherlands. The shipment was consigned to a Sydney-based candle and giftware company. Examination of the paraffin oil revealed 417.8kg of 90 per cent pure, MDMA base oil. An AFP-controlled operation was monitored for an extended period before a series of search warrants were executed in Sydney in December 2006.

Mailed packages held 80,000 MDMA tablets

- In February 2007, Customs officers at the Mail Handling Unit at Brisbane airport intercepted four packages containing approximately 80,000 MDMA tablets weighing 26.1kg. The packages were from the United Kingdom and directed to a Brisbane address. The AFP arrested four people following a controlled operation and charged them with offences under the Commonwealth Criminal Code. One person was also charged with a Financial Transactions Reports Act offence of dealing with the proceeds of crime exceeding \$10,000.

Hot water tanks concealed 113kg of MDMA

- In March 2007, 113kg of MDMA, hidden in solar hot water storage tanks, was seized from a shipping container at Port Botany. The consignment originated in Israel. A controlled operation resulted in an Israeli national being arrested and charged with offences under the Commonwealth Criminal Code.

Significant sentencing decisions

Long jail terms for MDMA in shipping container case

- In 2004, 342kg of MDMA, hidden in a shipping container imported into Sydney, resulted in the arrest of three men. On 2 February 2007, the following sentences were given:
 - life imprisonment with a non-parole period of 18 years
 - 24 years imprisonment with a non-parole period of 16 years
 - 21 years imprisonment with a non-parole period of 14 years.

MDMA in boxes of printer's ink

- On 7 June 2006, Customs seized 371.43kg of MDMA in a consignment of 180 boxes of printer's ink from British Columbia, Canada. A controlled operation resulted in four men being charged. During the operation, a fifth man was identified, traced to Canada and extradited to Australia in June 2007.

COCAINE

Significant investigations

Cocaine weighing 179kg in Chilean timber shipment

- In March 2007, 179kg of cocaine was discovered in six soft-sided sports bags inside a container of timber from Chile. To date, no arrests have been made in relation to this seizure.

Cocaine weighing 141kg cocaine detected in sea water treatment system

- In March 2007, 141kg of cocaine was detected in an airfreight shipment from Hong Kong. The shipment was consigned to a business in Sydney and was described as an automatic sea water treatment system. Three sealed compartments contained cocaine in both powder and block form. One person was arrested and charged.

Cocaine weighing 21kg hidden in electronic equipment

- In February 2007, 21kg of cocaine, concealed inside electronic equipment and originating from Panama, was seized at Brisbane airport. Two people were arrested and charged with offences under the Commonwealth Criminal Code after a controlled operation.

Cocaine weighing 2.96kg in brake drums

- In May 2007, Customs detected an airfreight package from the United States consigned to a business in Sydney. Inside the package was a brake drum. Welded inside the brake drum was 2.96kg of cocaine. A controlled operation resulted in the arrest of two men who were charged with conspiracy to import a commercial quantity of border controlled for offences under the Commonwealth Criminal Code.

Significant sentencing decisions

Albany 2004 attempted import of 100kg of cocaine

- In August 2004, the AFP apprehended a Bolivian national and a Sydney resident for their involvement in the importation of 100kg of cocaine into Albany, WA. In late 2005, the Bolivian pleaded guilty to the importation and was sentenced to life imprisonment to serve a minimum of 21 years. In February 2007, the Sydney resident pleaded guilty to his involvement in the importation during the second day of his retrial and was sentenced to 21 years to serve a minimum of 13 years before being eligible for parole.

Ten-year sentence for 2005 cocaine offence

- On 10 April 2007, a woman was sentenced to 10 years imprisonment with a six-year non-parole period for importing 500.3 grams of cocaine in July 2005.

Nine-year sentence for cocaine hidden in grinding wheel

- On 8 March 2006, an air freight consignment arrived at Sydney airport from Bogota, Colombia. Customs officers examined the consignment and found a grinding wheel concealing approximately 1.9kg of cocaine. On 30 March 2007, a man was sentenced to nine years imprisonment with a five-and-a-half year non-parole period.

PEOPLE SMUGGLING

Sri Lankans escorted to Christmas Island aboard SIEV Naos

On 19 February 2007, a Suspected Illegal Entry Vessel (SIEV) *Naos* was detained just outside the Australian Contiguous Zone. On board were 83 Sri Lankans suspected of being illegal immigrants. Also on board were two Indonesian crew members. The vessel was escorted to Christmas Island.

The AFP Jakarta Office worked closely with the Indonesian National Police (INP) in relation to the organisers of SIEV *Naos*.

On 8 May 2007, the INP detained two Sri Lankans for their alleged involvement in offences against the Indonesian Migration Act of hiding, protecting or granting accommodation to potential illegal immigrants from the SIEV *Naos* and other people smuggling ventures before they departed Indonesia, en route to Australia. These offences carry a fine and maximum of five years imprisonment. At the time of their arrest, they were in possession of more than \$70,000 in Australian currency and 250 false credit cards.

On 10 June 2007 the INP advised that they had detained a third person in Jakarta for his alleged involvement in SIEV *Naos* and other people-smuggling ventures.

On 17 May 2007, the two crew members from SIEV *Naos* entered pleas of guilty to people smuggling offences under section 232A of the Migration Act and await sentencing in Perth.

The AFP works closely with the Royal Malaysia Police to disrupt international people-smuggling syndicates. In February 2007, based on information provided by the AFP, Malaysian authorities became aware of a significant Burmese people smuggler. AFP Intelligence indicated that the Burmese people smuggler had been responsible for organising a number of people-smuggling ventures to Australia. The actions of the Royal Malaysia Police severely disrupted this international syndicate.

Significant sentencing decisions

Nullawarre people-smuggling conviction

- 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. Appeals were lodged but dismissed by the Court.

Iraqi national found guilty

- 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 the 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 six year and six month non-parole period, backdated to the time of arrest on 5 October 2001. Appeals against the conviction and sentence were lodged, but withdrawn in February 2007.

HUMAN TRAFFICKING

Significant sentencing decisions

Sexual slavery in Fitzroy brings 10-year sentence

- In May 2003, the AFP investigated a number of people 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 national 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. An appeal against the conviction on slavery charges was heard in April 2007.

Husband and wife sentenced for sexual servitude deception

- In May 2004 a Thai national was deceived about the extent of her involvement in the sex industry upon her arrival to Australia, the debt imposed and her ability to cease providing services. An Australian man and his Thai wife were both convicted of sexual servitude offences in December 2006 with custodial periods of four years and five years respectively.

Labour exploitation stopped in Blue Mountains restaurant

- In July 2006, the AFP investigated a complaint of labour exploitation against a Blue Mountains restaurant owner. This resulted in charges of labour exploitation of a young man from India. The victim is receiving support under the Commonwealth victims support program. In March 2007, committal proceedings found sufficient evidence to proceed to trial. The trial date was scheduled to start in July 2007.

CHILD SEX TOURISM

Significant sentencing decisions

Man sentenced for offences against stepdaughter

- *Operation Dulcimer* was the investigation into extra-territorial sex offences committed by a naturalised Australian against his stepdaughter in Liberia and Thailand between 2000 and 2001. On 14 December 2006, the offender was sentenced to six years imprisonment, of which four years are to be served without parole for sex offences contrary to the *Crimes Act 1914*.

Pilot sentenced for intercourse with an under 16-year-old in PNG

- In October 2006, a Cairns-based commercial pilot with employment in Papua New Guinea (PNG), was found guilty of one count of sexual intercourse with a person under the age of 16 while in PNG. The offender was sentenced to five-and-a-half years jail with a non-parole period of three years. Appeals were unsuccessful.

IN REMEMBRANCE

On Wednesday 7 March 2007, Garuda Airline flight GA200 crashed on landing in Yogyakarta, Indonesia. Federal Agent Mark Scott and Commander Brice Steele were among the 21 passengers who died as a result of the crash.

The two federal agents were travelling as part of an advance team ahead of the visit of Foreign Affairs Minister Alexander Downer. Three other Australians, including a diplomat, a journalist and an AusAID official, also lost their lives in this tragedy.

AFP investigational support response

Deputy Commissioner John Lawler accompanied Minister Downer to the accident site and the AFP offered assistance to the Indonesian National Police (INP) with investigations into the disaster.

At the invitation of the Indonesian Government, the AFP provided a rapid response capacity to the region following the plane crash.

A disaster victim identification (DVI) team was sent to Yogyakarta to assist with the investigation accompanied by an Air Safety Bureau of Investigation expert.

On Saturday 10 March, DVI experts presented evidence to the Indonesian Identification Board and the Board subsequently positively identified Federal Agents Brice Steele and Mark Scott and the other Australian victims.

In a media statement, Commissioner Keelty said while the loss of these two agents was deeply felt by all members of the AFP, he hoped that the confirmation could help begin the healing process for the organisation and the families of the two agents.

“Today’s identification will bring some closure to the families of the deceased officers – particularly Brice’s

wife, Kellie, and Mark’s wife, Sally, and their children – who have been living through the uncertainty of the tragedy this week,” Commissioner Keelty said.

Bringing them home

On a still Canberra autumn morning, the Royal Australian Airforce Hercules touched down bringing home the bodies of the five Australians who perished in the airline tragedy.

On Wednesday 14 March, the AFP hosted a dignified repatriation ceremony at the Fairbairn Air Base, providing families and friends an opportunity to pay their respects. The ceremony was attended by a host of dignitaries, including Governor-General Michael Jeffery, Deputy Prime Minister Mark Vaile, Foreign Affairs Minister Alexander Downer, Senator Chris Ellison, the new Minister for Justice and Customs, Senator David Johnston, and Commissioner Keelty.

Federal Agent Scott’s casket was adorned with an Australian flag, an AFP flag and a police sergeant’s cap, while Federal Agent Steele’s casket had both flags and a police commander’s cap. Two AFP Bearer Parties in full ceremonial dress worked in tandem to carry the five caskets to the hearses to the beat of an AFP drummer.

Amazing Grace was played by an AFP Piper while families gathered around the caskets and reflected on loved ones.

The repatriation followed a similarly dignified ceremony at the departure of the caskets from Indonesia officiated by AFP Chaplains Sheikh Khalil Chami and Roger O’Donnell.

There is no doubt that the tragic deaths of Federal Agents Mark Scott and Brice Steele have had a profound impact on everyone in the AFP.



Federal Agent Mark Scott



Commander Brice Steele



Both men, in their own way, had made a significant contribution to the organisation and had a wide range of friends and colleagues who will mourn their loss.

The personal impact on the direct family and friends of both men is imponderable and I once again offer my condolences to both families. Mark and Brice were held in high regard and we feel privileged that the families of both men allowed the AFP to provide the formal honour of a police funeral.

Our thoughts are also with the families of the other 19 victims of the plane crash on 7 March in Yogyakarta, Indonesia, particularly the other three Australians, who were each engaged in various ways in the service of their country and, indirectly, in the service of the people of Indonesia.

Mark and Brice proved a formidable combination. Brice as manager AFP Indonesia and one of our most senior officers working outside Australia, brought an intellect and humility to the task that inspired confidence from his team and the Indonesian authorities he liaised with.

Mark brought to the task a wealth of experience in community policing in the Australian and international arena and was a man easily identified as a police officer keenly interested in the community he served.

It was this commitment to the service of others that saw both men in the situation they found themselves in, and we respect them for that.

They will live long in our memories and indeed in the memories of the many people who sent condolence messages to my office.

M J Keelty APM
Commissioner
Australian Federal Police

OUTPUT 1.2: ECONOMIC AND SPECIAL OPERATIONS

Economic and Special Operations is responsible for investigations aimed at the prevention, disruption and combating a range of criminal activities, including

- Economic crime types, including serious and complex fraud against the Commonwealth, identity crime, organised tax crime, proceeds of crime, money laundering, and terrorist financing.
- Special operations, including war crimes, environmental crimes, bribery of foreign officials, corruption and unauthorised disclosures, illegal fishing, electronic and high-tech crime, family law, online child sexual exploitation and organised infringement of intellectual property and copyright.

Economic and Special Operations is also responsible for

- Leading the investigative taskforce examining the findings of the Cole Royal Commission of Inquiry into Oil-for-Food.
- Managing the policing of Australia's External Territories, including Norfolk Island, the Indian Ocean Territories and Jervis Bay.
- Managing the National Missing Persons Coordination Centre to coordinate and promote a national integrated approach between other policing, government, private sector and international agencies to reduce the incidence and impact of missing persons.
- Developing and implementing the surveillance policy of the AFP.
- Contributing to the Northern Territory Police Child Abuse Team through the placement of AFP officers in Darwin.
- Participation in the Australian Securities and Investments Commission (ASIC)-led investigation into the collapse of the Westpoint group of companies.

During 2006–07, Economic and Special Operations increased the AFP's focus on identity crime, major organised tax fraud and the use of financial intelligence to pursue money laundering and support criminal investigations.

Economic and Special Operations also implemented technology-enabled crime initiatives and increased its emphasis on building international relationships in relation to online child sexual-exploitation investigations through the Virtual Global Taskforce alliance.

SERIOUS AND COMPLEX FRAUD

The AFP is the lead agency in the investigation of serious and complex frauds committed against Australian Government departments and agencies as specified in the *Commonwealth Fraud Control Guidelines 2002*.

During 2006–07, fraud matters referred to the AFP continued to be increasingly complex, organised and transnational in nature. In order to combat these frauds, the AFP engages in national and international law enforcement partnerships and develops public–private sector partnerships in Australia and overseas.

The AFP continued to concentrate its resources on fraud matters with a high- or very high- impact on the Australian community.

The AFP also assisted and guided 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 AFP further supports agencies' fraud-control efforts with the secondment of AFP members to various Australian Government agencies, including Centrelink, the Australian Taxation Office (ATO), the Department of Environment and Heritage

and DFAT. These out-posted officers assist agencies to improve performance in identifying, detecting and investigating offences and managing investigations. Members provide advice on agency investigations and enhance agency capabilities to conduct investigations into fraud against the Commonwealth.

Throughout 2006–07, the AFP provided assistance, including forensic analysis and the execution of search warrants, for investigations being conducted by agencies, including Centrelink, the ATO, the Department of Immigration and Citizenship, the Department of Employment and Workplace Relations (DEWR) and the Office of Indigenous Policy Coordination.

The AFP chairs the Steering Committee for the Australian Government Fraud Liaison Forum (FLF). The FLF was established as a vehicle for agencies to network 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. The steering committee comprises Centrelink, the Attorney-General's Department (AGD), the Department of Defence, the ATO, DFAT, DEWR, CSIRO, the Australian War Memorial and the AFP as Chair.

PROJECT WICKENBY

Project Wickenby is an ongoing initiative between the ATO, the Australian Crime Commission (ACC), the Commonwealth Director of Public Prosecutions (CDPP), ASIC and the AFP, assisted by the Australian Transaction Reports and Analysis Centre (AUSTRAC) and the Australian Government Solicitor. Project Wickenby targets tax avoidance facilitated by off-shore schemes.

In Project Wickenby, the AFP focus is on the serious criminality aspects of tax-avoidance schemes, such as fraud, proceeds of crime and money laundering. The AFP is conducting ongoing intelligence assessments and active criminal investigations into Project Wickenby methodology schemes with significant proceeds of crime action already undertaken.

OUTPUT 1.2: ECONOMIC AND SPECIAL OPERATIONS

RESULTS FOR 2006–07

Workload

- 2824 new cases and 2482 finalised cases in 2006–07.
- 2234 cases on hand at the close of the financial year.

Performance Measures

- 65 per cent of resources were directed to high/very high impact cases.
- Client satisfaction was 73 per cent.
- Estimated financial return was \$127.6 million.
- 88 per cent of cases reaching court resulted in a conviction.

The AFP has completed specialist recruitment – including the secondment of 25 ATO personnel to support the Project Wickenby investigations. Under Project Wickenby, the AFP has assisted with skills-development activities in the Pacific region, in collaboration with the AGD. In April 2007, the AFP and the AGD conducted a development program incorporating 17 Pacific Island nations and China. This program supported capability development for Australia's regional partners in the investigation of multi-national organised tax mischief and money laundering.

MONEY LAUNDERING AND TERRORIST FINANCING

Money Laundering

In 2006–07, the AFP continued with its strong focus on combating money laundering and countering terrorist financing, through both investigative activity and measures designed to enhance the capacity of other jurisdictions to combat this criminality.

The AFP continued expanding its Financial Investigation Teams' structure to maximise the opportunities created by the strengthened legislative *Anti-Money Laundering/Counter-Terrorist Funding Act 2006* and Proceeds of Crime regimes. This focus on money-laundering offences provided significant opportunities to expose and prosecute the full extent of criminal conduct with a more comprehensive outcome, and to attack the generation of profits and wealth as drivers of other criminal activities.

During 2006–07, the AFP had Financial Investigation Teams (FIT) in Sydney, Melbourne, Adelaide, Brisbane and Perth with 67 AFP members assigned to proceeds of crime investigations. These teams included officers seconded from partner agencies, including the ATO and AUSTRAC. The AFP's FIT capacity will continue to grow in the next reporting period.

The AFP shares financial information with international partners as part of Australia's commitment to combating money laundering globally. The AFP has spearheaded formal

arrangements with a range of countries to share financial intelligence.

The AFP Commissioner co-chairs the Asia-Pacific Group on Money Laundering (APG) and the APG Secretariat is hosted in the AFP's Sydney offices. The APG assists its members to implement the Financial Action Taskforce's recommendations on money laundering and terrorist financing, and is particularly focused on money laundering and terrorist financing methodology identification in the Asia-Pacific region.

PROCEEDS OF CRIME

The AFP, in partnership with the Commonwealth Director of Public Prosecutions and the Insolvency Trustee Service Australia is responsible for the identification, restraint and forfeiture of proceeds of crime utilising the *Proceeds of Crime Act 2002* (POCA). POCA aims to deprive persons of the financial benefit of their criminal activities, prevent the reinvestment of proceeds of crime into criminal activities and to punish and deter persons from breaching laws of the Commonwealth.

The recovery of proceeds of crime is a mandatory consideration in every investigation undertaken by the AFP.

The AFP has teams dedicated to proceeds of crime in Perth, Melbourne, Adelaide, Sydney and Brisbane. These teams comprise a mixture of experienced investigators, financial analysts and financial investigators. Some teams also include embedded

Table E: Assets Restrained in the Past Five Years (values in \$million)

	2002–03	2003–04	2004–05	2005–06	2006–07
Assets Restrained	22.1	74.1	158.3	50.3	29.7
Assets Forfeited from Restrained status	0.7	4.4	4.5	6.3	4.6
Assets Forfeited – not Restrained	0.8	0.4	24.1	8.0	0.2
Assets Recouped ¹	4.3	9.5	31.7	32.8	13.6
Pecuniary Penalty Orders	1.3	1.8	3.9	24.3	3.9

¹Recouped refers to the value of the asset when seized, rather than when forfeited.

officers from other agencies such as the Australian Customs Service and the ATO.

In 2006–07, the AFP restrained \$29.7 million in assets, while \$4.8 million in assets were forfeited, and \$13.6 million recouped. Pecuniary penalty orders to the value of \$3.9 million were made.

Table E (previous page) provides a summary of the restraint, forfeiture and recouping (referring to the value of the assets when restrained rather than when forfeited) of assets over the past five financial years. The statistics differ from those previously produced as the AFP has undertaken significant work on managing the reporting of proceeds of crime data. The data uses a new case model, which reports on those items that have been restrained or forfeited only in the financial year reported. The figures in one financial year do not include assets that are still at restrained status from the previous financial year.

IDENTITY CRIME

Identity crime affects all jurisdictions and facilitates a broad range of crime types, including narcotic importation, migration offences, fraud and terrorism.

In May 2006, the AFP received \$14.1 million over four years to establish Identity Security Strike Teams (ISST) in Melbourne, Brisbane and Perth. In 2006–07, the AFP had 24 members allocated to ISSTs.

The teams were modelled on the successful pilot of the Identity Crime Taskforce in Sydney, which was amalgamated into the ISST concept. An ISST was also in the process of being created by the AFP in Adelaide to complete the national capability. ISSTs included representatives from the ACC, Customs, DIAC and relevant state law enforcement agencies.

During 2006–07, ISSTs made more than 20 arrests and laid more than 800 charges, seizing more than 8000 false or illegally obtained identity documents, as well as equipment used to manufacture false documents and counterfeit cheques.

Three investigations successfully targeted major syndicates and seized complete manufacturing facilities. One operation (*Operation Hickey*) disrupted a sophisticated syndicate responsible for more than \$5 million in fraud, facilitated by identity crime.

The AFP actively participates in the National Identity Security Strategy (NISS), and is a member of the Commonwealth Reference Group on Identity Security.

The AFP participates in national policing efforts against identity crime through the Police Commissioners' Australasian Identity Crime working party and chairs the OPAL Group, which comprises a range of Commonwealth agencies with responsibility for identity crime enforcement issues, trends and developments. The OPAL group meets every two months.

SPECIAL OPERATIONS

CORRUPTION AND BRIBERY

The AFP is responsible for the investigation of sensitive matters and special references from the Australian Government and other agencies. Investigations may be undertaken into a diverse range of offences, including corruption of public officers, unauthorised disclosure of Commonwealth information, bribery of foreign public officials and other matters that may affect proper governance within the Commonwealth.

Since 1999, Australia has been party to the Organisation for Economic Cooperation and Development's Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. Australia is also a party to the UN Convention against Corruption and the UN Convention against Transnational Organized Crime.

OIL-FOR-FOOD TASKFORCE

Commissioner Terence Cole provided the report of the Inquiry into Certain Australian Companies

in relation to the UN Oil-for-Food Program (the Cole Inquiry) to the Australian Government on 24 November 2006. On 20 December 2006, the Attorney-General announced the creation of an investigative taskforce to examine the findings of the Cole Inquiry.

The AFP-led taskforce was established in Melbourne and included members from the AFP, ASIC and the Victoria Police tasked to investigate possible breaches of Australian law with a view to prosecution in consultation with the Commonwealth and Victorian Directors of Public Prosecutions. The taskforce uses the resources, skills and investigative powers of all the participating agencies.

The terms of reference for the taskforce are on the website of the Attorney-General's Department <www.ag.gov.au>.

ENVIRONMENTAL CRIME

Crimes against the environment can 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. In 2006–07, the AFP worked in close cooperation with agencies, such as the Department of Environment and Heritage, the Australian Maritime Safety Authority and the Great Barrier Reef Marine Park Authority (GBRMPA), in combating environmental crimes.

INTELLECTUAL PROPERTY

New technology and the online environment are facilitating growth in criminal activity, including Intellectual Property crime. While various Australian Government agencies and private sector organisations have responsibilities in respect of education, regulation and enforcement, the AFP has carriage of criminal enforcement of serious and organised Intellectual Property crime.

In January 2007, a number of amendments to the *Copyright Act 1968* were passed by Parliament.

These amendments provided for indictable, summary and strict liability offences for copyright infringement. Proceeds of crime remedies can be applied against serious copyright criminals, and police can also issue infringement notices for less serious breaches of the law.

During 2006–07, the AFP worked closely with key partner agencies, including the AGD, IP Australia, the ACC, Customs, CDPP and private industry to improve its focus and capabilities in respect of Intellectual Property crime.

The Australian Government has funded the AFP for approximately \$8.5 million over two years from next financial year to address emerging Intellectual Property crimes and to police the significant copyright legislative reforms made by the Government in 2006–07. The AFP's focus will be on the organisers and financiers of Intellectual Property crime, particularly where transnational elements are involved. The AFP continues to work closely with partner agencies to pursue these serious and complex crimes.

WAR CRIMES

The AFP is a member of the War Crimes Inter-Departmental Committee, chaired by DIAC. This committee was formed to consider broad inter-departmental war crimes and crimes-against-humanity issues arising from the protection visa processes and to facilitate a whole-of-government approach to remedial responses.

The AFP provided assistance to international law enforcement agencies for the extradition of alleged offenders from Australia in cases where the offenders were believed to have committed war crimes overseas. In some of these cases, the alleged offender came to notice through Interpol.

ONLINE CHILD SEXUAL EXPLOITATION TEAM

The AFP combats online child sexual exploitation in partnership with state, territory and international law

enforcement agencies, government organisations and the Internet industry. The Online Child Sexual Exploitation Team (OCSET) was established in 2005.

The OCSET investigations capacity has been fully integrated in the AFP's functional model with a permanent OCSET investigation and disruption capability placed in all Australian states. The triage and intelligence capacity is nationally coordinated. Since its inception, OCSET has made 56 arrests and laid more than 163 charges.

The AFP also facilitates referrals to state and territory jurisdictions for matters that are more appropriately investigated and prosecuted in those particular jurisdictions. The AFP assists these jurisdictions with investigators, intelligence officers and computer-forensics technicians as required.

The National Strategy to Counter Online Child Sex Abuse 2005–08 was formulated jointly between the AFP and state and territory police. This strategy focuses on prevention, operational commitment, legislative reform and capability development. Significant emphasis has been placed on implementing this strategy, in particular through working with Australasian partners in the National Investigations Management Group. In March 2007, this group was broadened to encompass four key child protection initiatives under the leadership of the National Police Child Protection Committee. The committee is also responsible for the Australian Policing Strategy on the Prevention and Reduction of Physical and Sexual Abuse of Children, the Australasian National Child Victim Identification Library and ANCOR.

Virtual Global Taskforce

The AFP is a member of the Virtual Global Taskforce (VGT) along with the Royal Canadian Mounted Police, the United States Department of Homeland Security and Immigration and Customs Enforcement, Interpol and the United Kingdom's Child Exploitation and Online Protection Centre.

In February 2007, the VGT hosted an industry summit in Washington DC where it launched an international community service announcement digital video that promoted the VGT and raised awareness about knowing with whom children were chatting online. The VGT, through the AFP, also worked with NetAlert and Microsoft on an Internet safety project called *ThinkUknow*.

NORTHERN TERRITORY INDIGENOUS CHILD ABUSE STRIKE TEAM

The AFP participated in two initiatives that arose from the Intergovernmental Summit on Violence and Child Abuse in Indigenous Communities, held in June 2006. The first of these was the Northern Territory Child Abuse Team, where the AFP placed two members. This team was directed solely to the detection and investigation of child sexual abuse in indigenous communities. The second of these initiatives was the ACC National Indigenous Intelligence Taskforce, in which the AFP also placed two members.

In June 2007, the report from the Northern Territory Board of Inquiry into the Protection of Aboriginal Children from Sexual Abuse was released and the Australian Government responded with further initiatives in the Northern Territory. These initiatives were still being settled during the finalisation of the reporting period but were to involve further deployment of AFP resources.

EXTERNAL TERRITORIES POLICING

The AFP provided police members to the Commonwealth external territories of Christmas Island, Cocos (Keeling) Islands, Norfolk Island and Jervis Bay, enabling the delivery of a full range of community policing services in those areas. The AFP also provided the local communities of Christmas Island, Cocos (Keeling) Islands and Norfolk Island with additional services, including immigration, motor registry, marine functions, emergency and prisoner remand, court representation and liaison with local communities and external stakeholders.

Policing services provided by the AFP on Cocos (Keeling) Island, include customs services under arrangements with the Australian Customs Service. Policing services provided by the AFP to the Norfolk Island Government, are pursuant to the Norfolk Island Policing Agreement 1993.

The AFP members are supported in their duties by local community members sworn in as Special Constables.

ILLEGAL FOREIGN FISHING

The AFP works in partnership with a number of agencies when unauthorised foreign vessels are detected in Australian territorial waters. These agencies include the Australian Fisheries Management Authority (AFMA), GBRMPA, the Department of Agriculture, Fisheries and Forestry (DAFF), Customs, Coastwatch, the Department of Defence and state and territory authorities.

In early 2006, the Australian Government announced significant measures to combat illegal foreign fishing and improve maritime security in Australia. The proposals provided for better integration and coordination of the Government's handling of maritime threats and strategic response around preventive action. From 1 July 2006, the AFP received funding to place a liaison officer in Indonesia to work with Australia's regional partners to prevent illegal fishing activity at its source.

FAMILY LAW

The AFP has a long-standing relationship with the Family Law Court of Australia (FLC) and, in 2006–07, continued to provide policing and security advice to the Marshal of the FLC. The AFP assisted the FLC to execute a range of legal processes, including recovery orders and, where appropriate, liaison with state and territory police on behalf of the FLC. The AFP also received orders from the Federal Court of Australia and the Federal Magistrates Court. The AFP maintained

a coordination role regarding orders preventing children from departing Australia.

Australia is a signatory to the Hague Convention, which outlines the responsibility of signatory countries to promptly return children removed from one convention country to another. The AFP is the conduit for such actions.

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 police and non-police agencies and research indicates 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 through additional funding for the establishment of the National Missing Persons Coordination Centre (NMPCC) within the AFP. The NMPCC absorbed the previously existing National Missing Persons Unit.

The National Missing Persons Policy was endorsed by the Australasian Police Ministers' Council in 2006. The PLEaS policy principles provided a framework for the future direction and implementation of NMPCC initiatives, which enhanced the law enforcement response to the missing persons phenomenon.

Prevention

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 focus of the week is on those groups most at risk of going missing and educating the community with a view to reducing the incidence of missing persons. National Missing Persons Week 2006 was a significant success with heightened media exposure assisting in the location of missing persons and resolution of cases.

A revamped NMPCC website was launched during the week with new electronic capability for reporting sightings of missing persons. The number of 'Missing Persons' pages viewed on the website increased nearly threefold to approximately 60,000. The website location is <www.afp.gov.au/national/missing>.

Location

NMPCC each year distributes two national missing persons posters that feature missing persons nominated by each state and territory Police Missing Persons Unit. In 2006–07, NMPCC's 1800 phone number received an average of 175 calls per month with the NMPCC website receiving approximately 5000 visits per month. The NMPCC website has the capability for members of the community to provide electronic sightings reports with an average of 40 per month being received by the NMPCC.

Education

For 2007, NMPCC was developing a media advertising campaign to heighten awareness within the broader community, and a community

education program to enhance understanding within other government and non-government agencies of the significance of missing persons as an issue.

During 2006–07, NMPCC created an e-bulletin to enhance communication across agencies working within the national missing persons' sector.

Support

A national approach to supporting families is being developed by NMPCC drawing on the expertise of the Families and Friends of Missing Persons Unit of the Attorney-General's Department of New South Wales.

Partnership Initiatives

In 2006–07, NMPCC convened two meetings of the Police Consultative Group on Missing Persons (PCGMP). The PCGMP met in November 2006 and April 2007 to identify and resolve issues that hamper a consistent and effective law enforcement response to missing persons.

SIGNIFICANT EVENTS

ECONOMIC AND SPECIAL OPERATIONS

SIGNIFICANT ACHIEVEMENTS:

Operation Bronzewing

- the AFP investigated the importation of 840kg of MDMA into Australia in 2004. One person has been convicted for this importation and \$219,761.43 in proceeds of crime has been forfeited to the Commonwealth.

Repatriation of funds

- the AFP has participated in repatriating funds recovered through proceeds of crime investigations.
- The Minister for Justice and Customs exercised his discretion under section 297(1) of the *Proceeds of Crime Act 2002* to share \$3,372,807 of funds forfeited to the Commonwealth, with the Ministry of Public Security (MPS) of the People's Republic of China (PRC). The MPS had provided Australia with extensive assistance in the AFP investigation of a PRC national wanted in the PRC for misappropriation and embezzlement.
- The AFP Commissioner, on behalf of the Commonwealth Attorney-General, presented \$683,500 to Lebanon following significant cooperation provided by the Special Investigations Commission, Lebanon in relation to *Operation Fordo*. *Operation Fordo* was an investigation into the evasion of excise on tobacco to the value of \$18,000,000 for which eight people were ultimately convicted. A total of \$1,409,346.76 was forfeited to the Commonwealth.

Literary proceeds investigated

- Within the POCA framework, the AFP in partnership with the Commonwealth Director of Public Prosecutions (CDPP), is also responsible for identifying, restraining and forfeiting literary proceeds. Literary proceeds can be broadly

defined as profits or benefits derived by a criminal as a result of the publication in any form, of details or experiences of that person's crime or life of criminal activities. In 2006-07, the AFP began its first investigation into literary proceeds of crime.

Serious and Complex Fraud

Tax fraud estimated at \$7.5 million

- *Operation Scintilla* is a joint AFP and Australian Taxation Office (ATO) investigation into fraudulent activities relating to inflated tax refunds submitted by two accountants. The total value of fraud against the ATO was estimated at \$7.5 million. In March 2007, both defendants pleaded guilty to a \$3.6 million fraud. A sentence hearing was held on 29 June 2007, where one offender was sentenced to eight years and six months with a non-parole period of five years and one month and another offender was sentenced to nine years and nine months with a non-parole period of five years and nine months.
- *Operation Socrates* is a joint AFP and ATO investigation in relation to tax avoidance schemes promoted by a high-profile accountant. It was alleged that the accountant marketed a tax avoidance scheme to his clients creating false taxation deductions then misappropriating monies paid by clients for participation in his scheme. The accountant was found guilty of misappropriation and defrauding the Commonwealth and was sentenced to seven years imprisonment.

MONEY LAUNDERING

Money laundering investigation leads to five arrests

- *Operation Temblor* is a joint operation between the AFP, NSW Crime Commission, Australian Crime Commission (ACC), NSW Police and AUSTRAC. It involved the investigation into the activities of money exchange business allegedly laundering money obtained from the sale of narcotics. This investigation culminated in the arrest of five people for related criminal activities and narcotic offences resulting in convictions for money laundering offences valued at over \$2.2 million and the seizure of 28.5kg of MDMA.

IDENTITY CRIME

Identity crime syndicate aided by corrupt bank officer

- *Operation Hickey* began in February 2006 and has resulted in the arrest of 20 people, including six arrests made since October 2006. More than 650 state and Commonwealth identity-crime related charges have been laid and more than 7000 false instruments seized. Of particular significance is the sentencing of a corrupt bank officer who unlawfully provided information to the identity-crime syndicate. The bank officer faced 16 charges and entered a plea of guilty. In June 2007, a custodial sentence of two years and six months was handed down.

SPECIAL OPERATIONS

Operation Aphelion investigates unauthorised disclosure

- In June 2005, the AFP received a referral from Customs alleging the unauthorised disclosure to the media of two classified Customs reports about airport security. As a result of investigations, the AFP arrested and charged a former Customs employee with one count of unauthorised disclosure of information by a Commonwealth Officer. The former Customs employee was found guilty and in June 2007 was sentenced to a nine-month suspended sentence.

Environmental Crime

Endangering the Reef results in fine

- On 23 August 2006, a referral from the Great Barrier Reef Marine Park Authority alleged that the owners and operators of a tugboat towed a 102-metre barge, *Unihaul Doreen*, from the Torres Strait through the Great Barrier Reef to Sydney. The vessel had no authorised pilot on board as it transited the Great Barrier Reef inner route, which is a compulsory pilotage area. Following an investigation, the master of the *Unihaul Doreen* was charged with offences pursuant to section 59B (1) of the *Great Barrier Reef Marine Park Act 1975*. He subsequently pleaded guilty to the charge and was fined \$6,000.

Intellectual Property

Copyright infringement tracked to an Australian

- The AFP received an allegation of copyright infringement committed against a private company. This infringement became known after an overseas organisation was offered an unauthorised copy of the company's software by a person identified as an Australian citizen. Action taken by the AFP resulted in seizure of hard disk drives and compact discs containing infringing software programs. Four charges were laid pursuant to the *Copyright Act 1968*. The charges included make an infringing article, sell an infringing article, offer for sale an infringing article and possess an infringed article for sale.

Online Child Sex Exploitation Team (OCSET)

Child pornography importation to USA stopped

- On 23 August 2006, the FBI acted on information received from OCSET and arrested an Australian national upon arrival in the United States of America (USA). The man was found in possession of a 20-gigabyte MP3 player containing hundreds of child pornography images including movies. He was arrested and charged with importing child pornography into the USA. The offender entered a guilty plea to the charge. He was sentenced to seven-and-a-half years imprisonment in the USA.

US investigation into Internet child pornography leads to nine arrests in Australia

- In February 2007, OCSET in partnership with state and territory law enforcement, executed warrants in a number of Australian states relating to an Internet child pornography message board. This site was the subject of covert activity by law enforcement in the USA and resulted in the referral of 18 Internet users in Australia, who were subject of action by OCSET. This investigation involved the execution of 12 search warrants in Australia with computer equipment containing more than a million child pornography images seized. This investigation resulted in the nine arrests in four Australian jurisdictions.

UK investigation into chat room results in four arrests in Australia

- *Operation Lobate* is a Virtual Global Taskforce investigation that involved Australia, the United Kingdom and Canada, and targeted a chat room that was used to exchange child pornography. This investigation was coordinated by United Kingdom authorities and involved the execution of five search warrants in Australia during which computer equipment containing child pornography images was seized. This investigation resulted in the arrest of four people in three Australian jurisdictions.

Internationally, this investigation has resulted in 63 arrests across 35 countries with 14 of the arrests being of contact offenders. As a result, 31 children were rescued from abuse or removed from situations where they were considered at risk of being abused.

External Territories

Norfolk Island murder conviction

- On 9 March 2007, following an extensive investigation by Norfolk Island Police and the AFP, which included extensive forensic procedures, a New Zealand citizen was convicted in the Norfolk Island Court of the murder of Janelle Louise Patton on Norfolk Island in 2002.

Family Law

Abducted child found

- *Operation Bellatrix* began in September 2005 through the issue of a recovery order for a child abducted from Queensland. The AFP located the father and child after a nine-month investigation. The child was returned to her mother and the father was convicted of contempt of court and sentenced to 12 months imprisonment.

OUTPUT 1.3: COUNTER TERRORISM

In 2006–07, the AFP played an integral role in several joint agency investigations. In Australia, the AFP supported the prosecution of suspects arrested in connection with *Operation Pendennis*, a major ongoing investigation, drawing on the resources of the AFP, Victoria Police, NSW Police, the NSW Crime Commission and ASIO, with 22 suspects committed to stand trial. The AFP also led or took part in major investigations into alleged terrorist financing and the illegal sale or distribution of weapons.

The arrests of several key terrorist suspects in Indonesia was a significant achievement in the fight against terrorism in the region. The AFP continued to focus on building good relationships with its regional partners in order to investigate terrorist threats. These relationships provided a solid basis to continued work on capacity-building initiatives, which will contribute to grow in regional security in the medium to long term.

The Jakarta Centre for Law Enforcement Cooperation (JCLEC), the Jakarta Regional Cooperation Team (JRCT), the Manila Regional Cooperation Team (MRCT) and the Multi-National Operations Support Team (MNST) continued to be used to improve regional cooperation, to enhance counter-terrorism efforts and to build a solid regional policing network to improve the effectiveness of collaborative operations.

In 2006–07, the AFP participated in multi-jurisdictional exercises, as listed on page 52, which were developed to test the response and recovery frameworks that played a critical role in ensuring Australia was well placed to prevent, prepare for, respond to and recover from a terrorist incident.

The AFP is committed to training and development of Counter-Terrorism personnel through Learning and Development programs and offers a range of Counter-Terrorism specific programs to enhance new

1.3 COUNTER TERRORISM

RESULTS FOR 2006–07

Workload

- 76 new cases and 83 finalised cases in 2006–07.
- 83 cases on hand at the close of the financial year.

Performance Measures

- 99 per cent of resources were directed to high/very high impact cases.
- 90 per cent of resources were devoted to domestic counter-terrorism cases, and 10 per cent to international cases.
- Client satisfaction was 77 per cent.

PERFORMANCE

skills and a range of developmental opportunities for investigators.

DOMESTIC COUNTER-TERRORISM MEASURES

The AFP, with state and territory police, maintains Joint Counter Terrorism Teams (JCTTs) in each jurisdiction. In 2006–07, 14 JCTTs were in place. These teams conduct intelligence and criminal investigations to prevent, respond to and investigate terrorist threats and attacks in Australia.

Investigations undertaken by JCTTs resulted in notable convictions and the commencement of major criminal prosecutions under the new anti-terrorism laws.

THE FAMILY INVESTIGATIVE LIAISON OFFICER PROGRAM

The Family Investigative Liaison Officer (FILO) Program is an important resource available to support Australian victims and their families in the event of a terrorist incident or major disaster.

DISRUPTION ACTIVITY

Operation Ridgecrop/Norway

On 5 January 2007, a man was charged with 16 offences relating to the receiving, possession and supply of seven Light Anti-Armour Weapons (LAWs), allegedly stolen from the ADF. He was also charged with possession of 9mm ammunition.

On 5 April 2007, a second man was charged with 21 offences relating to theft, possession and supply of 10 LAWs stolen from the ADF, and with three offences relating to the receipt, possession and supply of one LAW stolen from the ADF. These matters remain before the court.

Operation Halophyte

On 1 May 2007, two men were charged with membership of a terrorist organisation, intentionally making funds available to a terrorist organisation under section 102.6 of the *Criminal Code Act 1995* and intentionally providing support or resources to a terrorist organisation, Liberation Tigers of Tamil Eelam (LTTE) under section 102.7 of the *Criminal Code Act 1995*.

On 11 May 2007, the men were also charged with making available an asset (funds) to a proscribed entity under section 21 Charter of the *United Nations Act 1945* and make available an asset (materials) to a proscribed entity, section 21 Charter of the *United Nations Act 1945*. Committal proceedings were listed to commence in the Melbourne Magistrates Court on 24 July 2007.

PREVENTIVE MEASURES

Control Orders

Control orders are an important risk-management tool within the suite of counter-terrorism police powers. An application for a control order is made when the AFP has reasonable grounds to consider that the order would substantially assist in preventing an act of terrorism, or has reasonable suspicion that a person has provided training to, or received training from, a terrorist organisation. In 2006–07, one interim control order was in effect, but under challenge in the High Court. The AFP continued to assess potential control-order candidates.

Under a funding initiative for 2006–07, the Counter Terrorism Controls Team (CTCT) was established to implement the legislation by creating a robust framework integrated with Joint Counter Terrorism Team (JCTT) outputs. The CTCT coordinates control and preventative detention order frameworks, which includes training, development and finalisation of interagency agreements, reporting and, jointly with the JCTTs, development of control order applications and monitoring and enforcement measures. The CTCT works with dedicated members of AFP Legal in administering this framework. AFP Legal has responsibility for engaging the Australian Government Solicitor in obtaining advice, making legal assessment and presenting applications.

New funding has been secured for 2007–08, which will fund the continuation of the existing framework and includes provision for JCTT members to develop and enforce applications, as well as technical specialists to develop and manage technical requirements for electronic-monitoring capabilities.

INTERNATIONAL COUNTER-TERRORISM MEASURES

In 2006–07, the AFP continued to develop its contribution to the fight against terrorism in our region and around the world. The AFP's International Network included Counter Terrorism Advisors in

Bangkok, London and Washington, and plans were made to expand this element of the Network into other high-priority countries in the next financial year.

The work of AFP's JRCT started after the 2002 Bali bombings and provided ongoing assistance to the Indonesian National Police (INP). Since that bombing, more than 200 people have been arrested and charged by the INP in relation to terrorist offences.

Significant collaborative efforts by JRCT and INP included arrests in March 2007 of seven Jemaah Islamiyah operatives linked to the Abu Dujanah network in Yogyakarta. Because of this operation, a large amount of explosives and weaponry was also seized.

On 9 June 2007, the INP arrested Abu Dujanah, alleged to be the commander of the military wing of Jemaah Islamiyah in Indonesia. Abu Dujanah has been a long-term priority target of the INP and the AFP, having first emerged as a person of interest following the 2002 Bali bombings. During the 9 June operation, The INP also arrested Mbah, alleged to have been the Amir of Jemaah Islamiyah in Indonesia prior to his arrest.

Counter Terrorism Offshore Rapid Response

In 2006–07, the Counter Terrorism Offshore Rapid Response initiative enabled the AFP to provide, on invitation from our regional policing partners, forensic, technical and investigative experts to assist policing operations relating to major incidents affecting Australian interests. For example, AFP personnel were deployed under this initiative following the bombings in Thailand in January 2007 and the Indonesian plane crash in Yogyakarta in March 2007.

Rapid Deployment

The AFP provides support and liaison in a preventative capacity regularly during major international events. During 2006–07, AFP members were positioned in various locations,

including the 2007 Anzac Day memorial at Gallipoli and the 2007 World Cup Cricket competition in the Caribbean. The presence of AFP officers ensured the AFP was well placed to assist local law enforcement officers and could provide first-hand advice to the Australian Government and other Australian law enforcement and intelligence agencies in the event of an incident.

An AFP presence during such incidents helps to ensure Australian interests are protected, especially the preservation of evidence, including forensic evidence, and to provide additional police support to Australian victims and witnesses. Deployments of this nature also provide AFP with invaluable exposure to the methodologies used in other jurisdictions, and greater depth of experience in responding to and investigating terrorist acts.

Enhancing cooperation — *Fighting Terrorism at its Source*

Funding from the *Fighting Terrorism at its Source* initiative enables the AFP to position members overseas to work alongside foreign-partner agencies in countering terrorism in the region. The key results include the creation of the Manila Regional Cooperation Team and the Multi-National Operations Support Team in Indonesia. These two teams are in addition to the pre-existing Jakarta Regional Cooperation Team.

These teams are located with similarly skilled regional police teams to maximise the exchange of criminal information and specialist law enforcement skills. In the case of the Multi-National Operations Support Team, the initiative has funded the creation of a team that is represented by police agencies from Thailand, the Philippines, Singapore, Indonesia, Malaysia and Australia.

Skills provided on location by all of these teams include investigation support, intelligence analysis, financial, high-tech or operations-support skills. From time to time, the AFP will supplement team members with the deployment of other technical and forensic

specialists, capacities provided under the Counter Terrorism Rapid Response initiative.

This initiative has provided a platform for the AFP to be part of a multilateral information exchange, particularly in relation to counter-terrorism efforts across Indonesia and the Philippines. One measure of success in working collaboratively with regional police has been the demonstrated transference of skills reducing the reliance on AFP capacity and capabilities.

Jakarta Centre for Law Enforcement Cooperation

In line with the AFP's offshore operations teams, the Jakarta Centre for Law Enforcement Cooperation (JCLEC) continued to strengthen counter-terrorism capabilities within Indonesia and across the region by creating a wealth of opportunities in the education and training of police. In addition to this, JCLEC promoted the exchange of information and expertise with law enforcement agencies around the world. More than 2000 participants have attended programs at JCLEC since its opening in 2004.

The Centre exists to enhance the operational expertise of regional law enforcement personnel in dealing with terrorist-related criminality and transnational crime and to develop counter-terrorism skills by drawing upon the experience of Indonesian and Australian law enforcement cooperation.

The Centre uses both a regional capacity building and operational mandate to encourage cooperation among international law enforcement agencies. This cooperation is based upon the exchange of information with the Centre aiming to increase police practical operational skills using the delivery of International Management of Serious Crime (IMOSC) courses and providing high-level management and leadership development through the Regional Executive Leadership Program. This program is offered to high-achieving officers in leadership roles – or with leadership potential – from across the region,

and provides an opportunity to share experiences and develop professional networks.

High-end case management and cross-jurisdictional liaison skills are also delivered with a specific focus on counter terrorism.

Training is provided in the following streams:

- Management of Serious Crime and Investigation
- Criminal intelligence
- Forensics
- Financial investigations
- Communications
- Intelligence strategy and research
- Post bomb blast investigations.

Regional law enforcement counter-terrorism liaison and capacity building

Regional Law Enforcement Counter Terrorism Liaison and Capacity Building expands on AFP efforts to improve regional counter-terrorism cooperation and capability. The initiative will be delivered over four years and is intended to enhance the AFP's contribution to regional law enforcement in counter terrorism in several key areas:

- Improving and expanding counter-terrorism liaison with priority countries.
- Testing and identifying strengths and weaknesses in regional capability through offshore counter-terrorism exercises.
- Roll-out of the Case Management Information System (CMIS) into Thailand.
- Establishment of a bomb data centre in Thailand.
- Improving Royal Thai Police Forensic capability by providing equipment and training.
- Contributing to capacity development through expansion of existing technical operations, training programs, regional scoping of chemical, biological, radiological and nuclear capabilities.

A number of milestones were achieved in 2006–07, including completion of a multi-jurisdictional desktop exercise in Beijing to coordinate a response to a major hypothetical crisis linked to the 2008 Beijing Olympics. The exercise, involving the AFP and the Ministry of Public Security and People's Republic of China, focused on major event planning based on Australia's experience as host of the 2000 Olympics and the 2006 Commonwealth Games.

Preparations were completed to roll out the Case Management and Information Systems (CMIS) in Thailand and Cambodia. CMIS will improve information exchange between regional law enforcement agencies and the AFP, and will provide a more collective and centralised understanding of terrorist activity in the region.

Post Blast Investigation training was undertaken by 15 Royal Thai Police forensic personnel and five Ministry of Justice Central Institute of Forensic Science personnel at the Jakarta Centre for Law Enforcement Cooperation in May 2007.

Preparations to establish the Royal Thai Police Thai Bomb Data Centre progressed significantly. Once established, the facility will enable collection, collation, interpretation and dissemination of data, gathered from Thailand and overseas, concerning explosives and incendiaries.

Family Investigative Liaison Officer Program

In 2006–07, the AFP continued to commit resources to its Family Investigative Liaison Officer (FILO) Program. These investigators liaise directly with the families of those who may be caught up in major overseas incidents, typically, acts of terrorism, but they also played a role following the 2004 Indian Ocean tsunami.

The program is primarily used where Australian citizens are injured or killed in an incident, and where the AFP is involved in the incident response. In these circumstances, FILOs facilitate interaction between surviving victims and families, and

provide information and advice on the progress of investigations, which are often undertaken by foreign law enforcement agencies in jurisdictions dissimilar to Australian jurisdictions.

Functions of FILOs include obtaining information and evidence from the victims and victims' families and facilitating their inquiries relating to investigations or prosecution. FILOs maintain contact with the families of victims. In the case of the 2002 and 2005 Bali bombings, officers 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.

Operation Succurro

During 2006–07, AFP FILOs were used in Australia and overseas in Indonesia in support of the Indonesian plane crash in Yogyakarta in March 2007. FILOs worked in close association with other AFP members from Recognition and Ceremonial, Border and International and Wellbeing Services, performing duties that contributed to the support of victims' families.

Family Investigations Liaison Officers Conference

In 2006–07, Commissioner Keelty opened the first Family Investigations Liaison Officers Conference, which aimed to provide new and continuing FILOs with an opportunity to learn more about the program, what has been achieved, and to share experience gained from being deployed in the field. The conference covered issues such as strategies, boundaries and stressors encountered when dealing with victims and families. Presenters from the Centrelink Offshore Deployment Team and the DFAT Crisis Centre also provided valuable insight into the operation of their respective areas.

Counter-terrorism Multijurisdictional Exercises

Counter-terrorism, multijurisdictional exercises, involving whole-of-government, and exercises with

overseas partners, continued to receive strong and active AFP support during 2006–07. Specific counter-terrorism exercises contribute to Australia's ability to prepare for and prevent acts of terrorism by helping agencies identify areas for improvement in legislation, policy and procedure, and to improve agencies' abilities to understand each other's policies and operational frameworks. These exercises test the AFP capacity to respond in the event of a domestic incident or international incident that involves Australian interests.

During 2006–07, the AFP committed resources to the following counter terrorism-themed exercises:

- Exercise Red Luminary (Adelaide) APEC Themed Exercise (ATEX): Three AFP members participated in this exercise, held in the Adelaide CBD on 15 October 2006.
- Exercise Green Luminary (Hobart) ATEX: A command-level discussion exercise (DISCEX) was conducted on 20 October 2006 at the Tasmania Police Academy in Rokeby. Further DISCEXs were programmed for 6 and 7 November. AFP participation consisted of a senior member attending each DISCEX with other AFP members attending as observers.
- Exercise Ochre Luminary (Darwin) ATEX: This consisted of four discussion exercises that

were held from 20 February 2007. These exercises provided an opportunity to practise and strengthen communication, command and control, and coordination arrangements to respond to security-related incidents at various locations within Darwin, coinciding with the APEC Energy Ministers' Meeting. The AFP was represented by Manager Darwin Office, Darwin Airport Commander and a number of observers at the DISCEXs.

- Exercise Blue Luminary II, ATEX: This exercise, involving NSW authorities, Australian Government entities, the ADF and the AFP, was held over a two-week period between 7 and 18 May 2007. The exercise was conducted as though the events occurred during APEC Leaders' Week and therefore focused on national/state/local government-level command, control and coordination of threats and acts of terrorism. The exercise also included threat assessment, prevention and preparedness to meet and manage identified threats and medical and emergency services response in a contaminated mass-casualty incident. The AFP contributed members of the AFP Executive, Intelligence, Counter Terrorism and Aviation portfolios to the exercise.

SIGNIFICANT EVENTS

COUNTER TERRORISM

Domestic Counter Terrorism

Operation Pendennis defendants to stand trial

- *Operation Pendennis* is a major joint investigation, drawing on the resources of the AFP, Victoria Police, NSW Police, NSW Crime Commission and ASIO. A trial is scheduled in Sydney for 25 February 2008, for 13 men charged with a range of terrorism charges and nine men have been committed to stand trial in Melbourne on a date to be set.

Prosecution 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.

Mr Thomas appealed and his conviction was quashed. The Crown appealed this decision, and a retrial ordered. It is due to start on 18 February 2008.

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. On 26 August 2006, Mr Lodhi was sentenced to 20 years imprisonment with 15 years non-parole. Mr Lodhi appealed his conviction and sentence, and the matter is expected to be heard in November 2007.

International Counter Terrorism

Explosives and weapons seized

- Significant joint investigations by the AFP and the INP included arrests in March 2007 of seven Jemaah Islamiyah operatives linked to the Abu Dujanah network in Yogyakarta. This operation seized a large amount of explosives and weaponry.

Senior Jemaah Islamiyah operative arrested by Indonesian National Police (INP)

- On 9 June 2007, the INP arrested Abu Dujanah. Abu Dujanah is believed to be the commander of the military wing of Jemaah Islamiyah in Indonesia. Abu Dujanah has been a long-term priority target of the INP and the AFP.

OUTPUT 1.4: INTERNATIONAL DEPLOYMENT SERVICES

The International Deployment Group (IDG), established in February 2004, provides a capacity for the Australian Government to send police overseas to contribute to regional and international stability and security through the provision of law enforcement interventions and capacity-building programs.

In August 2006, the Australian Government announced \$493.2 million in funding for the IDG to increase its staffing levels to 1200 personnel in response to unprecedented operational requirements related to security issues in the Solomon Islands, Timor-Leste and, subsequently, Tonga. This expansion, known as the IDG Future Strategy (IFS), also included a range of enabling resources but required additional funding to support actual mission deployments on a case-by-case basis.

The Future Strategy, when fully implemented, will provide a body of personnel that possesses a wide



On 18 November 2006, 35 AFP personnel left Canberra for Tonga followed by seven forensic and technical specialists just days after the request of the Tongan Government.

range of international policing skills to facilitate pre- and post-conflict capacity building in the region. This will be supported by a capability to rapidly deploy professional officers at times of immediate crises overseas.

This new approach to international policing provides the Australian Government with an adaptable and innovative capability to support international peace and stability operations. Overseas policing operations cannot be seen in isolation: all such activity must be preceded by close consultation, cooperation and coordination with other government agencies. The AFP is structured to respond in positive, dynamic and meaningful ways in Australia's region and beyond as part of this process.

During 2006–07, partnerships in law enforcement capacity building continued to increase and demand greater coordination. The secondment of AFP officers to AusAID's Fragile States Unit and the Office of Development Effectiveness builds on the cooperative capabilities both organisations enjoy. Joint operations with the ADF have become more frequent, and interoperability has been increased through assigning AFP officers to Joint Operations Command and the ADF Warfare Centre following agreements signed in November 2006.

Building on the experience and knowledge of other organisations, the AFP recognises the value of engaging universities and other external agencies in providing intellectually rigorous and independent assessments on issues that confront police during complex capacity building and peace and stability operations. In addition to interdepartmental partnerships, the AFP is also collaborating with the University of Queensland, Flinders University and the Australian National University.

MAJOR CHALLENGES AND ACHIEVEMENTS IN 2006–07

The most significant challenges faced in 2006–07 reflected ongoing tensions in Timor-Leste and the Solomon Islands.

The level and extent of civil violence in Timor-Leste remained high and AFP personnel assigned to both the bilateral and UN policing missions were required to operate in highly unstable social, political and economic environments. This situation has required constant attention and close monitoring due to the risks it poses for AFP personnel who work on the front line in managing public disorder in the region.

The situation in the Solomon Islands also required significant attention. Public order has been stable since the riots of April 2006. However, the political environment remained difficult as acceptance of the fundamental need for an impartial rule of law is yet to mature and provide a sound basis for future economic development of the Solomon Islands. Dismissal of the independent and impartial Solomon Islands Police Commissioner was an indication this process would be long term and constitute one of the major capacity-building challenges for RAMSI.

The situation in the Solomon Islands was further exacerbated, in April 2007, by a major natural disaster when a tsunami caused widespread destruction, resulting in the deaths of 52 people. Subsequent recovery operations required significant support from the AFP and other Australian Government agencies.

November 2006 also proved to be a challenging period for the IDG as rioting in Nuku'alofa, the capital of Tonga, resulted in widespread destruction in the central business district and the reported deaths of six residents. The AFP, with support of the ADF and New Zealand Police, sent an immediate response mission of 34 personnel to assist the Tonga Police Force with the restoration of public order and the conduct of investigative activity.

OUTPUT 1.4 INTERNATIONAL DEPLOYMENT SERVICES

RESULTS FOR 2006–07

Workload

- 89 per cent of resources were involved in capacity building, and 11 per cent in peace operations

Performance Measures

- 90 per cent of resources were directed to high/very high impact cases.
- Client satisfaction was 86 per cent.

Other IDG achievements during 2006–07 included:

- Deployment of a senior AFP advisor to Cambodia in February 2007 to work with the Cambodia National Police.
- Completion of scoping missions for possible future capacity-building support to Indonesia, Timor-Leste and Tonga.
- Finalisation of several high-profile prosecutions in the Solomon Islands.
- Completion of the AFP's commitment to the Jordan International Police Training Centre in April 2007.
- Completion of posting for the first AFP-appointed commissioner to Nauru and appointment of a replacement.
- Completion of all reconnaissance and pre-deployment tasks associated with deployment of personnel to Afghanistan.

- Coordination of deployment and training for the first contingent from Niue to the Solomon Islands, marking full participation by all countries in the Pacific Islands Forum.
- Assistance with producing the SBS documentary, *Policing in the Pacific*, televised in early 2007.

COUNTRY MISSIONS

IDG has overseas missions and programs in Cambodia, Cyprus, Nauru, Solomon Islands, Timor-Leste, Tonga, Sudan and Vanuatu. IDG also has a senior officer at the United Nations in New York, an AusAID Liaison Officer with IDG and a Pacific Islands Police Advisor in IDG. IDG personnel are drawn from the ranks of AFP and state/territory police services. The Regional Assistance Mission to the Solomon Islands (RAMSI) also includes personnel from Pacific Island countries and New Zealand.

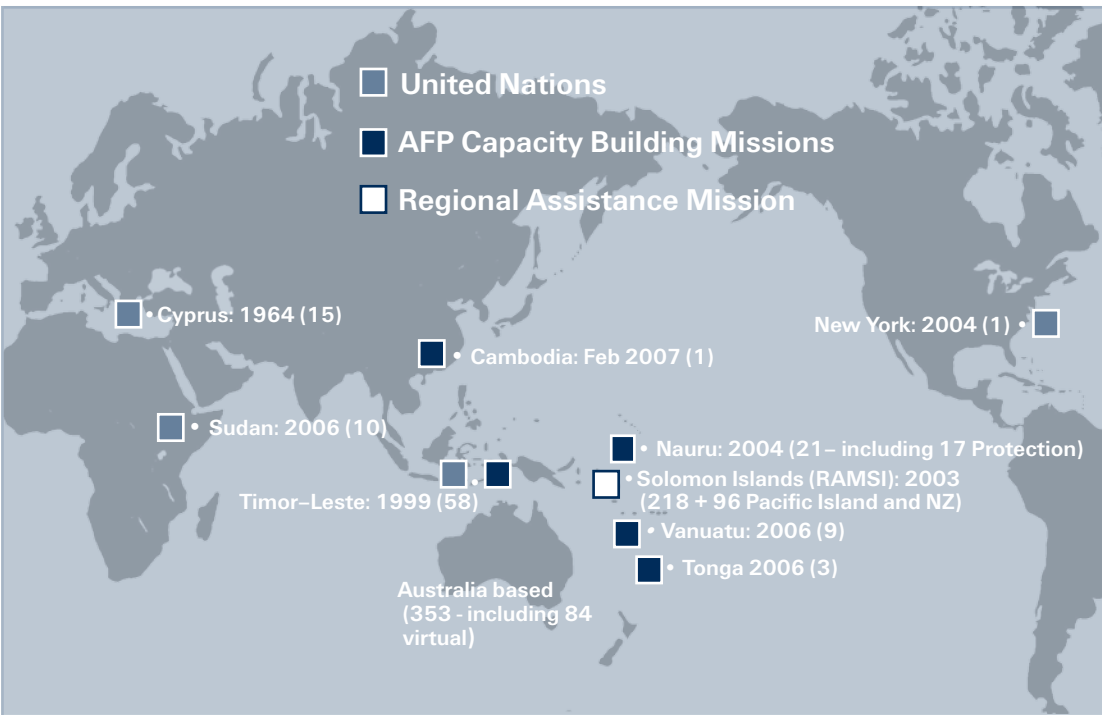
At 30 June 2007, the IDG had 703 personnel, including 338 AFP and 96 foreign police deployed overseas. There were 269 Australia-based IDG roles, including the Operational Response Group. The 703 figure does not include 33 personnel on final IDG-leave rotation.

Afghanistan

On 31 January 2007, the Minister for Justice and Customs announced details of an AFP commitment to Afghanistan with four personnel to be deployed for an initial period of up to two years. This decision resulted from formal requests to the Australian Government for assistance from the governments of the United Kingdom and Afghanistan.

Two field reconnaissance missions to Afghanistan were completed by AFP personnel and all operational arrangements, including selection and training of staff, were completed. The AFP deployment remains

Chart 4: International Deployment Group Missions 2006–07



Note: The graphic shows the type of mission, location, year of initial mission and staffing at 30 June 2007

subject to final agreement between the governments of Afghanistan and Australia.

Funding of \$5.357million over two years has been made available for this deployment.

Cambodia Criminal Justice Assistance Program

AusAID has provided development assistance to Cambodia's criminal justice sector institutions since 1997 through two phases of the Cambodia Criminal Justice Assistance Program. The third phase, which began in February 2007, resulted in a partnership between AusAID and the AFP after formal representations from the Government of Cambodia in relation to support for police reform. The AFP has agreed to provide a senior AFP advisor to work directly with a deputy commissioner of the Cambodian National Police to strengthen the organisation's strategic, executive and technical capacity.

Phase 3 has funding of \$30 million to support programs across the entire Cambodian justice system over five years.

Jordan

At the request of the United Kingdom, the Australian Government authorised the deployment of police trainers to the Jordan International Police Training Centre in May 2004, as part of an international program to train Iraqi police. The Jordan International Police Training Centre taught the fundamentals of democratic policing, crime investigation, terrorism trends and risk mitigation to Iraqi police officers. In the AusAID-funded mission, the AFP provided two members to the centre on a rotational basis during the life of the project. The AFP's contribution to Jordan ended in April 2007, when training at the Centre moved from Iraqi police to correctional service officers. For the duration of the project, Australia contributed 17 police officers. The centre's objective was to train 32,000 Iraqi police cadets. The success of the program was evident with more than 48,000 police trained by April 2007.

AFP members filled a number of significant roles including, on several occasions, the position of chief of staff for the entire program. These appointments acknowledged the quality of Australia's contribution especially in the areas of strategic planning, policy and management.

Nauru

During the past 10 to 15 years, Nauru has experienced a range of development challenges following depletion of its economic resource base and the subsequent effects on community services, including the police service. The Nauru Police Project was established to address the issues affecting the police service. The AFP has been funded for this project since 2005 and a budget has been allocated until July 2009. The project has a budget of \$6.6 million, including \$4.2 million for the construction of a new police headquarters. While this construction project has been delayed on several occasions due to landowner issues, advice from the Government of Nauru indicates construction will start in the coming year.

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. Provision of these police officers was authorised initially under a February 2004 MOU between the governments of Australia and Nauru for Cooperation in the Management of Asylum Seekers and Related Issues. The arrangement continues under the provisions of another MOU, signed in September 2005 and extended to December 2007. The arrangement to provide a police commissioner was successful and renewed for a second term.

Papua New Guinea

AFP assistance to Papua New Guinea (PNG) began in August 2004, however, AFP assistance was suspended following a May 2005 PNG Supreme Court ruling supporting a challenge to the terms of

the mission. Consequently, on 17 May 2005, AFP personnel deployed to in-line policing roles were withdrawn from PNG.

During 2006–07, the AFP retained one member in PNG, whose task it was to maintain infrastructure and equipment in Port Moresby.

Discussions continued in 2006–07 between the Australian and PNG Governments on a revised policing project.

Solomon Islands

The Regional Assistance Mission to the Solomon Islands (RAMSI) began on 24 July 2003 at the invitation of the Solomon Islands Government. A substantial component of RAMSI was made up by the Participating Police Force (PPF); a multinational body with personnel from 15 Pacific nations. The AFP provides the largest number of personnel to the PPF and coordinates contributions from all participating nations, which also includes training, logistical support and financial assistance in the form of mission-related allowances. The multinational character of the mission has been a significant factor in its success and widespread acceptance among Solomon Islanders. The regional cooperation in support of a neighbour also reflects a powerful preparedness of Pacific nations to work together in achieving common goals.

The PPF comprises 314 personnel, made up of members from AFP, Australian state/territory police services and representatives of Pacific Island Forum police agencies, including New Zealand, Fiji, Vanuatu, Tonga, Samoa, Cook Islands, Tuvalu, Nauru, Kiribati, Papua New Guinea, Federated States of Micronesia, Palau, Marshall Islands and Niue.

Initial RAMSI successes saw the restoration of basic law and order and security, removal of illegally held weapons from the community and, disarmament and neutralisation of key militants (Phase 1). These efforts led to the consolidation of the rule of law, institutional reform and greater community trust and confidence (Phase 2) as well as providing an environment for economic reconstruction and commerce. Phase 3

– Capacity Building and Sustainment – began in early 2005. Since the development of the original three phases, a detailed review identified the need to change key elements of the Phase 3 strategy.

As a result, the PPF mission was reconfigured with Phase 3 expanded to include a number of additional phases in the life cycle of the mission. These additional phases focus on knowledge and skills gap identification as well as consolidation and sustainability for Solomon Islands Police Force (SIPF) personnel. In addition, they highlight institutional development and strengthening of the organisation itself.

In the past three years of policing in the Solomon Islands, the PPF through its capacity development efforts is rejuvenating the nation's police force. There is a strong desire among SIPF members to enhance the quality of policing services delivered to the people of the Solomon Islands.



AFP members were part of the Participating Police Force response to the damage caused in the western Solomon Islands when the area was struck by a series of earthquakes and a tsunami, causing widespread destruction to villages and towns and 52 deaths on 2 April 2007.

This year saw the completion of the second year of a four-year leadership program, delivered in conjunction with the Australian Institute of Police Management. By 30 June, 130 members of the SIPF had received training in police management across various levels of the organisation.

May 2007 also saw the graduation of officers of the 10th SIPF Recruit Course, bringing the number of new constables to 222 since the inception of RAMSI.

A strong focus of RAMSI's work has involved the PPF Prosecution Support Unit (PSU), which has coordinated 39 trials covering serious crimes committed against the people of the Solomon Islands.

The Community Relations program (previously known as *Operation Shakem Han*) has made strong inroads in allaying community fears or misperceptions regarding the presence of the PPF members in the Solomon Islands. Under the auspices of this program, PPF members visit schools, church groups, sporting organisations and community service clubs to develop strong and positive relationships.

On 2 April 2007, the communities of the western Solomon Islands were struck by a series of earthquakes and a tsunami, causing widespread destruction to villages and towns and 52 deaths. The PPF immediately dispatched advisors to the Western Province to assist the local people. Coordination and communications teams also supported the SIPF, fulfilling a critical role in the disaster-recovery operation. SIPF and PPF members worked closely throughout this operation, along with personnel from various aid organisations and other contributing nations, to assist local people affected by this disaster.

Challenges

In 2006–07, since the start of the mission, the challenges facing the Solomon Islands remained significant. Great progress has been achieved in restoring public order and reducing the availability of firearms within the community. Setbacks, such as the April 2006 riots have, however, been disappointing.

The mission has entered its most difficult stage, which involves the establishment of a deeply seated and widespread commitment to the rule of law at all levels. There appears to be strong support for this among the people of the Solomon Islands. However, resistance is evident among vested interests and this threatens economic recovery of the archipelago. These tensions are most visible in the judicial process through the number of high-profile prosecutions that include senior political figures, and externally through such actions as the dismissal of an independent and impartial police commissioner.

The capacity-building challenge for establishment of the rule of law in the Solomon Islands requires strong and clear leadership from local people. The PPF can assist in professionalising the police force and reinforcing the rule of law while it is present within the Solomon Islands. However, longer-term success is heavily dependent on the aspirations of Solomon Islanders.

Sudan

Following the establishment of a United Nations 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 stemmed from UN resolution 1590 and the Comprehensive Peace Agreement for Sudan. The UN Police mandate was 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 provided police officers to perform roles as police mentors, specialist advisors, planners and trainers and the Australian Government agreed to maintain the UNMIS commitment until 30 September 2009. The first AFP contingent of 10 members arrived in Sudan in March 2006. The AFP provided 10 members to UNMIS (no AFP members were deployed to the Darfur region).

Timor-Leste

Following the AFP's May 2006 Scoping Advisory Mission to Timor-Leste, the initial role of Australian police was to support the ADF in ongoing restoration of law and order operations in Dili.

In July 2006, Australian police combined with their Malaysian, New Zealand and Portuguese counterparts, forming the International Police in Timor-Leste (IPTL), assuming full responsibility for delivering policing to Dili. (All the above activities were conducted under AFP *Operation Serene*.)

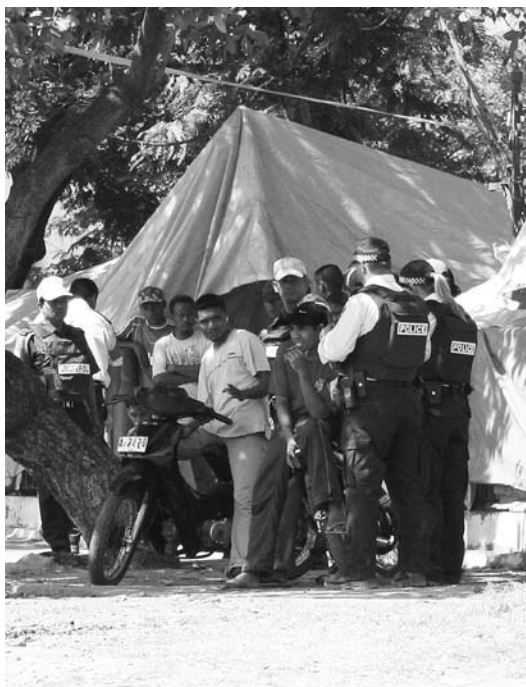
On 25 August 2006, the United Nations Security Council adopted a resolution to establish a successor mission in Timor-Leste. The United Nations Integrated Mission in Timor-Leste (UNMIT) took effect immediately and included provisions to ensure the restoration and maintenance of public security through the presence of up to 1608 UN Police. At the request

of the United Nations, Australian police within IPTL transferred to UNMIT on 28 August 2006.

The Australian Government approved an ongoing commitment of 50 police to UNMIT until 2010.

On 31 July 2004, the AFP sent advisors to Timor-Leste to support the Timor-Leste Police Development Program (TLDPP), a joint Australian Government (AFP \$20 million, AusAID \$12 million) and UK Government (\$1.1 million) capacity-building initiative. The aim of the program was to contribute to the Timor-Leste Government's efforts to maintain a safe and stable environment conducive to economic and social development.

AFP components of the program were suspended in June 2006 due to violence and civil unrest in Dili. A number of program advisors remained in Dili following suspension of the program and contributed to *Operation Serene*. On 1 December 2006, four AFP members of TLPDP were returned to the program. The TLPDP has been supplemented by an additional six members who have subsequently contributed to a range of United Nations-led training and development activities.



The Australian Government has made a commitment to provide 50 AFP personnel to the United Nations Mission in Timor-Leste until 2010.

Cyprus

First formed in 1964, the United Nations Peacekeeping Force in Cyprus (UNFICYP) today consists of personnel from more than 15 nations, with Australia being one of the few nations involved since the inception of the mission. The UN mandate for Cyprus is extended on a six-monthly basis with the AFP providing 15 Australian civilian police attached to UNFICYP at 30 June 2007.

AFP members with UNFICYP were 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 six months to 30 June 2007, AFP members held pivotal roles in high-profile cases and investigations concerning illegal activity in the bi-communal village of Pyla. These cases included human trafficking across the buffer zone and the development of intelligence-based policing methodologies that were employed for the first time in the mission.

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

Tonga

At the request of the Tongan Government, the AFP provided an operational policing capability to support the Tonga Police Force in the stabilisation and restoration of law and order in Nuku'alofa, following civil unrest on 16 November 2006. The unrest included the destruction of numerous government buildings and private businesses within the central



Since the November 2006 riots in Nuku'alofa, 64 AFP members have seen service in Tonga.

business district and resulted in severe fire damage and extensive vandalism.

Thirty-four AFP members were sent to Tonga on 18 November 2006 as part of *Operation Tokoni* and 64 members have been rotated through Tonga, providing investigative and community-policing support to the Tonga Police Force in forensics, criminal intelligence and information technology. At 30 June, three members were in Tonga, acting in advisory positions to the Tonga Police Force.

At 30 June 2007, the Government of Tonga was considering the implementation of a capacity-building project, following a joint Australia–New Zealand scoping mission undertaken in Tonga in February 2007.

Vanuatu

With AFP support, the Government of Vanuatu worked to create a professional, accountable and community-oriented police force while enhancing existing crime prevention and victim-support services.

AFP technical advisors were first sent to Vanuatu in February 2006 as part of a project to improve the capabilities of the Vanuatu Police Force (VPF). At 30 June 2007, nine full-time advisors, one AusAID project officer and one locally engaged staff member were working with the Vanuatu Police Force Capacity Building Project (VPFCBP). A further eight part-time technical advisors will be engaged during the life of the project.

VPFCBP included \$26.7 million to help the Government of Vanuatu reform its police force over the next five years. Major achievements in the first 12 months of this project included:

- coordinated infrastructure works at the VPF Training Wing
- recruit course curriculum development
- VPF recruit-selection process development
- The first project-funded VPF recruit course, which graduated on 27 April 2007
- the development of a joint planning capability and a legislative review process.

CAPACITY BUILDING

Capacity building is the process of developing competencies and capabilities in individuals, groups, organisations, sectors or countries that lead to sustained and self-generating performance improvement.

The Capacity Building business area of IDG was established in December 2005 and, under the new IFS structure, was responsible for AFP capacity-building projects that have been divided between the Regional Office Asia–Multilateral and Regional Office Pacific. The regional offices coordinate the delivery of bilateral and multilateral international law enforcement capacity-building programs.

LAW ENFORCEMENT COOPERATION PROGRAM (LECP) FUNDED INITIATIVES

The IDG managed and/or administered \$6.442 million of funding provided under LECP appropriations during 2006–07. This appropriation funded 32 new and 15 ongoing projects, designed to increase the capacity of Australian and global law enforcement agencies to combat transnational crime collaboratively. The major initiatives funded through this arrangement are set out below.

Philippines Counter Terrorism Project

As part of a two-and-a-half-year Australian Government Counter Terrorism assistance package, announced in 2003 and jointly funded by the AFP and AusAID, a forensics laboratory was renovated in Manila. It was officially opened on 1 February 2007 and was one of the final deliverables of the project. The original Record of Understanding (ROU) with AusAID was extended to the end of June 2007. The AFP also sent a counter-terrorist advisor to Manila to assist with the exchange of intelligence.

Indonesia

The AFP, AusAID and the Indonesian National Police (INP) developed the Jakarta-based Transnational Crime Coordination Centre (TNCC), which was completed in May 2007. The AFP International Network assumed responsibility with the INP to further enhance the operational capability of TNCC. This was a four-year \$4.7 million project to assist the INP to develop strong capabilities to fight a wide range of transnational crimes, including counter terrorism.

Thailand

AFP personnel continued to work with the Royal Thai Police to develop a Transnational Crime Network similar to that being established in Indonesia. LECP funding of \$1.6 million over two years was approved for this project (2006–07 and 2007–08).

Pacific Region

During 2006–07, LECP funding established an additional Transnational Crime Unit in Micronesia to be incorporated into the Pacific Transnational Crime Network.

Disaster Victim Identification Project

Since 2004, the AFP has delivered disaster victim identification (DVI) training in Indonesia (Bali and Jakarta), Malaysia, Thailand, the Philippines, Singapore and Sri Lanka, as well as providing a DVI first-response kit for use in recipient nations. Due to the success of this project, additional LECP funding has been approved for projects to be delivered in Vietnam and Vanuatu (including participants from the Pacific Island nations of Tonga, Kiribati, Tuvalu and the Marshall Islands) during 2007. Enhancement training was also delivered in Bali, the Philippines and Thailand during 2006–07. The delivery of this project in Fiji was deferred due to the current political situation.

Training Programs

Through LECP, the AFP funded the attendance of foreign law enforcement officers at various Australian

and international training programs during the year, including:

- Australian Institute of Police Management Executive Leadership and Police Management Development Programs
- AFP Management of Serious Crime and International Management of Serious Crime programs
- Joint Australian Crime Commission – Charles Sturt University – AFP National Strategic Intelligence Courses
- Asia Regional Law Enforcement Management Program at the Royal Melbourne Institute of Technology, Hanoi Campus
- Masters Degree Transnational Crime Prevention courses at the University of Wollongong.
- AFP funded 128 Asian and Pacific law enforcement officers to attend such programs during the year.

Interdiction of Illicit Drugs

LECP undertook a joint project with the United Nations. The International Drug Control Program focused on the suppression of illicit manufacturing and trafficking of amphetamine-type substances (ATS) to the south-east provinces of the People's Republic of China. The project will conclude in June 2009.

Assistance to the Pacific Islands Chiefs of Police

The AFP funded the attachment of a Pacific Islands police officer to the Pacific Islands Chiefs of Police (PICP) Secretariat as a project officer. The Pacific Project Officer was selected from the country providing the chair to the PICP. The AFP also provided funding assistance to the PICP Secretariat through a contribution of \$20,000.

The Future Directions in Pacific Policing (FDIPP) project was established in January 2007 at the direct request of the PICP Conference in October 2006. The Project Team designed a strategic plan to address issues of

policing in the Pacific. The plan was scheduled for presentation to the PICP Conference in October 2007. IDG has a representative in the Project Team who worked closely with other Pacific Islands counterparts in developing this plan.

Computer Based Training (CBT) Centres

The AFP is engaged in a joint project with the United Nations Office on Drugs and Crime (UNODC) to continue establishing computer-based training centres in the Pacific. The funding for this program was provided under an AusAID administered Pacific Governance Support Program. During early 2007, more centres will be established in the Cook Islands and Kiribati.

The AFP and UNODC are developing a computer-based training package on Basic Intelligence for installation on the UNODC global network of Computer Based Training Centres. This computer-based module was undergoing final development prior to release in 2007.

IDG REORGANISATION

Following the Government's approval of the IFS, several new organisational units were created in the IDG.

Apart from the broader expansion of IDG, the Operational Response Group represents a major new capability within the AFP. The Operational Response Group provides an immediate crisis-response group capable of delivering high-risk policing services in unstable environments to support the AFP overseas operations.

Under the IFS, the Operational Response Group absorbed and strengthened the existing AFP Operational Response Team and the Specialist Operations Support Team.

IDG A-Base and Deployable Planning

During the design phase of the IFS, two IDG planning teams – IDG A-Base (Australia based) and Deployable Planning – was created to maximise the AFP's capability to initiate and conduct overseas police operations (both capacity building and enforcement).

These teams conduct planning at the 'operational' level (defined as the level between strategic and tactical planning where strategic intent is translated into program design and delivery), and are deployable for short periods to assist as headquarters components of new missions.

IDG Peace Operations and Doctrine Development

Also newly established under IFS in November 2006, the Peace Operations and Doctrine Development Team analyses peace-operations issues affecting overseas deployment of police, develops planning guidance and principles for AFP contributions to crises responses and capacity-building missions, develops strategic and operational-level philosophical guidance for IDG activities and coordinates IDG involvement with collaborative academic research projects.

IDG Training

During the year, the IDG extensively reviewed its training requirements and found that changes were needed to ensure that the IDG adequately prepared members to undertake evolving roles in overseas operations.

Pre-deployment training for members serving in overseas missions underwent significant change, with an extension from 15 to 35 days. The increase in training time was directed to ensuring members had greater understanding of and capability in critical areas, such as capacity development, culture, coaching and mentoring skills, and human rights. The first of the new courses began on 23 January 2007.

In order to reflect this new training regime, the former School of Peacekeeping Operations was renamed the Pre-deployment Training Team. This change signified the move away from peacekeeping as the focus to broader pre-deployment training.

In 2006–07, the Pre-deployment Training Team completed 17 training programs with 466 participants. Of these, 411 were from the AFP and state police services and 55 were from the Pacific Island nations of

Samoa, Tonga, Fiji, the Federated States of Micronesia, Kiribati, Nauru, Niue, Cook Islands, Palau, Papua New Guinea, the Marshall Islands, Tuvalu and Vanuatu.

Implementation of the IFS over the period created two new training areas for the IDG that sit under the training portfolio in the form of the Operational Response Group Training Team and the IDG Internal Training Team.

The Operational Response Group Training Team is responsible for developing and implementing the training regime for the Operational Response Group. This specialised group requires training that is in line with National Counter Terrorism Committee requirements. From the period of March to May 2007, 27 members of the Operational Response Group were accredited against the NCTC basic Police Tactical Group standards. Twelve Operational Response Group members also completed AFP organisational training in AFP practice and methodology.

The Internal Training Team provides training for the influx of new members within the IDG and to ensure that general AFP training requirements are administered in an efficient and effective manner. In the period April–June 2007, 101 new staff completed AFP and IDG induction-training programs. The first of the new Diplomacy Programs was delivered in conjunction with the Australian National University for 20 IDG members, who were required to deal with clients at a diplomatic or senior government level, both in Australia and overseas.

SIGNIFICANT EVENTS

INTERNATIONAL DEPLOYMENT SERVICES

The year proved to be challenging for the International Deployment Group (IDG) due to not only the wide range of routine activities, but also a number of major incidents that affected the security of the region and more broadly the international community.

Tensions in the Pacific

- The ongoing tensions in Timor-Leste and the Solomon Islands provided the most significant challenges for 2006–07. The level and extent of civil violence in Timor-Leste remained high. AFP personnel assigned to both the bilateral and UN policing missions were required to operate in a highly unstable social, political and economic environment. This situation required close monitoring due to the risks it posed for AFP personnel required to serve on the front line of many public order and related operations.

Stability in the Solomon Islands

- In the Solomon Islands, public order has been stable since the April 2006 civil unrest in Honiara. However, the political environment

remained challenging and fluid, as evidenced by the dismissal of the Solomon Islands Police Commissioner (seconded from the AFP) in December 2006. The Regional Assistance Mission to the Solomon Islands (RAMSI) focuses on strengthening local policing capacity and the independence of local institutions, and building the general demand for good governance in the Solomon Islands.

The situation in the Solomon Islands was further exacerbated in April 2007 by a major natural disaster in the country's north when a tsunami caused widespread destruction resulting in the deaths of 52 people. Subsequent recovery operations required significant support from the AFP and other Australian Government agencies.

Assistance to Tonga

- November 2006 also proved to be a challenging period for the IDG as rioting in Nuku'alofa, the capital of Tonga, resulted in widespread destruction in the central business district and the deaths of several residents. The AFP, with support of the ADF and New Zealand Police, responded immediately with 34 personnel to assist the Tonga Police Force with the restoration of public order and investigations of criminal activity.

OUTPUT 1.5: PROTECTION SERVICES

Protection Services contributed to Outcome 1 through the prevention of crime and protection of Commonwealth interests in Australia and overseas.

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

Protection Services duties included:

- provision of close personal protection
- provision of specialised security services at premises considered by the Government to be at risk
- administration of the national Witness Protection Program
- planning and coordination with strategic partners for special events of national interest.

The AFP provides close personal protection (CPP) for 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 protection of witnesses identified as being at risk as a result of assistance they have provided to police and other law enforcement agencies.

The delivery of CPP is implemented through a business-planning process informed by security threat assessment, Visits Assessment Group arrangements, proactive protective security intelligence and other stakeholders.

The activities undertaken to achieve this objective included:

- provision of CPP to Australian high-office holders, parliamentarians and parliamentary delegations (in certain circumstances), IPPs,

members of the diplomatic community, 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 that 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.



In the lead up to the AFP's APEC commitments, extensive training days were held to sharpen protection procedures. The Protection portfolio coordinated the AFP's commitments to APEC security.

In 2006–07, CCP provided the following services:

- Regular protection of 11 Australian and non-Australian high-office holders while also meeting requirements for significant visits and overseas deployments.
- The deployment of a significant number of CPP personnel in response to specific intelligence concerning the family of an Australian high-office holder.
- The deployment of CPP resources overseas following civil unrest in Timor-Leste from June to late August 2006.
- The commitment of AFP resources to Anzac Day ceremonies 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 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 2008, recognising the growing importance of the event and significant milestones of the upcoming 95th and 100th ceremonies. In support of this event, in April 2007, the AFP delivered a two-week Train the Trainer CPP Program in Ankara.
- Because the security situation in Jakarta continued to impact upon CPP resources, the AFP appointed, in November 2006, a permanent CPP Security Liaison Officer (CPPSLO) to liaise with the Indonesian National Police (INP) and negotiate protective security arrangements in association with the Australian Ambassador's program and other visiting Australian high-office holders. An additional CPPSLO is deployed on temporary duties. The AFP continued strengthening relationships with INP, developing CPP capacity and providing an ongoing service through exclusive use of INP resources. In March 2007, a three-week CPP Training Program was held at JCLEC for the INP.
- The Asia Pacific Economic Cooperation (APEC) 2007 forum, held in Australia, impacted significantly on CPP resources requiring a large

OUTPUT 1.5: PROTECTION SERVICES

RESULTS FOR 2006–07

Workload

- Protection was involved in 17,907 movements of Australian and non-Australian office holders.

Performance Measures

- 95 per cent of resources were dedicated to high/very high impact cases.
- There were two avoidable incidents during the financial year, representing a rate of 0.1 per 1000 movements. This result is considered within acceptable limits for operations of this type.
- Client satisfaction was 81 per cent.

Please note that these Performance Indicators refer to Protection only and were finalised in July 2007.

planning commitment for the event during the year.

AFP provides a range of Government-appropriated and user-pays protective security services consistent with the Australian Government interests. In 2006–07, these included:

- Diplomatic and consular missions, consistent with the level of assessed risks in order to meet the Australian Government's responsibility under international law.
- Commonwealth premises considered by the Government to be at risk, including Parliament House, The Lodge and Government House.
- Nominated defence establishments considered by the Government to be at risk.

- Internationally based premises considered by the Government to be at risk, including three Australian diplomatic missions.
- Specialist services, including security risk-management advice and personnel security vetting.

Protection Operations

Protective security services continued to be provided at a number of key sites, including:

- Australia's official establishments
- Highly sensitive Defence establishments
- Australian Nuclear Science and Technology Organisation (ANSTO)
- Diplomatic missions
- Overseas Australian diplomatic missions.

During 2006–07, 39 PSOs provided substantial operational support to RAMSI and operations in Nauru.

Funding was provided for a surge capacity of 40 PSOs for Protection Operations and now forms the Operational Deployment Teams. These teams were established in Canberra, Perth and Melbourne. The teams supplement protective security measures at high-risk sites already protected by PSOs. They also provide additional resources to special events in the event of a terrorist attack or heightened and sustained threat environment.

In December 2006, 21 Operational Deployment Team members were sent to Tonga to support the Tongan Government during civil unrest and were also sent to Sydney's Villawood Immigration Detention Centre during a protest and provided high-risk custodial escorts for overseas support to immigration authorities.

The Operational Deployment Team supplemented existing AFP resources at the opening and nuclear fuel movements for the Open Pool Australian Light-water reactor. In addition, the team attended Pine Gap, Parliament House, diplomatic missions and

other official establishments to enhance routine protective security measures.

The Operational Deployment Team supported APEC meetings during early 2007 and were to provide security to NSW Government House during APEC Leader's Week in September 2007.

Additional Government funding enabled Diplomatic Protection Units to implement a mobile concept of operations for diplomatic precincts across Australia. The mobile response concept is being progressively introduced. Enhanced mobile response capabilities will enable more effective and timely protection of diplomatic precincts.

Forty Protective Service Officers provided protective security for Her Majesty Queen Elizabeth II, the Prime Minister, the Governor-General and various foreign dignitaries during the 2006 Melbourne Commonwealth Games. New powers were introduced to enable AFP personnel to respond more effectively to security incidents involving dignitaries and sensitive establishments.

WITNESS PROTECTION

Generally, people are in the Witness Protection program because they are giving evidence in significant criminal prosecutions at Commonwealth and state level, at the risk of their lives.

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 program's security. One hundred per cent of Witness Protection operations are targeted at high/very high impact operations.

Witness Protection represents the AFP and the Government on several expert groups, including:

- the Europol Witness Protection Expert Group
- the United Nations Office on Drugs and

Crime Expert Group Meeting (Witness Protection)

- the Australasian Heads of Witness Protection Forum
- the National Witness Protection Training Sub Group.

During the year, AFP Witness Protection chaired Australasian Heads of Witness Protection Forum and hosted the 2007 Forum Conference.

SPECIAL EVENTS COORDINATION AND EXECUTIVE SUPPORT

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



Protection Services provides security for personnel and property considered by the Government to be at risk.

Asia Pacific Economic Cooperation 2007

During 2006–07, the AFP provided two liaison officers to the APEC Taskforce offices in Canberra and Sydney to plan and coordinate AFP assistance to state and territory police security measures. This was for the eight APEC Ministerial events held around Australia, as well as for the September APEC Leaders' Week in Sydney.

From January 2007, the AFP has provided assistance to each state and territory police service with:

- Intelligence liaison and support
- Close Personal Protection (CPP) liaison and support for the seven APEC Ministerial meetings
- Firearms and Explosive Detector (FED) canine teams
- Video and other technical surveillance resources
- Forensic and CBR support
- Enhanced security arrangements at major and regional airports.

AFP liaison, planning and coordination arrangements for the remaining APEC Ministerial events and for Leaders' Week were well advanced by 30 June 2007. Significant additional AFP resources were to be deployed to Sydney in support of NSW Police during Leaders' Week, the majority funded from within existing budgets.

The AFP committed extensive resources in the areas of dignitary protection, Aviation, Forensic and Technical capabilities, General Policing, field and PI Intelligence members, investigative and Aviation resources in support of NSW Police for the APEC 2007 Leaders Meeting.

Operations Support

Operations Support negotiates, reviews, administers and provides a liaison between Protection and client representatives for all MOUs and agreements. This role provides specialised security services at premises considered by the Government to

be at risk. This area also undertakes workforce resourcing for Protection in consultation with all internal stakeholders and provides information to the Workforce Planning Team. The process of renegotiating and reviewing all MOUs, including a possible AFP presence at the new Defence Headquarters in Bungendore, NSW, has commenced.

The Workforce Planning Team performs a workforce-resourcing role, with all recruit course placements identified, approved by the Protection and Aviation Management teams and provided to AFP Recruitment.

In 2006–07, the demand for recruit placements was very high.

Protective service officer transfers and internal movements were administered in this area. Several protective service officers took advantage of career enhancement opportunities, including the Federal

Police Development Program and moved into other AFP functional areas.

Corporate Governance and Executive Support

Following a restructure in January 2007 and a change in focus, the former Special Events Coordination and Executive Support within Protection was renamed Corporate Governance and Executive Support (CG&ES) because it best reflected the role and function of the section.

CG&ES provided reporting and executive support on the following:

- Ministerial and high-level forums
- Business Planning and Performance reporting
- Business Risk, Quality Management and Governance
- Protection Operations Monitoring Coordination.

SIGNIFICANT EVENTS

PROTECTION SERVICES

Protection at Gallipoli Anzac Day service

- The commitment of 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 Protective Security Coordination Centre (PSCC), the Department of Foreign Affairs and Trade, the Department of Veterans' Affairs, the Department of the Prime Minister and Cabinet and the New Zealand Police to deliver close personal protection to Australian high-office holders who travelled to the ceremony. Planning has already started for Anzac Day 2008, recognising the growing importance of the event and significant milestones of the coming 95th and 100th ceremonies. In support of this event, in April 2007 the AFP delivered a two-week Train the Trainer CPP Program in Ankara, Turkey.

Closer ties with Indonesia

- During 2006–07, the Australian Government continued to receive reports indicating that terrorists were planning attacks against Western interests in Indonesia. In response to the ongoing threat, in November 2006, the AFP appointed a permanent CPP Security Liaison Officer (CPPSLO), to liaise with, support, and negotiate with the Indonesian National Police (INP) to provide protective security arrangements for the Australian Ambassador to Indonesia and other visiting Australian high-office holders. An additional CPPSLO deploys on temporary duties. The AFP strengthened relationships with the INP, developing CPP capacity and providing an ongoing service through exclusive use of INP resources. In March 2007, a three-week CPP Training Program was held at JCLEC for the INP.

Resources directed to APEC 2007

- The Asia Pacific Economic Cooperation (APEC) 2007 forum, to be held in Australia, drew heavily on CPP resources. Significant planning for the event was incorporated into this reporting period.

OUTPUT 1.6: AVIATION SERVICES

Aviation contributed to the maintenance of a safe and secure environment for Australian domestic and international aviation passenger transport. This required the AFP to develop and maintain strong relationships with state and territory police services, Commonwealth agencies, airport operators and airlines to ensure highly coordinated action against terrorist and other criminal threats to aviation safety and security.

Strategies used by Aviation in support of Outcome 1 include:

- Actively participating in inter-agency and aviation industry security forums.
- Contributing to the prevention of in-flight attacks on Australian registered aircraft through placement of Air Security Officers on selected domestic and international flights.



During 2006–07, the AFP continued developing security at Australia’s major airports by providing uniformed police and protective service officers.

- Implementing the Unified Policing Model at Australia’s 11 major airports to provide centralised command and control, liaison and intelligence capabilities, a counter-terrorism deterrence and response capability, community policing and the ability to investigate serious and organised crime in the aviation sector.
- Maintaining specialist bomb appraisal and firearms and explosives detection canine team capabilities to support aviation law enforcement.
- Contributing to the aviation security deterrence and response capability of regional aviation participants by providing a counter-terrorism deterrence and response capability able to be quickly deployed to regional airports on a pre-planned or intelligence-driven basis.

A link between criminal activity and the potential for terrorism was identified by Sir John Wheeler in the *Review of Airport Security and Policing* (the Wheeler Review). Since the Government accepted the Wheeler Review’s recommendations in September 2005, significant progress has been made in addressing the issues identified, particularly the command and control of law enforcement resources and measures to address the response to general crime, the investigation of criminality and the possibility of terrorism in the aviation environment.

UNIFIED POLICING MODEL

With the responsibility to deliver a sustainable, efficient and effective policing and national security presence in the aviation environment, the Unified Policing Model (UPM) relies on close cooperation between the AFP, state and territory police, those in the aviation industry and federal and state government agencies to achieve this objective.

With resources at 11 major airports around Australia, a current commitment of 1065 officers forms the

staffing template for the delivery of UPM. In 2006–07 in excess of 200 additional members joined the UPM, with these resources supporting Airport Uniform Policing and Joint Airport Investigation Teams.

During the year, the Unified Policing Model provided teams for the delivery of services across six core functions:

- Airport Police Commanders
- Liaison
- Intelligence
- Prevention and response to terrorism
- Prevention and response to general crime
- Investigation of serious and organised crime in the aviation environment.

Included in these core functions are highly trained bomb appraisal officers and dogs, with the capability to detect firearms and explosive substances. These teams provide a national deterrence and/or response capability to terrorist threats against regional aviation.

Unified Policing Model implementation

In line with Output 1.6, the Unified Policing Model is delivered through a centrally coordinated command structure, using suitably trained personnel from the AFP and other agencies within a proactive and intelligence-driven framework and led by Airport Police Commanders.

In 2006–07, Airport Police Commanders liaised with relevant federal and state government and private sector organisations to align high-level strategic focus and priorities, coordinate operational planning processes and documentation and maintain ongoing dialogue on risks, policy and operational issues. This inter-agency approach enabled the Government's national security, policing and border security objectives to be enhanced by coordinating resources to enable a proactive, preventative and intelligence-driven focus on terrorism and criminality at airports.

OUTPUT 1.6: AVIATION SERVICES

RESULTS FOR 2006–07

Workload

- 240 new cases and 201 finalised cases in 2006–07.
- 79 cases on hand at the close of the financial year.

Performance Measures

- 65 per cent of resources were directed to high/very high impact cases.
- No major disruptions of Australia's aviation passenger industry.
- Client satisfaction was 88 per cent.

Counter Terrorist First Response and Regional Rapid Deployment Teams

Counter terrorist first response capabilities, which existed prior to the creation of the Unified Policing Model, were integrated into the Unified Policing Model command and operational structures.

Regulation 3.28 of the Aviation Transport Security Regulations defines counter terrorist first response as 'deterrence measures designed to deny information to terrorists and deter acts of terrorism, and if an act is threatened or prospective, to deter or prevent it...' The delivery of this capability varies in accordance with the threat.

The counter terrorist first response national plan provides a framework for the delivery of this response at Australia's major airports. Monitoring and review of the plan continued through 2006–07. The national plan was delivered via a suite of proactive Targeted Deterrence Activities (TDAs) and high-

visibility strategies designed to protect Australian aviation interests and the domestic and international travelling public from the planning and execution of terrorist acts.

The strategies used to bolster counter terrorist first response capability in 2006–07 included:

- an expansion of the areas where Targeted Deterrence Actions are conducted
- the review of operational plans to focus on intelligence-led deterrence measures resulting in the ability to provide a more robust, scalable response based on the level of threat
- more bicycle patrol officers providing an increased detection capability with greater mobility and visibility
- additional training to improve prevention and response skills.

The resolution of terrorist incidents remains the responsibility of state and territory police in line with the existing National Counter Terrorism Plan (NCTP) protocols. However, counter terrorist first response teams play a vital role in deterring terrorism and, where necessary, provide the first response to contain any threat or attack.

Regional Rapid Deployment Teams

The Regional Rapid Deployment Teams (RRDTs) are able to deploy to regional airports throughout Australia, providing active deterrence against terrorist threats and a counter-terrorism first-response capacity. The teams are funded by DOTARS' *Securing Our Regional Skies* initiative and the AFP provides RRDTs comprised of Counter Terrorist First Response personnel, who perform the regional rapid deployment role on a rotational basis.

Based at Brisbane, Melbourne, Perth and Sydney airports, each RRDT has eight protective service officers, including a firearms explosive detector canine team and a bomb appraisal officer.

In 2006–07, the four Regional Rapid Deployment Teams participated in 13 joint agency training

exercises and spent an average of 119 days each on deployments to 86 regional airports.

Bomb Appraisal Officer and Canine Teams

There are 99 bomb appraisal officers (BAOs) stationed throughout Australia, with 76 BAOs supporting Aviation stationed in Australia's 11 major airports and 23 assigned to National Operations and Protection.

BAOs provide a first response to unattended or suspicious items and/or bomb threats. The primary role of a BAO is to search, locate, identify and confirm, by technical analysis, explosives, explosive material and/or improvised explosive devices.

Following the Wheeler Review, the Government approved a substantial increase to the number of dogs to be trained to detect drugs, firearms, explosives and chemicals for aviation security. In 2008, this will be extended to drug detection.

During 2006–07, National AFP Canine provided a highly visible presence at Perth, Sydney, Melbourne, Brisbane and Canberra airports. Ongoing support was provided to RRDT when its members deployed to regional airports.

Airport Uniform Police

Strengthened by the commitment of state and territory governments, Airport Uniform Police (AUP) personnel are seconded from local jurisdictions and engaged by the AFP to perform general duties policing roles at the major airports.

AUP members respond to a variety of law enforcement incidents at airports, including:

- immediate response and resolution of simple offences
- proactively targeting general criminality
- incidents of public disorder
- taking of reports and resolution of incidents, including theft and damage to property offences

- first police response to excess and counterfeit currency entering or leaving the country
- first police response to suspected drug importations
- participation in targeted operations with Commonwealth, state and territory government agencies.

The implementation of the AUP at the major airports continued during 2006–07, with full implementation expected by late 2008.

Table F illustrates ongoing AUP deployment and staffing.

Joint Airport Intelligence Groups

Joint Airport Intelligence Groups are located at each of Australia's major airports and comprised AFP, local jurisdictional police and Customs officers to enable intelligence-led responses to security and criminal threats in the aviation sector.

These groups contain full-time members from the AFP, Customs and state and territory police. Other agencies including the ACC, AQIS, ASIO, DIAC and DOTARS, provide visiting staff and have capacity to work from the various Joint Airport Intelligence Groups when necessary.

Table F: AUP State/Territory Progress – at 19 June 2007

Airport	Commitment	Operationally deployed	In Training ¹	Expected commitment delivery date
Adelaide	21	21		Commitment met ¹
Canberra	20	14		Deployment of additional 7 officers to be determined after initial assessment
Hobart	11	11		Commitment met ¹
Northern Territory (being Alice Springs and Darwin)	37	16	20	Deployment of additional 1 officer to be negotiated with NT Police
Melbourne	55	51		Commitment met ¹
Perth	36	12		12 by December 2007 and 12 by December 2008
Queensland (being Brisbane, Cairns and Gold Coast)	113	4	1	24 by July 2007, 20 by September 2007, 20 by November 2007, 20 by March 2008, and 24 by June 2008
Sydney	70	2	28	Deployment of additional 40 officers to be negotiated with NSW Police
Total	363	131	49	

1. Officers may be undergoing Induction Training or concluding commitments to their home service prior to operational deployment to the AFP

Joint Airport Intelligence Groups facilitate timely exchange of information between participating agencies at airports and facilitate coordinated, responsive and timely intelligence on crime and security issues. Recruitment to fill critical intelligence positions in Aviation, Intelligence and Joint Airport Intelligence Groups, continued during 2006–07, with the remaining 12 (of 58) positions expected to be filled by the end of 2007. All external agency members are in place and contributing to the operation of the Joint Airport Intelligence Groups.

Aviation industry representatives receive monthly intelligence briefs on statistical analysis of criminal activity and security incidents at the major airports and the AFP contributes to DOTARS–ACC intelligence reports, which further inform the aviation industry of potential vulnerabilities. DOTARS and the AFP provided regular briefings to industry executives at quarterly Aviation Security Advisory Forum meetings.

The Airport Intelligence Joint Working Group (AIJWG) meets monthly to provide strategic guidance to the Airport Intelligence and Joint Airport Intelligence Groups and to coordinate intelligence-gathering efforts among national and international intelligence agencies.

Joint Airport Investigation Teams

The establishment of the Joint Airport Investigation Teams in November 2005 created a specific investigations capacity to the Unified Policing Model capable of targeting serious and organised crime in the aviation sector.

With teams at five major airports (Sydney, Melbourne, Brisbane, Adelaide and Perth), Joint Airport Investigation Teams also undertake investigations in support of all the major airports and across the broader aviation environment.

Intelligence-led investigations rely on the close cooperation between Joint Airport Intelligence

Groups and Joint Airport Investigation Teams. Additionally, Joint Airport Investigation Teams rely on close liaison and cooperation with state and territory law enforcement, government agencies and the aviation industry.

The staffing model for Joint Airport Investigation Teams embodies the collaborative nature of the Unified Policing Model with these teams being staffed by 50 personnel, comprising 30 federal agents, 10 Customs officers and 10 state police.

Air Security Officer Program

The Air Security Officer (ASO) Program supports the Government's efforts to protect Australia from terrorism. In existence since 2001, the ASO Program complements the Unified Policing Model by providing an armed deterrence and response to any acts of unlawful interference on board selected domestic and international Australian-registered airline flights.

Active participation in Security Forums

The AFP actively participates in forums in each state and territory, including forums on airport security, interdepartmental working groups and security committees, emergency management and welfare committees and various other consultative groups.

Similar committees were established at other major airports and included Customs, Quarantine, DIAC, local law enforcement and other state and Commonwealth representatives. This information sharing addressed particular vulnerabilities raised by the Wheeler Review and were crucial to the delivery of whole-of-government outcomes for aviation security.

Likewise, the Canine Steering Committee was established in March 2007 with a core membership from the AFP, Customs and AQIS. The committee was created to improve coordination of Commonwealth canine resources due to the exponential growth of canine capabilities in each of the agencies.

At a strategic level, the AFP participates in national interdepartmental consultative forums that shape Government aviation and broader transport security policy. These include the Australian Government Transport Security Policy Committee and the Secretaries Aviation Security Working Group. The AFP was also represented on the National Passenger Facilitation Taskforce, and participated in a senior executive forum with DOTARS to address issues relevant to both agencies. Additionally, the AFP is a member of the peak Government-industry consultative body, the Aviation Security Advisory Forum, and has a strong, productive relationship with government and industry stakeholders.

Prevention of In-flight Attack

The strategies employed to prevent in-flight attack on Australian registered aircraft include:

- regular travel by ASOs on selected Australian and international routes.
- in partnership with relevant government departments, the AFP pursues bilateral agreements with other countries to expand the number of international routes on which ASOs may travel. Negotiations, with selected South-East Asian destinations, are ongoing to achieve this.
- the maintenance of Canine Teams with specialist bomb appraisal and firearms and explosives-detection capabilities to support aviation law enforcement.

Increased Handler and Dog Numbers

In 2006–07, the Australian Government's commitment to APEC and Aviation Security resulted in \$10.2 million being allocated to the development of additional dog-training facilities enabling an increase in handler and dog numbers to 60 and up to 90 respectively.

Construction began in 2006 for a new kennelling and training facility in the Australian Capital Territory, which will establish a centre of excellence for law enforcement dog training. The centre will produce canine teams (a handler and dog) for the detection of firearms, explosives and drugs; to attend major events; and for aviation security and national operations. This capability will enhance and support international law enforcement and in the first instance will be committed to APEC. It will also provide services for ongoing annual re-certification of dogs and handlers from around Australia. It includes regular proficiency maintenance and specialist advanced training, required to remain up-to-date with international improvised explosive device technology.

In 2006–07, Canine Teams were established at Australia's 11 major airports.

Aviation Security at Regional Airports

Regional Rapid Deployment Teams undertake security assessments of regional airports with the objectives of:

- being able to respond quickly throughout Australia to real or suspected threats at regional airports
- conducting routine, planned deployments to regional airports to practise deployment procedures, familiarise other stakeholders with Regional Rapid Deployment Teams capability, and to provide an active deterrent against terrorist threats to regional aviation.

The National Counter Terrorism Plan places the responsibility of resolving terrorist incidents with state and territory police.

Maintaining strong relationships

The relationship between the AFP and its state and territory counterparts is integral to the successful operation of the Unified Policing Model. In 2006–07, recruiting state and territory police continued in line with the commitment to the provisions of the AUP Stage and an additional 167 Airport Uniform Police inducted into the AFP.

Hobart Airport officers have built strong relationships with local flying schools to tap a potential source of aviation intelligence. Additionally, Qantas Airlines provided training to enable AFP members to operate safely inside and outside aircraft, including cordon and containment training with the Tasmania Police Special Operations Group.



Regional Rapid Deployment Teams play a key role in deterring terrorism at airports.

Bomb Appraisal Officers (BAOs) work closely with their state and territory counterparts to enhance skills and establish best practice nationally. A specific 2006 initiative between AFP BAOs and the South Australian Police Bomb Response Unit resulted in bomb-response procedures being developed for Adelaide Airport.

Similarly, the AFP has worked closely with DOTARS on a range of operational issues, including a project to identify appropriate methods of detecting explosives in air freight, and the establishment of policy governing the role of the national Airport Security Incident Support Teams (ASIST).

Cooperation between partner and stakeholder agencies is an integral part of effective law enforcement and security arrangements within the aviation environment. Formal arrangements are required to underpin existing relationships and provide commitment to cooperate on policing matters. Accordingly, the AFP has entered into, and developed, various MOUs.

In 2006–07, the AFP entered into MOUs with Victoria Police and Queensland Police to facilitate the attachment of state police officers to the Unified Policing Model. An MOU for operational cooperation between the AFP and South Australia Police was signed in February 2007 outlining how the parties will exchange information and operate together. The MOU identifies the agencies responsible for leading a policing response to a particular incident.

During May 2007, MOUs with Canberra Airport and Northern Territory Airports Pty Ltd (the operator of Darwin and Alice Springs airports) were completed. These agreements allow the exchange of information relevant to law enforcement and security matters between the AFP and airport operators.

Aviation Training

The Aviation Training team develops and delivers training programs to personnel operating under the Unified Policing Model. Training teams were established in Brisbane, Canberra, Melbourne, Perth and Sydney, with a staffing strength of 34 members. The training program included induction training for state and territory Airport Uniform Police, skills enhancement for Counter Terrorist First Response, Joint Airport Intelligence Groups and Joint Airport Investigations Teams, along with developing ongoing Aviation training modules for identified needs. In 2006–07, Aviation Training delivered programs in relation to Induction, Leadership, Cordon and Containment, Command, Control and Communication and PROMIS, the AFP's central information storage system.

SIGNIFICANT EVENTS

AVIATION SERVICES

Implementation of the Unified Policing Model

- All components of the AFP's presence, including Airport Police Commanders, Police Aviation Liaison Officers, Joint Airport Intelligence Groups, Counter Terrorist First Response and Joint Airport Investigation Teams are now in place. Substantial progress was made with deployment of Airport Uniformed Police, with the full complement of police in place at Hobart, Adelaide and Melbourne airports and partial deployments to Canberra, Perth, Darwin and Alice Springs airports. Agreements are in place with jurisdictions for deployment of Airport Uniform Police to remaining airports.
- In support of the wider coordination role of the Airport Police Commanders, the AFP facilitated an operationally focused discussion exercise at each airport to examine each airport's response should the security environment move to a higher level of national threat.

Joint Airport Investigation Teams reach staffing target

- The full complement of 50 staff for the Joint Airport Investigation Teams (JAITs) was achieved in 2007 and these teams are now established in Sydney, Melbourne, Brisbane, Adelaide and Perth. Since inception, JAITs have been responsible for effecting more than 50 arrests and more than 260 charges.

Significant investigations

Prosecutions for theft from freight and cargo

- Investigations into freight and cargo vulnerabilities at airports have led to prosecutions in Brisbane, Adelaide, Sydney and Melbourne. These investigations have identified the theft of mobile telephones, navigation equipment, computer equipment and camera, video and other entertainment equipment. The estimated value of the thefts identified to date is approximately \$2 million.

Duty free alcohol theft worth more than \$80,000

- In December 2006, JAIT members at Brisbane Airport charged three employees of a Duty Free store with the theft of alcohol and other items valued at more than \$80,000. One suspect was also charged with attempting to pervert the course of justice and another was the subject of additional charges in relation to the burglary of the residence of a Customs officer and stealing the officer's identity card and Aviation Security Identification Card.

Theft of seized alcohol

- In May 2007, a joint investigation between JAIT and AQIS in Brisbane disrupted the activities of contracted employees involved in the theft of alcohol and other items surrendered or seized and marked for destruction as part of the Quarantine process. A brief of evidence was forwarded to the Commonwealth Director of Public Prosecutions.

Significant arrests

Charged over unauthorised transmissions

- In October 2006, a man was charged in Melbourne relating to making unauthorised transmissions to aircraft. He was again charged in June 2007 and has been sentenced to a suspended term of imprisonment.

Assault on an airport official

- In December 2006, a security incident at Brisbane Airport resulted in the arrest of a man for the offence of assault occasioning bodily harm. The alleged victim in this incident was a screening officer performing her duty.

Expired identification card leads to court

- In May 2007, a courier in Sydney was issued with a Court Attendance Notice in relation to the production of an expired Aviation Security Identification Card that had been altered in an attempt to gain airside access. He is currently subject to court proceedings regarding offences under the Aviation Transport Security Regulations 2005.



AFP
AUSTRALIAN FEDERAL POLICE

CHAPTER 4

Close Support



CLOSE SUPPORT

INTELLIGENCE

Intelligence is a product derived from adding value to information and is derived from an array of sources to provide insight and influence decision making.

In 2006–07, the AFP's Intelligence portfolio continued to increase and improve its services and took on additional responsibilities in International Deployment Group Intelligence and the National Operations Centre (NOC); the latter having merged with the Transnational Crime Coordination Centre (TCCC) in March 2007 to become the AFP Operations Coordination Centre (AOCC).

Ongoing government funding for initiatives, such as the Intelligence Regional Secretariat and the Leadership in Criminal Intelligence Program, resulted in strong results and the initiation of new projects and partnerships. An example of these was the 5th Asia Region Heads of Criminal Intelligence Working Group (ARHCIWG), co-hosted by the Chinese Ministry of Public Security in Shanghai in November 2006. This resulted in a number of new joint ventures aimed at identification and collaboration on common regional criminal threats. ARHCIWG strives to complement other cooperative efforts in the region and provide a platform for these initiatives to be promoted and gain support.

On 1 July 2006, Intelligence received an additional \$51.6 million over four years to enable the AFP to substantially improve its capacity to collect, assess, store and share sensitive threat-related information and criminal intelligence within the organisation and with its partner agencies. The funding provided for information and communication technology solutions, as well as a staffing injection, which has given rise to new teams dedicated to efficient processing and analysis of information and intelligence.

Structurally, Intelligence is aligned into three streams: Intelligence Collection, Intelligence Analysis and the newly merged AOCC.

INTELLIGENCE COLLECTION

The Manager of Intelligence Collection is responsible for a number of separate portfolios covering Collection and Liaison, Protection Intelligence, Counter and Security Intelligence, the Leadership in Criminal Intelligence Program (LCIP) and the AFP's covert policing services.

Collection and Liaison

Collection and Liaison provides a pivotal enabling capability to the Intelligence portfolio, which contributes to a large number of the portfolio objectives and outputs. Collection and Liaison's role is to:

- collect and disseminate all source information and intelligence in a timely, efficient and effective manner within the AFP
- value add, verify and disseminate intelligence to the AFP's partners and stakeholders in a timely, efficient and effective manner
- produce up-to-date intelligence in support of senior AFP decision-makers.



The AFP Operations Coordination Centre enables a central point of contact for information and intelligence processing about crimes against the Commonwealth.

Protection Intelligence

Protection Intelligence provides intelligence support to the AFP, ACT Policing and Protection operations. It also works closely with other Australian Government departments and agencies (including PM & C, PSCC, ASIO, and DFAT) charged with responsibility for safeguarding Commonwealth interests. Protection Intelligence also ensures that Australian Government obligations for the safety and security of diplomats and visiting dignitaries are met.

In 2006–07, Protection Intelligence provided intelligence support to a number of significant events and high-level visits, including:

- G20 Finance Ministers' meeting in Melbourne in November 2006
- APEC meetings held in Australia in advance of APEC Leaders' Week in Sydney in September 2007
- Visits by
 - Cambodian Prime Minister (October 2006)
 - US Vice President Cheney (February 2007)
 - Vice Premier of China (March 2007)
 - Prime Minister of Greece (May 2007)
 - President of the Philippines (May 2007)
 - Dalai Lama (June 2007).

COUNTER AND SECURITY INTELLIGENCE

The Counter and Security Intelligence (CSI) portfolio produces threat assessments and other security-related assessments and advice to enable management and other stakeholders to make informed decisions on how to safeguard AFP domestic and international operations and activities. CSI assessments and advice provide the basis for understanding the nature and extent of the threats facing the AFP, allowing decision makers to correctly contextualise operational vulnerabilities, identify security risks and implement appropriate and relevant operational security planning responses.

INTELLIGENCE

RESULTS FOR 2006–07

Workload

- 496 new cases
- 1372 finalised cases
- 708 cases pending at 30 June 2007.

Performance Measure

- In 2006–07, performance measures estimated client satisfaction at 74 per cent.

Leadership in Criminal Intelligence Program

The Leadership in Criminal Intelligence Program is funded under the Government's *Fighting Terrorism at its Source* program, and promotes excellence in criminal intelligence gathering through strategies such as:

- bringing together academic, national and international law enforcement experts to workshop issues affecting transnational law enforcement
- providing training through the Intelligence Management Development Program (IMDP) at the Australian Institute of Police Management, accredited to Graduate Certificate level
- ongoing work of the AFP Doctrine and Process Working Group
- taking sponsorship and editorial responsibility for the upcoming AFP Intelligence Journal – the first international academic journal dedicated to criminal intelligence.

In June 2007, the Leadership in Criminal Intelligence Program took the Intelligence Management Development Program (IMDP) overseas for the first time. The program was adapted to suit local needs and was delivered through the Jakarta Centre for Law Enforcement Cooperation (JCLEC). With a fourth IMDP

at the Australian Institute of Police Management in August 2007, LCIP will have sponsored more than 70 police and intelligence managers through the program.

INTELLIGENCE ANALYSIS

The Manager of Intelligence Analysis (MIA) is responsible for Analytical Services, Transnational Crime Intelligence (TCI), Counter Terrorism Intelligence (CTI), Aviation Intelligence (AI) and the new International Deployment Group (IDG) Intelligence. MIA also provides functional oversight of the Intelligence offices in the six main capital cities. This ensures that Office Intelligence resources are allocated against national priorities that priority is afforded to internally generated cases and that work is undertaken in accordance with AFP Intelligence doctrine.

Analytical Services

Analytical Services informs and supports broader AFP decision-making and resource prioritisation through its biannual *Strategic Intelligence Update* and other timely strategic products. Analytical Services staff synthesise material from across AFP's functional streams and draw on reports from the International Network and the Regional Offices. As well, it receives information from partner agencies to assess the existing criminal environment and make predictions about future criminal trends.

Transnational Crime Intelligence

The role of Transnational Crime Intelligence (TCI) includes the production of tactical and operational intelligence on transnational crime issues relating to the Border, International and ESO functions. TCI consists of four teams, each with a specific focus.

The Transnational Targeting Team is responsible for targeting significant ongoing transnational criminal enterprises. It also supports the Transnational Targeting Network, an initiative bringing together a number of international law enforcement agencies to develop targeting lists for joint operations. The remaining three teams provide analytical and

financial intelligence support to their operational counterparts in the areas of transnational sexual exploitation and trafficking, high tech crime and people smuggling.

Counter Terrorism Intelligence

Counter Terrorism Intelligence plays a vital role by providing a coordinated, focused and dedicated intelligence capability to support the AFP's counter-terrorism efforts, both nationally and internationally.

In 2006–07, significant activities undertaken included:

- support to the Joint Counter Terrorism Teams in Sydney, Brisbane and Melbourne and the identification of targets for investigation
- ongoing intelligence support to the *Operation Pendennis* investigation
- considerable effort towards the identification of convergences between multi-jurisdictional-agency targeting strategies against terrorist suspects in Australia
- ongoing support to the Jakarta Regional Cooperation Team and the Manila Regional Cooperation Team.

Counter Terrorism Intelligence also coordinates the secondment of AFP Intelligence staff to the Australian Security Intelligence Organisation (ASIO), the National Threat Assessment Centre (NTAC) and the Joint Counter-Terrorism Intelligence Coordination Unit (JCTICU). These secondments ensure that AFP information, expertise and advice are integrated into the national counter-terrorism effort.

Aviation Intelligence

The Aviation Intelligence (AI) capability was established following the 2005 Wheeler Review into Aviation Security. Since then the AFP has rapidly expanded its intelligence capabilities through the establishment of Joint Airport Intelligence Group (JAIG) teams at each of the designated airports. JAIG is responsible for providing tactical and operational intelligence in support of the Unified Policing

Model-focused information collection and target development activities. JAIG receives operational and low-level strategic intelligence support from the AI teams, situated within the National Headquarters, which are responsible for providing an overview of national trends and convergences.

International Deployment Group Intelligence

The International Deployment Group (IDG) Intelligence capability was established in February 2007 to respond to the growing requirements of the IDG in an increasingly complex operating environment. IDG Intelligence provides intelligence advice to IDG and AFP management on issues of interest to IDG deployments. The team also has the responsibility of ensuring trained intelligence personnel are deployed in support of IDG missions.

A number of these personnel will work with host police forces in developing a robust criminal intelligence capacity for that nation. This capacity development will assist the host nation to understand its criminal environment and enable the targeting of regional criminal threats.

A key objective of IDG Intelligence will be the development of a close working relationship with the ADF to ensure joint deployment capabilities are aligned.

AFP OPERATIONS COORDINATION CENTRE

The Australian Federal Police Operations Coordination Centre (AOCC) started on 5 March 2007 with the merger of two of AFP's portfolios that operate 24 hours a day, seven days a week – the Transnational Crime Coordination Centre (TCCC) and the National Operations Centre (NOC). AOCC now provides a command, communication and coordination support role for all AFP functions within the Deputy Commissioner National Security and the Deputy Commissioner Operations portfolios. AOCC has four business lines providing a variety of support services.

Communications and Alarm Monitoring Support Services

Communications and Alarm Monitoring Support Services provide direct radio communications with AFP members at Australia's 11 major airports and to Protection teams such as Close Personal Protection and/or Diplomatic Protection Units monitoring alarms at Commonwealth and designated diplomatic locations.

Intelligence Information Support Services

This business line directs support to Intelligence through the receipt and initial evaluation of all information and intelligence referred to the AFP from client agencies and partners.

Intelligence Information Support Services is also responsible for the recording of information with the AFP's operational database PROMIS and dissemination to state and territory police services, the Australian Crime Commission (ACC) and/or internally to AFP Intelligence teams.

It manages all alerts placed on the Customs Passenger Analysis Clearance and Evaluation (PACE) system, including the Australian National Child Offender Register (ANCOR).

From 1 July 2007, all Family Law alerts will be managed by the AOCC and, later in 2007, all bankruptcy alerts will be transferred to the team. The facilitation of all alerts by AOCC allows for consistency in management and a single point of contact for the public and agencies.

Operations and Response Support Services

This business line conducts preliminary assessments and evaluation of referrals made to AFP Headquarters.

It provides assistance to AFP members for the preparation, application and reporting of controlled operations and applications to rescind people's passports.

It also maintains the Operations Committee Secretariat, which connects AFP Operations Committees in each AFP Office with AOCC Operations Committee, AFP's highest operational decision-making forum.

Business Systems Support and Reporting

This business line assists all operational and intelligence areas within the AFP in the use of the different domains within PROMIS, including undertaking data integrity reviews and corrections and providing business performance data.

AOCC provides a monitoring service and a 24-hour operations support team, coordinating the flow of operational information between the AFP and its international partners. AOCC facilitates Interpol inquiries, and also those inquiries directed through the International Network, recognising the integral role each has in combating organised crime. The implementation of a comprehensive call centre has catered for dedicated entry points into AOCC providing a more efficient way for people to contact the AFP.

NATIONAL SECURITY HOTLINE

The number of National Security Hotline reports received during the 2006–07 financial year was 6321. Of these reports, 1374 were referred within the AFP for further examination and inquiries.

FORENSIC AND TECHNICAL

Forensic and Technical provides the AFP with a scientific basis for gathering and analysing evidence acquired during the course of investigating criminal matters and is made up of:

- Forensic Operations
- Technical Operations
- Chemical, Biological, Radiological, Nuclear and Explosives Data Centre (CBRNDC)
- Operations Support.

During 2006–07, the portfolio made significant contributions to AFP goals by providing specialist support for national operations, ACT Policing operations, regional deployments, training and capacity-building projects.

The newly established the Chemical, Biological, Radiological and Nuclear Data Centre, like the Australian Bomb Data Centre for explosives, increased the capacity to provide technical intelligence and assist in combating the criminal use of chemical, biological, radiological, or nuclear incidents in Australia and overseas.

During 2006–07, a stand-alone evidence-recovery laboratory was built. It enabled the sequential harvesting of potential evidence from objects suspected of being tainted with noxious bacteria or chemicals. This facility reduced the risk of exposure of scientists and the main laboratory complex containment.

Significant investments were also made in ongoing research, development and implementation with many outstanding examples of enhanced science and technology tools contributing to technical intelligence and operation outcomes.

Forensic and Technical contributed to our regional law enforcement partners by providing capacity-building facilities, training and support. In the main, these capacity-building projects were targeted at fighting

terrorism at its source, aimed at reducing the threat of terrorist activities in Australia.

Achievements in capacity building, in an effort to reduce terrorism with our regional law enforcement partners over the past year, included:

- establishment of a bomb data centre in Malaysia
- significant progress toward the establishment of bomb data centres in Indonesia and Thailand
- establishment of a DNA laboratory in Indonesia
- establishment of a chemical criminalistics laboratory in the Philippines (targeting post blast analysis)
- ongoing provision of specialist training to regional law enforcement agencies through the Jakarta Centre of Law Enforcement Cooperation (JCLEC) and in recipient agency home countries
- provision of technical support to a number of regional law enforcement partners.

Operations that required significant input from a cross-section of Forensic and Technical disciplines during 2006–07, included:

- A number of major drug importation incidents that resulted in significant seizures, including:
 - operations resulting in seizures of cocaine 130kg, 21kg and 140kg
 - 400kg of suspected ecstasy tablets
 - 200kg of phenylacetic acid (in a joint operation with state jurisdictions)
 - deployment of a crime scene investigator to Malaysia to assist in the investigation of a major clandestine laboratory where 700kg of crystal methamphetamine and 180,000 tablets had been seized
- Deployment of disaster victim identification, crime scene and forensic imaging personnel to support Indonesian National Police investigations into the Indonesian plane crash in Yogyakarta in March 2007.
- Deployment of Australian Bomb Data Centre and

FORENSICS AND TECHNICAL

RESULTS FOR 2006–07

Workload

- 110 new cases
- 57 finalised cases
- 109 cases pending at 30 June 2007

Performance Measure

- Performance satisfaction was 84 per cent

Chemical Criminalistics personnel to the recovery of explosives and weapons from a terrorist cache in Yogyakarta, Indonesia.

A number of Forensic Operations personnel presented expert evidence during the murder trial of Glenn McNeill before the Supreme Court of the Territory of Norfolk Island. Glenn McNeill was found guilty of the murder of Janelle Louise Patton.

FORENSIC OPERATIONS

Forensic Operations, in 2006–07, provided 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 provided challenges and opportunities.

Operations that required significant input from a cross-section of Forensic Operations disciplines during the past year included

- Deployment of crime scene, firearms identification and disaster victim-identification personnel to Timor-Leste to provide specialist assistance in relation to the ongoing investigations resulting from the riots and subsequent murders that occurred in September 2006. Laboratory Services also contributed to this operation through the analysis of samples.

- Deployment of six Forensic Operations personnel to Sri Lanka to assist in the forensic investigation of the Muttur massacre. This incident involved the massacre of 17 aid workers.
- Deployment of crime scene personnel to Tonga to assist in the forensic investigation of the seven deaths resulting from riots occurring in November 2006. AFP Laboratory Services also contributed to this operation through the analysis of samples.
- Deployment of Crime Scenes and Chemical Criminalistics to supply specialist assistance to the Royal Thai Police for a spate of bombings in Bangkok, 3–21 January 2007.
- A number of Forensic Operations personnel significantly contributed to the investigations into online child sexual exploitation involving an international child pornography ring.

Field Services

Forensic Field Services continued to service AFP investigations in Australia and overseas through the application of appropriate and high-level crime scene investigations. International requests resulted in staff being sent to assist in drug and counter-terrorism operations throughout the region. Crime Scene personnel contributed to and supported overseas capacity-building projects and initiatives. Regional Crime Scene personnel supported a number of significant operations relating to counter terrorism and drug importations.

Specialist Physical Evidence

The Forensic Specialist Physical Evidence Team comprises the disciplines of Fingerprints, Firearm Identification and Ballistics and Document Examination. This team supported domestic and international investigations through the application of specialist skills. This team also contributed to and supported overseas capacity-building projects and initiatives.

Laboratory Services

The disciplines within the Laboratory Services provided expert forensic support to ACT Policing in national and

international investigations. The majority of national forensic investigations related to counter terrorism and drug investigations. The latest technology and procedures were used to provide a wide range of forensic services, including DNA analysis, explosive, paint and glass analysis and counterfeit document identification.

Electronic Evidence

Electronic Evidence incorporates the Computer Forensic Teams and Forensic Imaging. The Computer Forensic Teams provided support to AFP operations in Australia and overseas. This support identifies and preserves electronic evidence by attending crime scenes as well as through laboratory-based examinations, restoration, analysis and reporting. The Computer Forensic Teams trained key stakeholders in best practice electronic evidence handling and analysis techniques. They also conducted research into emerging technologies to enhance the identification, preservation, analysis and reporting of electronic evidence.

The Forensic Imaging section provided audio and video laboratory services for high-level processing of audio and video material, generally to analyse or improve the quality of recorded material. The Facial Identification Team within Forensic Imaging produced high-quality facial compositions, based on witness interviews for identification purposes. The Imaging Team provided a range of photographic services to print forensic images from digital sources and negatives, and provided specialist photography services, such as 360 degree imaging.

TECHNICAL OPERATIONS

Technical Operations provided technical support and advice to AFP operations. This was achieved through the delivery of operational support services by the Police Technical Team, Telecommunications Interception Division, Radio and Electronic Support, Capability Development and Engineering. Technical Operations undertook innovative research and development to ensure AFP operations were provided

with the best technical support available. Such innovations resulted in the successful investigation of a significant number of major incidents in Australia and overseas.

Police Technical Teams

Police Technical Teams (PTTs) were based at five locations around Australia and were responsible for covert technical operations supporting ACT Policing, National and International investigations. The functions of PTTs included covert technical surveillance, providing audio, imagery data or tracking product on targets, equipment procurement, training and policy development. During 2006–07, PTT personnel were involved in a number of whole-of-government responses to domestic situations and international operations with our regional law enforcement partners. PTTs also provided advice, training and equipment to a number of regional law enforcement partners through the Law Enforcement Cooperation Program and other regional initiatives.

Telecommunications Interception Division

AFP investigations continued to use telecommunications interception as an effective and flexible tool to gather evidence against people 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 Interceptions Division (TID) supported the investigators of these types of offences by providing warrant provisioning, monitoring, record keeping and report services 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*.

The TID was also responsible for providing investigators with evidentiary packages, including evidentiary certificates and CDs containing lawfully obtained information that form an integral component

of the Crown's case. At the conclusion of the prosecution and appeal process, 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 by the Commonwealth Ombudsman's Office.

Radio and Electronic Services

Radio and Electronic Services managed the AFP's mobile radio communications systems, tracking systems and taped record-of-interview systems throughout Australia.

Ongoing projects during the year were:

- the purchase and installation of equipment to expand the radio communications network to service the AFP's expanded role at Australia's 11 major airports
- the evaluation and purchase of suitable equipment to replace the AFP's taped record-of-interview system.

Both of these projects complemented and added to the project to upgrade the radio communications and taped record-of-interview systems used by the former Australian Protective Service, which was absorbed into the AFP within the Protection portfolio.

Radio and Electronic Services supported International Deployment Group by providing equipment and radio networks to its areas of operation, and to Surveillance Teams by providing training in the use of tracking systems.

The AFP's Technical Operations represented the Australian Government's interests in mobile radio communications and record-of-interview equipment and systems on 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 develops new field deployable technology that supports AFP operations.

During the year, Capability Development provided:

- capability under the Surveillance Devices Act
- support, assistance and training to LECP and regional Counter Terrorism projects
- technical advice to other AFP areas.

Capability Development liaised with other law enforcement and intelligence agencies, resulting in the development of new technology solutions during the year.

Engineering

Engineering liaised with Commonwealth, state and territory law enforcement and security agencies and oversaw partners on engineering standards and contracts for telecommunications interception on behalf of the AFP and Australian law enforcement agencies. Statements of compliance with interception obligations from telecommunications carriers were assessed as part of this.

Engineering participates in and chairs national committees that meet regularly to oversee and regulate national telecommunications interception activities.

FORENSIC AND TECHNICAL SUPPORT AND TECHNICAL INTELLIGENCE

Resulting from a special Council of Australian Governments (COAG) meeting in September 2005, the Chemical, Biological, Radiological and Nuclear Data Centre (CBRNDC) was established within the AFP. Throughout 2006–07, Forensic and Technical personnel supervised the construction of the centre, completed in April 2007. The Australian Bomb Data Centre was integrated into this portfolio during the year, resulting in the establishment of the Chemical, Biological, Radiological and Nuclear Data Centres. This was followed quickly by the integration of the Forensic and Technical Rapid Deployment Group.

High-profile operations that required significant input from a cross-section of Forensic and Technical Support and Technical Intelligence disciplines during the year included the following deployments:

- Two Australian Bomb Data Centre officers to Rangoon in Myanmar to provide technical assessment in relation to Improvised Explosive Devices sent through the local postal system.
- Two disaster victim-identification personnel to Timor-Leste to provide specialist assistance to the ongoing investigations resulting from the riots and subsequent murders that occurred in September 2006.
- A disaster victim-identification person to Tonga to assist in the forensic investigation of the seven deaths resulting from the November 2006 riots.
- Australian Bomb Data Centre personnel to supply specialist assistance to the Royal Thai Police for a spate of bombings in Bangkok on New Year's Eve 2006.

Chemical, Biological, Radiological and Nuclear Data Centre

Throughout 2006–07, the establishment of the CBRNDC was ongoing. The project included the construction and fit-out of the centre and the recruitment of specialist personnel to staff it. The centre already had been involved in many Commonwealth working groups and committees, including COAG reviews of hazardous materials.

The CBRNDC was officially opened by the Attorney-General on 2 July 2007.

Australian Bomb Data Centre

The Australian Bomb Data Centre (ABDC) collects, collates, analyses and disseminates information regarding the unlawful use of explosives. In recent years, an additional role emerged for ABDC for regional counter-terrorism capacity building.

Significant achievements during the year were the establishment of a bomb data centre in Malaysia and continuing development of Bomb Data Centres

in Indonesia and Thailand, which will commence operating before December 2008.

ABDC continued its involvement with AFP Australian and overseas operations. International deployments provided support to the investigations into the New Year's Eve bombings in Bangkok, weapons and explosives recovery in Yogyakarta, Indonesia, and assistance to domestic AFP counter-terrorism operations. ABDC provides technical assessment of reported explosive-related incidents in Australia and overseas and this engagement, in 2006–07, helped develop a better understanding of terrorist capabilities.

Also of international significance, the 2006 Australia Bomb Data Centre Conference was convened in Canberra, attracting 245 delegates, primarily representing police and military organisations from 13 countries.



CBRN officers training to deal with hazardous material.

Forensic and Technical Support

Forensic and Technical Support extends the rapid deployment ability of Forensic and Technical personnel to Australian and international incidents that required specific specialist forensic and technical skills in support of the investigation.

The group provides logistical support, disaster victim identification response, development of the AFP's chemical, biological, radiological and nuclear capability and ongoing commitment to counter-terrorism operations. Through the establishment of this group, Forensic and Technical has developed a level of expertise in posting AFP personnel in support to a wider range of incidents, including terrorism, major crime and natural disasters within Australia and overseas. This group represented Forensic and Technical on the relevant planning teams for the APEC summit and was responsible for coordinating the Forensic and Technical response to the various APEC venues.

Forensic and Technical Support cooperated with external agencies, including ACT and National CBRN Working Groups, Chemical Warfare Agent Laboratory Network, DFAT, PM&C and Emergency Management Australia in providing a whole-of-government approach to developing capability and responding to terrorist incidents. The group coordinated the majority of Forensic and Technical deployment overseas in support of major criminal investigations and natural disasters.

Forensic Drug Support

The Forensic Drug Support Group coordinated and managed drug support through two MOUs between the AFP and the National Measurement Institute (NMI).

The first MOU was for routine analysis of AFP-seized illicit drugs and reporting of results. The second MOU was for chemical profiling for the Australian Illicit Drug Intelligence Program (AIDIP).

The number of samples submitted for analysis during 2006–07 increased. In relation to the ATS, a broader range of precursor chemicals were encountered with a

reduction in the amount of pseudoephedrine samples being submitted for analysis.

Australian Illicit Drug Intelligence Program

The Australian Illicit Drug Intelligence Program (AIDIP) is an ongoing partnership between the NMI and the AFP. The NMI provided chemical impurity profiling data on AFP seizures of heroin, cocaine and ATS. AFP Forensic Operations provide physical profiling data on the packaging, method of concealment and other details of illicit substances.

Chemical and physical profiles are being combined onto an upgraded common AIDIP database and products will be supplied to AFP Intelligence and other stakeholders.

FORENSIC AND TECHNICAL BUSINESS SUPPORT

Research and Development

Forensic and Technical maintained a strong research and development focus that concentrated on priority areas, including field portable equipment, explosive-residue analysis, DNA profiling, electronic evidence, illicit drug profiling, trace elements and latent fingerprint detection. Research projects were undertaken across all of these areas in collaboration with a number of industry and academic partners. A number of projects involved funding from the Australian Research Council (ARC).

Information Management

During 2006–07, a tendering process was completed for the purchase and implementation of a Forensic Laboratory Information Management System (LIMS). LIMS will provide Forensic Operations with a state-of-the-art case management and exhibit-handling system to enhance both productivity and accountability across all forensic disciplines. LIMS commenced Stage 1 roll out in May 2007 with Stage 2 in late July 2007.

Another significant project being undertaken by the Information Management Team is the implementation of a National Disaster Victim Identification database on behalf of the Australasian Disaster Victim Identification

Council (ADVIC). This database was rolled out, with associated training, to all Australian state and territory and New Zealand policing jurisdictions in June 2007.

Quality Assurance

Forensic Operations complies with international accreditation standards (ISO 17025) to ensure the delivery of quality forensic science support for AFP investigators. Laboratory accreditation with the National Association of Testing Authorities (NATA) was to be reassessed in the second half of 2007 for a further two-year period. During 2006–07, the AFP's Audio and Video Enhancement Laboratory was inspected and accreditation against ISO 17025 was achieved. This was the first audio and video enhancement facility in Australia to gain such accreditation. The Quality Assurance Team also provided quality assurance oversight for the AFP's Breathalyser Calibration Laboratory and this facility achieved NATA accreditation during the year.

Projects and Administration

This team was established during the year to address the management of the increasing number of significant projects undertaken by the Forensic and Technical portfolio. The team also provided administrative support to the Forensic and Technical portfolio, including governance compliance, purchasing, fleet management and asset replacement.



AFP
AUSTRALIAN FEDERAL POLICE

CHAPTER 5

Corporate Services



CORPORATE SERVICES

Corporate Services comprises those areas administered by the Chief of Staff (below) and the Chief Operating Officer (page 102).

These services provide the administrative and technical support required by the operational and operational support areas.

OFFICE OF THE CHIEF OF STAFF

Chief of Staff Portfolio

The Chief of Staff portfolio is directly responsible to the Commissioner and manages a number of AFP corporate and executive services. The portfolio comprises the following functional areas:

- Performance and Planning
- Ministerial
- Policy and Strategic Services (incorporating Legislation)
- National Media
- National Marketing and Communications
- Recognition and Ceremonial
- Executive Services
- Australian High Tech Crime Centre.

The portfolio supports the Commissioner as Chair of the Australian Crime Commission (ACC) Board, co-chair of the Asia Pacific Money Laundering Group and Deputy Chair of the Australian National Council on Drugs (ANCD).

The portfolio also manages the hosting arrangements for the Australian High Tech Crime Centre (AHTCC), the Asia-Pacific Group on Money Laundering Secretariat and the Australian Institute of Police Management.

Following a recent structural review, the portfolio will assume responsibility for both the AFP's Legal and Professional Standards functions. A transition is occurring within the AFP's Performance Reporting unit (part of Performance and Planning) from the Chief of Staff to the Chief Operating Officer portfolio, at which time the function will become the AFP Business Analysis Unit.

In addition to these activities, the portfolio is responsible for the delivery of the *International Policing Toward 2020* conference, which the AFP is hosting in Canberra in November 2007. The conference will provide a forum for high-level dialogue, exploring the likely influences that will shape crime and law enforcement through to the year 2020.

PERFORMANCE AND PLANNING

Performance and Planning contributes to the strategic goals of the AFP through performance monitoring, management and reporting. 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.

Major activities during 2006–07 included:

- Developing partnerships with universities and quality external providers to develop economic

and other measures of performance for AFP activities.

- Managing the AFP's business-planning processes by facilitating the creation of a revised hierarchy of consistent and coherent business plans, which link operational activity to AFP strategic objectives.
- Developing the strategic direction for AFP Governance and providing quality assurance for the Governance Instrument Framework, which included a comprehensive instrument review program resulting in the application of publishing standards to 68 new or revised instruments, 69 revocations and 111 other amendments.
- The conduct of 17 Business Activity Analysis reviews to critically examine the operations undertaken and resources utilised to deliver AFP services.
- Coordination of the review into the AFP's medium-term financial outlook by Len Early, a former Deputy Secretary of the Department of Finance and Administration. The review focused on the development of strategies to address budget challenges, including enhancements to the budget and performance frameworks, to facilitate longer term planning, and to improve efficiency and effectiveness.
- The coordination of 34 officers seconded to the Australian Crime Commission, Centrelink, Family and Community Services and Indigenous Affairs, the Australian Taxation Office and the Department of Environment and Water Resources.

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 the coordination of all parliamentary documents, Estimates briefings, answers to questions on notice, Committee documents and the Cabinet Liaison function.

The AFP has a Law Enforcement Liaison Officer (LELO) in the office of the Minister for Justice and Customs. This officer provides a single point of contact for Ministerial staff from the offices of the Minister for

Justice and Customs and the Attorney-General. This officer maintains a key operational relationship with both Ministerial offices to provide timely advice on law enforcement matters. This officer works closely with, and is supported by, the Ministerial team.

On 9 March 2007, Senator the Hon. David Johnston was appointed as the Minister for Justice and Customs. As part of the Minister's induction to the portfolio, the AFP prepared a comprehensive incoming Minister's brief.

Table G: Ministerial work progressed

Category	2004-05	2005-06	2006-07
Ministerial Briefings Including PPQs	770	963	1061
Items of Ministerial Correspondence	428	543	558
Questions on Notice	32	32	33
Senate Estimates briefs including answers to Questions on notice	176	195	311

POLICY AND STRATEGIC SERVICES

Policy and Strategic Services (PSS) is the central arm of policy development for the AFP and focuses on ensuring that the policy needs of the Commissioner and the Government are met in a law enforcement context. Given the rapidly evolving security and crime environment, the AFP is committed to being a forward-looking organisation whose policy capability is attuned to the future needs of national and international law enforcement. In doing so, The PSS works closely with internal stakeholders and a wide range of external partners including the Department of Prime Minister and Cabinet, the Attorney-General's Department and the Department of Defence.

During 2006-07, the AFP's policy capability was reviewed by an external consultant, Dominic Downie, a former senior officer of the Public Service Commission. Mr Downie made several

recommendations aimed at enhancing the quality of policy advice and development at all management levels within the organisation. In line with his recommendations, and following endorsement by the Executive Management Board, the Commissioner announced the creation of the new position of National Manager Policy and Future Strategies with direct responsibility to the Commissioner's office.

In order to align its outcomes with the priorities of the AFP, the PSS comprises the following teams:

- National Security and International Law Enforcement
- National Policy and Briefings
- Drugs Policy
- Australian Crime Commission and Asia-Pacific Group on Money Laundering
- Strategic Services
- Legislation Program

NATIONAL SECURITY AND INTERNATIONAL LAW ENFORCEMENT

National Security and International Law Enforcement provides policy advice and coordination in relation to the International Deployment Group, counter terrorism, aviation and protection security, international law enforcement, high-tech crime (including child protection and online child sex issues) and emerging crime issues.

In 2006–07, the section assisted with the development of the AFP's international engagement and country strategies for the International Network. Policy support and guidance was also provided for the development of the International Deployment Group Future Strategy and the enhancement of interoperability between the AFP and the ADF. The section also contributed to reviews of AFP missions in the Solomon Islands, Timor-Leste and Sudan as well as supporting the Commissioner's and Senior Executive's commitments to the Secretaries Committee on National Security (SCNS) and the National Security Committee of Cabinet (NSC).

NATIONAL POLICY AND BRIEFINGS

The National Policy and Briefings section supports the peak internal decision-making bodies of the AFP: the Executive Management Board and the National Managers' Group. The section manages AFP involvement with peak national law enforcement policy bodies, including the Ministerial Council for Police and Emergency Management-Police, the Police Commissioners' Conference and the Australasian Crime Commissioners' Forum, and delivers AFP responses to emerging national law enforcement policy issues.

This section also coordinates the annual development of the AFP's new policy proposals for consideration in the Budget process.

During 2006–07, this section:

- Represented the AFP on the multi-jurisdictional implementation team for the establishment of the Australia and New Zealand Policing Support Agency (ANZPSA).
- Worked in consultation with other Commonwealth agencies to develop a whole-of-government proposal to address family violence and child abuse in remote indigenous communities. This included identifying a need for a stronger, coordinated law enforcement effort to address the issues.
- Supported the establishment of the National Police Memorial, principally by providing support to the National Police Memorial Steering Committee, chaired by Deputy Commissioner John Lawler.

Drugs Policy

Drugs Policy contributes to the ongoing delivery of Australia's National Drugs Strategy by providing advice to high-level drug policy forums, such as the Ministerial Council on Drug Strategy and the ANCD of which the AFP Commissioner is Deputy Chair.

During 2006–07, this section:

- Represented the AFP on the Intergovernmental Committee on Drugs (IGCD), the Standing Interdepartmental Committee on International Narcotics Issues and the National Working Group on the Diversion of Precursor Chemicals.

- Participated on the Board of Management of, and provided support to projects conducted under, the National Drug Law Enforcement Research Fund (NDLERF).
- Contributed to the successful outcome achieved by the Australian delegation at the 50th Session of the Commission on Narcotic Drugs in Vienna in March 2007. An Australian resolution recognising a newly established regional forum on precursor chemicals, was endorsed by the Commission.
- Contributed to the development of the Law Enforcement component of the National Strategy on Amphetamine Type Substances (ATS), developing and progressing new policy initiatives for additional measures to combat ATS trafficking which resulted in the AFP receiving \$10.4 million in the 2007 Budget to implement those measures.

AUSTRALIAN CRIME COMMISSION AND ASIA/PACIFIC GROUP ON MONEY LAUNDERING

The Australian Crime Commission and Asia-Pacific Group on Money Laundering section supports the Commissioner as Chair of the Australian Crime Commission Board, and as permanent co-chair of the Asia-Pacific Group on Money Laundering.

The Chair works closely with Commonwealth, state and territory colleagues to ensure the AFP and the ACC are well positioned and partnered to continue identifying and dismantling major organised criminal activity. In 2006–07, the AFP provided a submission to the Parliamentary Joint Committee on the Australian Crime Commission's Inquiry into the future impact of serious and organised crime on Australian society.

The AFP continued to strengthen its money-laundering role through forums, such as the Asia-Pacific Group on Money Laundering (APG). The APG Secretariat, which is hosted by the AFP in Sydney, has continued to expand its membership and its impact on strengthening initiatives to counter money-laundering and terrorist financing. As part of its commitment to the APG, the AFP also hosts every second annual meeting involving up to 300 delegates from more

than 30-member jurisdictions. The 2007 meeting was held in Perth, WA, in July 2007.

STRATEGIC SERVICES

AFP Strategic Services provides a crucial link between the AFP's emerging operational environment and the development of AFP policy and corporate strategies. In 2006–07, the section supported the AFP Executive's strategic considerations and actions by:

- Developing the AFP's 2007–11 Strategic Plan
- Compiling the annual scan of the AFP's emerging operating environment, looking ahead up to two years
- Developing themes and content for the *International Policing Toward 2020* conference to be hosted by the AFP in November 2007.
- Completing a scenario-analysis project, exploring factors shaping the AFP to 2011.

Legislation Program

The Legislation Program coordinates AFP input to legislative review and reform processes. In particular, it gathers and consolidates information from within the organisation about issues arising in the operating environment that may warrant legislative treatment; coordinates AFP submissions to reviews of existing legislation; and supports the Attorney-General's Department's management of specific legislative change processes relevant to the AFP.

During the financial year, the Legislation Program coordinated the AFP's participation in the statutory review of the Commonwealth's counter-terrorism legal framework by the Parliamentary Joint Committee on Intelligence and Security. This section coordinated the Australian Law Reform Commission's reviews of sedition offences, the *Privacy Act 1988* and legal professional privilege. The Program also contributed to the Government's policy reviews of extradition and mutual assistance legislation.

The most significant legislative amendments progressed by the section in cooperation with the Attorney-General's Department were contained in the *Crimes Legislation*

Amendment (National Investigative Powers and Witness Protection) Bill 2006. These included:

- The introduction of a delayed notification warrant scheme for serious Commonwealth offences, including serious terrorist offences.
- Amendments to the current provisions in the *Crimes Act 1914* for controlled operations and assumed identities activities, and the protection of witness identity during court proceedings.

NATIONAL MEDIA

The increasing scope of the AFP's domestic and international law enforcement activities resulted in continued growth in the organisation's public and media profile. Together with National Marketing and Communications, National Media is a critical component of the AFP's public relations strategy and is central to the public accountability and information services of the organisation. During 2006–07, the duties of National Media team were re-aligned with the AFP's functional model, which 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 the AFP's activities.

Major media issues for 2006–07 included:

- Indonesian plane crash in Yogyakarta in March 2007, resulting in the deaths of 21 people, including Commander Brice Steele and Federal Agent Mark Scott
- the death of ACT Chief Police Officer Audrey Fagan in April 2007
- the arrest of Melbourne fugitive Tony Mokbel in Athens
- the arrest of three people for their alleged role in theft of ADF rocket launchers
- various operations targeting online child sexual offences
- the roll out of combined AFP–state police teams in airports under the Unified Policing Model
- the arrest of three men for terrorism support

offences concerning the Liberation Tigers of Tamil Eelam

- Federal Government funding for expansion of the International Deployment Group
- the deployment of AFP members to restore law and order in Tonga
- the committal hearing and trial of a man for the 2002 murder of Janelle Patton on Norfolk Island
- major drug seizures in Sydney and Brisbane
- international activities, including the AFP's participation in Indonesian National Police arrests of terrorist leaders and people smugglers in June.

NATIONAL MARKETING AND COMMUNICATIONS

National Marketing and Communications team develops and implements communications projects promoting the role and functions of the AFP to internal and external audiences nationally and abroad. This involves the creation and distribution of a large range of multimedia, online and printed materials, as well as audio-visual and static displays. The team also has responsibility for the Australian Federal Police Museum.

Highlights for 2006–07 included marketing the new National Police Memorial, located on the shores of Lake Burley Griffin in Canberra. This involved developing and coordinating communications activities for all Australian policing jurisdictions participating in the official dedication ceremony in September 2006.

The team also contributed to the ongoing re-branding of the AFP, producing a range of corporate and communications collateral, as well as operational hardware. These activities further consolidated the AFP brand mark in line with the ongoing expansion of the organisation – contributing to the unified approach of the AFP across broad roles and functions.

During 2006–07, various marketing plans were

developed to assist AFP operations in areas such as Aviation, Economic and Special Operations, as well as Professional Standards, Recognition and Ceremonial, the AFP Executive, the Australian High Tech Crime Centre, the Confidant Network, the Australian Bomb Data Centre, Learning and Development, and Building and Accommodation Services.

INTERNATIONAL POLICING | TOWARD 2020

International Policing Toward 2020 Conference

The conference, which be held at the Hyatt Hotel in Canberra in November 2007, will be a significant event for the AFP. It will be the first conference of its type hosted by an Australian law enforcement agency. A large number of international and national delegates from law enforcement, government and academia are expected to attend.

Topics will include the future possibilities of the international system, challenges to its governance, including from "weak states", climate change and mass migration, aspects of the science and technology revolution, and social perceptions, beliefs, values and attitudes and their impacts on law enforcement.

The Australian Federal Police Museum

The Australian Federal Police Museum spent the 2006–07 year focusing on projects to make the collection accessible to a wider audience. A large part of the year was spent consolidating storage areas, ensuring the AFP's collection of historical artefacts continued to be housed in optimal conditions, and in providing research and support to a wide range of AFP departments, other government institutions and the public.

During the financial year, the Museum received 425 new items as donations, responded to 73 research

inquiries and developed five new satellite displays. The travelling exhibition marking the investigation into the 2002 Bali bombing, titled *When the Roof Became Stars*, again went on display during early 2007. The Museum also completed its curatorial and administrative support of the exhibition, *In the Line of Duty: Policing Australia*, at Old Parliament House in May 2007. The exhibition, which was developed to coincide with the dedication of the National Police Memorial, recognises the significant history of policing in Australia.

RECOGNITION AND CEREMONIAL

Recognition and Ceremonial is responsible for the planning and coordination of all AFP ceremonial events and formal recognition processes. The recognition processes include the AFP Internal Awards Framework, awards under the Australian honours system, such as the Australian Police Medal, the Police Overseas Service Medal and the National Medal, and awards conferred through other bodies, such as the Royal Humane Society of Australia.

As part of its role, Recognition and Ceremonial performs the secretariat role for the AFP's:

- National Police Memorial Coordination Committee (NPMCC)
- National Awards and Recognition Committee (NARC)
- National Uniform Committee (NUC)
- Former employees' network.

Significant Recognition and Ceremonial activities in the 2006–07 year included:

- The repatriation of the bodies of the five Australians who died in the 7 March 2007 plane crash in Yogyakarta, Indonesia.
- Planning and coordinating police funerals with full honours for Commander Brice Steele and Federal Agent Mark Scott. A police funeral with full honours was also held for Assistant Commissioner Audrey Fagan, who died in April 2007.
- Coordinating investitures of awards under the AFP Internal Awards Framework across Australia and internationally, including in the Solomon Islands

and Timor-Leste, and in a number of overseas posts which form part of the AFP's International Network.

- Coordinating ceremonial support units comprising the AFP Pipes and Drums, Ceremonial and Protocol Officer Network.
- Establishing the AFP's Ceremonial Mounted Cadre.
- Planning for and coordinating the dedication of the National Police Memorial, which occurred on 29 September 2006.
- Coordinating the historical policing exhibition at Old Parliament House, titled *In the Line of Duty: Policing Australia*.

In 2006–07, the NARC considered 634 personnel by way of individual or group nominations. Of these nominations, 415 AFP employees were recognised with awards. In support of this process, Recognition and Ceremonial identified and nominated AFP employees and others for their actions in connection with Operation Serene in Timor-Leste.



The repatriation of the bodies of the five Australians who died in the 7 March 2007 plane crash in Yogyakarta was undertaken by Recognition and Ceremonial. The simple but dignified repatriation ceremony at Fairbairn Air Base was televised live on national television networks.

The AFP Ceremonial Mounted Cadre was established to coincide with the dedication of the National Police Memorial on 29 September 2006. The Cadre is a valuable resource in ongoing ceremonial activities and public relations for the organisation. Activities in which the Cadre participated include the National Police Memorial Service, Australia Day celebrations in Commonwealth Park, the Government House Open Day, the funeral of Assistant Commissioner Audrey Fagan and the 80th birthday celebration of Old Parliament House.

National Police Memorial

The National Police Memorial honours and remembers those police men and women, from all Australian jurisdictions, who gave their lives in the line of duty, or who have died as a result of their duties, on service within Australia or overseas.

The memorial, which was jointly funded by the Australian Government (through the AFP), state and territory police services and the Police Federation of Australia, was dedicated on 29 September 2006. Prime Minister John Howard addressed the dedication ceremony, which was attended by over 700 police and former police from all Australian jurisdictions.

EXECUTIVE SERVICES

The Executive Services team, formerly the responsibility of Human Resources, transferred to the Chief of Staff portfolio in May 2007.

Its responsibilities include the management of the human resource function, including the terms and conditions, for members of the AFP's Senior Executive Service.

AUSTRALIAN HIGH TECH CRIME CENTRE

The Australian High Tech Crime Centre (AHTCC), currently hosted by the AFP, provides a nationally coordinated approach to high-level technology-enabled crime. Its functions include national coordination of the investigation of technology-enabled crimes and

capacity building. The Centre also plays a key role in the protection of the National Information Infrastructure (NII).

Although AFP members form the core staff for the AHTCC, staffing also includes members seconded from state and territory police, government agencies and private industry. A key initiative of the AHTCC has been the development of the Joint Banking and Finance Sector Investigations Team, comprising police and members of the Australian banking sector.

The AHTCC investigates a range of online criminal activity including banking fraud, involving the unauthorised acquiring of personal details to access Internet banking services ('phishing'), the introduction of malicious software (including spyware) into computer systems and "denial of service" attacks.

AHTCC investigations routinely involve immense volumes of technical data. Their investigations are complicated by contact between offenders and victims being routed through Internet servers and technology located in many parts of the world. In support of their investigations the AHTCC has pursued law enforcement relationships internationally in conjunction with the AFP's International Network.

The AHTCC takes a leading role in the protection of the NII as part of the Joint Operating Arrangement with the Defence Signals Directorate and the Australian Security Intelligence Organisation. The AHTCC also continued to engage in the policy apparatus of protecting the NII through the Information Infrastructure Protection Group and the Commonwealth's Trusted Information Sharing Network for key sectors.

A focus for the AHTCC is education and prevention of technology-enabled crime through cooperation with law enforcement, government agencies, industry groups and private organisations. Throughout the reporting period, AHTCC officers attended and presented to a wide range of industry and government forums to educate key Internet users groups about potential risks online. Forums have included presenting at the Mastercard International (September 2006) and Visa (June 2007) conferences and the Virtual Global Taskforce meetings.

Key achievements for the AHTCC during 2006–07 included:

- enhancing the capacity-building program with Vietnam through hosting a regional cyber crime conference and opening a second cyber crime centre in Hanoi
- developing and piloting a Technology-enabled Crime Awareness training program for AFP members
- delivering training for police in Beirut on cyber crime
- undertaking innovative investigations into technology enabled crime, including the first prosecution for denial of service attacks in Australia.

During 2006, a panel chaired by Professor Peter Grabosky of the Australian National University undertook a review of the operations of the Centre, which included an examination of its governance arrangements, its staffing and resourcing and its ability to meet Australia's future requirements. The panel's report, which was delivered to the AHTCC Board of Management in September 2006, made a number of findings concerning the Centre. Given the breadth of issues raised, the Board established a sub-committee to examine and advise it on the recommendations contained in the panel's report.

The Board considered the sub-committee's advice at its meeting on 27 June 2007 and agreed to a number of recommendations, including that the AHTCC become a business unit of the AFP and that the Centre focus on four core functions: policy advocacy; strategic intelligence support; crime prevention and education; and capability development. These and other recommendations from the review process accepted by the Board are subject to ratification by the Ministerial Council for Police and Emergency Management – Police (MCPEMP).

The AFP is preparing a report on transition arrangements pending the endorsement of MCPEMP.

CHIEF OPERATING OFFICER

The Chief Operating Officer oversees those AFP areas concerned with good governance and accountability. The portfolio includes

- Legal
- Internal Audit
- Chief Finance Officer
- Commercial Services
- Chief Information Officer
- Human Resource Management
 - People Strategies
 - Learning and Development
 - Management of Serious Crime
 - Professional Standards
 - Medical Services
 - Wellbeing Services

LEGAL

During 2006–07, Legal created almost 2 100 new legal files and handled approximately 200 Freedom of Information requests. Legal and Freedom of Information staff numbers were increased to cover the growth in the wide range of requests for access to information held by the AFP.

Demand for legal advice on operational activities undertaken by the AFP grew during the year.

Of particular note was the provision of legal assistance to the Aviation portfolio to assist in the implementation of new operational activity at Australia's 11 major airports.

Legal supports the Counter Terrorism portfolio, including assistance to major and continuing counter-terrorism investigations and criminal prosecutions. Significant assistance was provided to Counter Terrorism in matters arising from prosecution of people charged in New South Wales and Victoria as part of *Operation Pendennis*. Legal also assisted Counter Terrorism's application for a control order in the Federal Magistrates Court, as well as providing advice on the subsequent High Court proceedings.

Legal provided advice to the International Deployment Group on issues arising from deployments to the Solomon Islands, Timor-Leste, Vanuatu and Nauru. As in previous years, legal staff members assisted with the broad range of legal issues that arose in relation to the Australian-led Regional Assistance Mission to the Solomon Islands (RAMSI), including advice on the Solomon Islands Government's Commission of Inquiry into the 2006 riots in Honiara. Legal also advised on the legal arrangements between Australia and Tonga to support the rapid deployment of AFP personnel to Tonga following the civil unrest in November 2006. Legal also provided significant training on the protection of human rights to all AFP members deployed on missions.

Demand for advice on various employment and

industrial issues was particularly high in the lead up to the implementation of the *AFP Collective Agreement 2007-2011*. Legal also managed claims and litigation against the AFP and was involved in a number of significant litigation matters, including an industrial dispute involving shift penalties before the Australian Industrial Relations Commission.

With the increase in operational activity across the AFP, demand for supporting commercial legal services was very strong during 2006–07. Requests for commercial legal assistance were received from almost all AFP functional streams. Particularly significant was the assistance provided to a number of building and accommodation projects, most notably those relating to the ongoing emergence of counter-terrorism first response stations at various Australian airports, the development of the AFP's new headquarters, as well as the selection of the AFP's new building and accommodation service provider. Other significant assistance was provided to Information Services and Forensic and Technical, which finalised a number of new information technology, communications and technology-related arrangements.

As a consequence of the management restructure, AFP Legal Services transitioned to the Chief of Staff portfolio in June 2007.

Chief Finance Officer

The portfolio of the Chief Finance Officer (CFO) provides a range of corporate support services, including financial, building and accommodation and commercial revenue activities.

Financial Services

Financial Management

The financial areas provide a range of related support activities, 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 Financial Management group has consolidated initiatives previously introduced to improve financial management, service delivery and accountability. The CFO's portfolio continually seeks to improve its services by attracting and retaining high-quality staff with the right skills, and enhancing systems and processes.

Finance

The audited financial statements later in this report (pages 157-204) show the AFP's financial position.

The major achievements in 2006–07 for this area included:

- Continued enhancement of taxation management, including process improvements for recording Fringe Benefits Tax (FBT) on motor vehicles, publication of an employees' guide to the FBT, positive findings from Internal Audit of GST processes and recruitment of experienced tax professionals within the tax team.
- Ongoing updates of Commissioner's Order 4, which provided 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. Included also was the introduction of a regime of quarterly financial compliance reporting and analysis by all business areas to assist in the requirement for the Commissioner to certify the AFP's compliance with all government financial legislative requirements.
- Ongoing improvements in asset management.
- Ongoing improvements in Treasury operations.

Budgets and Reporting

During 2006–07, Budgets and Reporting developed a contemporary budgets and reporting management system to improve AFP budget development, ongoing management and forecasting capabilities. The new system is expected to be released in the early part of 2007–08 and is designed to result in improved

timeliness of information with reduced effort.

Other major achievements in 2006–07 included:

- provision of costing support and advice in the development of a number of large new policy proposals
- ongoing improvement in the external and internal budget process
- improved interaction with the business areas, continuing into the new year with the movement of management accountants into those areas.

Shared Services

In 2005–06, the Shared Service Centre was created to provide transactional support services to the AFP. During 2006–07, plans to develop and refine the delivery of administrative support services through the expansion of the Shared Services Centre continued.

Also, during 2006–07, integration of its two SAP human resource and business management systems was completed. These two systems were previously used independently by the AFP and the Australian Protective Service, prior to the merger of these two entities on 1 July 2004. The integration of these two systems provides a single corporate system to support AFP financial management and human resources management activities and provides a strong platform upon which the AFP's existing technology can be re-engineered to processes and provide greater flexibility to better meet organisational and employee needs into the future.

Over the next few years, the Shared Services Centre will be developed and expanded through the implementation of web-based technologies and associated business process.

Commercial Support

In 2006–07, Commercial Support provided 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 and facilities management), national procurement and contracts, travel management and fleet management and insurance (including Comcover arrangements). A number of these services were provided with the assistance of outsourced service providers.

Commercial Revenue

As a consequence of Stage 2 of the Strategic Financial Review that the AFP completed in late 2006, a new branch, Commercial Revenue, was established under the Chief Finance Officer.

This new branch has direct carriage for the AFP's Criminal Records and External Security Vetting services and its Security Risk Consultancy. The branch is also responsible for conducting a major project to identify and apply a cost-attribution model throughout the AFP to improve the efficiency and effectiveness in the delivery of its enabling services, the outcomes of which are anticipated to be implemented from 2008–09.

In its role in overseeing a governance framework for internal cost attribution, Commercial Revenue will annually review the model and costs levied on the components of the AFP that are funded through cost-recovery arrangements to ensure that all costs are appropriately taken into account for determining pricing levels for AFP services.

BUILDING AND ACCOMMODATION/ BUSINESS ENVIRONMENTS

AFP National Headquarters Strategy

The AFP has administrative and operational staff working in many locations across Canberra.

In 2001, the AFP Executive made the decision to co-locate all headquarters functions in one building so that the organisation was able to operate and communicate more effectively.

As part of this process, the AFP decided to develop a two-site solution which incorporated the headquarters

function at one location and a Training and Specialist Operational Facility at another location.

In 2004, the AFP selected Anzac Park West (APW), a building in Parkes, Canberra, as the site for the new headquarters. Since then, the AFP has experienced major growth. As a result, the AFP has outgrown APW as a single building.

The AFP is currently preparing a business case for a new single headquarters site and looking at future options for APW.

Majura in Canberra's North

Over the next three to five years, the AFP will implement strategic planning measures for the development of the Majura complex as its principal learning, development and training facility. As part of the consolidation, the AFP received \$3.3 million in the 2007–08 Budget to complete a detailed study for the Majura site development. A master plan for the development of facilities at Majura and an attendant capital-management strategy was completed. In 2006, the Parliamentary Standing Committee on Public Works approved canine kennelling and training facilities at Majura, to provide increased capability for drug, firearm and explosives detection, as well as aviation security to be completed in December 2007.

Australian Institute of Police Management

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 in New South Wales. Under the Project Master Program, construction was expected to start in August 2007. The architecture and construction has been developed in keeping with AIPM's location on Sydney Harbour's historic North Head, part of Sydney Harbour National Park.

Australian Airports

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 was provided capital measures funding (over three years) in the 2007–08 Budget of \$139 million. Negotiations have taken place with airport operators at Australia's 11 major airports to the construction of purpose-built facilities.

Chemical, Biological, Radiological and Nuclear Data Centre

In 2005, the Australian Government provided funding to establish a Chemical, Biological, Radiological and Nuclear (CBRN) Data Centre. Capital works for the facility were completed in December 2006. The centre was designed to operate 24 hours a day, seven days a week, be administered by the AFP and be co-located with the AFP Bomb Data Centre. The centre operates as a contact point for CBRNDC technical issues and provides a mechanism for access to the expertise that existed within Australian Government agencies and state and territory facilities.

Other Locations

The AFP renegotiated and exercised options on a number of leases, including buildings in Canberra, Adelaide, Brisbane, Cairns, Darwin and Perth. Minor refurbishments of AFP sites in Canberra were also completed during 2006–07.

CRIMINAL RECORDS

Criminal Records is responsible for recording court outcomes and their disclosure for law enforcement and non-law enforcement purposes. This information is provided by Commonwealth law enforcement agencies, regulatory bodies and the ACT court system as a consequence of the 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 AFP's duties and

functions 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.

During 2006–07, the growth in demand by community and government agencies for security screening of personnel continued to increase, rising from approximately 490,000 in 2005–06 to 600,000 in 2006–07. A significant proportion of growth was due to a reassessment of Aviation Security Identification Card (ASIC) holders in response to new eligibility criteria, introduced by the Australian Government in March 2006, along with introduction of the equivalent Maritime Security Identification Card (MSIC) scheme. Introduction of criminal history checking on staff within the aged-care industry added to the increased volume of activities.

Enhancements to the Criminal Records Enquiry and Disclosure Service (CREADS), introduced in May 2007, enabled improved workflow-management and processing efficiency. During the reporting period, changes were made to the Criminal Records call centre to improve advice to applicants and to reduce call-waiting times.

INFORMATION SERVICES

Information Services delivers critical integrated, secure and effective information and communication systems to the AFP, in its Australian-based and overseas offices. During 2006–07, Information Services extended its support to areas such as intelligence gathering, communication with the law enforcement community and partner agencies, support for the fight against terrorism and improvements in corporate communications and systems.

During 2006–07, Information Services secured funding to initiate Program Spectrum, a far-reaching initiative to acquire and develop next generation operational and intelligence systems and to enhance existing AFP infrastructure to support contemporary investigative practices for such new functions as Aviation Security and International Deployment. Program Spectrum will be the major focus for Information Services over the next four years.

INFORMATION SERVICES ACTIVITY

During 2006–07, Information Services refined its structure to:

- respond more effectively to new and emerging responsibilities
- better manage growing staff numbers with more diverse skills
- ensure that the portfolio was focused on interaction with its AFP clients and effective project delivery.

Information Services comprises the Office of the CIO, Information Services Delivery, Business Information Solutions and Information Services Support.

While portfolio changes initiated in 2005 provided the AFP with a clearer appreciation of the Information Services role and a more consistent approach to client service, the introduction of ISS has delivered a greater focus on governance and support for project planning, management and delivery, while managing business expectations through more effective

engagement and communication protocols. The framework developed by ISS supports a more rigorous and focused approach to projects.

Office of the Chief Information Officer

The Office of the Chief Information Officer (OCIO) is responsible for the strategic management of all Information Services activities and for representing the interests of the portfolio to the AFP's Executive and the broader community.

The OCIO focus during 2006–07 was consultation and planning for the development of the new policy initiative seeking funding for Program Spectrum. Over the next four years, Program Spectrum will use Commonwealth funding to develop and implement state-of-the-art systems to enhance AFP capability in national and international law enforcement.

Information Services Delivery

Information Services Delivery (ISD) provides wide-ranging information and communication services to the AFP. During 2006–07, ISD altered its focus, retaining responsibility for provision, management and continuous improvement of AFP infrastructure, while concentrating efforts on information content, classification and presentation through such services as the Hub (the AFP's intranet), the external website, the collaborative capacity provided through Project Spokes and the Library. All these services provided the AFP with the means and information to operate effectively.

ISD comprises:

- IT Services
- Systems Operations
- Online Information and Records
- Major Events and Planning Coordination
- IT Support Centre
- Library Services
- Service Management Office.

During 2006–07, ISD consolidated such important services as Voice Over Internet Protocol (VOIP) telephony, delivering cost savings and increased functionality in supplying the AFP's technology needs. It also continued to roll out and maintain infrastructure at Australia's 11 major airports to facilitate the AFP's response to the Government's emphasis on countering security threats.

Additionally, ISD provides Information Services portfolio with day-to-day management of procurement, recruitment and financial services through the Service Management Office. It also provides a research and advisory capability through the Library. Of particular significance for ISD during 2006–07 were activities to ready the portfolio and the AFP for future challenges. These projects included:

- Working with the Department of Finance and Administration (DOFA) to develop a shared facility to house a new data centre for the AFP. Funding for this work was provided by the AFP's National Manager's Group.
- Developing and delivering a Workforce Development Strategy for Information Services. Scarcity of available resources across the portfolio led to the development of a strategy that directed the establishment of a trainee program covering information technology and administrative trainees and was planned to encompass library trainees. The program used the Commonwealth Apprenticeship Model and local training organisations and delivered positive results for the trainees and the organisation.
- Extending the capacity, through the use of AFP Remote Access System technology, to meet growing needs for access away from AFP offices.
- Developing collaboration capability and Electronic Document and Records Management capacity through Project Spokes.
- Involving ISD in planning for Program Spectrum and the CASSI (Collection, Assessment and Storage of Sensitive Intelligence) new policy initiative driven by AFP Intelligence and providing ongoing advice and support for these projects.

Business Information Solutions

In 2006–07, Business Information Solutions (BIS) benefited from the portfolio reorganisation, which enabled greater concentration on its main tasks – taking a lead role in assessing the AFP’s emerging requirements and developing information technology applications to meet operational and corporate needs. While, for much of the year, BIS was responsible for developing and managing the Solutions Centre and the Project Management Office, BIS also comprised

- Reporting and Analytics
- Business Process and Analysis
- Applications Development
- Test and Quality Assurance
- Outsourced and External Development.

BIS made significant contributions to a number of major operational projects during 2006–07. These included:

- Continued management and development of PROMIS
- Emphasis on Reporting and Analytics capability
- Development of a response to the Government’s *Fighting Terrorism at its Source* initiative through Project Diomedes
- Consolidation of the Case Management and Intelligence System (CMIS) and extension of its capabilities
- Greatly improved corporate support capabilities delivered through Project Hummer.

Information Services Support

The requirement for Information Services Support (ISS) emerged as the demands on Information Services changed during 2006–07. As the new policy initiatives proposal for Program Spectrum developed, it became apparent that a particular focus on project management and strong supporting structures was essential.

ISS was designed to provide a cohesive approach that ensures the AFP’s technology needs of the business were monitored and identified and that projects were appropriately evaluated, prioritised and delivered.

ISS comprises the following functions:

- The Solutions Centre
- Research and Development
- Project Management Office
- Architecture Office
- IT Security
- Cost Management
- Policy Planning and Assurance
- Training and Change Management.

While some of these functions existed previously, the establishment of ISS, and inclusion of these functions in ISS, has delivered a structure that is:

- Well attuned to meet AFP needs and acting as a conduit for projects/work into Information Services
- Managing internal and external relationships
- Providing end-to-end services from project inception to delivery
- Establishing and managing the governance framework in line with IT-industry best practice
- Investigating and investing in security technologies to meet emerging requirements.

While only established for three months, ISS has effectively contributed to the governance; establishment and communication of an Enterprise Architecture that would be pivotal for Program Spectrum and to all Information Services projects in coming years; and instructed and supported the business in understanding the project methodology that would function within Information Services.

HUMAN RESOURCES MANAGEMENT

PEOPLE STRATEGIES

The majority of Human Resource (HR) functions sit within People Strategies, with all these areas in some way participating in the robust workforce planning and online recruitment drive needed to support the AFP through its largest growth period, which has seen staffing numbers almost double over the past two years. Diversity within the AFP is also well established through networks such as the Malunggang Indigenous Officers Network, the Gay and Lesbian Liaison Officers Network and the Women's Network. Additionally, we have recently recruited three Indigenous trainees and commenced a range of innovative strategies to attract more females to the AFP.

An employment framework revision began following the adoption of the *AFP Collective Agreement 2007–2011* in April. The agreement consolidated a number of disparate terms and conditions across the organisation in one consistent document, and resulted in improvements to flexibility in managing the workforce as well as realising significant efficiencies. At the same time, improvements to our performance management framework are expected to result in higher levels of accountability throughout the AFP and delivery of outcomes to the community.

During this period of immense change, the AFP successfully met its Occupational Health and Safety benchmark targets.

Future priorities for People Strategies include a consolidation of our entry to exit strategies incorporating attraction and retention, ageing workforce, managing performance and corporate health initiatives. Additionally, we will focus on fully integrating HR delivery in the business through targeted support programs and management tools, particularly during critical operational responses.

WORKFORCE PLANNING

The AFP's workforce planning activities are monitored by an executive-level Strategic Workforce Planning Committee, which meets every two months. In 2006–07, the Strategic Workforce Planning Committee applied greater emphasis on strategic workforce management, workforce structure and work environment issues. This focus will continue during the 2007–08 financial year.

The AFP has adopted 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 activity. Last financial year saw a greater interaction between Workforce Planning, and Performance and Planning, with the benefit of better informed resourcing allocations against crime-management strategy outputs. The AFP's workforce planning framework has been enhanced to take account of, and provide input to strategic business planning and strategic business-management activities on an ongoing basis.

The variety of AFP activities combined with its high-profile nature has resulted in unprecedented levels of employment applications. In 2006–07, the AFP received an average 215 applications per month for base-level police recruit positions and received large numbers of applications for advertised Protective Service Officer positions. An average of 34 applications per month were received from members of state and territory police services seeking employment with the AFP.

The ability to recruit fresh skills into the AFP is determined on the basis of affordable staffing levels, and the annual loss of staff through attrition. In 2006–07, the AFP's attrition rate was 8.3 per cent, with a significantly lower attrition rate of 4.3 per cent for sworn staff. This very low rate reflected a number of workforce characteristics: due to the large recruitment activity over the past five years, more than 50 per cent of the workforce had 10 years of service or less, and 39 per cent were aged 35 and younger.

Preliminary results from the Staff Opinion Analysis and Review Survey (SOAR) 2006 reflected high levels of staff satisfaction with the challenging nature of today's AFP, and the breadth of professional opportunities available to AFP employees.

At 30 June 2007 the total number of AFP staff was 6320, comprising:

- 2501 sworn officers
- 1341 Protective Service Officers
- 2194 unsworn staff
- 284 state police, who are seconded and paid by the AFP.

The change in staff numbers from the previous financial year reflects the sum of recruitment against new measures introduced in 2006–07 and the low attrition rate.

A detailed breakdown of selected staff demographics can be found on page 150.

Worklife Diversity

The Worklife Diversity team informs and promotes the AFP diversity program, which is designed to encourage a more diverse, harmonious and flexible workforce.

In August 2006, the AFP's Gay and Lesbian Officer Network (GLLO) celebrated its 10th anniversary with a community event held at the Australian Federal Police College. This community support highlights the increased confidence and support of the gay, lesbian, bisexual, transgender and intersex (GLBTI) communities.

The AFP was also represented at a meeting of state and territory GLLO coordinators who made a commitment to a joint AFP–South Australia Police GLLO program, held in Adelaide in December 2006. An AFP GLLO training program was held in Canberra in November 2006 bringing the number of AFP members trained in GLBTI issues to 140.

The Malunggang Indigenous Officer's Network

(MION) continued its work during the year by educating, mentoring and consulting on indigenous issues. The annual MION forum was held in May 2007 at HMAS *Creswell* in Jervis Bay, attended by members from around Australia. The forum also used the event to strengthen relationships with members of the Wreck Bay Aboriginal Community through community visits, and by holding a barbecue. All new AFP recruits were given presentations by GLLO and MION members, highlighting the work of their respective networks and the Worklife Diversity program, which aims to increase awareness of cultural diversity and inclusiveness.

The networks also assisted in advising strategies for recruitment, retention, mentoring and training of staff within the AFP.

Employee Relations

There have been significant outcomes realised in Employee Relations over the 2006–07 financial year, including the successful outcome relating to the *AFP Collective Agreement 2007–2011*. With high participation rates and a substantial yes vote, the agreement was lodged on 5 April 2007.

Some of the key outcomes of the Collective Agreement are:

- It is a four-and-half year agreement providing certainty for all parties.
- It has consolidated terms and conditions for all AFP employees, previously provided through a range of instruments resulting in significant efficiencies and ensuring consistency and transparency for all staff.
- It has significantly improved the flexibility required for managing people during critical periods.
- It has changed the dispute resolution approach from an onerous process to a clearer accountable approach with arbitration being provided by the Australian Industrial Relations Commission.

At the same time, we have progressed improvements to the broader employment framework that

will underpin important elements of employee relationships such as effective and accountable decision making, transparency and equity in all terms and conditions and defining and modelling appropriate consultative processes. Included in this process is a review of overseas terms and conditions in response to the increasing role the AFP plays on the international front, as well as the development of a strategic approach to the use of Australian Workplace Agreements in the AFP.

At the end of 2006–07, a total of 203 AWAs existed comprising 160 non-SES and 43 SES agreements.

Recruitment

During 2006–07, improvements were made to policing and Protective Service Officer recruitment processes, supported by the implementation of an online recruitment and candidate-tracking system. Major initiatives included engaging a Strategic Recruitment Coordinator, full integration of Protective Service recruitment and a series of ongoing projects to improve the attraction, engagement and retention of sworn recruits. This included a campaign to attract female applicants, the development of an Indigenous Recruitment Strategy, including the first formal intake of Indigenous recruits, and the development of an AFP Graduate Program.

A program of continuous improvement resulted in a streamlined recruitment process, the identification of a candidate-care team, simplification of application forms, improved stakeholder relationships and the development of an AFP recruit profile. This was coupled with an ongoing marketing and public awareness campaign, including representation at National Careers Expos, the development of fact sheets, revised recruitment brochures and targeted advertising, also resulted in increased applicant numbers. A review of the selection process for non-policing roles, led to the development of more consistent role descriptions and streamlined procedures.

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 2006–07 financial year are included in Table 16 in the Appendixes.

Health, Safety and Rehabilitation

The AFP is bound by and adheres to the provisions of the *Occupational Health and Safety Act 1991* and the *Safety, Rehabilitation and Compensation Act 1988*. During 2006–07, 541 Occupational, Health and Safety (OH&S) training courses were facilitated across the AFP and the focus of AFP risk mitigation strategies during the year included control measures associated with exposure to asbestos and airborne lead at firing ranges and armouries. Automatic external defibrillators were introduced to some workplaces.

In 2006–07, the AFP was not subjected to any notices issued by Comcare or investigations by the Australian Radiation Protection and Nuclear Safety Agency and during the year, the AFP notified Comcare (Australia) of 47 incidents under section 68 of the *Occupational Health and Safety Act 1991*.

Comcare (Australia) undertook two reactive investigations during the year. One investigation involved an AFP employee's fall through a manhole cover while performing normal operational duties for

an AFP client. The other investigation was attributed to heat stress while performing physical fitness training.

There were no provisional improvement notices issued by health and safety representatives and the AFP met its responsibilities in relation to workers compensation and rehabilitation.

The AFP produced a Pandemic Influenza Plan during 2006–07 and all requirements for plan preparation and review of draft plans were completed and a number of training sessions held with local implementation groups.

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, particularly senior positions, in law enforcement and regulation. In 2006, HOCOLEA members agreed to provide \$10,000 funding per agency for WILES for a further three years.

Participants of the WILES Mentoring Program are allocated a mentor for one year. Mentors are Senior Executive Services officers and other senior men and women who are willing to provide guidance and support to a mentoree. The AFP continues to provide a large number of senior mentors, including National Managers and Managers.

The AFP is represented on the WILES Steering Committee and assisted in matching 33 pairs for the 2006–07 Mentoring Program. The WILES program also complements AFP development programs and the Emerging Leaders Program to support developing leaders in the AFP.

The WILES Newsletter provides participants with a forum for sharing information and experiences and an opportunity to learn about law enforcement and regulatory agencies other than their own. Interest in WILES has extended beyond HOCOLEA agencies, with requests from a range of agencies including the Migration Review Tribunal, Australian Bureau

of Statistics, Food Standards Australia and Price Waterhouse Coopers, seeking advice on establishing a similar program.

NATIONAL WOMEN'S CONSULTATIVE TEAM

Senior women across the AFP continue to provide a mentoring role to the women in the organisation through national networking initiatives. Local Women's Networks take a leadership role in organising a range of developmental and social gatherings that provide local areas with opportunities to network with other AFP and external agencies and play an important role in advising local management of potential issues. Additionally, Women's Networks in Brisbane and Melbourne mentor similar networks in the South Pacific (Vanuatu and Fiji).

LEARNING AND DEVELOPMENT

Learning and Development (L&D) delivers training programs to the AFP and to other law enforcement agencies. These partnerships have been critical in ensuring high-quality training is delivered to meet AFP outcomes and those of other client agencies. These include:

- Partnership with the Australian Crime Commission for the development of rural surveillance and electronic-tracking training for use by both agencies, including finalisation of supporting materials for the Advanced Diploma of Government Surveillance.
- Partnerships with Customs, ATO, Centrelink and attorneys-general, regarding training to improve the investigations capability of Commonwealth law enforcement agencies.
- Partnerships with Higher Education institutions to progress articulation of AFP programs to those provided by these institutions.

Additionally, Learning and Development supported capacity-building projects by providing training to overseas law enforcement agencies, including Indonesia, the Philippines, Cambodia, Thailand, Brunei and several South Pacific nations.

New initiatives by Learning and Development in 2006–07 included:

- Design and delivery of a leadership and management-development program, targeted at coordinators, to help facilitate the transition from management to leadership.
- Amendment of the Forensic New Member Training Program to include members of the Technical portfolio, to reflect the changed operating environment.
- Design and delivery of the Forensic Procedures Course for ADF Military Police Investigators.
- Introduction to the E-Crime training package to AFP Recruit Programs.
- Surveillance Training has completed the development of the Advanced Diploma of Government Surveillance, anticipated to be placed on the AFP College Scope of Registration in July–August 2007.
- Delivery of the first AFP Rural Surveillance Program.
- Launch of the AFP Alumni on 8 March 2007, which demonstrated L&D and AFP commitment to International Law Enforcement partnerships. Membership of the Alumni includes graduates from MOSC, IDG and Surveillance Training.
- Introduction of Command and Control training workshops, focusing on ACT Policing, AFP National and International operations, Aviation and the International Deployment Group.
- Inclusion of counter-terrorism training to all recruits during the financial year.

INVESTIGATIONS TRAINING

Investigations Training is responsible for the development and delivery of a wide range of training programs in the various investigative disciplines. This type of training is designed to support AFP members in developing their ability to effectively counter an increasingly complex global criminal environment.

During the financial year, the following courses were delivered:

- Advanced Investigators Training Program
- National Investigators Development Program

- Financial Investigations
- Certificate IV in Government (Investigations) Program
- Investigations Advisory Group
- Investigator's Toolkit.

COUNTER-TERRORISM TRAINING

The Counter Terrorism Training Team provides a single point of contact for the Counter Terrorism operational area and Jakarta Centre for Law Enforcement Cooperation (JCLEC) Project management for the coordination of training across a number of schools within Learning and Development. Close liaison with the Counter Terrorism operational area is a critical element of this role to ensure collaborative approaches result in training strategies which reflect relevant and current operational practice in Counter Terrorism investigations.

During the financial year, the following courses were delivered:

- Counter-Terrorism Investigations Program
- Advanced Counter-Terrorism Investigations Program
- Counter Terrorism Security Awareness Workshop.

ACT SCHOOL OF COMMUNITY POLICING TRAINING

The ACT School of Community Policing Training provides training in skills particular to the needs of community policing in the Australian Capital Territory, these courses include:

- Sexual Offences Investigation Program
- Investigator's Development Program (IDP)
- Detective Designation Process
- Area Office Trainers Network
- Off-Shore Training Delivery.

LEADERSHIP, MANAGEMENT AND CORPORATE DEVELOPMENT

The Leadership, Management and Corporate Development (LMCD) Team designs, delivers and

evaluates a range of programs to enhance leadership and management capability of team leaders and coordinators, and corporate capability of AFP staff. The team is also responsible for developing vocational educational pathways to enhance the technical leadership capability of the AFP and to develop and implement the professional development scheme to support this.

Leadership and Management Development

LMCD delivered five Team Leader Development Programs in 2006–07 with 50 team leaders awarded the Diploma of Business (Frontline Management) bringing the total to 110. Feedback from participants' managers indicated significant improvement in their management of people, performance and operations as a consequence of the program.

In 2006–07, the National Coordinator Development Program (NCDP) program was launched and one program completed. This program aims to ensure coordinators understand their roles and responsibilities and to provide them with opportunities to develop and enhance their leadership and management capabilities. The program has a strong emphasis on self awareness, the expectations of coordinators, the AFP's policy and business environment, people and change management. AFP senior managers have a significant involvement in the delivery of key messages to this group.

Extra leadership and management development workshops were delivered in 2006–07, including advanced project management, Myers-Briggs Type Indicator, coaching skills for managers, giving and receiving feedback for improved performance, political awareness and ministerial writing and procurement for managers.

Corporate Development Programs

LMCD also created corporate-development programs to support the development of corporate capabilities. These programs included project management, giving and receiving feedback, contracts and procurement units within the Certificate IV in Government

(procurement) and 'Winning that Job'.

In 2006–07, LMCD facilitated the delivery of Induction training to AFP staff members. The Induction Program aimed to welcome all new staff, introduce the AFP values, increase awareness of the AFP business environment and ensure staff members understand their roles, responsibilities and obligations. During the workshop, participants had the opportunity to interact with a senior manager on matters of strategic importance to the AFP, observe workshop content put into practical use and apply their learning to practical scenarios.

CULTURE AND LANGUAGE CENTRE

The Culture and Language Centre (CLC) is the central point for the AFP's language and cultural training. It offers flexible training options to meet the needs of individuals and the organisation, ensuring as many people as possible can take advantage of culture and language training.

Between February 2005 and June 2007, 283 AFP members undertook various levels of language training. CLC administers five different levels of language training, including:

- ADF School of Languages, Laverton: 12 months on-site intensive training.
- Immersion training in a country of the language: 3–12 months.
- CIT Solutions – Intensive training (three months) as well as part-time training.
- Self-initiated, out-of-hours training with CLC funding.
- E-based, self-paced learning packages.

CLC has undergone a request-for-tender process that has identified service-training providers who can develop and deliver cultural awareness training programs that can assist all AFP members to undertake their duties in a culturally sensitive and competent manner. Since November 2006, approximately 200 members have undertaken Islamic cultural-awareness training programs, with more training programs planned.

CLC administers a variety of cultural awareness training programs, including:

- two-day Islam and Muslim Communities awareness-training programs
- half-day Islamic cultural-awareness presentations
- mission-specific language and cultural-awareness programs for members sent on United Nations missions
- cultural awareness-training programs for recruits
- country and regional specific cultural-awareness programs for AFP members and their families within the International Network.

In addition to the various language and cultural-training programs it administered, CLC was involved in community-engagement programs and worked with AFP community liaison officers and teams in Sydney, Melbourne and Canberra.

CLC continued to develop and administer language and cultural awareness training programs to assist the AFP in meeting its domestic and international responsibilities.

SPECIALIST AND INTERNATIONAL

Specialist and International coordinates and conducts specialist AFP training, including Forensic, Surveillance and Intelligence. Additionally, the area coordinates and conducts training for external agencies and overseas law enforcement agencies.

Federal Law Enforcement Training Coordination Centre

The Federal Law Enforcement Training Coordination Centre delivered training programs to 217 representatives from a range of allied government agencies. Programs included the Interagency Introduction to Law Enforcement Intelligence, Investigation Management Programs and the Search and Seizure – Evidence and Procedures workshops and included participants from Water Resources, ADF and state government agencies. Ongoing assistance was provided to government agencies in development and review of training material.

Forensic Training

There was a continued demand for forensic awareness and practical crime scene training across the AFP and other external agencies. Training was given to AFP recruit courses, Aviation Security, External Territories, IDG and other government departments. E-crime training was reviewed, including the online learning component.

In 2006–07, the Forensic New Member program was redesigned to include members of the Technical portfolio. Three programs were provided for 31 participants and evidence presentation training was provided to 23 members by way of mock court exercises.

Intelligence Training

Law Enforcement Intelligence Training provided a suite of intelligence-related training to AFP participants. A total of 750 participants were trained in 38 programs during the year. These courses included Introduction to Law Enforcement Intelligence, Intelligence Officer Development Program (IODP), National Strategic Intelligence Course (NSIC) and Basic and Advanced Human-Source Handling.

Changes to the IODP to align program content with workplace practice proved successful with excellent feedback from the revised program. The Introduction to Law Enforcement Intelligence program was delivered to all AFP recruits via an online package, with the learning outcomes reinforced through a face-to-face workshop prior to graduation. A new initiative in 2006–07 was the introduction of a similar workshop to Protective Service Officer recruits.

International Training

Training programs delivered overseas during the year included law enforcement intelligence, investigations management, surveillance, disaster-victim identification, post-blast investigation, crime-scene management, financial investigations and computer-based learning programs (a joint LECP–UNODC project).

International Training was focused on Australian

capacity-development projects with a range of Asian law enforcement agencies in Indonesia at the Jakarta Centre for Law Enforcement Cooperation (JCLEC), as well as in the Philippines, Thailand and Pacific Islands through their respective Transnational Crime Centres. Providing law enforcement intelligence training at JCLEC continued as a collaborative venture between the AFP, AUSTRAC and the Attorney-General's Department. The Transnational Crime Centres are joint AFP and AusAID projects.

Surveillance Training

Surveillance Training delivered 15 programs in Australia to 130 participants from the AFP and external agencies. These included Local, National, Rural and Advanced Surveillance Programs. Surveillance Training also delivered Counter Surveillance Programs to the AFP and other agencies, and delivered counter-surveillance awareness sessions to numerous non-surveillance training programs, as well as to AFP staff in state offices.

Surveillance Training delivered International Surveillance Programs to 90 participants in the Philippines, Indonesia, Thailand and Cambodia. Two programs were delivered to Brunei on behalf of the Department of Foreign Affairs and Trade Counter Terrorism and Intelligence Training Program.

The AFP Alumni

Following a pilot program in November 2006, the AFP Alumni was launched on 8 March 2007. The membership includes graduates from MOSC, International Deployment Group and Surveillance Training. The AFP Alumni is housed within On Line Learning which provides a secure and interactive platform. Users have access to information, including key issues, bulletin boards, reference materials, discussion forums and the opportunity to contact past participants.

This initiative aims to enhance the facilitation, development and maintenance of international networks to aid in the disruption of transnational crime.

RECRUIT TRAINING

During the financial year, Recruit Training conducted 17 training programs for 329 recruits, with 284 recruits reaching the attestation stage. Of those recruits, 99 were designated for ACT Policing, 118 for national policing and 112 were Protective Service Officers.

Recruit Training developed the programs delivered to base-level police recruits, lateral recruits and Protective Service Officer (PSO) recruits requiring ongoing integration with Protective Service training and alignment with various functional stream objectives. Police recruits undertake a 12-month probation period. Their progress during this period is monitored by Recruit Training staff and their development is assessed through their workplace performance. Protective Service recruits are subject to a six-month probation period during which their performance is monitored.

From January 2007, PSO recruit training was based at the Australian Federal Police College as part of Recruit



During 2006–07, recruit training was a major focus for the Australian Federal Police College in Canberra. The College has also become the location for Protective Service Officer recruit training.

Training. This integration involved the redevelopment of the existing PSO program, based on recommendations developed from a training-needs analysis. The PSO program integrated the training needs of Aviation and other functional areas. To facilitate this integration, the Coordinator of Recruit Training was a committee member on the Aviation–Workforce Planning committee.

Recruit Training facilitated training for local procedure courses at various state locations and training was provided for members joining the AFP from other police services, and for former AFP members who have rejoined.

AVIATION AND PROTECTION SPECIALIST TRAINING

The Wheeler Review emphasised the need for a full complement of policing functions under a single-command structure at Australia's major airports. As a result, the AFP negotiated with each state police force to provide police officers for AFP airport functions. Training for these officers is provided by the AFP.

Aviation Training

At 30 June 2007, there had been 13 Airport Uniform Police Programs held, training 184 state police for duty at airports around the country. Additionally, there were 10 dogs trained for duty at various airports and another four Airport Police Programs scheduled to be completed by the end of 2007.

Counter Terrorist First Response Modular training for Senior Protective Specialist Training members was provided around the country during 2006–07 and PROMIS training was provided to a priority list of senior counter terrorist first response members at each airport with the remaining members expected to receive ongoing training.

Protective Specialist Training

A training-needs analysis for Protective Service was completed in 2006, resulting in Protective Service Officer Recruit Training being moved to the Recruit

Training School at the AFP College. There were five programs held during 2006–07 and another three were scheduled to be completed by the end of 2007.

Various internal and external courses were run throughout 2006–07. These included three Bike Patrol Programs, three Basic Search Programs and Bomb Appraisal Officer Programs. There was also a continual roll out of Aggression Management and Personal Safety and X-Ray Screening and Interpretation Programs.

MANAGEMENT OF SERIOUS CRIME AND COMMAND AND CONTROL TRAINING

Management of Serious Crime

The Management of Serious Crime (MOSC) Training Team conducted three domestic and two international programs during 2006–07. The themes addressed in the domestic programs were:

- Identity Crime: Traditional Crime, New Technology
- Counter-Terrorism: Managing Multiple Incidents
- Drugs: Amphetamine Type Substances.

The themes addressed through the delivery of the international programs in Indonesia and Singapore were:

- Terrorism: Regional Threat, United Response (Indonesia)
- Organised Crime: The Convergence of Crime Types (Singapore)

MOSC programs produced 84 graduates during 2006–07. MOSC also delivered a Major Investigations Management Workshop in the Philippines.

Command and Control

In 2006–07, eight Command and Control workshops were provided for 134 members of the AFP and ACT Emergency Services.

OPERATIONAL SAFETY AND PROTECTION

During the reporting period, consolidation within Operational Safety and Protection achieved efficiencies and greater connection to the workplace. The transfer

of training responsibility from ACT Policing to Learning and Development began, resulting in all AFP training in operational safety being managed and delivered by Learning and Development.

The integration of Protection trainers occurred within pre-entry training and a collaborative approach by all operational safety trainers from each business line resulted in improved practices, greater consistency, refined reporting and recording and cross pollination of skills and ideas.

Operational Safety

Operational Safety develops AFP capacity to respond to operational needs safely and effectively. This is achieved by providing and promoting the requisite skills and knowledge during pre-entry training, including lateral entrants, and in-service re-certification. The portfolio also supports new policy initiatives, including Aviation Security and the International Deployment Group and provides training to other law enforcement partners.

Close Protection

The Close Protection Training Team delivers the Close Personal Protection program in line with national competencies. In 2006–07, the training team assisted in the implementation of the skills-maintenance strategy and advanced AFP international relationships with the delivery of tailored programs in Indonesia and Turkey.

BUSINESS AND ACADEMIC MANAGEMENT

Business and Academic Management provided support to Learning and Development activities by providing catering and accommodation, resource management, student administration, quality assurance, program development, online learning and driver training. It provides these services through its Resource Management Team, Quality Assurance Team and Learning and Professional Practice.

Executive Development Program

The Executive Development Program continues to support the achievement of the AFP's strategic objectives and to better prepare senior AFP managers

to meet the changing demands of the contemporary policing environment.

During 2006–07, senior managers participated in a series of leadership development workshops specifically designed to explore various leadership styles and how these approaches impact on team building and developing relationships. The workshops aim to achieve a cultural shift in our leadership approach by involving and acknowledging the role of all members of the Senior Executive Service (SES) in key AFP planning processes. Participants are also given the opportunity to discuss current and emerging issues with the Commissioner.

At the close of the reporting period, 72 per cent of the executive were accessing these programs. Coaching programs have been offered to our high potential employees at all levels to ensure they are ready should events require them to step into leadership roles with minimal notice. Coaching offers the most practical and effective way of developing the next generation of leaders who have been identified as having the potential to step into leadership roles.

Succession planning continues to be a top business priority with the identification of successor candidates and the management of vacancy, transition and readiness risks. Individual development needs are being assessed against the skills and capabilities required to deliver future business strategies.

The Emerging Leaders' Group has been refreshed with another intake of key talent. This program offers accelerated development for the participants so they are prepared for the jobs and responsibilities of the future or when emerging issues stretch management resources. The program incorporates assessment and self awareness of leadership styles, coaching and mentoring, special deployments, access and exposure to strategic forums when available.

To assist with executive development, an AFP manager worked at the Hong Kong Shanghai Bank for six weeks as opportunity to gain a wider perspective of leadership and management practices in a large

multinational organisation and to share best-practice concepts that can be applied to improve business performance in the AFP.

PROFESSIONAL STANDARDS

The AFP is a values-driven organisation and the core values represent the organisation's principles or standards. The core AFP values are:

- 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's integrity and that of its appointees is critical if the organisation is to continue to maintain the high level of confidence and trust it receives from the Australian Government and the community it serves. Professional Standards is the primary mechanism for maintaining the AFP's integrity and professional standards.

Professional Standards plays a significant role in preserving the AFP's professional reputation by providing a proactive approach to promoting, monitoring and fostering the AFP's ethical standards, maintaining the organisation's values and constructing the security of the AFP and its people.

Among its duties Professional Standards undertakes a number of key services for the AFP, including the detection and investigation of inappropriate conduct, providing a 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.

COMPLAINTS PROCEDURES

In 2006–07, Professional Standards, in partnership with the Commonwealth Ombudsman and the Attorney-General's Department, implemented the Government's response to the 2003 Review of the Professional Standards of AFP. The reform refocused the work of Professional Standards and that of the Commonwealth Ombudsman towards more serious and complex complaints. As a result, complaints dealing with minor breaches of the AFP's professional standards are managed by line managers who are best placed to deal with underperformance and misconduct. This enables underperformance and behavioural issues to be resolved without undue delay or stress for appointees and complainants. Strategies to prevent recurrences can also be developed and implemented at a management level.

The outcomes for these minor matters will place greater emphasis on changing behaviour rather than imposing punitive measures. More serious professional standards matters that may result in employment suitability consideration will continue to be investigated by Professional Standards with oversight from the Commonwealth Ombudsman. Corruption matters are referred to the Australian Commission for Law Enforcement Integrity.

During 2006–07, Professional Standards received 625 complaint or allegation referrals under the previous complaints-management model. These comprised 474 complaints and 151 allegations. The Commonwealth Ombudsman oversights 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 181 of these matters. All other referrals were managed through Professional Standards investigation or conciliation processes.

Under the Fisher model, there is no distinction between complaints and allegations and, in 2006–07, the AFP received 450 complaints. The AFP exercised discretion under section 40TF of the *Australian Federal Police Act 1979* not to further investigate 85 of these matters. Of these referrals, 300 were dealt with as

minor management matters, 144 were referred for investigation by Professional Standards and six were referred to the Australian Commission for Law Enforcement Integrity.

Security

The Professional Standards Security Team is responsible for providing personnel and physical security services. The *Commonwealth Protective Security Manual (CPSM) 2005* provided the framework for the development and maintenance of AFP Security Plan and is relied upon to set strategic direction in whole-of-organisation security. The CPSM sets measurable criteria for the assessment process, reviews and appeals and provides benchmark standards for all the AFP's security needs.

Personnel Security Vetting

The Professional Standards Personnel Security Vetting Team assessed 39 19 security clearances, ranging from Site Access Only to Top Secret. In 2006–07, an increase in Personnel Security Vetting human resources enabled new benchmarks to be established to ensure efficient and effective outcomes were achieved for internal and external stakeholders. During 2006–07, Professional Standards Personnel Security Vetting met the demands of intense AFP recruiting and developed enhanced processes to meet this demand. Personnel Security Vetting underwent an extensive restructure during the year with the introduction of a new management model and a strong focus on Information Management and client needs.

Drug Testing

In 2006–07, as part of its commitment to a drug-free workforce, the AFP 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 also established testing capabilities to cover AFP personnel overseas on international postings. All AFP personnel sent to RAMSI contingent were tested in the Solomon Islands during June 2006. The results of all tests for illicit drugs are shown in Table 7 in the Appendixes.

As a consequence of the management restructure, AFP Professional Standards transitioned to the Chief of Staff portfolio in June 2007.

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, and it administers two primary programs that directly support the organisation's operational imperatives.

Medical Operational Readiness and Fitness Program

Medical Services responded to the increased demands placed upon the organisation's operational capacity by the delivery of an accelerated and comprehensive medical review process. This program ensured AFP employees were optimally prepared and protected to undertake work activities without risk to themselves, their co-workers and/or the community. The upgraded program strengthened the organisation's operational capacity to respond to policing activities across the globe.

Medical Services 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 region-specific health information.

Health and Fitness Program

Medical Services integrated a number of health and wellbeing initiatives into the workplace. The programs delivered focused on the following key areas:

- Nutrition
- Flu Vaccination
- Physical Activity Profiling
- Physical Training
- Gymnasium Upgrade
- Physical Profiling

WELLBEING SERVICES

Wellbeing Services assists the AFP meet organisational outcomes by providing services to AFP staff and families. These services are aimed at developing, maintaining and enhancing a standard of health and wellbeing that enables staff to effectively fulfil their job requirements.

In 2006–07, Wellbeing Services provided a comprehensive, multi-disciplinary service to AFP members and their families through psychologists (eight psychologists, plus two awaiting appointment), chaplains (two full-time, two part-time), Family Liaison Officers (five officers), Wellbeing Network (six officers) and an external Employee Assistance Program (EAP). These services came under the guidance of Manager Wellbeing Services, a registered psychologist.

These services are integrated to provide a service that is proactive and responsive in meeting the needs of AFP employees and their families, AFP management and the organisation. Wellbeing Services works within a broader human resources framework in the AFP, which includes Medical Services; Occupational Health, Safety and Rehabilitation; the Confidant Network and AFP managers.

Major successes for Wellbeing Services during 2006–07 included:

- the tender process for the new EAP contract
- the employment of Wellbeing officers as AFP

staff. Previously these officers were managed by the AFP's external EAP provider.

- the Operation Succurro Lessons Learned Workshop. A main outcome from this was a policy document outlining the coordination of a number of internal services during the AFP's response to these types of critical incidents. These services included Family Investigative Liaison Officers (FILOs), Recognition and Ceremonial staff and Wellbeing Services staff.
- the AFP hosted the second Australian Psychology in Policing Forum in May 2007.
- the comprehensive review of the Wellbeing Services intranet site.
- development of AFP Wellbeing Strategy.

Other significant activities undertaken during 2006–07 included:

- ongoing psychological support to high-risk AFP groups through the consolidation of OCSET, ACT Community Policing, Forensics and Technical and Aviation and Protection psychology portfolios.
- critical-incident support to Operation Succurro, and ongoing support and debriefing for AFP members and the families of AFP victims of the Indonesian plane crash in Yogyakarta in March 2007. Similar services were provided following the death of Chief Police Officer Audrey Fagan.
- provision of chaplaincy for significant events, such as Anzac Day, Police Remembrance Day, Easter, Christmas and significant anniversaries.
- provision of direct chaplaincy support through the pastoral and spiritual care of IDG, International, Counter Terrorism, ACT Policing and Chaplaincy support for the funeral services of a number of AFP personnel.
- proactive development and delivery of a number of workshops aimed at preventive health and wellbeing interventions.
- input provided into initial Aviation training, especially the importance of psychological support in the AFP, cultural change and mix within Aviation and team communication and conflict-resolution training for Senior Protective Service Officers (SPSO) from airports and the Diplomatic Protection Unit (DPU).

Wellbeing Services provides proactive and comprehensive health and wellbeing services to the AFP in a professional and flexible manner. Demand for Wellbeing Services support was high in 2006–07 and it seems reasonable to expect this trend to continue given the AFP’s continued growth.

Planned future activities include the continued development of policy to guide the activities of Wellbeing Services and the continued effort to raise mental-health literacy and wellbeing by providing education sessions and courses in topics such as depression, suicide (ASIST) awareness, etc. Wellbeing Services has developed relationships with agencies engaged in similar work, such as Defence and DFAT, with a view to sharing resources and further improving access to professional services for our people. To further raise awareness and understanding of these issues Wellbeing Services has designed a range of AFP-branded educational materials that are expected to be available in 2007–08.

CONFIDANT NETWORK

The Confidant Network is a program designed to provide support, information and options for AFP appointees

reporting the activity or conduct of others that may be contrary to AFP professional standards. The Confidant Network is a key component of the AFP’s integrity framework. At 30 June 2007, the network had 237 active, trained confidants throughout the organisation, whose activities were coordinated by a team leader, two case officers and an administration support member. Confidants received regular training to ensure they performed their roles in accordance with the National Guideline for Professional Reporting and with respect to the principles of privacy and procedural fairness.

The Confidant Network Coordination Team liaised with key AFP stakeholder areas to ensure the integrity and commitment of the program was in line with the AFP Strategic Plan and integrity framework. Information awareness sessions were incorporated within training programs for new appointees and were held across the organisation to broaden the awareness and purpose of the Confidant Network.

Confidant Network Statistics

In 2006–07, the Network received 211 referrals. Statistical information is provided in Charts 5 and 6.

Chart 5: Confidant Network 2006–07
(Referrals by source).

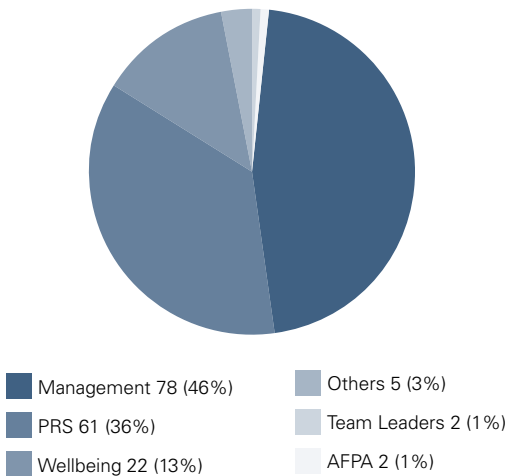
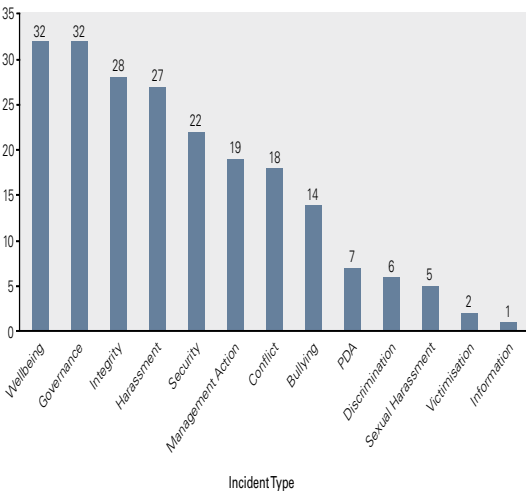


Chart 6: Confidant Network 2006–07
(Referrals by incident - 211 referrals).



CHAPTER 6

Governance and Accountability



Governance and Accountability

During 2006–07, 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 functions business model
- the operations of the Executive Management Board and its various reporting committees
- continued focus on corporate compliance with internal and external legislative reporting requirements.

This is underpinned by an emphasis on AFP core values and ethical conduct.

INTERNAL AUDIT

The objective of Internal Audit as mandated by the Commissioner is to provide him with an independent, objective assurance and consulting activity designed to add value and improve the AFP's operations. This has been achieved by the delivery of the annual internal audit program, which is year one of a three year rolling strategic audit plan as approved by Security and Audit Team (SAT) after consultation with the National Managers and other Managers throughout the AFP.

Table 1 in the Appendixes lists the 31 internal audit reports accepted by the SAT in the period. This is the highest number of reports delivered by the function in a single year. It is proposed to expand the internal audit program during 2007–08 to match the general expansion of the AFP in the past five years or more.

Reforms in the internal audit function as introduced since 1 July 2005 (following an independent Quality Assurance Review) continue to improve its standing and acceptance within the AFP. In particular, a formal engagement process and a reporting protocol have both enhanced line management ownership of the internal audit process.

AUDITOR-GENERAL REPORTS

The Australian National Audit Office (ANAO) audited the AFP's financial statements and performance measures relating to the AFP's community policing contract with the ACT Government.

The SAT systematically assesses every issued Auditor-General Report for relevance to the AFP, and if appropriate seeks from line management a self-assessment of the AFP's position against the audit recommendations and/or the audit criteria as reported. A case in point was No 45 of 2005–06: Internet Security in Australian Government Agencies. The AFP was an active participant in this cross-agency audit and the AFP's response to the issues raised has been considered once by the SAT and a follow-up consideration is pending.

On 29 June 2007, the Auditor-General transmitted to Parliament a report entitled *Australian Federal Police Overseas Operations*. This report addressed the AFP's involvement in Australia's response to the 2004 Indian Ocean tsunami and the Regional Assistance Mission to the Solomon Islands.

The Auditor-General did not include the AFP as a primary subject of any other report tabled in Parliament in the period. However, the AFP was an active participant in the following cross-agency audits:

- No 5: The Senate Order for the Departmental and Agency Contracts
- No 15: Audits of the Financial Statements of Australian Government Entities for the Period Ended 30 June 2006
- No 21: Implementation of the revised Commonwealth Procurement Guidelines.

The AFP is mentioned incidentally in the following reports:

- No 7: Visa Management: Working Holiday Makers – Department of Immigration and Multicultural Affairs
- No 36: Management of the Higher Bandwidth Incentive Scheme and Broadband Connect

Stage 1 – Department of Communications, Information Technology and the Arts

- No 47: Coordination of Australian Government Assistance to Solomon Islands – Department of Foreign Affairs and Trade – Australian Agency for International Development.

Insurance and Risk Management

The AFP organisational culture embraces risk management as an integral part of doing business, with well-established policy and procedures for the management of risk and insurance arrangements. A systemic and systematic approach is applied to the identification and mitigation of risk as part of the AFP's 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.

The AFP's general approach to risk management is adapted to cater for specific areas of risk, 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.

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. Planning for the management of business continuity in the event of a pandemic influenza contingency is undertaken in a whole-of-government context.

The AFP uses 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
- AFP-owned motor vehicles (in Australia and overseas)
- short-term overseas travel (medical emergencies and personal effects).

The AFP maintained its above average performance in 2007 in regard to the Comcover Risk Management Benchmarking Survey, resulting in a 7.2 per cent discount to the AFP's Comcover insurance premium for this year. This result reinforces the emphasis the AFP places on risk management, its recognition that it is a fundamental component of good corporate governance and sound management practice, and its commitment to continuous improvement.

FRAUD CONTROL AND ANTI-CORRUPTION PLAN

The *AFP 2007–09 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 incorporates the fraud and corruption risks of the AFP and ensures that risk treatments applicable to all fraud and corruption risks are continually monitored and assessed for their effectiveness and new and emerging risks are identified and treated as part of every day business. To successfully implement the FC&AC Plan across the organisation, all National Managers, Managers and Coordinators must be alert to maintaining existing controls and committed to implementing the agreed actions contained in the FC&AC Plan. Progress against FC&AC Plan 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 Guidelines 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 operations, 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.

Estimates Hearings

- 31 October 2006
Consideration of Supplementary Budget Estimates
- 13 February 2007
Consideration of Additional Estimates
- 23 May 2007
Consideration of Budget Estimates.

Appearances before other Parliamentary Committees of Inquiry

- 1 August 2006
Joint Committee on Intelligence and Security
Review of security and counter terrorism
Legislation
- 4 September 2006
Joint Standing Committee on Treaties
Ratification of Mutual Assistance and Extradition
Treaties with Malaysia
- 16 October 2006
Senate Standing Committee on Legal and
Constitutional Affairs
- 20 October 2006
Joint Standing Committee on Foreign Affairs,
Defence and Trade, Defence Sub-Committee
Roundtable on the economic, social and
strategic trends in Australia's region and
the consequences for defence and policing
requirements

- 10 November 2006
Senate Standing Committee on Legal and
Constitutional Affairs
Inquiry into provisions of *Families, Community
Services & Indigenous Affairs and Veterans'
Affairs Legislation Amendment (2006 Budget
Measures) Bill 2006*
- 2 November 2006
House of Representatives Privileges Committee
Gary Nairn Referral
- 22 January 2007
Senate Standing Committee on Legal and
Constitutional Affairs
Inquiry into the *Crimes Legislation Amendment
(National Investigative Powers and Witness
Protection) Bill 2006*
- 22 January 2007
Senate Standing Committee on Legal and
Constitutional Affairs
Inquiry into *Customs Legislation Amendment
(Augmenting Offshore Powers and Other
Measures) Bill 2006*
- 14 February 2007 and 9 May 2007
House of Representatives Standing Committee
on Family and Human Services
Inquiry into the impact of illicit drug use on
families
- 26 February 2007 and 30 April 2007
Joint Standing Committee on Treaties
Agreement between Australia and the Republic
of Indonesia on the Framework for Security
Cooperation
- 6 March 2007
Senate Finance and Public Administration
Committee
Inquiry into the *Human Services (Enhanced
Service Delivery) Bill 2007*
- 22 June 2007
Joint Standing Committee on Treaties
Agreement on Operational and Strategic
Cooperation between Australia and the
European Police Office.

AFP Submissions to Parliamentary Committees

- 4 July 2006
Joint Standing Committee on Foreign Affairs, Defence and Trade
Inquiry into the impact of Australian Aid to the Pacific
- 28 July 2006
Joint Standing Committee on Treaties
Ratification of Mutual Assistance and Extradition Treaties with Malaysia
- 1 August 2006
Joint Committee on Intelligence and Security
Review of security and counter terrorism Legislation – (answers to questions on notice)
- 25 September 2006
Senate Standing Committee on Legal and Constitutional Affairs
Inquiry into the Privacy Legislation Amendment (Emergencies and Disasters)
- 8 November 2006
Senate Standing Committee on Foreign Affairs, Defence and Trade Committee
Australian participants in British Nuclear Tests Bills
- 9 October 2006
Senate Standing Committee on Legal and Constitutional Affairs
Inquiry into the Copyright Amendment Bill 2006 (answers to questions on notice)
- 28 February 2007
House of Representatives Standing Committee on Family and Human Services
Inquiry into the impact of illicit drug use on families – (answers to questions on notice)
- 12 March 2007
Senate Finance and Public Administration Committee
Inquiry into the *Human Services (Enhanced Service Delivery) Bill 2007* (answers to questions on notice)
- 21 March 2007
Joint Committee on the Australian Crime Commission
Inquiry into the future impact of serious and organised crime on Australian society

- 3 April 2007
Senate Standing Committee on Foreign Affairs, Defence and Trade
Inquiry into Australia's involvement in peacekeeping operations

COMMONWEALTH OMBUDSMAN'S REPORTS

During 2006–07, the Commonwealth Ombudsman became the Law Enforcement Ombudsman with the commencement of new legislation that also brought new responsibilities to the office. The Commonwealth Ombudsman performs an external scrutiny function in relation to the activities that follow.

Review of complaint handling

In 2007, the Ombudsman commenced reviewing the administration of the AFP's handling of complaints. Inspections of AFP records of finalised complaints made under Part V of the AFP Act were conducted during May and June 2007. A report on the adequacy and comprehensiveness of the AFP complaint system will be tabled in Parliament.

OWN MOTION INVESTIGATIONS

ACT Policing Watchhouse operations

In February 2007, at the request of the AFP, a joint review was conducted of City Watchhouse operations in the ACT. The review recommended many changes in Watchhouse procedures, as well as a more far-reaching consideration of the way in which the Watchhouse is operated and staffed.

The AFP accepted all the recommendations, with one being a matter for consideration by the ACT Government.

Security vetting

An own motion investigation was conducted by the Ombudsman into AFP security vetting procedures during 2006–07. The investigation revealed that since 2006 the AFP had improved its security vetting

practices and had addressed the main problems raised in complaints to the Ombudsman.

Special investigations

Ombudsman staff are progressing two special investigations under the Complaints Act. One investigation is examining whether a 'directed' interview conducted between AFP Professional Standards officers and an AFP member (as a result of a conduct issue) was biased due to an alleged 'perceived or actual conflict of interest' held by one of the AFP Professional Standards officers involved in conducting the interview. The second investigation revolved around the interview technique used by some AFP Professional Standards officers when investigating conduct issues. This special investigation has been completed and a report provided to the AFP for comment.

MONITORING AND INSPECTIONS ACTIVITIES

Telecommunications interceptions

Inspections of AFP records were carried out in 2006–07. The Ombudsman's reports concluded that there was general compliance with the detailed record-keeping requirements of the TIA Act. A number of recommendations were made after each inspection to improve record keeping.

Surveillance devices

A report on the results from the first bi-annual inspection was provided to the Attorney-General in February 2007. Overall there was a satisfactory level of compliance. However, some compliance issues were identified, including a requirement for more detailed and consistent records on the use and communication of information obtained from a surveillance device. The Ombudsman noted improvements in the record keeping and procedures of the AFP in subsequent inspections.

Controlled operations

During the reporting year, two inspections of controlled operations records were conducted. The inspections concluded that the AFP is generally complying with the requirements of the Crimes Act.

Regional inspections

The Ombudsman also undertook an inspection of records relating to telecommunications interceptions, surveillance devices and controlled operations at the AFP's Perth regional office in November 2006. The Perth office was found to be generally compliant with the record-keeping requirements of the relevant Acts.

CONSULTATIVE SERVICES

Purchasing

While procurement is devolved within the AFP, it is supported by the National Procurement and Contracts team and a panel of external procurement specialists. There is also a procurement and contracting team to support the IDG.

During 2006–07, the AFP conducted training courses covering procurement and reporting requirements. It also updated its Commissioner's Financial Instructions and operational guidelines to reflect good procurement practice as circulated by Department of Finance and Administration.

For open tender processes, 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

Table H: Expenditure on consultants for the three most recent financial years

	2004–05	2005–06	2006–07
New contracts let	30	42	55
Total Expenditure (new and ongoing contracts)	\$1,958,252	\$1,486,441	\$2,084,179

at \$100,000 or more on its website and publishing its annual procurement plan on AusTender.

Consultancies

During 2006–07, 53 new consultancy contracts were entered into, including 13 contracts valued at under \$10,000 and six contracts with an exemption from reporting under *The Freedom of Information Act 1982*. The total actual expenditure on new consultancy contracts in 2006–07 was \$1,606,759. In addition, 16 ongoing consultancy contracts were active in 2006–07, involving a total actual expenditure of \$477,420.

Details of consultancy contracts let in 2006–07 with a total value of \$10,000 or more are shown in Table 1 in the Appendixes and at <www.afp.gov.au> under “About the AFP” – Accountability Requirements”.

Information on expenditure on contracts and consultancies is also available on the AusTender website at <www.tenders.gov.au>.

Exempt Contracts

During the reporting period the AFP did not publish the details of 11 contracts with a total value of \$1,735,971 on AusTender. These contracts were not published on the basis that their details would disclose exempt matters under the *Freedom of Information Act 1982*.

FREEDOM OF INFORMATION

The Freedom of Information Team facilitates public access to AFP documents, consistent with the provisions of the *Freedom of Information Act 1982* (the FOI Act). Under section 23 of the FOI Act, the FOI Team Leader is authorised to make initial decisions under the Act.

In 2006–07, there were 198 requests compared with 184 in 2005–06. The number of requests over the past three financial years continued to be significantly higher than for previous years.

FOI applicants generally seek access to information

concerning past or present AFP investigations and its predecessor organisations. These requests often require extensive searches 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 and AFP law enforcement activities.

As part of the AFP’s ongoing improvements in its handling of requests, the FOI Team began using scanning equipment and redacting software to assist in the processing of requests while complying with the requirements of the Act.

In 2006–07, the AFP submitted quarterly and annual returns under the FOI Act for the Attorney-General’s report to Parliament under section 93 of the FOI Act. Detailed information about the AFP’s FOI procedures appears in Appendix 5, Table 11. Information on making FOI requests to the AFP can be found on the AFP’s website at <www.afp.gov.au>.

COMMONWEALTH DISABILITY PROGRAM

The AFP Disability Program and Strategy 2003–06 continued throughout the reporting period with success. Existing policies, protocols, guidelines and practices were reviewed and refined to ensure that they complied with the requirements of the *Disability Discrimination Act 1992* and the Act was taken into consideration when new policies were adopted. The 2007–11 strategy is being finalised and will continue to display the AFP’s commitment to comply with the Commonwealth Disability Strategy principles.

People identifying themselves as having a disability were employed by the AFP during the reporting period and the AFP has received applications for positions from people with a disability. This demonstrates that aims 2 and 3 of our Disability Program.

Aim 2: Provide support for shared success in delivering an effective police service to the Australian community.

Aim 3: Encourage a diverse and flexible policing environment where all staff actively value workplace diversity) are being recognised and the AFP welcomes the opportunity to be considered as an employer of choice.

Through the implementation of these strategies, People Strategies works with business areas to encourage them to interview panels and individual areas to employ staff with disabilities by explaining the benefits of employing people with disabilities. However, due to operational responsibilities, these positions are limited to unsworn roles and support areas. The AFP's Wellbeing Services also facilitates a return to work program for any member injured at work or elsewhere.

The AFP encourages all staff to provide employment opportunities for people from diverse backgrounds including people with disabilities. The Worklife Diversity Team regularly conducts presentations to staff on issues relating to discrimination within the workforce, including recruiting and working with employees with disabilities.

ECOLOGICALLY SUSTAINABLE DEVELOPMENT

When AFP office furniture and equipment are purchased, environmental considerations are taken into account. 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 AFP's facilities, 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.

During 2006–07, the AFP increased the number of LPG vehicles in its vehicle fleet from 40 to 61 and continued to meet the targets set by the Australian Greenhouse Office in relation to the number of vehicles achieving a Green Vehicle Guide (GVG) score of more than 10. The AFP continued to encourage the use of ethanol-blended fuels during the reporting period.



AFP
AUSTRALIAN FEDERAL POLICE

CHAPTER 7

ACT Policing



Outcome 2:

Policing activity creates a safe and secure environment in the ACT.

ACT Policing is a business unit of the Australian Federal Police and is responsible for the delivery of community policing services to the ACT. These services are provided in accordance with an Arrangement between the Minister for Justice and Customs of the Commonwealth and the Australian Capital Territory for the Provision of Police Services to the Australian Capital Territory, which was approved on 14 June 2006 for a period of five years.

The Policing Arrangement also provides for the establishment of a Purchase Agreement between the ACT Minister for Justice Police and Emergency Services, the Chief Police Officer for the ACT and the Commissioner of the AFP for the provision of policing services to the ACT. The Purchase Agreement specifies the type and level of services required by the ACT

Government on an annual basis and the agreed price of those services.

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.

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>

Financial performance of ACT Policing can be found in Table C on page 20.

IN REMEMBRANCE

Chief Police Officer for the Australian Capital Territory, Assistant Commissioner Audrey Fagan APM was farewelled with full police honours on Friday 27 April 2007.



Assistant Commissioner
Audrey Fagan

More than 1300 people gathered at St Christopher's Cathedral, in the inner Canberra suburb of Forrest to pay their respects to their city's first female Chief Police Officer.

Commissioner Keelty delivered a valedictory detailing Assistant Commissioner Fagan's distinguished AFP career which spanned 26 years. He reflected on her significant contribution to the AFP and ACT Policing and said that the organisation and community had lost one of its finest police officers and role models. He said Assistant Commissioner Fagan's caring and professional approach to her duties was evident from the time she joined the AFP's Protective Service Branch at 19.

From then on, her significant contributions to ACT Policing, national investigations and international duties were noted by her fellow officers and praised by members of the local, national and international communities.

"In every sense of the word, Audrey was a high achiever and an accomplished police officer with her academic achievements and additional roles enhancing her impressive career," Commissioner Keelty said.

Appendixes



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APPENDIX 1: INTERNAL AUDIT ACTIVITY

Table 1: Internal Audit Activity 2006–07

SAT Meeting	Performance Audits	Regularity Audits	Other Significant Completed Projects
4 Aug 2006			Special Annual Financial Statements Meeting of Security & Audit Team (SAT) Self-Assessment by SAT Annual Reporting of Internal Audit's Key Performance Indicators
20 Sep 2006	ACT Policing Public Firearms Registry ACT Policing – Court Orders Witness Protection Protective Service – Station Risk Management Australian Institute of Police Management (AIPM) Governance	Forensics Exhibit Handling Accounts Payable: Contracts; and Assets (x2) Travel Compliance: IDG; and, IS (x2) OCSET & TSETT Exhibit Handling ACT Policing – Property & Exhibits	Financial Processes & Systems Preliminary Study Investigations Compliance Preliminary Study Australian High Tech Crime Centre Control Risk Self Assessment Operations Coordination Centre Risk Assessment & Business Planning Project Walsingham and In-Car Computing Financial Certificates Assistance to Performance & Planning re Property & Exhibits Stocktakes via Audit Panel Assistance to Financial Services re Domestic Travel Review via Audit Panel
13 Dec 2006	Overseas Security	2006–07 Advance Account Financial Statements (x3) ACT Policing – Cash Handling Follow Up	Overseas Drug Operations Preliminary Study Assistance to Financial Services re Acquisition of Audit Control Language (ACL) Software Assistance to Melbourne Office with an Operational Business Case
28 Feb 2007	Transnational Sexual Exploitation & Trafficking (TSET) Jakarta Centre for Law Enforcement Cooperation Protection Revenue Follow Up	Assumed Identities Quality Assurance Review Regional Office Certificates of Financial Compliance	Provided community policing information to counterparts in NSW Police Service Initiate Strategic Audit Planning Cycle for 2007-2010 Partial Implementation of Enhanced Visibility Strategy Progress re Non-Financial Legislation Compliance Catalogue

SAT Meeting	Performance Audits	Regularity Audits	Other Significant Completed Projects
6 June 2007	Preparations for APEC 2007 ACT Policing – Post Critical Incident Stress Management IDG Staffing Information Services (IS) Governance Revisited, and IS Project Management (x2) Financial Processes & Systems	Asset Procedures Goods & Services Tax Leave Processing Follow Up	Review of Regional Office Quality Assurance Activity Committed to Participation in Graduate Program Pilot 2008, incorporating an Advancement Mechanism for Permanent Appointees Assisted Professional Standards with Content and Promulgation of new version of the Fraud Control & Ant-Corruption Plan Exchange of Information with London Metropolitan Police Internal Audit Assisted Legal with Draft Memorandum of Understanding re AIPM Human Source Management Advance Account – Interim Audit for 2006-2007 Private Meeting with Independent SAT Members Presentations at Senior Liaison Officers Conferences
28 June 2007 TBC			Special Annual Planning Meeting of SAT Ongoing Contribution to Standards Australia Business Governance Committee Ongoing Contribution to In-House Commercial Governance Committee Ongoing Contract Management of Audit Panel Ongoing Provision of Secretariat Services to SAT
Count	15	16	30

APPENDIX 2: CORPORATE INTEGRITY

Table 2: Complaints and Allegations received in 2006–07 (by source)

Referral Source	Complaints		Allegations	
	Referrals	Percentage	Referrals	Percentage
AFP Internal	176	19.1%	142	94.0%
Government Department	2	0.2%	1	0.7%
Media				
Ministerial				
Ombudsman	78	8.4%		
Reported By Public	668	72.3%	8	5.3%
State Police				
Total	924	100.0%	151	100.0%

Table 3: Number of Complaint issues pre Fisher Review implementation and Category 3 post Fisher Review implementation received in 2006–07 (by status and category)

Issue	Completed	Outstanding	Total
Advice	22	2	24
Arrest	38	13	51
Assault	12	11	23
Conduct	51	34	85
Criminal Offence	9	32	41
Entry and Search	9	7	16
Fraud against the Commonwealth	12	30	42
Harassment	61	13	74
Incivility	92	5	97
Miscellaneous	6	1	7
Misuse of Authority	32	34	66
Neglect Of Duty	143	51	194
Non Complaint	3		3
Practices and Procedures	36	2	38
Property	24	5	29
Traffic	11	3	14
Use of Force/Person	60	90	150
Total	621	333	954

Table 4: Results of completed investigations (AFP Complaint issues pre Fisher Review implementation and Category 3 post Fisher Review implementation) 2006-07

Category	A	B	C	D	E	F	G	H	I	J	Total
Advice	1	2	4	8	1	6					22
Arrest			7	12		12				7	38
Assault		1		3	1	6				1	12
Conduct	3	4	4	15	1	21			1	2	51
Criminal Offence		1				5		1		2	9
Entry And Search			2	4		3					9
Fraud			1			2		1		8	12
Harassment		1	3	13	4	39				1	61
Incivility			18	46	2	22	1		3		92
Miscellaneous						4		2			6
Misuse of Authority			9	8		13				2	32
Neglect of Duty	2	2	29	49	2	50		2	1	6	143
Non-Complaint					1	2					3
Practices and Procedures		2	5	11	1	17					36
Property	1	1	5	9		8					24
Traffic				8		3					11
Use of Force/Person		1	12	2	3	19			3	20	60
Total	7	15	99	188	16	232	1	6	8	49	621

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	F	Discretion exercised by the Ombudsman not to investigate
B	Unsubstantiated	G	Management Action
C	Conciliation unsuccessful	H	Established
D	Conciliation successful	I	Not Established
E	Withdrawn	J	Discretion not to Proceed

Table 5: Number of allegation issues received in 2006–07 (by status and category)

Issue	Completed	Outstanding	Total
Advice	1		1
Arrest		1	1
Assault	1	3	4
Conduct	34	15	49
Criminal Offence	4	4	8
Entry and Search		1	1
Fraud against the Commonwealth	8	7	15
Harassment	5	9	14
Incivility	2	2	4
Miscellaneous	1	2	3
Misuse of Authority	21	18	39
Neglect Of Duty	33	15	48
Practices and Procedures	4	1	5
Property	3	7	10
Traffic	1		1
Use of Force/Person		10	10
Total	118	95	213

Footnote: The total number of issues varies from the total number of actual Complaints/Allegations as each referral may comprise a number of separate issues.

Table 6: Results of completed allegation issues 2006–07

Category	A	B	C	D	E	F	G	Total
Advice						1		1
Assault						1		1
Conduct	13	6	1	1	1	11	1	34
Criminal Offence	1	2			1			4
Fraud	1	1			2	4		8
Harassment					1	4		5
Incivility						2		2
Miscellaneous	1							1
Misuse Of Authority	5	5			5	6		21
Neglect Of Duty	5	11	1		1	15		33
Practices And Procedures	3					1		4
Property					1	2		3
Traffic						2		1
Total	29	25	2	1	12	48	1	118

Footnote: The total number of issues varies from the total number of actual Allegations as each referral may comprise a number of separate issues

A	Substantiated	E	Discretion exercised by the Ombudsman not to investigate
B	Unsubstantiated	F	Management Action
C	Incapable of Determination	G	Established
D	Conciliation successful		

Table 7: Prohibited Drug Tests Conducted during 2006–07¹

Category	2005–2006	2006–2007
Mandatory Applicant Testing	1439	1462
Mandatory Targeted Testing	2988	4232
Mandatory Investigation & Certain Incident Testing	15	115
Mandatory Contractor Testing	92	112
Totals	4534	5921

1. to 30 June 2007

Table 8: Number of security clearances completed by category

Category	
Restricted	0
Position of Trust/Site Access Only (new name)	433
Protected	173
Highly Protected/ Confidential	313
Highly Protected/ Secret	0
Highly Protected	1638
Confidential	3
Secret	285
Top Secret	919
Total	3764

Footnote: Total number of personnel security vetting matters finalised during 2006 – 07 was 2208. Total figure of 3764 includes carry-over of vetting matters from previous year finalised during 2006 – 07.

APPENDIX 3: CONSULTANCY SERVICES

Table 9: Consultancy Contracts Let in 2006–07 valued at \$10,000 or more

Consultant Name	Description	Contract Value (inc GST)	Selection Process (1)	Reasons Engaged (2)
Acumen Alliance (ACT) Pty Ltd	Integration testing audit services	\$12,560	Panel	B,C
Acumen Alliance (ACT) Pty Ltd	Audit of planned automated higher duties allowance process	\$10,725	Panel	B,C
Acumen Alliance (ACT) Pty Ltd	Performance audit of delivery of forensic services to ACT Policing	\$32,175	Panel	B,C
Acumen Alliance (ACT) Pty Ltd	Review of Human Resources service delivery	\$32,175	Panel	B
Acumen Alliance (ACT) Pty Ltd	Workforce planning performance audit	\$42,900	Panel	B,C
Acumen Alliance (ACT) Pty Ltd	Audit of Travel and + Card Review for air security officers	\$60,000	Panel	B,C
Acumen Alliance (ACT) Pty Ltd	System Development Review for Protective Services Leave	\$51,645	Panel	B,C
Acumen Alliance (ACT) Pty Ltd	Audit of AFP Drug and Property Holdings	\$152,464	Panel	A, B
Acumen Alliance (ACT) Pty Ltd	Post implementation review for Project Hummer	\$36,300	Panel	A, B
Bairn Pty Ltd T/a Humphreys Communication Group	Review of Media Services within ACT Policing and the relationship between ACT Policing and the community and community media organisations	\$35,750	Direct Source	A, B
Bronwyn Somerville	Provision of Technical Assistance and Training	\$229,408	Direct Source	B
C&M Associates	Review of Policy and Strategic Services	\$160,564	Direct Source	A, B
Chandler Macleod Technical and Engineering Pty Ltd	Rigid Hull Inflatable Boat technical assistance	\$17,224	Direct Source	B
Dominic Downie & Associates	Review, Analyse and Report on a proactive AFP Policy Capability Framework	\$18,700	Direct Source	A
Ernst & Young	Actuarial Services relating to the collective agreement	\$90,000	Direct Source	A, B

Continued on the next page

Consultant Name	Description	Contract Value (inc GST)	Selection Process (1)	Reasons Engaged (2)
Exercise Research Australia Pty. Ltd.	Review and development of physical selection procedures	\$71,280	Direct Source	B
Kellog Brown and Root Pty Ltd	Operational risk assessment of the Air Safety Officer Program	16,900	Direct Source	C
KPMG	Performance Audit of Shared Services Framework	\$25,000	Panel	A, B
KPMG	Commercial Revenue Contract Process Audit	\$12,100	Panel	A, B
KPMG	Performance Audit - International Deployment Group staffing	\$18,000	Panel	A, B
KPMG	Performance Audit - Recreation Leave management and processing	\$18,000	Panel	A, B
KPMG	Compliance Audit - International Travel	\$19,000	Panel	A, B
KPMG	Performance Audit - International Deployment Group Use of Force	\$24,750	Panel	A, B
KPMG	Compliance Audit of Asset Procedures	\$27,603	Panel	A, B
KPMG	Regularity Audit of Petty Cash Transactions	\$20,000	Panel	A, B
KPMG	Performance audit of financial processes and systems	\$30,850	Panel	A, B
Lloyd's Register Quality Assurance Ltd	Security services advice and Compliance Certification	\$43,313	Direct Source	B
Lowe, Donald	Provide Services in relation to a Leadership Development Program	\$11,000	Direct Source	B
Masters Le Mesurier Pty Ltd	Information Services Governance follow up and project management review	\$37,422	Panel	A, B
Noetic Solutions Pty Limited	Development of project documentation to assist the AFP meet DoFA's Gateway Review Process	\$77,000	Direct Source	B, C
PriceWaterhouseCoopers	Follow up on benchmark review and establishment of performance indicators	\$12,120	Panel	B

Continued on the next page

Consultant Name	Description	Contract Value (inc GST)	Selection Process (1)	Reasons Engaged (2)
PriceWaterhouseCoopers	Preparation of legislative compliance matrix	21,890	Panel	A, B
PriceWaterhouseCoopers	Performance Audit of ACT Policing Training	\$41,140	Panel	A, B
PriceWaterhouseCoopers	Audit of ACT Police Cash Handling	\$20,103	Panel	B
PriceWaterhouseCoopers	Compliance Audit of Goods and Services Tax	\$27,500	Panel	B
PriceWaterhouseCoopers	Performance audit of ACT Policing critical incident stress management	\$44,858	Panel	B
PriceWaterhouseCoopers	Protective Service Officer Skills Audit	\$85,000	Panel	B
Urbis Pty Ltd	Town planning services for development application for Australian Institute of Police Management	\$42,900	Direct Source	B
University of Queensland	Assesment of academic research papers	\$12,667	Direct Source	B,C
FordKelly Executive Connection	Review of Learning and Development	\$67,650	Direct Source	B
David Chaiken and Jason Sharman	Research paper and provision of training modules on the links between money laundering, terrorist financing and corruption	\$75,000	Direct Source	B
Total		\$1,885,636		

(1) Selection Process Codes

- Open tendering: A procurement procedure in which a request for tender is published inviting all businesses 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.

(2) Reasons Engaged Codes

- A: Skills currently unavailable within agency
- B: Need for specialised or professional skills
- C: Need for independent research or assessment

APPENDIX 4: ADVERTISING AND MARKET RESEARCH

Table 10: Advertising and market research

(Amounts in excess of \$10,300)

Advertising organisations	\$
Fresh Creative Design Pty Ltd	13,749
Total Advertising Organisations	13,749
Market Research and Polling Organisations	
University of Queensland	38,721
Total Market Research and Polling Organisations	38,721
Direct Mail Organisations	
Nothing in excess of \$10,300	
Total Direct Mail Organisations	Nil reportable
Media and Advertising Organisations	
HMA Blaze Pty Ltd	468,999
Hudson Global Resources	92,480
Total Media and Advertising Organisations	561,479
Total Advertising and Marketing	613,949

APPENDIX 5: FREEDOM OF INFORMATION

FREEDOM OF INFORMATION

This appendix provides information required under 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 6) 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 the 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 shown in Table 11.

Table 11: AFP information requests 2005–07

Category	2006–07	2005–06
Freedom of Information	198	184
Requests for documents – offences against the person	591	391
Requests for documents – accidents	2396	2727
Request for documents – offences against property	369	298
Subpoena or Summons	288	339
Totals	3842	3939

Source: AFP FOI Team and all AFP offices. Data as of June 30, 2007

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:

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 provide a postal address in Australia; 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 any reason 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 section 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 closest regional AFP office to the applicant's residential address.

Further information regarding any FOI matter can be obtained by contacting the FOI Team by mail, email via <FreedomOfInforxxxxx@xxx.xxv.au> or by phone on (02) 6246 2112.

There are also 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 in the Australian Capital Territory (ACT), telephone (02) 6202 3243. For information about obtaining an incident report relating to an offence against the person in the ACT, telephone (02) 6245 7432. For information about obtaining a character check or criminal and traffic conviction report, telephone (02) 6202 3333. Payment should be made payable to the Receiver of Public Monies.

Types of documents

The AFP holds documents on a wide range of topics which are broadly categorised as:

- Agenda, minutes and decisions, including internal and external meetings and ministerial, interdepartmental and general correspondence and papers.
- Internal administration papers (including accounting and financial records, legal records, and staff and staffing records).
- Guidelines and training materials (including Commissioners orders, national guidelines and practical guides relating to AFP operations and legislative procedures).

- Briefing papers (including briefs, submissions and reports to the AFP Executive and the Minister for Justice and Customs. These generally relate to the development of AFP policy or are provided as background to particular administrative decisions)
- Database records (including computer files, printouts and statistical data)

DOCUMENTS AVAILABLE FREE OF CHARGE UPON REQUEST

A range of publications are available to members of the public free of charge. A range of publications are available through the Media Centre link at the AFP web site at <www.afp.gov.au>.

SERVICES AND DOCUMENTS AVAILABLE FOR A FEE

A list of services and documents available for a fee is available through the Services for Government link at the AFP web site at <www.afp.gov.au> .

APPENDIX 6: PEOPLE STRATEGIES

Table 12: Ongoing and non-ongoing and casual staff at 30 June 2007

Employee Group	2006-07	2005-06	Difference	Change
AFP Permanent Full-time	4275	3657	618	16.90%
AFP Permanent Part-time	186	160	26	16.25%
AFP Temporary Full-time	187	139	48	34.53%
AFP Temporary Part-time	23	19	4	21.05%
AFP Casual	16	10	6	60.00%
AFP Seconded Paid	8	3	5	166.67%
AFP Total	4695	3988	707	17.73%
PS Permanent Full-time	1335	1414	-79	-5.59%
PS Permanent Part-time	6	17	-11	-64.71%
PS Temporary Full-time	0	13	-13	-100.00%
PS Temporary Part-time	0	3	-3	-100.00%
PS Casual	0	0	0	-
PS Seconded Paid	0	0	0	-
PS Total	1341	1447	-106	-7.33%
Grand Total	6036	5435	601	11.06%

Source : EIS 30/06/2007

Note: 2005-06 data for PS refers to the whole Protective Service incl. enabling whereas 2006-07 data from April 2007 onwards includes only Protective Service Officers. Hence, decrease in numbers!

Table 13: AFP Senior Executive 2006–07

Executive	Management	AFP Sworn	AFP Unsworn	Grand Total
Deputy Commissioner Operations*	Output 1.1 (Border)	2	0	2
	Output 1.2 (ESO)	4	0	4
	Output 1.6 (IDG)	4	2	6
	National Manager Forensic & Technical	1	4	5
	Office of DC	1	0	1
Deputy Commissioner Operations Total		12	6	18
Deputy Commissioner National Security*	Output 1.1 (International)	4	0	4
	Output 1.3 (CT)	3	0	3
	Output 1.4 (Prot)	3	0	3
	Output 1.5 (Aviation)	7	0	7
	Intelligence	2	1	3
	Office of DC	1	0	1
Deputy Commissioner National Security Total		20	1	21
Operational Offices	Sydney	2	0	2
	Melbourne	1	0	1
	Perth	1	0	1
	Brisbane	1	0	1
Operational Offices Total		5	0	5
Chief of Staff	Commissioners Office	2	1	3
	Policy & Strategic Planning	0	1	1
	Performance & Planning	1	0	1
	Legal	0	1	1
	Professional Standards	1	0	1
	High-Tech Crime Centre	1	0	1
Chief of Staff Total		5	3	8
Chief Operating Officer	Chief Operating Officer - COO	1	0	1
	National Manager Human Resources	2	2	4
	Finance & Commercial	0	3	3
	Information Services	1	3	4
Chief Operating Officer Total		4	8	12
Chief Police Officer - ACT	ACT Policing	3	1	4
Chief Police Officer - ACT Total		3	1	4
Grand Total		49	19	68

* The AFP is in the process of filling the second Deputy Commissioner position.

Note :1 SES paid by the AFP are engaged in senior policing roles in Pacific Island police forces.

Table 14: AFP Geographical distribution 2006–07

Location	AFP Sworn			AFP Unsworn			AFP PSO			Total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Australian Capital Territory	877	273	1150	750	922	1672	473	38	511	2100	1233	3333
Commonwealth Territories	12	2	14	5	4	9	0	0	0	17	6	23
New South Wales	315	107	422	67	96	163	236	18	254	618	221	839
Northern Territory	13	6	19	10	5	15	79	6	85	102	17	119
Overseas Posts	190	30	220	41	24	65	31	4	35	262	58	320
Queensland	149	46	195	30	44	74	134	10	144	313	100	413
South Australia	49	13	62	9	15	24	23	7	30	81	35	116
Tasmania	5	2	7	2	1	3	14	1	15	21	4	25
Victoria	220	86	306	55	57	112	132	12	144	407	155	562
Western Australia	87	19	106	31	26	57	117	6	123	235	51	286
Grand Total	1917	584	2501	1000	1194	2194	1239	102	1341	4156	1880	6036

Source : EIS 30/06/2007

Table 15: Salary Ranges available to AFP employees 2006-07

	Pay Point	1/07/2007
AFP Band 1	1.1	\$36,724
	1.2	\$38,017
	1.3	\$39,402
	1.4	\$40,790
AFP Band 2	2.1	\$40,790
	2.2	\$42,368
	2.3	\$43,903
	2.4	\$45,554
	2.5	\$47,390
AFP Band 3	3.1	\$47,390
	3.2	\$49,317
	3.3	\$51,244
	3.4	\$53,289
	3.5	\$55,330
AFP Band 4	4.1	\$55,330
	4.2	\$57,588
	4.3	\$59,842
	4.4	\$62,339
	4.5	\$65,045
AFP Band 5	5.1	\$65,045
	5.2	\$67,758
	5.3	\$70,465
AFP Band 6	6.1	\$70,465
	6.2	\$74,106
	6.3	\$77,746
AFP Band 7	7.1	\$77,746
	7.2	\$80,507
	7.3	\$83,269
AFP Band 8	8.1	\$83,269
	8.2	\$86,951
	8.3	\$90,636
AFP Band 9 with Vehicle	9.1	\$90,635
	9.2	\$94,701
	9.3	\$98,766
	9.4	\$103,214
	9.5	\$107,663
AFP Band 9	9.1	\$103,201
	9.2	\$107,267
	9.3	\$111,332
	9.4	\$115,780
	9.5	\$120,228

Table 16: Senior Executive Performance Bonus Payments

Senior Executive Levels 1-3	2004-05	2005-06	2006-07
Total Bonuses Paid	\$240,750	\$351,883	\$702,237

Bonuses are paid against the following criteria

Rating	Bonus
Fully effective	4%
Superior	8%
Outstanding	12%

Further details of the remuneration of Senior Executives can be found on pages 111 and 192 with staffing and status details shown in Table 13 on page 149.

Table 17: Years of Service

Personel 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	115	415	333	73	275	199	173	1583
	Chief of Staff	0	16	13	6	8	9	5	57
	Chief Operating Officer	1	26	41	13	54	52	34	221
	Chief Police Officer - ACT	27	331	112	14	52	52	52	640
AFP Sworn Total		143	788	499	106	389	312	264	2501
AFP Unsworn	Deputy Commissioner Operations	379	341	127	39	45	11	7	949
	Chief of Staff	20	30	14	4	5	1	1	75
	Chief Operating Officer	293	459	129	44	47	32	12	1016
	Chief Police Officer - ACT	32	85	20	4	9	3	1	154
AFP Unsworn Total		724	915	290	91	106	47	21	2194
AFP PSO	Deputy Commissioner Operations	59	816	120	72	108	36	8	1219
	Chief of Staff	0	0	0	0	1	1	0	2
	Chief Operating Officer	76	34	1	3	3	2	1	120
AFP PSO Total		135	850	121	75	112	39	9	1341
Grand Total		1002	2553	910	272	607	398	294	6036

Source : EIS 30/06/2007

Table 18: AFP Workforce Composition 2006-07

Band	AFP Sworn			AFP Unsworn			AFP PSO			Total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Band 1	0	0	0	0	0	0	0	0	0	0	0	0
Band 2	169	58	227	187	115	302	815	70	885	1171	243	1414
Band 3	312	110	422	182	350	532	95	8	103	589	468	1057
Band 4	681	223	904	159	310	469	171	14	185	1011	547	1558
Band 5	119	39	158	60	88	148	126	6	132	305	133	438
Band 6	121	46	167	131	142	273	3	2	5	255	190	445
Band 7	302	71	373	76	101	177	5	1	6	383	173	556
Band 8	40	7	47	85	51	136	21	1	22	146	59	205
Band 9	129	25	154	91	31	122	3	0	3	223	56	279
SES	41	5	46	17	2	19	0	0	0	58	7	65
Statutory Office Holders	3	0	3	0	0	0	0	0	0	3	0	3
Casual	0	0	0	12	4	16	0	0	0	12	4	16
Total	1917	584	2501	1000	1194	2194	1239	102	1341	4156	1880	6036

Source : EIS 30/06/2007

Table 19: 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	
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
STABILITY/CAPACITY BUILDING												
Cyprus	3	0	0	0	8	2	1	1	1	1	0	17
Nauru	0	0	0	0	1	1	0	1	0	1	0	4
East Timor - UN	28	0	0	0	18	3	0	0	0	1	0	50
East Timor - TLPDP	1	0	0	0	6	2	0	0	0	0	0	9
Papua New Guinea	0	0	0	0	0	0	0	1	0	0	0	1
RAMSI (Solomon Islands)	46	0	27	28	69	21	7	14	6	12	1	231
Vanuatu	0	0	0	0	2	0	1	4	1	1	0	9
LECP	0	0	0	0	1	0	0	0	1	1	0	3
Tonga	0	0	0	0	3	0	0	0	0	0	0	3
Cambodia	0	0	0	0	0	0	0	1	0	0	0	1
Sudan	3	0	0	0	7	1	0	5	0	0	0	16
AUSTRALIAN CRIME COMMISSION												
Sydney	0	0	0	1	3	0	0	0	0	0	0	4
Brisbane	0	0	0	0	0	0	0	1	0	0	0	1
Adelaide	0	0	0	0	2	0	0	0	0	0	0	2
Melbourne	0	0	0	0	2	2	1	0	0	2	0	7
Perth	0	0	0	0	2	0	0	0	0	0	0	2

	Base Salary Group											Total
	0	1	2	3	4	5	6	7	8	9	SES	

Australian Crime Commission Total	0	0	0	1	9	2	1	1	0	2	0	16
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CENTRELINK												
Adelaide	0	0	0	0	0	0	1	0	0	0	0	1
Brisbane	0	0	0	0	0	0	1	0	0	0	0	1
Canberra (Queanbeyan)	0	0	0	0	0	0	1	0	0	0	0	1
Darwin	0	0	0	0	0	0	1	0	0	0	0	1
Hobart	0	0	0	0	0	0	1	0	0	0	0	1
Hunter Region (NSW)	0	0	0	0	0	0	1	0	0	0	0	1
Melbourne	0	0	0	0	0	0	1	0	0	0	0	1
Perth	0	0	0	0	0	0	1	0	0	0	0	1
Sydney	0	0	0	0	0	0	1	0	0	0	0	1
Townsville	0	0	0	0	0	0	1	0	0	0	0	1
Centrelink Total	0	0	0	0	0	0	10	0	0	0	0	10

DEPARTMENT OF ENVIRONMENT AND WATER RESOURCES												
Canberra	0	0	0	0	0	0	1	0	0	0	0	1
Department of Environment and Water Resources Total	0	0	0	0	0	0	1	0	0	0	0	1

DEPARTMENT OF FOREIGN AFFAIRS AND TRADE												
Sydney	0	0	0	0	0	0	1	0	0	0	0	1
Department of Foreign Affairs and Trade Total	0	0	0	0	0	0	1	0	0	0	0	1

AUSTRALIAN FEDERAL POLICE ASSOCIATION												
Canberra	0	0	0	0	0	0	0	1	1	0	0	2
Australian Federal Police Association Total	0	0	0	0	0	0	0	1	1	0	0	2

NATIONAL THREAT ASSESSMENT CENTRE												
Canberra	0	0	0	0	0	0	0	1	0	0	0	1
National Threat Assessment Centre Total	0	0	0	0	0	0	0	1	0	0	0	1

Source : EIS 30/06/2007



AFP
AUSTRALIAN FEDERAL POLICE

Financial Statements



FINANCIALS



INDEPENDENT AUDITOR'S REPORT

To the Minister for Justice and Customs

Scope

I have audited the accompanying financial statements of the Australian Federal Police for the year ended 30 June 2007, which comprise: a statement by the Commissioner and Chief Finance Officer; income statement; balance sheet; statement of changes in equity; cash flow statement; schedules of commitments and contingencies; a summary of significant accounting policies; and other explanatory notes.

The Responsibility of the Commissioner for the Financial Statements

The Commissioner is responsible for the preparation and fair presentation of the financial statements in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997* and the Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. My audit has been conducted in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Australian Federal Police's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Australian Federal Police's internal control. An audit also includes evaluating the appropriateness of accounting policies

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used and the reasonableness of accounting estimates made by the Commissioner, as well as evaluating the overall presentation of the financial statements.

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

Independence

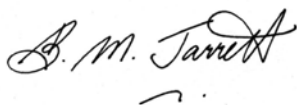
In conducting the audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the ethical requirements of the Australian accounting profession.

Auditor's 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 the Australian Accounting Standards (including the Australian Accounting Interpretations); and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including the Australian Federal Police's financial position as at 30 June 2007 and of its financial performance and its cash flows for the year then ended.

Australian National Audit Office



Brandon Jarrett
Executive Director

Delegate of the Auditor-General

Canberra

7 August 2007



AFP

AUSTRALIAN FEDERAL POLICE

Statement by the Commissioner of Police and Chief Finance Officer

In our opinion, the attached Financial Statements for the year ended 30 June 2007 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.

M J Keelty

Commissioner

7 August 2007

A J Gaukroger

Chief Finance Officer

7 August 2007

**AUSTRALIAN FEDERAL POLICE
INCOME STATEMENT**

for the period ended 30 June 2007

		2007	2006
	Notes	\$'000	\$'000
INCOME			
Revenue			
Revenue from Government	3A	873,580	720,640
Sale of goods and rendering of services	3B	185,478	183,027
Rental income	3C	2,698	1,930
Other revenue	3D	20,594	10,074
Total revenue		1,082,350	915,671
Gains			
Other gains	3E	6,921	6,365
Total gains		6,921	6,365
Total income		1,089,271	922,036
EXPENSES			
Employee benefits	4A	553,520	482,158
Suppliers	4B	483,982	393,671
Depreciation and amortisation	4C	51,483	38,141
Finance costs	4D	647	379
Write-down and impairment of assets	4E	262	-
Loss from disposal of assets	4F	4,499	840
Total expenses		1,094,393	915,189
Surplus (deficit) before income tax		(5,122)	6,847
Income tax expense	5	929	1,041
Surplus (deficit)		(6,051)	5,806

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

AUSTRALIAN FEDERAL POLICE
BALANCE SHEET
as at 30 June 2007

		2007	2006
	Notes	\$'000	\$'000
ASSETS			
Financial assets			
Cash and cash equivalents	6A	13,702	16,304
Trade and other receivables	6B	346,791	348,072
Accrued revenue	6C	9,466	1,445
Total financial assets		<u>369,959</u>	<u>365,821</u>
Non-financial assets			
Land and buildings	7A	69,880	39,529
Infrastructure, plant and equipment	7B	92,097	74,087
Intangibles	7D	21,025	16,009
Inventories	7E	3,839	2,998
Other non-financial assets	7F	8,916	9,082
Total non-financial assets		<u>195,757</u>	<u>141,705</u>
Total assets		<u>565,716</u>	<u>507,526</u>
LIABILITIES			
Payables			
Suppliers	8A	56,397	58,991
Dividends	8B	1,084	1,214
Other payables	8C	4,536	3,798
Tax liabilities equivalents	8D	2,798	3,579
Total payables		<u>64,815</u>	<u>67,582</u>
Provisions			
Employee provisions	9A	142,421	123,901
Other provisions	9B	8,433	6,992
Total provisions		<u>150,854</u>	<u>130,893</u>
Total liabilities		<u>215,669</u>	<u>198,475</u>
Net assets		<u>350,047</u>	<u>309,051</u>
EQUITY			
Contributed equity		313,123	264,793
Reserves		12,208	12,407
Retained surplus (accumulated deficit)		24,716	31,851
Total equity		<u>350,047</u>	<u>309,051</u>
Current assets		381,373	373,511
Non-current assets		184,343	134,015
Current liabilities		191,229	179,539
Non-current liabilities		24,440	18,936

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

**AUSTRALIAN FEDERAL POLICE
STATEMENT OF CHANGES IN EQUITY**
as at 30 June 2007

Item	Retained Earnings		Asset Revaluation Reserves		Contributed Equity/Capital		Total Equity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Opening balance	31,851	27,259	12,407	12,749	264,793	199,843	309,051	239,851
Adjusted opening balance								
Income and expense								
Revaluation adjustment	-	-	(199)	(342)	-	-	(199)	(342)
Sub-total income and expenses recognised directly in equity	-	-	(199)	(342)	-	-	(199)	(342)
Surplus (deficit) for the period	(6,051)	5,806	-	-	-	-	(6,051)	5,806
Total income and expenses	(6,051)	5,806	(199)	(342)	-	-	(6,250)	5,464
Transactions with owners								
Distributions to owners								
Returns on capital:								
Dividends	(1,084)	(1,214)	-	-	-	-	(1,084)	(1,214)
Contributions by owners								
Appropriation (equity injection)	-	-	-	-	48,330	64,497	48,330	64,497
Restructuring	-	-	-	-	-	453	-	453
Sub-total transactions with owners	(1,084)	(1,214)	-	-	48,330	64,950	47,246	63,736
Closing balance at 30 June	24,716	31,851	12,208	12,407	313,123	264,793	350,047	309,051

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

AUSTRALIAN FEDERAL POLICE
CASH FLOW STATEMENT
for the period ended 30 June 2007

	Notes	2007 \$'000	2006 \$'000
OPERATING ACTIVITIES			
Cash received			
Goods and services		206,548	207,690
Appropriations		887,558	705,511
Net GST received		31,845	23,000
Total cash received		1,125,951	936,201
Cash used			
Employees		533,132	474,436
Suppliers		513,699	407,912
Other - FBT payment		-	11,067
Competitive neutrality payments		3,579	5,544
Cash transferred to OPA		5,000	4,000
Total cash used		1,055,410	902,959
Net cash from or (used by) operating activities	11	70,541	33,242
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of property, plant and equipment		17	3
Total cash received		17	3
Cash used			
Purchase of property, plant and equipment		96,670	55,890
Purchase of intangibles		11,829	8,598
Purchase of inventory		7,528	4,463
Total cash used		116,027	68,951
Net cash from or (used by) investing activities		(116,010)	(68,948)
FINANCING ACTIVITIES			
Cash received			
Appropriations - contributed equity		44,081	23,988
Departmental restructuring		-	415
Total cash received		44,081	24,403
Cash used			
Dividends paid		1,214	358
Total cash used		1,214	358
Net cash from or (used by) financing activities		42,867	24,045
Net increase or (decrease) in cash held		(2,602)	(11,661)
Cash at the beginning of the reporting period		16,304	27,965
Cash at the end of the reporting period	6A	13,702	16,304

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

AUSTRALIAN FEDERAL POLICE
SCHEDULE OF COMMITMENTS
as at 30 June 2007

	2007	2006
	<u>\$'000</u>	<u>\$'000</u>
BY TYPE		
Commitments receivable		
Sublease rental income	(515)	(2,238)
GST recoverable on commitments	(37,556)	(32,327)
Total commitments receivable	<u>(38,071)</u>	<u>(34,565)</u>
Capital commitments		
Land and buildings ¹	16,118	59,119
Infrastructure, plant and equipment ²	185	2,024
Total capital commitments	<u>16,303</u>	<u>61,143</u>
Other commitments		
Operating leases ³	318,435	161,277
Other commitments ⁴	146,526	139,158
Total other commitments	<u>464,961</u>	<u>300,435</u>
Net commitments by type	<u>443,193</u>	<u>327,013</u>
BY MATURITY		
Commitments receivable		
Sublease rental income		
One year or less	(109)	(1,046)
From one to five years	(406)	(1,192)
Sublease rental income	<u>(515)</u>	<u>(2,238)</u>
GST commitments receivable		
One year or less	(11,118)	(16,130)
From one to five years	(16,381)	(12,460)
Over five years	(10,057)	(3,737)
GST commitments receivable	<u>(37,556)</u>	<u>(32,327)</u>
Commitments payable		
Capital commitments		
One year or less	16,280	47,596
From one to five years	23	13,547
Over five years	-	-
Total capital commitments	<u>16,303</u>	<u>61,143</u>
Operating lease commitments		
One year or less	66,564	43,486
From one to five years	141,777	76,545
Over five years	110,094	41,246
Total operating lease commitments	<u>318,435</u>	<u>161,277</u>
Other commitments		
One year or less	104,611	76,272
From one to five years	40,902	62,886
Over five years	1,013	-
Total other commitments	<u>146,526</u>	<u>139,158</u>
Net commitments by maturity	<u>443,193</u>	<u>327,013</u>

NB: Commitments are GST inclusive where relevant.

AUSTRALIAN FEDERAL POLICE
SCHEDULE OF COMMITMENTS (continued)

as at 30 June 2007

¹ Outstanding contractual payments for buildings under construction (including leasehold improvements).

² Contracts for the purchase of equipment for overseas deployment and other operational activities.

³ Operating leases included are effectively non-cancellable and comprise:

Nature of lease	General description of leasing arrangement
Leases for office accommodation	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	No contingent rentals exist; and There are no renewal or purchase options available to the AFP.
Leases in relation to computer and other equipment	The lessor provides computer and other equipment to the AFP; No contingent rentals exist; and There are no renewal or purchase options available to the AFP.
⁴ Contracts for the purchase of a variety of goods and services including logistics support for overseas deployments.	

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

**AUSTRALIAN FEDERAL POLICE
SCHEDULE OF CONTINGENCIES**
as at 30 June 2007

Contingent assets	Guarantees		Indemnities		Claims for damages or costs		Total	
	2007	2006	2007	2006	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance from previous period	-	-	-	-	-	-	-	-
New	-	-	-	-	86	-	86	-
Re-measurement	-	-	-	-	-	-	-	-
Assets crystallised	-	-	-	-	-	-	-	-
Expired	-	-	-	-	-	-	-	-
Total contingent assets	-	-	-	-	86	-	86	-
Contingent liabilities	Guarantees		Indemnities		Claims for damages or costs		Total	
	2007	2006	2007	2006	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance from previous period	-	-	-	-	15,649	2,995	15,649	2,995
New	-	-	-	-	3,200	13,418	3,200	13,418
Re-measurement	-	-	-	-	-	(298)	-	(298)
Liabilities crystallised	-	-	-	-	-	286	-	286
Obligations expired	-	-	-	-	13,649	180	13,649	180
Total contingent liabilities	-	-	-	-	5,200	15,649	5,200	15,649
Net contingent assets (liabilities)	-	-	-	-	(5,114)	(15,649)	(5,114)	(15,649)

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 in **Note 12: 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 period ended 30 June 2007

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

Outcome 1: National - International Focus

The investigation and prevention of crime against the 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. Administered activities involve the management or oversight by the AFP, on behalf of the Government, of items controlled or incurred by the Government.

Departmental activities are identified under seven Outputs.

The following six outputs relate to Outcome 1:-

- 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; and
- Output 1.6 Aviation Services.

The following output relates to Outcome 2:-

- Output 2.1 Services to the ACT Government.

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 preparation of the Financial Report

The Financial Statements and notes are required by section 49 of Schedule 1 to *Financial Management and Accountability Act 1997* and are a General Purpose Financial Report.

The Minister for Finance and Administration and the Minister for Justice and Customs have entered into an agreement that applies under regulation 28(3) of Schedule 2 to the FMA Regulations. The Agreement concerns the provision of annual financial statements by the AFP and states that the AFP will prepare its annual financial statements in accordance with the relevant Orders, except in relation to AFP covert activities set out in Schedule 2 to the FMA Regulations.

Except for the modified disclosure of covert activities agreed to between the Minister for Finance and Administration and the Minister for Justice and Customs, the financial statements have been prepared in accordance with:

- Finance Minister's Orders (FMOs) for reporting periods ending on or after 1 July 2006; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial report has been prepared on an accrual basis and is in accordance with historical cost convention, except for certain assets at fair value. Except where 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 or the FMOs, 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 unrealised are reported in the Schedule of Commitments and the Schedule of Contingencies (other than unquantifiable or remote contingencies, which are reported at Note 12).

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, consumption or loss of economic benefits has occurred and can be reliably measured.

1.3 Significant accounting judgements 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

Australian Accounting Standards require a statement of compliance with International Financial Reporting Standards (IFRSs) to be made where the financial report complies with these standards. Some Australian equivalents to IFRSs and other Australian Accounting Standards contain requirements specific to not-for-profit entities that are inconsistent with IFRS requirements. The AFP is a not for profit entity and has applied these requirements, so while this financial report complies with Australian Accounting Standards including Australian Equivalents to International Financial Reporting Standards (AEIFRSs) it cannot make this statement.

Adoption of new Australian Accounting Standard requirements

No accounting standard has been adopted earlier than the effective date in the current period, except the following:

- AASB 102 Inventories - the Secretary of the Department of Finance and Administration as the "Finance Chief Executive" has in accordance with section 11.1 of the Finance Ministers Orders 2006-07 approved this standard for early adoption.

The AFP is required to disclose Australian Accounting Standards and Interpretations which have been issued but are not yet effective that have not been early adopted by the AFP.

Other effective requirement changes

The following amendments, revised standards or interpretations have become effective but have had no financial impact or do not apply to the operations of the AFP.

Amendments:

- 2005-1 Amendments to Australian Accounting Standards [AASBs 1, 101, 124]
- 2005-6 Amendments to Australian Accounting Standards [AASB 3]
- 2006-1 Amendments to Australian Accounting Standards [AASB 121]
- 2006-3 Amendments to Australian Accounting Standards [AASB 1045]

Interpretations:

- UIG 4 Determining whether an Arrangement contains a Lease
- UIG 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
- UIG 7 Applying the Restatement Approach under AASB129 financial Reporting in Hyperinflationary Economies
- UIG 8 Scope of AASB 2
- UIG 9 Reassessment of Embedded Derivatives

UIG 4 and UIG 9 might have impacts in future periods, subject to existing contracts being renegotiated.

Future Australian Accounting Standard requirements

The following new standards, amendments to standards or interpretations have been issued by the Australian Accounting Standards Board but are effective for future periods. It is estimated that the impact of adopting these pronouncements when effective will have no material financial impact on future reporting periods.

Financial instrument disclosure

AASB 7 Financial Instruments: Disclosures is effective for reporting periods beginning on or after 1 January 2007 (the 2007-08 financial year) and amends the disclosure requirements for financial instruments. In general AASB 7 requires greater disclosure than that presently. Associated with the introduction of AASB 7 a number of accounting standards were amended to reference the new standard or remove the present disclosure requirements through 2005-10 Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]. These changes have no financial impact but will affect the disclosure presented in future financial reports.

Notes to and forming part of the Financial Statements

Other

The following standards and interpretations have been issued but are not applicable to the operations of AFP.

- AASB 1049 Financial Reporting of General Government Sectors by Governments
- UIG 10 Interim Financial Reporting and Impairment

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 that 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 types of 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 transaction costs incurred can be reliably measured; and
- The probable economic benefits with the transaction will flow to the Entity.

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. Provisions are made when collectability of the debt is no longer probable.

1.6 Gains

Resources received free of charge

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

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Government Agency or Authority as a consequence of a restructuring of administrative arrangements (refer to Note 1.7).

Resources received free of charge are recorded as either revenue or gains depending on their nature ie whether they have been generated in the course of the ordinary activities of the Entity.

Notes to and forming part of the Financial Statements

Sale of assets

Gains from disposal of non-current assets are 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.

Dividends

The 1995 Memorandum of Understanding between the Department of Finance and Administration (Finance) and the then Australian Protective Service (APS), now Australian Federal Police – Protective Service – (AFPPS) was revoked. However, Finance 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 Finance.

Restructuring of Administrative Arrangements

Net assets received from or relinquished to another Australian Government 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 2006-07, by agreement with the Department of Finance and Administration, AFP relinquished control of surplus output appropriation funding of \$15,700,000 for 2006-2007 and capital appropriation \$13,000,000 for 2003-2004, which it had not drawdown from the Official Public Account. On 26 June 2007, the Finance Minister issued a determination to reduce Departmental Output Appropriations by \$15,700,000 and \$13,000,000 for 2003-04.

1.8 Employee benefits

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 an Actuarial review conducted by Australian Government Actuary at 30 June 2007. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Notes to and forming part of the Financial Statements

Separation and redundancy

Provision is made for separation and redundancy benefit payments. The AFP recognises a provision for termination when it has developed a detailed formal plan for the termination and has informed those employees affected that it will carry out the terminations.

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 Australian Government. 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 Employee Superannuation Scheme at rates determined by an actuary to be sufficient to meet the cost to the Government of the superannuation entitlements of the AFP's employees. The AFP accounts for the contributions as if they were contributions to defined contribution plans.

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.

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 Borrowing costs

All borrowing costs are expensed as incurred.

Notes to and forming part of the Financial Statements

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

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.

1.14 Impairment of financial assets

Financial assets are assessed for impairment at each balance date.

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 the Income Statement.

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.

Available for sale financial assets

If there is objective evidence that an impairment loss on an available for sale financial asset has been incurred, the amount of the difference between its cost, less principal repayments and amortisation, and its current fair value, less any impairment loss previously recognised in expenses, is transferred from equity to the Income Statement.

1.15 Suppliers and other payables

Supplier and other payables are recognised at amortised cost. 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 reported 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. Contingent assets are reported when settlement is probable, and contingent liabilities are recognised when settlement is greater than remote.

Notes to and forming part of the Financial Statements

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, 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

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, property, plant and equipment are carried at fair value less accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from 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 surplus and deficit. Revaluation decrements for a class of assets are recognised directly through surplus and deficit 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.

Notes to and forming part of the Financial Statements

Depreciation

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.

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

	2007	2006
Buildings	1 to 40 years	2 to 25 years
Plant and equipment	1 to 27 years	2 to 20 years
Leasehold improvements	max. 15 years	max. 10 years

Impairment

All assets were assessed for impairment at 30 June 2007. 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 2007. 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:

	2007	2006
Internally developed software	1 to 8 years	5 to 7 years
Purchased software	1 to 9 years	3 to 7 years

1.20 Inventories

Inventories held for distribution are measured at the lower of cost and current replacement cost.

When inventories held for distribution are distributed, the carrying amount of those inventories are recognised as an expense. The amount of any write-down of inventories to current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs.

Notes to and forming part of the Financial Statements

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. Under Competitive Neutrality arrangements, Protective Services is required to make Australian Income Tax Equivalent payments to the Government, in addition to payments for FBT and GST.

1.22 Comparative figures

Comparative figures have been adjusted to conform to changes in presentation in these financial statements where required.

Notes to and forming part of the Financial Statements

Note 2: 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

	2007 \$'000	2006 \$'000
Note 3: Income		
Revenue		
Note 3A: Revenue from Government		
Appropriation:		
Departmental outputs	873,580	720,640
Total revenue from Government	873,580	720,640
Note 3B: Sale of goods and rendering of services		
Provision of goods - related entities	6	10
Provision of goods - external entities	11	11
Total sale of goods	17	21
Rendering of services - related entities	55,017	56,413
Rendering of services - external entities	130,444	126,593
Total rendering of services	185,461	183,006
Total sale of goods and rendering of services	185,478	183,027
Note 3C: Rental income		
Operating lease:		
Sublease	2,698	1,930
Total rental income	2,698	1,930
Note 3D: Other revenue		
AusAID projects	8,885	4,762
Motor vehicle recovery	-	124
Reduction in provisions	2,796	473
Australian Defence Force support	5,348	1,602
Asset recognition	172	524
AIPM Staff College recognition	1,650	-
Other	1,743	2,589
Total other revenue	20,594	10,074
Gains		
Note 3E: Other gains		
Resources received free of charge ¹	6,921	6,365
Total other gains	6,921	6,365

Gains

Note 3E: Other gains

Resources received free of charge¹

Total other gains

¹The comparative figure has been updated to recognise accommodation provided by the ACT Government to ACT Policing. The fair value recognised in the current period is \$6.067m, the comparative was adjusted to recognise \$5.919m.

Notes to and forming part of the Financial Statements

	2007	2006
	\$'000	\$'000

Note 4: Expenses**Note 4A: Employee benefits**

Wages and salaries	408,285	365,239
Superannuation	63,903	58,165
Leave and other entitlements	72,159	49,586
Separation and redundancies	1,566	1,379
Other employee expenses	7,607	7,789
Total employee benefits	553,520	482,158

Note 4B: Suppliers

Provision of goods - related entities	182	963
Provision of goods - external entities	43,604	34,190
Rendering of services - related entities	27,535	22,396
Rendering of services - external entities	333,852	267,734
Operating lease rentals:		
Minimum lease payments ¹	62,058	55,682
Workers compensation premiums	15,567	10,638
Other supplier expenses	1,184	2,068
Total suppliers expenses	483,982	393,671

¹The comparative figure has been updated to recognise accommodation provided by the ACT Government to ACT Policing. The fair value recognised in the current period is \$6.067m, the comparative was adjusted to recognise \$5.919m.

Note 4C: Depreciation and amortisation

Depreciation:		
Infrastructure, plant and equipment	29,347	22,124
Buildings	1,657	309
Total depreciation	31,004	22,433
Amortisation:		
Leasehold improvements	14,061	10,366
Intangibles:		
Computer software	6,418	5,342
Total amortisation	20,479	15,708
Total depreciation and amortisation	51,483	38,141

Note 4D: Finance costs

Unwinding of discount	647	379
Total finance costs	647	379

Note 4E: Write-down and impairment of assets

Bad and doubtful debts expense	262	-
Total write-down and impairment of assets	262	-

Note 4F: Losses from disposal of assets

Land and buildings		
Write-offs	40	24
Infrastructure, plant and equipment		
Proceeds from disposal	(17)	-
Net book value of assets disposed	112	411
Write-offs	3,818	405
Intangibles:		
Write-offs	546	-
Total losses from disposal of assets	4,499	840

Notes to and forming part of the Financial Statements

	2007	2006
	\$'000	\$'000

Note 5: Competitive neutrality expense

Payroll tax	1,869	2,538
Income tax equivalent	929	1,041
Total competitive neutrality expense	2,798	3,579

The Protective Service part of the AFP provides services on a 'for-profit' basis and is subject to the Australian Government's Competitive Neutrality Policy. The above amounts have been calculated as being payable to the Australian Government in the form of company income tax under the Income Tax Assessment Acts and to the relevant State/Territory Governments in the form of payroll tax, had they applied. These amounts have been paid or are payable by the AFP to the Official Public Account.

Note 6: Financial assets

Note 6A: Cash and cash equivalents

Special accounts	803	5,847
Departmental (other than special accounts)	12,899	10,457
Total cash and cash equivalents	13,702	16,304

All cash are current assets.

Note 6B: Trade and other receivables

GST receivable from the Australian Taxation Office	4,460	3,537
Goods and services	10,669	12,852
Appropriations receivable:		
for existing outputs	318,969	323,698
Other receivables	12,955	8,549
Total trade and other receivables (gross)	347,053	348,636
Less allowance for doubtful debts:		
Goods and services	262	564
Total trade and other receivables (net)	346,791	348,072

All receivables are current assets.

Receivables are aged as follows:

Not overdue	344,019	343,206
Overdue by:		
Less than 30 days	1,329	678
30 to 60 days	311	431
61 to 90 days	104	55
More than 90 days	1,290	4,266
Total receivables (gross)	347,053	348,636

The allowance for doubtful debts is aged as follows:

Not overdue	-	-
Overdue by:		
Less than 30 days	-	-
30 to 60 days	-	-
61 to 90 days	-	-
More than 90 days	262	564
Total allowance for doubtful debts	262	564

Note 6C: Accrued revenue

Goods and services	9,466	1,445
Total accrued revenue	9,466	1,445

All accrued revenue are current assets.

Notes to and forming part of the Financial Statements

	2007 \$'000	2006 \$'000
Note 7: Non-financial assets		
Note 7A: Land and buildings		
Land		
- freehold land - at fair value	360	360
- leasehold land - at fair value	132	132
Total land	492	492
Buildings		
Buildings on freehold land		
- at fair value	3,896	1,863
- accumulated depreciation	(1,364)	-
Total buildings on freehold land	2,532	1,863
Buildings on leasehold land		
- at fair value	8,161	7,590
- accumulated depreciation	(293)	-
Total buildings on leasehold land	7,868	7,590
- work in progress - at cost	10,598	455
Total buildings	20,998	9,908
Leasehold improvements		
- at fair value	50,421	27,612
- accumulated amortisation	(15,957)	(2,007)
- work in progress - at cost	13,926	3,524
Total leasehold improvements	48,390	29,129
Total land and buildings (non-current)	69,880	39,529
Note 7B: Infrastructure, plant and equipment		
Infrastructure, plant and equipment:		
- at fair value	115,077	73,037
- accumulated depreciation	(28,332)	-
- work in progress - at cost	5,352	1,050
Total infrastructure, plant and equipment (non-current)	92,097	74,087

Notes to and forming part of the Financial Statements

Note 7C: Analysis of property, plant and equipment

Table A - Reconciliation of the opening and closing balances of property, plant and equipment (2006-07)

Item	Leasehold land \$'000	Freehold land \$'000	Buildings on freehold land \$'000	Buildings on leasehold land \$'000	Buildings - leasehold improvements \$'000	Total land and buildings \$'000	Other IP&E \$'000	Total \$'000
As at 1 July 2006								
Gross book value	132	360	1,863	8,045	31,136	41,536	74,087	115,623
Accumulated depreciation/amortisation and impairment	-	-	-	-	(2,007)	(2,007)	-	(2,007)
Net book value 1 July 2006	132	360	1,863	8,045	29,129	39,529	74,087	113,616
Additions:								
by purchase	-	-	-	14,184	30,463	44,647	51,335	95,982
Revaluations and impairments through equity	-	-	-	-	(140)	(140)	(59)	(199)
Reclassification	-	-	383	(3,470)	3,039	(48)	11	(37)
Depreciation/amortisation expense	-	-	(1,364)	(293)	(14,061)	(15,718)	(29,347)	(45,065)
Other movements	-	-	1,650	-	-	1,650	-	1,650
Disposals:								
Other disposals	-	-	-	-	(40)	(40)	(3,930)	(3,970)
Net book value 30 June 2007	132	360	2,532	18,466	48,390	69,880	92,097	161,977
Net book value as of 30 June 2007 represented by:								
Gross book value	132	360	3,896	18,759	64,347	87,494	120,429	207,923
Accumulated depreciation/amortisation and impairment	-	-	(1,364)	(293)	(15,957)	(17,614)	(28,332)	(45,946)
	132	360	2,532	18,466	48,390	69,880	92,097	161,977

Notes to and forming part of the Financial Statements

Table A - Reconciliation of the opening and closing balances of property, plant and equipment (2005-06)

Item	Land \$'000	Freehold land \$'000	Buildings on freehold land \$'000	Buildings on leasehold land \$'000	Buildings - leasehold improvements \$'000	Total land and buildings \$'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 and impairment	-	-	(138)	(228)	(24,744)	(25,110)	(42,325)	(67,435)
Net book value 1 July 2005	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)
Reclassification	-	-	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:								
Other disposals	-	-	-	-	(24)	(24)	(816)	(840)
Net book value 30 June 2006	132	360	1,863	8,045	29,129	39,529	74,087	113,616
Net book value as of 30 June 2006 represented by:								
Gross book value	132	360	1,863	8,045	31,136	41,536	74,087	115,623
Accumulated depreciation/amortisation and impairment	-	-	-	-	(2,007)	(2,007)	-	(2,007)
	132	360	1,863	8,045	29,129	39,529	74,087	113,616

Notes to and forming part of the Financial Statements

	2007	2006
	\$'000	\$'000
Note 7D: Intangibles		
Computer software at cost:		
Internally developed - in progress	1,258	679
Internally developed - in use	26,367	20,966
Accumulated amortisation	(13,225)	(10,495)
Externally acquired	11,084	9,838
Accumulated amortisation	(4,459)	(4,979)
Total intangibles (non-current)	21,025	16,009

Notes to and forming part of the Financial Statements

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 2006			
Gross book value	21,645	9,838	31,483
Accumulated amortisation and impairment	10,495	(4,979)	(15,474)
Net book value 1 July 2006	11,150	4,859	16,009
Additions:			
by purchase or internally developed	7,729	4,239	11,968
Reclassification	282	(270)	12
Amortisation	(4,612)	(1,806)	(6,418)
Impairments recognised in the operating result	-	-	-
Other movements	-	-	-
Disposals:			
other disposals	(149)	(397)	(546)
Net book value 30 June 2007	14,400	6,625	21,025
Net book value as of 30 June 2007 represented by:			
Gross book value	27,625	11,084	38,709
Accumulated amortisation and impairment	(13,225)	(4,459)	(17,684)
	14,400	6,625	21,025

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 amortisation and impairment	(6,354)	(3,767)	(10,121)
Net book value 1 July 2005	9,489	3,057	12,546
Additions:			
by purchase	5,742	2,954	8,696
Reclassification	61	48	109
Amortisation	(4,142)	(1,200)	(5,342)
Impairments recognised in the operating result	-	-	-
Other movements	-	-	-
Disposals:			
other disposals	-	-	-
Net book value 30 June 2006	11,150	4,859	16,009
Net book value as of 30 June 2006 represented by:			
Gross book value	21,645	9,838	31,483
Accumulated amortisation and impairment	(10,495)	(4,979)	(15,474)
	11,150	4,859	16,009

Notes to and forming part of the Financial Statements

	2007	2006
	\$'000	\$'000

Note 7E: Inventories

Inventories held for distribution	3,839	2,998
Total inventories	3,839	2,998

All inventories are current assets.

During 2006-07 \$5,756,958 of inventory held for distribution was recognised as an expense (2005-06: \$1,825,497)

During 2006-07 \$67,589 of write-down of inventory held for distribution was recognised as an expense (2005-06: nil)

Note 7F: Other non-financial assets

Prepayments	8,916	9,082
Total other non-financial assets	8,916	9,082

Other non-financial assets are represented by:

Current	7,575	4,692
Non-current	1,341	4,390
	8,916	9,082

Note 8: Payables

Note 8A: Suppliers

Trade creditors	56,397	58,991
Total supplier payables	56,397	58,991

All supplier payables are current liabilities.

Note 8B: Dividends

Payable to the Australian Government	1,084	1,214
Total dividends	1,084	1,214

All dividends are current liabilities.

Note 8C: Other payables

Prepayments received/unearned income	2,678	2,549
Lease incentive	759	678
Other	1,099	571
Total other payables	4,536	3,798

Other payables are represented by:

Current	3,912	3,306
Non-current	624	492
Total other payables	4,536	3,798

Note 8D: Tax liabilities

Tax liabilities equivalents	2,798	3,579
Total tax liabilities	2,798	3,579

All tax liabilities are current liabilities

Notes to and forming part of the Financial Statements

	2007 \$'000	2006 \$'000
Note 9: Provisions		
Note 9A: Employee provisions		
Salaries and wages	5,526	5,291
Leave	135,220	116,874
Superannuation	521	498
Separations and redundancies	116	-
Other	1,038	1,238
Total employee provisions	142,421	123,901
Employee provisions are represented by:		
Current	125,901	109,352
Non-current	16,520	14,549
Total employee provisions	142,421	123,901
Note 9B: Other provisions		
Restoration obligations	8,313	4,842
Provision for legal settlements	120	2,150
Total other provisions	8,433	6,992
Other provisions are represented by:		
Current	1,137	3,097
Non-current	7,296	3,895
Total other provisions	8,433	6,992

	Provision for restoration \$'000	Provision for legal settlements \$'000	Total \$'000
Carrying amount at beginning of period	4,842	2,150	6,992
Additional provisions made	3,068	(30)	3,038
Amounts reversed	(245)	(2,000)	(2,245)
Unwinding of discount or change in discount rate	648	-	648
Amount owing at end of period	8,313	120	8,433

The AFP currently has 49 agreements for the leasing of premises which have provisions requiring the AFP to restore the premises to their original condition at the conclusion of the lease. The AFP has made a provision to reflect the present value of this obligation.

The AFP currently has claims for damages/costs against it, for which the AFP has made a provision to reflect the estimate of the obligation based on precedent cases.

Notes to and forming part of the Financial Statements

	2007	2006
	\$'000	\$'000

Note 10: Restructuring

Note 10A: 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 AFP 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

Note 11: Cash flow reconciliation

Reconciliation of cash and cash equivalents per balance sheet to cash flow statement

Report cash and cash equivalent as per:

Cash flow statement	13,702	16,304
Balance sheet	13,702	16,304

Reconciliation of operating result to net cash from operating activities:

Operating result	(6,051)	5,806
Depreciation / amortisation	51,483	38,141
Loss on disposal of assets	4,499	840
Reduction in provisions	(245)	(473)
Resource received free of charge	-	446
Asset recognition	(1,822)	(524)
Finance costs	647	379
Other non cash expenses/revenues	-	69
(Increase) / decrease in net receivables	5,529	(22,189)
(Increase) / decrease in inventories	(841)	(2,008)
(Increase) / decrease in prepayments	166	(2,357)
(Increase) / decrease in accrued revenue	(8,021)	-
Increase / (decrease) in employee provisions	18,520	5,186
Increase / (decrease) in supplier payables	8,750	22,761
Increase / (decrease) in other payables	738	1,035
Increase / (decrease) in other provisions	(2,030)	(11,905)
Increase / (decrease) in competitive neutrality payable	(781)	(1,965)
Net cash from / (used by) operating activities	70,541	33,242

Notes to and forming part of the Financial Statements

Note 12: Contingent liabilities and assets

Quantifiable contingencies

The Schedule of Contingencies reports contingent liabilities and assets in respect of claims for damages/costs of \$5.2m (2006: \$15.649m) and \$86k (2006: no contingent asset) respectively. The amount represents an estimate of the AFP's asset or liability based on precedent cases. The AFP is defending the claims. We did not recognise these assets or liabilities as we believed that the probability of unfavourable outcome is less likely rather than more likely.

Unquantifiable contingencies

As at 30 June 2007, 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.

On 5 July 2007, the AFP made a voluntarily disclosure to the Australian Taxation Office (ATO) that certain allowances in relation to international deployments were not correctly treated for Pay As You Go Withholding tax purposes. To date no settlement has been made with the ATO in relation to potential penalties and these are currently unquantifiable. Corrective action was taken by the AFP to ensure compliance from 1 July 2007.

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.

The Australian Government has entered into indemnity agreements with Australian airlines that agree to fly aircraft with Air Security Officers on board. The indemnity agreements limit the Australian Government's exposure up to a maximum of \$2 billion per incident. The indemnity applies to the extent that any loss is not covered by existing relevant insurance policies held by the airline and only applies where the airline(s) can prove that an action on the part of an Air Security Officer under or in connection with the Air Security Officer programme caused a loss.

Notes to and forming part of the Financial Statements

Note 13: Executive remuneration

	2007	2006
The number of senior executives who received or were due to receive total remuneration of \$130,000 or more:		
\$130,000 to \$144,999	1	1
\$145 000 to \$159 999	4	6
\$160 000 to \$174 999	3	5
\$175 000 to \$189 999	8	9
\$190 000 to \$204 999	6	8
\$205 000 to \$219 999	15	7
\$220 000 to \$234 999	4	2
\$235 000 to \$249 999	3	3
\$250,000 to \$264,999	7	2
\$265 000 to \$279 999	3	1
\$280,000 to \$294,999	1	-
\$295,000 to \$309,999	1	1
\$310 000 to \$324 999	1	1
\$325,000 to \$339,999	1	-
\$355,000 to \$369,999	1	-
\$385,000 to \$399,999	1	-
\$415 000 to \$429 999	-	1
\$445,000 to \$459,999	1	-
\$475,000 to \$489,999	1	-
Total	62	47

The aggregate amount of total remuneration of executives shown above. **\$14,209,867** \$9,621,848

The aggregate amount of separation and redundancy/termination benefit payments during the year to executives shown above. **\$324,445** \$101,796

Note 14: Remuneration of auditors

	2007	2006
	\$	\$

Financial statement audit services are provided free of charge to the AFP.

The fair value of audit services provided was:

Australian Federal Police	341,000	335,000
	341,000	335,000

Additional services provided and charged by the Auditor-General:

ACT Policing	64,100	62,000
	64,100	62,000

Note 15: Average staffing levels

	2007	2006
The average staffing levels for the AFP during the year were:	5,919	5,150

Notes to and forming part of the Financial Statements

Note 16: Financial instruments

Note 16A: Interest rate risk

Financial instrument	Notes	Floating interest rate		Fixed interest rate maturing in						Non-interest bearing		Total		Weighted average effective interest rate	
		2007 \$'000	2006 \$'000	1 Year or Less	1 to 5 Years	2006 \$'000	2007 \$'000	2006 \$'000	> 5 Years	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 %	2006 %
Financial Assets															
Cash at bank	6A	-	-	-	-	-	-	-	-	13,702	16,304	13,702	16,304	n/a	n/a
Other receivables	6B	-	-	-	-	-	-	-	-	12,955	8,549	12,955	8,549	n/a	n/a
Receivables for goods and services (gross)	6B	-	-	-	-	-	-	-	-	10,669	12,852	10,669	12,852	n/a	n/a
Accrued revenue	6C	-	-	-	-	-	-	-	-	9,466	1,445	9,466	1,445	n/a	n/a
Total		-	-	-	-	-	-	-	-	46,792	39,150	46,792	39,150		
Total Assets										565,716	507,526				
Financial Liabilities															
Lease restoration	9B	-	-	-	-	-	-	-	-	8,313	4,842	8,313	4,842	n/a	n/a
Trade creditors	8A	-	-	-	-	-	-	-	-	56,397	58,991	56,397	58,991	n/a	n/a
Other payables	8C	-	-	-	-	-	-	-	-	1,099	571	1,099	571	n/a	n/a
Total		-	-	-	-	-	-	-	-	65,809	64,404	65,809	64,404		
Total Liabilities										215,669	198,475				

The fair value of financial assets and financial liabilities is equal to the carrying amount in both current and comparative reporting periods.

Notes to and forming part of the Financial Statements

Note 16B: 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 17: Appropriations

Table A: Acquittal of authority to draw cash from the Consolidated Revenue Fund for ordinary annual services appropriations and borrowings

Particulars	Departmental outputs		Total	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Balance carried from previous period	151,822	179,140	151,822	179,140
Reallocation of appropriation prior years	-	13,656	-	13,656
Adjusted balance carried from previous period	151,822	165,484	151,822	165,484
Appropriation Act:				
Appropriation Act (No.1)	846,917	816,463	846,917	816,463
Appropriation Act (No.3)	42,363	69,877	42,363	69,877
Departmental Adjustments by the Finance Minister (Appropriation Acts)	-	-	-	-
Comcover receipts (Appropriation Act s13)	-	164	-	164
Advance to the Finance Minister	-	-	-	-
Reductions:	-	-	-	-
- prior years	-	-	-	-
- current year	(15,700)	(165,700)	(15,700)	(165,700)
FMA Act:	-	-	-	-
Adjustment of appropriations on change of entity function (FMA s 32)	-	-	-	-
Refunds credited (FMA s 30)	2,724	1,467	2,724	1,467
Appropriations to take account of recoverable GST (FMA s 30A)	33,249	16,646	33,249	16,646
Annotations to 'net appropriations' (FMA s 31)	157,982	137,136	157,982	137,136
Total appropriation available for payments	1,219,357	1,041,537	1,219,357	1,041,537
Cash payments made during the year (GST inclusive)	1,004,015	766,606	1,004,015	766,606
Appropriations credited to Special Accounts (excluding GST)	(6,364)	123,109	(6,364)	123,109
Balance of authority to draw cash from the Consolidated Revenue Fund for ordinary annual services appropriations	221,706	151,822	221,706	151,822
Represented by				
Cash at bank and on hand	12,899	10,457	12,899	10,457
Departmental appropriations receivable	204,930	138,272	204,930	138,272
Receivables - GST receivable from customers	956	779	956	779
Receivables - GST receivable from the ATO	4,457	3,525	4,457	3,525
Payables - GST payable	(1,536)	(1,211)	(1,536)	(1,211)
Total	221,706	151,822	221,706	151,822

Notes to and forming part of the Financial Statements

Table B: Acquital of authority to draw cash from the Consolidated Revenue Fund for other than ordinary annual services appropriations

Particulars	Outcome 1						Outcome 2						Non-operating						Total	
	SPPs			NAE			SPPs			NAE			Equity			Loans			Admin assets and liabilities	
	2007	2006	\$'000	2007	2006	\$'000	2007	2006	\$'000	2007	2006	\$'000	2007	2006	\$'000	2007	2006	\$'000	2007	2006
Balance carried from previous period	-	-	-	-	-	-	-	-	-	-	-	-	\$'000	\$'000	69,282	-	-	-	\$'000	\$'000
Reduction of appropriations (prior years)	-	-	-	-	-	-	-	-	-	-	-	-	109,790	109,790	69,282	-	-	-	109,790	69,282
Adjusted balance carried from previous period	-	-	-	-	-	-	-	-	-	-	-	-	109,790	109,790	69,282	-	-	-	109,790	69,282
Appropriation Act:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Appropriation Act (No.2)	-	-	-	-	-	-	-	-	-	-	-	-	38,271	43,548	-	-	-	-	38,271	43,548
Appropriation Act (No.4)	-	-	-	-	-	-	-	-	-	-	-	-	23,059	37,949	-	-	-	-	23,059	37,949
Appropriation Act (No.6)	600	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	600	-
Administered appropriation lapsed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advance to the Finance Minister	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reductions:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- prior years	-	-	-	-	-	-	-	-	-	-	-	-	(13,000)	-	-	-	-	-	(13,000)	-
- current year	-	-	-	-	-	-	-	-	-	-	-	-	(17,000)	-	-	-	-	-	-	(17,000)
FMA Act:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment of appropriations on change of entity function (FMA s.32)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Refunds credited (FMA s.30)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Appropriations to take account of recoverable GST (FMA s.30A)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total appropriations available for payments	600	-	-	-	-	-	-	-	-	-	-	-	158,120	133,779	-	-	-	-	158,120	133,779
Cash payments made during the year (GST inclusive)	-	-	-	-	-	-	-	-	-	-	-	-	44,081	23,969	-	-	-	-	44,081	23,969
Appropriations credited to Special Accounts (GST exclusive)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance of authority to draw cash from the Consolidated Revenue Fund for other than ordinary annual services appropriations	600	-	-	-	-	-	-	-	-	-	-	-	114,039	109,790	-	-	-	-	114,639	109,790
Represented by:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Appropriation receivable	-	-	-	-	-	-	-	-	-	-	-	-	114,039	109,790	-	-	-	-	114,039	109,790
Undrawn, unapplied administered appropriations	600	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	600	-
Total	600	-	-	-	-	-	-	-	-	-	-	-	114,039	109,790	-	-	-	-	114,639	109,790

Notes to and forming part of the Financial Statements

Note 18: Special accounts

Other Trust Monies Account	2007	2006
	\$	\$
Legal authority: <i>Financial Management and Accountability Act 1997; s20</i>		
Purpose: For the receipt of moneys temporarily held in trust or otherwise for the benefit of a person other than the Commonwealth.		
This account is interest bearing		
Balance carried from previous period	7,243,077	3,508,156
Appropriation for reporting period	-	-
Costs recovered	-	-
GST credits (FMA Act s30A)	-	-
Realised investments	-	-
Other receipts	18,145,276	14,335,497
Total credits		
Available for payments	25,388,353	17,843,653
Payments made	14,166,145	10,600,576
Payments debited from the special account (FMA Act s28)	-	-
Investments debited from the special account (FMA Act s39)	-	-
Total debits	14,166,145	10,600,576
Balance carried to next period	11,222,208	7,243,077
Represented by:		
Cash - transferred to the Official Public Account	-	-
Cash - held by the agency	11,222,208	7,243,077
Total balance carried to the next period	11,222,208	7,243,077

Note: OTM comprises of the following sub-accounts:

- 1 AFP Official Exhibit & Seized Monies and Manual Cheque Issue Exempt SPM Account
- 2 AFP Official MPR & Warrants and Manual Cheque Issue SPM Accounts
- 3 AFP Official Salary Packaging Exempt SPM Account
- 4 AFP Official Comcare SPM Trust Account

Notes to and forming part of the Financial Statements

Services for other Governments and Non-Agency Bodies Account	2007	2006
	\$	\$
Legal authority: <i>Financial Management and Accountability Act 1997</i> ; s20 Purpose: For the payment of moneys in connection with services performed on behalf of other governments and non-agency bodies. This account is interest bearing		
Balance carried from previous period	159,227	72,626
Appropriation for reporting period	-	-
Costs recovered	-	-
GST credits (FMA Act s30A)	-	-
Realised investments	-	-
Other receipts	497,069	2,648,300
Total credits		
Available for payments	656,296	2,720,926
Payments made	212,707	2,561,699
Repayments debited from the special account (FMA Act s28)	-	-
Repayments debited from the special account (FMA Act s39)	-	-
Total debits	212,707	2,561,699
Balance carried to next period	443,589	159,227
Represented by:		
Cash - transferred to the Official Public Account	-	-
Cash - held by the agency	443,589	159,227
Total balance carried to the next period	443,589	159,227

Note: SOG comprises of the following sub-accounts:

- 1 AFP Official National Police Memorial Exempt SPM Trust Account
- 2 AFP Trust Account - Australasian Disaster Victim Identification Committee
- 3 AFP Official ADVI Database Exempt SPM Account
- 4 AFP Official ADVI Comtrain Exempt SPM Account

Notes to and forming part of the Financial Statements

Protective Services Special Account - formerly Australian Protective Service Account	2007	2006
	\$	\$
Legal authority: <i>Financial Management and Accountability Act 1997; s20</i> Appropriation: <i>Financial Management and Accountability Act 1997; s21</i> Purpose: For expenditure in connection with the provision of security and protective services inside and outside Australia and the carrying out of activities that are incidental to this purpose. This account is not interest bearing		
Balance carried from previous period	80,483,953	42,150,814
Appropriation for reporting period	6,364,000	136,765,000
Costs recovered	34,385,284	66,029,094
GST credits (FMA Act s30)	2,972,956	5,083,012
Realised investments	-	-
Other receipts	416	-
Total credits	-	-
Available for payments	124,206,609	250,027,920
Payments made to employees	95,558,362	110,904,085
Payments made to suppliers	19,717,376	41,284,756
GST payments	1,440,185	5,080,763
Payments made for competitive neutrality	3,579,194	5,544,000
Purchase of assets	2,595,752	6,372,363
Dividend payments	1,214,211	358,000
Total debits	124,105,080	169,543,967
Balance carried to next period	101,529	80,483,953
Represented by:		
Cash - transferred to the Official Public Account	-	75,636,000
Cash - held by the agency	101,529	4,845,704
Less: Other payables - Net GST payable to the ATO	-	2,249
Total balance carried to the next period	101,529	80,483,953

Asia Pacific Group on Money Laundering Special Account - formerly Financial Action Task Force - Asia Pacific Group Secretariat Account	2007	2006
	\$	\$
Legal authority: <i>Financial Management and Accountability Act 1997; s20</i> Purpose: For expenditure relating to providing secretariat support in relation to the detection and prevention of money laundering in the Asia Pacific region and carrying out activities that are incidental to this purpose. This account is interest bearing		
Balance carried from previous period	1,015,848	-
Appropriation for reporting period	-	415,000
Costs recovered	1,581,027	2,771,665
GST credits (FMA Act s30A)	-	-
Realised investments	-	-
Other receipts	-	-
Total credits	-	-
Available for payments	2,596,875	3,186,665
Payments made	1,892,957	2,170,817
Balance carried to next period	703,918	1,015,848
Represented by:		
Cash - transferred to the Official Public Account	-	-
Cash - held by the agency	701,291	1,001,167
GST receivable from the ATO	2,627	14,681
Total balance carried to the next period	703,918	1,015,848

Notes to and forming part of the Financial Statements

Note 19: Compensation and debt relief

	2007	2006
	\$	\$
Departmental		
No 'Act of Grace' expenses were incurred during the reporting period (2005: No expenses).	-	-
No waivers of amounts owing to the Commonwealth were made pursuant to subsection 34(1) of the Financial Management and Accountability Act 1997 (2006: one waiver).	-	423
Two payments were made under the 'Defective Administration Scheme' during the reporting period (2006: Two payments made).	3,611	3,170
No payments were made under s73 of the Public Service Act 1999 during the reporting period (2006: No payments made).	-	-
No ex-gratia payments were provided for during the reporting period (2006: No payments provided for).	-	-

Notes to and forming part of the Financial Statements

Note 20: Reporting of outcomes

Note 20A: Net cost of outcome delivery

	Outcome 1		Outcome 2		Total	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Expenses						
Administered	-	-	-	-	-	-
Departmental	986,879	814,658	108,443	101,572	1,095,322	916,230
Total expenses	986,879	814,658	108,443	101,572	1,095,322	916,230
Costs recovered from provision of goods and services to the non government sector						
Administered	-	-	-	-	-	-
Departmental	30,513	34,343	102,640	94,191	133,153	128,534
Total costs recovered	30,513	34,343	102,640	94,191	133,153	128,534
Other external revenues						
Departmental						
Goods and services revenue from related entities	55,023	56,423	-	-	55,023	56,423
Other revenue	21,448	9,045	6,067	7,394	27,515	16,439
Total departmental	76,471	65,468	6,067	7,394	82,538	72,862
Total other external revenues	76,471	65,468	6,067	7,394	82,538	72,862
Net cost/(contribution) of outcome	879,895	714,847	(264)	(13)	879,631	714,834

Outcomes 1 and 2 are described in Note 1.1. Net costs shown include intra-government costs that are eliminated in calculating the actual Budget outcome.

Note 20B: Major classes of departmental income and expenses by outputs

Outcome 1	Output 1.1		Output 1.2		Output 1.3	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Departmental expenses						
Employees	80,957	79,077	67,102	56,483	32,689	26,359
Suppliers	69,112	65,924	46,421	47,089	23,918	21,975
Depreciation and amortisation	5,611	9,920	5,411	7,086	2,926	3,307
Other expenses	525	336	459	240	148	112
Total departmental expenses	156,205	155,257	119,393	110,898	59,681	51,753
Funded by:						
Revenues from government	124,000	139,003	119,223	99,288	48,250	46,334
Sale of goods and services	11,867	9,278	14,625	6,627	4,953	3,093
Other	2,416	3,799	2,268	2,714	1,179	1,266
Total departmental revenues	138,283	152,080	136,116	108,629	54,382	50,693

Outcome 1 (continued)	Output 1.4		Output Group 1.5		Output Group 1.6		Outcome 1 Total	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Departmental expenses								
Employees	74,203	68,888	115,541	97,220	105,424	81,346	475,916	409,373
Suppliers	162,233	134,070	61,238	63,641	92,880	33,249	455,802	365,948
Depreciation and amortisation	12,047	5,635	8,862	8,434	14,156	2,696	49,013	37,078
Other expenses	3,185	267	1,364	588	467	717	6,148	2,260
Total departmental expenses	251,668	208,860	187,005	169,883	212,927	118,008	986,879	814,659
Funded by:								
Income from government	240,731	199,800	153,968	162,551	187,408	73,664	873,580	720,640
Sale of goods and services	-	7,071	46,293	24,914	7,798	39,783	85,536	90,766
Other non-taxation income	14,232	-	338	814	1,015	452	21,448	9,045
Total departmental revenues	254,963	206,871	200,599	188,279	196,221	113,899	980,564	820,451

Notes to and forming part of the Financial Statements

Outcome 2	Output 2.1		Outcome 2 Total	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Departmental expenses				
Employees	77,604	72,785	77,604	72,785
Suppliers	28,180	27,723	28,180	27,723
Depreciation and amortisation	2,470	1,064	2,470	1,064
Other expenses	189	-	189	-
Total departmental expenses	108,443	101,572	108,443	101,572
Funded by:				
Sale of goods and services	102,640	94,191	102,640	94,191
Other non-taxation income	6,067	7,394	6,067	7,394
Total departmental revenues	108,707	101,585	108,707	101,585

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Glossary and Indexes



Acronyms used in this report

ABDC	Australian Bomb Data Centre	ATO	Australian Taxation Office
ACC	Australian Crime Commission	ATS	amphetamine-type substances
ACT	Australian Capital Territory	AUP	Airport Uniform Police
ADF	Australian Defence Force	AUSTRAC	Australian Transaction Reports and Analysis Centre
ADVIC	Australasian Disaster Victim Identification Council	BAOs	bomb appraisal officers
AFMA	Australian Fisheries Management Authority	BIS	Business Information Solutions
AGD	Attorney-General's Department	CBRN	Chemical, Biological, Radiological and Nuclear
AHTCC	Australian High Tech Crime Centre	CBRNDC	Chemical, Biological, Radiological, Nuclear and Explosives Data Centre
AI	Aviation Intelligence	CBT	Computer Based Training
AIDIP	Australian Illicit Drug Intelligence Program	CDPP	Commonwealth Director of Public Prosecutions
AIJWG	Airport Intelligence Joint Working Group	CFO	Chief Finance Officer
AIPM	Australian Institute of Police Management	CG&ES	Corporate Governance and Executive Support
ANCD	Australian National Council on Drugs	CLC	Culture and Language Centre
ANCD	Australian National Council on Drugs	CMIS	Case Management Information System
ANCOR	Australian National Child Offenders Register	COAG	Council of Australian Governments
ANSTO	Australian Nuclear Science and Technology Organisation	CPP	Close Personal Protection
ANZPSA	Australia and New Zealand Policing Support Agency	CPPSLO	CPP Security Liaison Officer
AOCC	AFP Operations Coordination Centre	CPSM	Commonwealth Protective Security Manual
APC	Airport Police Commanders	CREADS	Criminal Records Enquiry and Disclosure Service
APEC	Asia Pacific Economic Cooperation	CSI	Counter and Security Intelligence
APG	Asia-Pacific Group on Money Laundering	CTCT	Counter Terrorism Controls Team
APW	Anzac Park West	CTI	Counter Terrorism Intelligence
ARC	Australian Research Council	DAFF	Department of Agriculture, Fisheries and Forestry
ARHCIWG	Asia Region Heads of Criminal Intelligence Working Group	DEWR	Department of Employment and Workplace Relations
ASIC	Australian Securities and Investments Commission	DFAT	Department of Foreign Affairs and Trade
ASIC	Aviation Security Identification Card	DIAC	Department of Immigration and Citizenship
ASIO	Australian Security Intelligence Organisation	DOFA	Department of Finance and Administration
ASIST	Airport Security Incident Support Teams	DPU	Diplomatic Protection Unit
ASO	Air Security Officer	DVI	disaster victim identification
ATEX	APEC Themed Exercise		

EAP	Employee Assistance Program	ISST	Identity Security Strike Teams
ECPAT	End Child Prostitution, Child Pornography and Trafficking of Children for Sexual Purpose.	JAIG	Joint Airport Intelligence Group
		JAIT	Joint Airport Investigation Team
EMB	Executive Management Board	JCLEC	Jakarta Centre for Law Enforcement Cooperation
FBT	Fringe Benefits Tax	JCTICU	Joint Counter-Terrorism Intelligence Coordination Unit
FC&AC Plan	Fraud Control and Anti-Corruption Plan	JCTT	Joint Counter Terrorism Team
FDIPP	Future Directions in Pacific Policing	JRCT	Jakarta Regional Cooperation Team
FED	Firearms and Explosive Detector	L&D	Learning and Development
FILO	Family Investigative Liaison Officer	LAWs	Light Anti-Armour Weapons
FIT	Financial Investigation Teams	LCIP	Leadership in Criminal Intelligence Program
FLC	Family Law Court of Australia	LECP	Law Enforcement Cooperation Program
FLF	Australian Government Fraud Liaison Forum	LELO	Law Enforcement Liaison Officer
FMA	Financial Management and Accountability	LIMS	Laboratory Information Management System
FOI	Freedom of Information	LMCD	Leadership, Management and Corporate Development
GBRMPA	Great Barrier Reef Marine Park Authority	LTTE	Liberation Tigers of Tamil Eelam
GLBTI	gay, lesbian, bisexual, transgender and intersex	MCBRNE	Manager Chemical, Biological, Radiological Nuclear and Explosive
GLLO	Gay and Lesbian Officer	MCDS	Ministerial Council on Drug Strategy
GST	Goods and Services Tax	MCPEMP	Ministerial Council for Police and Emergency Management – Police
HOCOLEA	Heads of Commonwealth Operational Law Enforcement Agencies	MIA	Manager of Intelligence Analysis
HR	Human Resource	MION	Malunggang Indigenous Officer's Network
IDG	International Deployment Group	MNOST	Multi-National Operations Support Team
IDP	Investigator's Development Program	MOSC	Management of Serious Crime
IFS	IDG Future Strategy	MOUs	memorandums of understanding
IGCD	Intergovernmental Committee on Drugs	MPS	Ministry of Public Security of the People's Republic of China
IMDP	Intelligence Management Development Program	MRCT	Manila Regional Cooperation Team
IMOSC	International Management of Serious Crime	MSIC	Maritime Security Identification Card
INP	Indonesian National Police	NARC	National Awards and Recognition Committee
IPPs	internationally protected persons	NATA	National Association of Testing Authorities
IPTL	International Police in Timor-Leste	NCB	National Central Bureau (Interpol)
ISD	Information Services Delivery		
ISS	Information Services Support		

NCDP	National Coordinator Development Program	ROU	Record of Understanding
NCTP	National Counter Terrorism Plan	RRDT	Regional Rapid Deployment Teams
NDLERF	National Drug Law Enforcement Research Fund	RTP	Royal Thai Police
NGOs	non-government organisations	SCNS	Secretaries Committee on National Security
NISS	National Identity Security Strategy	SES	Senior Executive Service
NMI	National Measurement Institute	SIEV	Suspected Illegal Entry Vessel
NMPCC	National Missing Persons Coordination Centre	SIPF	Solomon Islands Police Force
NOC	National Operations Centre	SLG	Strategic Leaders' Group
NPMCC	National Police Memorial Coordination Committee	SOAR	Staff Opinion Analysis and Review Survey
NSC	National Security Committee of Cabinet	SPSO	Senior Protective Service Officers
NSW	New South Wales	TA	threat assessments
NTAC	National Threat Assessment Centre	TCCC	Transnational Crime Coordination Centre
NUC	National Uniform Committee	TCN	Transnational Crime Network
OCIO	Office of the Chief Information Officer	TCT	Transnational Crime Team
OCSET	Online Child Sexual Exploitation Team	TCUs	Transnational Crime Units
OH&S	Occupational, Health and Safety	TDA	Targeted Deterrence Activities
PACE	Customs Passenger Analysis Clearance and Evaluation	TID	Telecommunications Interceptions Division
PCGMP	Police Consultative Group on Missing Persons	TLDPP	Timor-Leste Police Development Program
PICP	Pacific Islands Chiefs of Police	TNCC	Transnational Crime Coordination Centre
PNG	Papua New Guinea	TSETT	Transnational Sexual Exploitation and Trafficking Teams
POCA	Proceeds of Crime Act	UNFICYP	United Nations Peacekeeping Force in Cyprus
PPF	Participating Police Force	UNMIS	United Nations Mission in Sudan
PSCC	Protective Security Coordination Centre	UNMIT	United Nations Integrated Mission in Timor-Leste
PSO	Protective Service Officer	UNODC	United Nations Office on Drugs and Crime
PSS	Policy and Strategic Services	UPM	Unified Policing Model
PSST	People Smuggling Strike Team	VG	Virtual Global Taskforce
PSU	Prosecution Support Unit	VOIP	Voice Over Internet Protocol
PTCN	Pacific Transnational Crime Network	VoTCare	Victims of Trafficking Care
PTTs	Police Technical Teams	VPF	Vanuatu Police Force
RAMSI	Regional Assistance Mission to the Solomon Islands	VPFCBP	Vanuatu Police Force Capacity Building Project
		WILES	Women in Law Enforcement Strategy

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