



AFP

AUSTRALIAN FEDERAL POLICE



Annual Report

2010-11

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LETTER OF TRANSMITTAL

26 September 2011

The Hon Brendan O'Connor MP
Minister for Home Affairs and Justice
House of Representatives
Parliament House
Canberra ACT 2600

Dear Minister

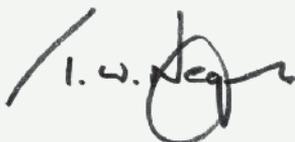
I am pleased to submit the Australian Federal Police annual report for the year 1 July 2010 to 30 June 2011. The report has been prepared in accordance with the *Australian Federal Police Act 1979* and the *Financial Management and Accountability Act 1997*.

This report summarises the performance of the Australian Federal Police for 2010–11 and includes the audited financial statements.

A copy of this report is to be laid before each House of Parliament on or before 31 October 2011.

In accordance with guideline 5.8 of the *Commonwealth fraud control guidelines 2011*, I hereby certify that the Australian Federal Police has in place appropriate fraud prevention, detection, investigation, reporting and data collection procedures and processes and that the AFP is taking all reasonable measures to minimise the incidence of fraud in its agency and to investigate and recover the proceeds of fraud against the agency.

Yours sincerely

A handwritten signature in black ink, appearing to read 'T. W. Negus', with a stylized flourish at the end.

TW Negus APM
Commissioner

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01

COMMISSIONER'S REVIEW



OVERVIEW

The year 2010–11 has been successful and challenging for the Australian Federal Police (AFP). We have performed well in our role of enforcing Commonwealth law and combating organised crime and criminal activity within Australia and abroad. We have contributed to broader Commonwealth interests including maintaining the integrity of Australia's border, contributing to disaster response and assisting foreign police development, such as in Afghanistan. The AFP has also provided unique advice to government on policing issues.

The AFP's priorities for the period were set out formally in a Ministerial Direction from the Minister for Home Affairs and Justice, the Hon Brendan O'Connor MP. The Ministerial Direction sets the government's expectations of the AFP and reporting arrangements to inform the government of the AFP's performance. The current Ministerial Direction was issued on 1 July 2010.

In 2010–11 we focused on reinvigorating the AFP's investigative and operational capabilities to accord with the foreseeable operating environment, to improve relationships with national and international partners and to continue to contribute to whole-of-government efforts. The value and impact of building our investigative and operational capabilities are demonstrated in the following:

- The number of cases reaching court increased by 31 per cent (347 to 460).
- The number of high-priority cases reaching court increased by 39 per cent (225 to 313).
- Overall, cases reaching court resulted in 99 per cent conviction rate.
- Drug and fraud investigations resulted in a return on investment ratio of 10:1.
- The Drug Harm Index calculation for 2010–11 was over \$1 billion, more than double the 2009–10 figure.
- In excess of \$41 million of proceeds of crime were restrained, more than double the amount of the previous year.
- AFP members were rapidly deployed to immigration detention centres in response to unrest and assisted in restoring order on a number of occasions.
- The AFP delivered support to crises such as the Queensland floods, Cyclone Yasi and the New Zealand earthquake.
- The AFP maintained an operational footprint across Australia and internationally.

The AFP's revised structure, as informed by the Beale review, has now been in operation for a full financial year, with three deputy commissioners and a chief operating officer responsible for running day-to-day business and guiding the AFP's strategic direction. The structure also includes the functions Serious and Organised Crime and Crime Operations to ensure that investigations are streamlined and that crime types such as fraud, money laundering, the illicit drug trade and technology-enabled crime are dealt with holistically and as efficiently as possible.

The revised structure ensures that the AFP's operations are aligned with the Australian Government's crime and national security priorities and provides operational flexibility, enabling the AFP to deliver outcomes in a complex and evolving law enforcement and national security environment.

As at 30 June 2011, the AFP had 6898 staff comprised of sworn police (3217), protective service officers (1066) and unsworn staff (2615).

The AFP recorded a strong operating result with a reported departmental operating deficit of \$9.9 million (excluding the impact of unfunded depreciation) – less than one per cent of the AFP's total budget. This operating result was achieved through robust budget management in an environment where the AFP has been able to respond to unforeseen events including the New Zealand earthquake and Queensland floods. The operating loss would not have occurred if the AFP had sought and received supplementation under existing no-win, no-loss arrangements relating to international deployments.

OPERATIONAL REVIEW

Operationally it has been a very successful year for the AFP, meeting or exceeding 30 of our 32 key performance indicators.

The AFP dealt with a total of 4552 new referrals in 2010–11. The majority of these were related to the Crime Program. The high-priority matters were mainly drug importations, online child sex offences, economic crime including money laundering and fraud, people smuggling, human trafficking and counter terrorism. New referrals also included a large number of requests from other law enforcement agencies (both domestic and international).

The AFP continues to rigorously target illicit drug importation. In October 2010 the AFP and the Australian Customs and Border Protection Service, with the support of New South Wales and Queensland police, intercepted and seized 400 kilograms of cocaine in Queensland – the third largest cocaine haul in Australian history.

Another joint investigation with partner agencies, the New South Wales Police Force and the Australian Customs and Border Protection Service, resulted in the seizure of 240 kilograms of cocaine – the fifth largest seizure of this drug in Australian history.

In November 2010 the AFP was instrumental in a joint agency investigation with the New South Wales Police Force to dismantle an organised crime syndicate producing counterfeit currency.

AFP Counter Terrorism in 2010–11 strengthened its preventive, disruptive and investigative capabilities by establishing a Terrorism Financing Investigations Unit, contributing to the multi-agency Counter Terrorism Control Centre, establishing a Countering Violent Extremism Team and renegotiating Joint Counter Terrorism Teams' memoranda of understanding with each Australian jurisdiction.

The AFP maintained a high tempo of significant terrorism-related activities within Australia and abroad, the most visible result of these being the court findings with respect of Operation Neath, a joint investigation into a planned terrorist attack against Australian Defence Force facilities, which resulted in three people being found guilty of terrorism offences in December 2010.

The AFP launched the interim multi-agency Criminal Assets Confiscation Taskforce on 10 March 2011. The taskforce is an AFP-led Commonwealth initiative committed to identifying and removing the profits derived from criminal activity.

The interim taskforce has operated for a limited time but it has contributed significantly to the increase in assets restrained: \$41.1 million in the 2010–11 financial year compared with \$18.9 million in the 2009–10 financial year.

The AFP moved to establish a permanent Criminal Assets Confiscation Taskforce that will combine the resources of the AFP, Australian Crime Commission and Australian Taxation Office. The work of the taskforce will complement other government measures designed to disrupt and deter serious and organised crime and support the key capabilities identified in the Commonwealth Organised Crime Strategic Framework, in particular targeting the criminal economy.

The AFP's international relationships are fundamental to our success in a global terrorism and organised crime environment. The AFP currently has liaison officers in 29 countries, working with international law enforcement partners to protect Australia's interests.

In July 2010 the AFP opened a liaison office in New Delhi, India. The AFP worked with its Indian counterparts in Operation Adeo, which contributed to a safe and successful 2010 Commonwealth Games in New Delhi. Against the background of a well publicised high-threat environment and media coverage of preparations, the AFP worked in collaboration with partner agencies to assist in facilitating a safe environment for Australians attending the Games.

The AFP is committed to working with our international partners to ensure security and stability in our region. The recent success of democratic elections in Solomon Islands is a tribute to the countries involved in the Regional Assistance Mission to Solomon Islands (RAMSI). Through sharing knowledge and expertise and displaying an understanding of the complex and difficult challenges faced by people in Solomon Islands, RAMSI has helped bring about stability, peace and the rule of law.

During the review period the AFP continued to target people smuggling in Australia's region. In the reporting period we charged 330 people with people smuggling offences, including three individuals involved in the Christmas Island tragedy of December 2010. The Christmas Island tragedy serves as a timely reminder of the human cost of people smuggling.

AFP officers also worked with foreign law enforcement offshore to disrupt people smuggling syndicates, arrest offenders and prevent people from embarking to Australia illegally.

The High Tech Crime Operations area has achieved several key outcomes. These include the November 2010 sentencing of an Australian man for child sex tourism offences committed in Nepal. This man was the first to be convicted for offences introduced under the *Crimes Legislation Amendment (Sexual Offences Against Children) Act 2010*. The amended legislation strengthens the AFP's ability to investigate and prosecute Australians who offend against children offshore and take account of the growing convergence between online crimes against children and child sex tourism.

In March 2011 the AFP was involved in a successful global effort to disrupt an online child abuse forum, the result of an investigation that commenced in 2007. This operation saw the AFP work alongside the United Kingdom's Child Exploitation and Online Protection Centre, United States Immigration and Customs Enforcement, New Zealand Police, EUROPOL, Dutch Police and the Royal Canadian Mounted Police.

The AFP's High Tech Crime Operations area also hosted the Virtual Global Taskforce conference in Sydney during December 2010. The taskforce involves law enforcement, industry, key international non-government organisations and academia. The taskforce, chaired by the AFP, focuses on working with today's youth and recognises that combating online child sex exploitation and creating a safer internet environment for children is a global effort involving the commitment of many relevant agencies, not just law enforcement.

The investigations and operations noted are just a few examples of the work conducted by the AFP over the past year. Much of the AFP's success has been underpinned by the cohesive nature of our close operations support and operational areas. The diversity of skills and expertise contained within these functions is integral to front-line policing and will continue to be a priority for the AFP.

Implementation of Project Macer, the All-In model for policing at Australia's 11 major airports has continued on track. This model requires the Commonwealth and AFP to take responsibility for policing Australia's major airports, with staffing provided by sworn AFP officers. Implementation will continue through the next reporting period to deliver this capacity, which will also see the sworn AFP officers at airports able to be deployed across other crime types as required.

During 2010-11 the AFP also contributed to recovery efforts following the natural disasters in Queensland and New Zealand. In response to the Queensland floods, the AFP committed 83 members to work alongside the Queensland Police Service to assist in search and recovery efforts over a massive search area. The AFP deployed 61 members to New Zealand to support the New Zealand Police in their search, rescue and recovery efforts in Christchurch. The AFP remains well placed to continue to meet the disparate challenges faced in response to natural disaster incidents.

BUSINESS REVIEW

Recommendations from several key reviews were progressed, including the *Federal audit of police capabilities* (the Beale review). Implementation of the agreed recommendations from the Beale review has resulted in more internal flexibility for how we meet our operational priorities.

Furthermore, the AFP has driven improvements in business processes associated with the implementation of new policy initiatives, including in response to issues identified during an audit undertaken by the Australian National Audit Office during the reporting period. These process improvements will continue to be implemented as we move into 2011-12.

Adherence to the AFP's seven strategic principles has realised a number of efficiencies for the organisation. The savings realised through the One AFP, One Corporate initiative, as well as the revised business strategies that have been adopted, have allowed the operational components of the organisation to do their job more effectively.

To ensure maximum effectiveness after the recent period of significant growth for the AFP, I have directed that our Intelligence, High Tech Crime Operations and Forensic and Data Centre functions undergo a continuous improvement process to ensure AFP strategic planning, capability development activity and internal procedures support the investigation and prevention of crime. The AFP has implemented Project Dominia, which aims to simplify and reduce excessive or unnecessarily bureaucratic AFP processes and allows us to better focus on core business. Reforms under this project are already making day-to-day business easier for staff and contribute to a more efficient AFP.

Efficiencies have also been found through the move to the new AFP National Headquarters, the Edmund Barton Building. The AFP National Headquarters was officially opened on 11 April 2011 by Prime Minister Julia Gillard and the Minister for Home Affairs and Justice, the Hon Brendan O'Connor MP. A number of key environmental best-practice initiatives were incorporated in the building's refurbishment, thereby minimising the AFP's carbon footprint.

Shortly after becoming Commissioner, I initiated the Rank Structure Review in recognition of the growing size and diversity of the AFP's role. The review was completed in February 2011 and has been instrumental in our efforts to ensure consistency of ranks, titles and insignia across the sworn workforce.

Negotiations for the new AFP Enterprise Agreement 2011–15 were conducted throughout the period. While negotiations were yet to be finalised as at 30 June 2011, the AFP and employee representative groups have bargained on a range of enhancements to working patterns, allowances and general terms and conditions to craft an agreement more aligned to the contemporary needs of both staff and the organisation.

The AFP has also implemented a greater focus on customer service training as a means of improving both internal and external engagement and communication. The training was initiated to encourage a consistently high standard of customer service in a function that represents core corporate support to the AFP.

Workplace diversity has continued to be a top priority for the AFP. It is pleasing to note that the AFP was recognised as the top public sector organisation for the 2011 Australian Employer Quality Index award and was ranked second overall against Australia's best private and public employers.

FUTURE OUTLOOK

Australia is faced with the ongoing threat of terrorism and serious and organised crime. These threats emanate from both within Australia and offshore. This presents a complex and changing operating environment for the AFP.

To operate successfully in this environment and to fulfil our mandate into the future, it is critical for the AFP to maintain effective partnerships with a broad range of stakeholders. As a member of the Attorney-General's portfolio and the national security community, the AFP will continue to take every opportunity to strengthen stakeholder relationships and promote the AFP's unique role, capabilities and expertise.

The AFP will continue to focus on fighting terrorism, serious and organised crime and security threats affecting Australia's interests both in Australia and offshore. We will also continue to drive efficiencies within the organisation to ensure that we maintain our focus on operational outcomes that apprehend offenders or prevent crime. Central to this will be the continuing commitment to our seven strategic principles and our values.

The AFP operates within a strong and comprehensive oversight and accountability framework, starting with the Ministerial Direction through which the Minister outlines the government's strategic priorities for the AFP. Against the Ministerial Direction and through our Portfolio Budget Statements and annual reports, the AFP is accountable to parliament.

Additional oversight comes through Australian National Audit Office examination and Commonwealth Ombudsman review of the AFP's exercise of specific powers. The Australian Information Commissioner oversees the AFP in relation to privacy and freedom of information obligations. AFP employees are also subject to professional standards and complaints regimes which are overseen by the Ombudsman and the Australian Commission for Law Enforcement Integrity.

The 2010–11 reporting period was marked by an important addition to this oversight framework, the Joint Parliamentary Committee on Law Enforcement. For the first time, outside of the Senate Estimates process, parliament has a committee monitoring and reporting on the performance of the AFP. The committee also has the ability to examine trends and changes in criminal activities, practices and methods and report on any desirable changes to the functions, structure, powers and procedures of the AFP.

Finally, on a personal note, 2010–11 marks my first full reporting year as Commissioner of the Australian Federal Police. It is an honour to lead such an effective police force and I look forward to what promises to be an exciting and successful year ahead.

The seven strategic principles are:

Reinvigorate investigations	Reinvigorate our investigations capability by increasing resourcing and skills in the area.
Flexible deployment	Develop a more flexible tactical capability and deployment model across the uniformed workforce; align workforce development to workforce deployment through a small number of career streams.
Intelligence-led risk-based	Enhance our intelligence-led risk-based approach to prioritise deployment of our resources around criminal and security risks.
One AFP, One Corporate	Rationalise and consolidate corporate functions.
Reduce supplier costs	Reduce supplier costs to the AFP such as energy, fleet and property.
Eliminate duplication	Map business processes, especially information and reporting processes to eliminate duplication or low value processes.
Strengthen stakeholder relationships	Educate and engage our stakeholders around our capability and expertise – stakeholders include the Minister and partner agencies.

The AFP's values are:

Integrity	A quality that underpins an individual's soundness of moral principles. It is manifested in their uprightness, honesty and sincerity in their approach to themselves, others and their work.
Commitment	Characterised by dedication, application, perseverance, a belief in a personal capacity and professionalism to achieve and add value.
Excellence	Seeking improvement in everything we do and in the quality of the services we provide.
Accountability	Ownership of work results, personal actions and being answerable for outcomes.
Fairness	Characteristics of impartiality and equity.
Trust	Faith, confidence and being able to rely and depend on others.



02

OVERVIEW OF THE AUSTRALIAN FEDERAL POLICE

THE ROLE OF THE AFP

The role of the AFP is to enforce Commonwealth criminal law, to contribute to combating organised crime and to protect Commonwealth and national interests from criminal activity in Australia and overseas. The AFP is also Australia's international law enforcement and policing representative and the Australian Government's chief source of advice on policing issues. Section 8 of *Australian Federal Police Act 1979 (the Act)* outlines the functions of the AFP, which are:

- 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 and Australia's external territories
- protective and custodial functions as directed by the Minister
- the provision of police services and police support services to assist or cooperate 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 to establish, develop and monitor peace, stability and security in foreign countries.

The AFP's strategic priorities are determined in accordance with section 8 of the Act and Ministerial Directions issued under section 37(2) of the Act. These strategic priorities are reflected in the AFP's Portfolio Budget Statement and seven strategic principles:

- **Reinvigorate investigations:** reinvigorate our investigations capability by increasing resourcing and skills in the area
- **Flexible deployment:** develop a more flexible tactical capability and deployment model across the uniformed workforce; align workforce development to workforce deployment through a small number of career streams
- **Intelligence-led risk-based:** enhance our intelligence-led risk-based approach to prioritise deployment of our resources around criminal and security risks
- **One AFP, One Corporate:** rationalise and consolidate corporate functions
- **Reduce supplier costs:** reduce supplier costs to the AFP such as energy, fleet and property
- **Eliminate duplication:** map business processes, especially information and reporting processes, to eliminate duplication or low-value processes
- **Strengthen stakeholder relationships:** educate and engage our stakeholders around our capability and expertise – stakeholders include the Minister and partner agencies.

The AFP's focus remained on reducing criminal and other security threats to Australia's collective economic and societal interests during 2010–11. In collaboration with its domestic and regional law enforcement partners, the AFP focused on:

- countering the threat of terrorism to Australians and Australian interests, both nationally and internationally
- providing assistance to the Pacific region and to other areas of national interest such as Solomon Islands, Timor-Leste and Afghanistan to strengthen order and their rule of law
- preventing and investigating organised and serious criminal activity affecting Australians and Australian interests
- countering the threat posed by high-tech crime and cybercrime.

NEW REPORTING STRUCTURE

As a result of the *Federal audit of police capabilities* delivered by Mr Roger Beale AO in 2009, the AFP consolidated its key national capabilities around three core operational programs: security and protection, international deployments and serious crime. Along with one operational support program, this rationalised the previous seven programs into four focused programs and allowed greater flexibility in directing resources to emerging and priority needs. The AFP's revised Outcome 1 statement and associated programs formally took effect from 1 July 2010.

OUTCOME 1

Outcome 1 contributes to reduced criminal and security threats to Australia's economic and societal interests through cooperative policing services.

Program 1.1: National Security – Policing

Program 1.1's primary focus is on prevention. It comprises the Counter Terrorism, Aviation and Protection functions.

Program 1.2: International Deployments

The International Deployment Group delivers initiatives on behalf of the Australian Government that are aimed at improving regional and international security, stability and governance.

Program 1.3: Operations – Policing

Program 1.3 seeks to reduce criminal threats to Australia's collective economic and societal interests by employing a multidisciplinary approach to combating crimes against the Commonwealth. The program comprises the Serious and Organised Crime (which includes the International Network) and Crime Operations functions.

Program 1.4: Close Operational Support

Program 1.4 provides specialist support to the AFP's national security and operations programs, in particular addressing advancements in technology and science.

MINISTERIAL DIRECTION

On 1 July 2010 the Minister for Home Affairs and Justice issued a Ministerial Direction under subsection 37(2) of the *Australian Federal Police Act 1979*, outlining the Australian Government's priorities for, and expectations of, the AFP. This supersedes the Ministerial Direction issued on 25 August 2008. The Minister's expectation of the AFP, where appropriate in partnership with other Commonwealth agencies, is to address the following key strategic priorities:

- countering the threat of terrorism to the safety and security of Australians and Australian interests, inside and outside Australia, including through countering violent extremism
- supporting the implementation of the Commonwealth Organised Crime Strategic Framework and preventing, disrupting and investigating serious and organised criminal activities impacting on the interests of the Australian community
- safeguarding the economic interests of the nation from criminal activities such as serious fraud, money laundering, corruption, intellectual property crime and technology-enabled crime
- contributing effectively to Australia's border management and security, particularly protecting Australia from people smuggling, including by prevention, deterrence and disruption
- contributing effectively to the government's international law enforcement interests including matters involving cooperation to combat transnational organised crime, responses to emergencies, law and order capacity building missions and participation in internationally mandated peace operations
- countering the threat of cybercrime including through achieving and maintaining a technological edge over criminals
- leading and managing the law enforcement and crime prevention aspects of aviation security
- ensuring that specific individuals, establishments and events, identified by the Australian Government as being at risk, are protected

- implementing the relevant recommendations of *New realities: national policing in the 21st century (federal audit of police capabilities)*, particularly achieving a revised program structure and consolidation of most of the core, lapsing and terminating funding into base funding and enhancing core investigative capabilities
- contributing actively to broader government programs or initiatives where their successful implementation requires the engagement of law enforcement capabilities
- where possible, identifying emerging criminal threats to the national interest and, for issues in which the AFP has operational expertise, advising on appropriate approaches to counter such threats.

The Minister expects the AFP, in performing its functions and prioritising its activities, to adhere to government policies and to:

- cooperate with Australian Government, state and territory government and international counterpart departments and agencies in developing, implementing and managing national security, law enforcement and crime prevention policies and operational activities, including through information and intelligence sharing
- take account of the government's longstanding opposition to the application of the death penalty in performing its international liaison functions
- continue to develop, implement and manage advanced information and support systems that enable the sharing of criminal information and intelligence among law enforcement and intelligence agencies
- maintain and enhance a professional culture, based on AFP core values, that ensures the community's confidence is maintained at all times, including through effective policing and the AFP workforce respecting and reflecting the diversity of the Australian community
- maintain a contemporary workforce strategy encompassing attraction and retention strategies in relation to Australians from all backgrounds
- build a relationship of trust with the Indigenous community through the expansion of Indigenous recruitment, enhancement of cultural sensitivity within its workforce and improved engagement with Aboriginal and Torres Strait Islander people, including maintaining its Reconciliation Action Plan and Indigenous Employment Strategy
- manage AFP resources efficiently and effectively in accordance with the *Financial Management and Accountability Act 1997* and the Finance Minister's Orders
- maintain a high standard of corporate governance, including risk management, through legislative compliance and fostering a culture of continuous improvement
- protect privacy, occupational health and safety, and workplace diversity.

STRATEGIC LEADERS' GROUP

The Strategic Leaders' Group was established during 2007–08, replacing the former Executive Management Board and National Managers' Group. Membership of the Strategic Leaders' Group comprises the Commissioner (the Chair), the deputy commissioners, the Chief Operating Officer, the Chief Police Officer ACT Policing, national managers and two non-executive members. The non-executive members have an independent advisory role and their knowledge and experience adds value to the Strategic Leaders' Group's deliberations. During 2010–11, the non-executive consultant members were Mr Will Laurie and Mr Ric Smith AO PSM.

The Strategic Leaders' Group is the AFP's peak advisory committee and assists the AFP Commissioner in making decisions and exercising his statutory responsibilities. The Strategic Leaders' Group also supports the Commissioner in developing and enhancing partnerships with external stakeholders.

The role of this group includes reviewing and guiding the AFP's strategic direction, consistent with the Ministerial Direction. During its bimonthly meetings in 2010–11, a range of strategic issues were considered. These included:

- endorsement of the AFP's International Engagement Strategy, which aims to guide decision making for the AFP's presence overseas and is owned and managed by the AFP's International Policy Coordination Group, a formal subcommittee of the Strategic Leaders' Group
- the Rank Structure Review which aimed to standardise uniform insignias for AFP members and protective service officers and to recognise experience and capability
- requirements associated with the Information Publication Scheme, which commenced in May 2011, under the *Freedom of Information Act 1982*
- a range of human resource issues including AFP workforce demographics, the AFP's Graduate Program, the draft AFP Two Year Rolling Workforce Plan 2010–12, workforce diversity, operational fitness and the AFP workforce in the over-55 age group and transition to retirement
- the budget process, new policy proposals and significant issues arising from the Strategic Investment Committee, the Finance Committee and the Performance and Budget Monitoring Committee
- enterprise bargaining for new agreements for both the Executive Level Band 9 and the Band 1–8 workforce
- the Aviation Workforce Transition Project
- organisational performance
- the benefits of the Enhanced Technical Surveillance system
- a range of information management issues
- strategic legal and legislative issues including the AFP's engagement with ongoing legislative review and law reform processes, and the provision of legal services in support of the AFP's business.

The development of a new strategic framework and strategic plan for the period 2011–14 will be one of the primary issues under consideration by the Strategic Leaders' Group in the new financial year.

Chart A: The AFP's organisational structure at 30 June 2011





03

PERFORMANCE OVERVIEW

OUTCOME 1

NEW REPORTING STRUCTURE

In 2010 the AFP consolidated its program structure under an updated Outcome 1 statement: *Reduced criminal and security threats to Australia's collective economic and societal interests through cooperative policing services. Outcome 2 remained unchanged and continues to reflect the AFP's role in community policing within the Australian Capital Territory.*

The main changes from 2009–10 to 2010–11 are the formation of the following programs:

- National Security – Policing (an amalgamation of Protection Services, Aviation Services and the Counter Terrorism component of the former Criminal Investigations Program)
- Operations – Policing (an integration of key elements from the former Criminal Investigations Program including the Border and International Network, and Economic and Special Operations).

This chapter provides a summary of performance of the four programs under Outcome 1. Further performance details are in chapters 04 to 05.

PERFORMANCE ANALYSIS

The AFP had 32 key performance indicators (KPIs) set in the Portfolio Budget Statement (PBS) 2010–11 (tables 1 to 4). The AFP met or exceeded the targets for 30 of the 32 KPIs. The two targets not met were:

- KPI 17 – operational coordination (external satisfaction rating), which scored 71 per cent against a target of 80 per cent
- KPI 23 – the provision of close operations support (internal satisfaction rating), which scored 79 per cent against a target of 80 per cent.

Program 1.1: National Security – Policing

This program comprises Aviation, Counter Terrorism and Protection. The AFP tested the overall level of external client and partner satisfaction with this

program's performance through the AFP Business Satisfaction Survey. The result was a satisfaction rating of 90 per cent (KPI 1, table 1).

The other KPIs within this program were specific to two AFP functions – Aviation and Counter Terrorism. All KPIs were met or exceeded.

The emphasis on prevention, disruption and investigation across the National Security functions is evidenced through all KPIs within Program 1.1. The primary focus is on prevention, achieved through collaborative policing within the security sector. Prevention activities are captured through both KPI 3 and KPI 7. All Aviation response time targets were achieved (KPI 8) and of particular note is the improvement in five-minute response times to priority one airport incidents from 79 per cent in 2008–09 to 83 per cent in 2010–11. The level of community confidence in the AFP's contribution to law enforcement and security at major Australian airports (KPI 6) is established through the annual AFP Airport Community Confidence Survey. In 2011 almost 2000 travellers were interviewed and advised a satisfaction level of 77 per cent – an increase from 70 per cent in 2009 and 76 per cent in 2010.

Internal monitoring and reporting of Protection's Business Satisfaction Survey results showed a marked improvement, increasing to 89 per cent from 81 per cent the previous year.

Program 1.2: International Deployments

The International Deployments program represents the contribution of the International Deployment Group (IDG) to national security by providing policing support to enhance the rule of law internationally. All targets in this program were met or exceeded.

Improvements were seen in the level of satisfaction of IDG domestic and international clients (KPI 9 and KPI 10). IDG resources were directed in accordance with the World Bank's rule of law indicators (KPI 13). Similarly, the IDG contributed regionally through the provision of resources to countries in the Asia-Pacific region (KPI 14) and at levels above the international average (KPI 15).

This year has seen the finalisation of the University of Queensland project (KPI 12). This project was to develop a set of performance indicators that measure the impact of the IDG's contribution to improved international rule of law through delivery of stabilisation and international capacity development operations. The project has been tested and final project documentation titled 'Collaborative Policing, Monitoring and Evaluation' has been provided to the AFP. The AFP will use this material to design evaluation frameworks for future deployments.

Program 1.3: Operations – Policing

The Operations – Policing program comprises the Serious and Organised Crime function and the Crime Operations function. This program achieved five out of the six KPIs. The one KPI not met is the level of satisfaction of partner agencies with operational coordination of joint policing activities around border-related crime (KPI 17). The results were 71 per cent against a target of 80 per cent. Further analysis suggests two contributors to this KPI outcome:

- the wording of the survey question designed to inform this KPI
- the level of neutral responses.

A higher level of satisfaction for KPI 17 was received from AFP International Network clients than from AFP domestic clients. Importantly, however, while not reportable in the KPIs, the overall satisfaction for the Crime Program was 82 per cent.

Despite the discrepancy in the satisfaction results between KPI 17 and the Crime Program's overall satisfaction result, all other Operations – Policing program targets were met or exceeded. This includes the KPIs reflecting the various strategies of the Organised Crime Strategic Framework such as serious and organised crime operations conducted under joint agency agreements (KPI 18) and targeting the criminal economy (KPI 20). The success of fraud and drug investigations is reflected in an overall return on investment ratio of over 10 to 1 (KPI 19). The main components of this calculation are the Estimated Financial Return, which was \$249 million (compared with

\$244 million for 2009–10) and the total Drug Harm Index (DHI), which was over \$1 billion (compared with \$473 million for 2009–10). The DHI is driven by the greater weight of drugs seized in all major drug classes (details in chapter 04). Details of disruption to illicit drug activity both nationally and internationally are also provided in chapter 04.

Of the Operations – Policing program cases reaching court, 99 per cent resulted in a conviction (KPI 21). This was up from 96 per cent in 2009–10. Moreover, the overall number of cases reaching court increased by 31 per cent from 347 to 460. The increase was most pronounced in relation to high-priority cases which increased by 39 per cent from 225 to 313. These increases reflect the trend over the past five years. The increase this year is mainly due to more people smuggling investigations reaching court.

Program 1.4: Close Operational Support

The Close Operational Support program provides specialist support to the AFP national security and operations programs, particularly to address advances in technology and science. It is comprised of AFP Forensic and Data Centres, the High Tech Crime Operations function, the Intelligence function and the Operations Support function. This program met 10 out of 11 KPIs. KPI 23, which achieved a rating of 79 per cent against a target of 80 per cent, relates to the overall level of internal client satisfaction. External client satisfaction achieved 84 per cent against a target of 80 per cent (KPI 22).

AFP Forensic and Data Centres met its service level targets for quality (KPI 24), timeliness (KPI 25), throughput (KPI 26) and capacity building (KPI 27). High Tech Crime Operations exceeded its investigations targets for case prioritisation (KPI 28) and positive case outcomes (KPI 29 and KPI 30) and exceeded its targets for technology crime awareness training of both internal staff (KPI 31) and the school community (KPI 32).

PERFORMANCE OUTCOMES

Outcome 1: Reduced criminal and security threats to Australia's collective economic and societal interests through cooperative policing services

Table 1: Performance of National Security – Policing in relation to PBS KPIs

Program 1.1: National Security – Policing					
Key performance indicator	2009–10		2010–11		
	Actual %	Actual %	Target %	Target achieved?	
Program level					
KPI 1. Level of external client/stakeholder satisfaction (percentage of clients satisfied or very satisfied) ¹	90	90	85	Yes	
Counter Terrorism					
KPI 2. Percentage of time spent on high-impact to very high-impact cases	99	96	95	Yes	
KPI 3. Percentage of counter-terrorism investigations that are preventive (not responsive)	100	100	100	Yes	
KPI 4. Percentage of time spent on operational activity (versus capacity development activity)	83 v. 17	82 v. 18	≥75 v. ≤25	Yes	
KPI 5. Percentage of counter-terrorism investigations that result in a prosecution, disruption or intelligence referral outcome	100	100	90	Yes	
Aviation					
KPI 6. Level of community confidence in the contribution of the AFP to aviation law enforcement and security (percentage of Aviation network users satisfied or very satisfied) ¹		76	77	75	Yes
KPI 7. Proportion of resources used to undertake proactive and intelligence-led counter-terrorism, crime management, public order and first response operations		84	93	70	Yes
KPI 8. Response to aviation law enforcement and/or security incidents in accordance with priority response times	Priority 1: within 5 mins	81	83	75	Yes
	Priority 1: within 10 mins	95	97	90	Yes
	Priority 2: within 15 mins	91	92	75	Yes
	Priority 2: within 20 mins	96	96	90	Yes
	Priority 3: within 90 mins	99	99	75	Yes
	Priority 3: within 120 mins	100	99	90	Yes
	Priority 4: within 24 hrs	100	100	90	Yes

¹ Based on the AFP Business Satisfaction Survey.

Table 2: Performance of International Deployments in relation to PBS KPIs

Program 1.2: International Deployments					
Key performance indicator		2009–10	2010–11		
		Actual	Actual	Target	Target achieved?
Level of client/ stakeholder satisfaction (percentage satisfied or very satisfied) ¹	KPI 9. International clients	82%	100%	80%	Yes
	KPI 10. Australian clients/stakeholders	85%	91%	85%	Yes
KPI 11. Quality assurance review feedback from internal and external reviews		Positive feedback ²	Positive feedback ³	Positive feedback	Yes
KPI 12. Milestones in the University of Queensland project: measuring the impact of IDG's contribution to peace operations and international capacity building		On schedule	Finalised ⁴	Field testing	Yes
KPI 13. Percentage of mission resources committed to countries with rule of law indicators below the international median ⁵		n.a. ⁶	94%	80%	Yes
KPI 14. Percentage of mission resources committed to countries in the Asia-Pacific region		n.a. ⁶	92%	85%	Yes
KPI 15. Number of police per capita committed to support multilateral missions		n.a. ⁶	1.1 per million	Above the international average (0.4) ⁷	Yes

¹ Based on the AFP Business Satisfaction Survey.

² Positive feedback provided in the *Federal audit of police capabilities* (Beale 2009).

³ Positive feedback provided in both the Leahy external review and the independent review of the Cambodia Criminal Justice Assistance Project (Phase three).

⁴ Field testing and implementation testing was undertaken within the Pacific Police Development Program (Marshall Islands and Vanuatu, respectively). The University of Queensland provided the final report and practitioner manuals to IDG in June 2011.

⁵ International median based on annual Rule of Law figures published by the World Bank.

⁶ Not applicable – new KPI introduced in 2010–11.

⁷ International average based on police contributor to missions figures published by the United Nations.

Table 3: Performance of Operations - Policing in relation to PBS KPIs

Program 1.3: Operations – Policing				
Key performance indicator	2009–10	2010–11		
	Actual	Actual	Target	Target achieved?
KPI 16. Level of external client/stakeholder satisfaction with operational and investigative collaboration (percentage satisfied or very satisfied) ¹	n.a. ²	80%	80%	Yes
KPI 17. Level of satisfaction of partner agencies with operational coordination of joint policing activities around border-related crime (percentage satisfied or very satisfied) ¹	n.a. ²	71%	80%	No
KPI 18. Percentage of serious and organised crime operations conducted under joint agency agreements	n.a. ²	51%	50%	Yes
KPI 19. Return on investment for investigation of transnational crime	n.a. ²	13	>1.0	Yes
KPI 20. Percentage of cases targeting the criminal economy	n.a. ²	18%	15%	Yes
KPI 21. Percentage of cases before court that result in conviction ³	96%	99%	90%	Yes

¹ Based on the AFP Business Satisfaction Survey.

² Not applicable – new KPI introduced in 2010–11.

³ This KPI was reinstated in the Portfolio Additional Estimates Statements 2010–11, February 2011.

Table 4: Performance of Close Operational Support in relation to PBS KPIs

Program 1.4: Close Operational Support				
Key performance indicator	2009–10		2010–11	
	Actual	Actual	Target	Target Achieved?
Program level				
KPI 22. Level of external client/stakeholder satisfaction (percentage of clients satisfied or very satisfied) ¹	84%	84%	80%	Yes
KPI 23. Level of internal client/stakeholder satisfaction (percentage of clients satisfied or very satisfied) ²	81%	79%	80%	No
Forensic and Data Centres				
KPI 24. National Association of Testing Authorities Accreditation (ISO 17025) in all relevant forensic disciplines	Current	Current	Maintained	Yes
KPI 25. Provision of timely technical intelligence to the AFP and partner agencies (percentage of responses within five business days)	n.a. ³	91%	90%	Yes
KPI 26. Number of forensic service requests completed	n.a. ³	Above lower limit ⁴	Within 95% limits	Yes
KPI 27. Offshore capacity-building projects (percentage of scheduled deliverables completed)	n.a. ³	100%	80%	Yes
High Tech Crime				
KPI 28. Technology crime investigations: percentage of time spent on high-impact to very high-impact cases	97%	95%	80%	Yes
KPI 29. Technology crime investigations: number of high-impact to very high-impact cases before court	n.a. ³	73	60	Yes
KPI 30. Technology crime investigations: conviction rate ⁵	97%	97%	90%	Yes
KPI 31. Percentage of law enforcement personnel completing technology-related (tier 1) training	n.a. ³	64%	20%	Yes
KPI 32. Enhanced community awareness of technology-enabled crime (percentage of surveyed sample indicating increased awareness post delivery of presentations)	83%	82%	80%	Yes

¹ Based on the AFP Business Satisfaction Survey.

² Based on the AFP Close Operations Support Survey.

³ Not applicable – new KPI introduced in 2010–11.

⁴ The target was based on the previous five years of performance applying Control Chart methodology to monthly output. A 5 per cent tolerance to the variability in past performance was applied. The actual result reflects delivery above the lower tolerance limit and therefore demonstrates that there has been no reduction in output.

⁵ Percentage of cases before court that result in conviction.

OUTCOME 2

ACT POLICING

ACT Policing is the arm of the AFP responsible for fulfilling Outcome 2: *A safe and secure environment through policing activities on behalf of the Australian Capital Territory Government.* More information about performance can be found in the ACT Policing annual report available at www.police.act.gov.au or through ACT Policing Media and Marketing on (02) 6264 9460, act-police-marketing@afp.gov.au.

Role

ACT Policing's role is to deliver quality police services to the Australian Capital Territory (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* (the Policing Arrangement), signed for a further five years on 24 June 2011.

The Policing Arrangement provides for the establishment of an annual purchase agreement between the ACT Minister for Police and Emergency Services, the Commissioner of the AFP and the Chief Police Officer of ACT Policing. The purchase agreement specifies the type and level of services required by the ACT Government from ACT Policing on an annual basis and the agreed price of those services.

The major outcome of the purchase agreement is that ACT Policing is to 'work in partnership with the community to create a safer and more secure Australian Capital Territory through the provision of quality police services'. This is measured through our four pillars: Crime and Safety Management, Traffic Law Enforcement and Road Safety, Prosecution and Judicial Support, and Crime Prevention.

Intent

ACT Policing continually strives to enhance its service delivery to the people of Canberra and, in so doing, contributes to a safer environment for all Canberrans. Its specific intent is to deliver a professional, innovative and responsive policing service for all the people of Canberra.

Mission and values

ACT Policing's mission is to keep the peace and preserve public safety within the ACT.

In line with the AFP, ACT Policing prides itself as being a values-driven organisation. The core values of integrity, commitment, excellence, accountability, fairness and trust represent its principles and standards.

Strategic approach

ACT Policing's strategic approach is to continue to create a safer ACT through:

- understanding the needs of the community and, in so doing, promote mutual trust, assurance and the active cooperation of the community
- delivering proactive policing strategies to prevent, detect, investigate and prosecute crime and address the perceptions of crime and safety in the community
- maintaining a capability to focus and coordinate energy and resources at key points in key moments in time to achieve specific objectives
- embedding a customer service culture that ensures the delivery of compassionate and respectful support to the public
- creating a workforce that continues to deliver a professional policing service that contributes to AFP capabilities and embraces professional development opportunities.

Structure

The ACT Policing Executive comprises the Chief Police Officer, Deputy Chief Police Officer – Response, Deputy Chief Police Officer – Crime and Director Corporate Services.

The Chief Police Officer is responsible to the ACT Minister for Police and Emergency Services and the Commissioner of the AFP. The Chief Police Officer is supported by three functional streams of Crime, Response and Corporate Services.



04

PERFORMANCE DETAILS

OUTCOME 1

PROGRAM 1.1: NATIONAL SECURITY – POLICING

Counter Terrorism

Performance highlights

Operation Neath

- On 23 December 2010 three people were found guilty of terrorism offences contrary to section 11.5 and section 101.6 of the *Criminal Code Act 1995*. These outcomes relate to Operation Neath, which was a joint investigation into planned terrorist attacks against Australian Defence facilities.

In 2010–11 AFP Counter Terrorism strengthened its preventive, disruptive and investigative capabilities by:

- establishing the dedicated Terrorism Financing Investigations Unit to focus specifically on terrorist-financing investigations, intelligence, education and liaison
- establishing a Countering Violent Extremism Team to undertake community engagement and de-radicalisation activities in collaboration with key partners and the community, consistent with the objectives of the national approach to countering violent extremism in Australia
- contributing to the establishment of the multi-agency Counter Terrorism Control Centre to strengthen Australia's counter-terrorism intelligence activities by better integrating and coordinating capabilities across the National Intelligence Community
- renegotiating Joint Counter Terrorism Teams' memoranda of understanding to better integrate and coordinate the roles and functions of law enforcement and security intelligence agencies in the investigation of terrorism-related activities
- facilitating International Counter Terrorism Investigation workshops in Thailand and Malaysia
- deploying a number of Counter Terrorism personnel as part of an AFP team to New Delhi, India, for the 2010 Commonwealth Games and assisting in the establishment and management of a police operations centre at the Australian High Commission to ensure a secure environment for Australians attending the Games.

Overview

The objective of the Counter Terrorism function is to prevent, disrupt and investigate terrorist activity against Australia and Australian interests both domestically and internationally.

During 2010–11 the Counter Terrorism function achieved these results in relation to its key performance indicators:

- 96 per cent of resources were directed to high-impact and very high-impact cases.
- 82 per cent of resources were devoted to operational activity and 18 per cent were devoted to capacity development activity.
- Client satisfaction was 86 per cent.
- 100 per cent of counter-terrorism investigations were preventive.
- 100 per cent of counter-terrorism investigations resulted in a prosecution, disruption or intelligence referral.

Joint Counter Terrorism Teams established in each Australian jurisdiction, comprising members from the AFP and other government agencies, work together to prevent, detect and investigate terrorist incidents and terrorism-related activity, including terrorist financing. Throughout the reporting period the AFP has continued to contribute to a number of preventive operations including Operation Neath and Operation Pendennis, which resulted in successful prosecutions.

The AFP works closely with the Australian intelligence community, state and territory police and the community to evaluate and investigate information which may affect Australia's national security. The AFP's Community Liaison Teams complement these activities by strengthening community ties within demographics identified as being particularly vulnerable to the development of extremist ideologies and the radicalisation of individuals. This community engagement through the AFP Community Liaison Teams involves organising and participating in a range of activities with young people and members of various ethnic and religious communities.

Internationally, the AFP undertakes operational activities and information sharing with international law enforcement agencies to combat the global threat of terrorism. The AFP enhances counter-terrorism capability through:

- Regional Cooperation Teams in Indonesia and the Philippines
- Regional Bomb Data Centres in Malaysia, the Philippines, Thailand and Indonesia
- the Training and Development Centre in Thailand
- Counter Terrorism Liaison Officers in the United Kingdom, United States of America, Indonesia and Pakistan.

While the death of Al-Qaida leader Usama bin Laden in early 2011 was a positive development for international efforts against terrorism, the AFP recognises that the terrorist threat continues to diversify. To combat the threat, the AFP relies on strong cooperative relationships with national security and law enforcement agencies both domestically and internationally.

Domestic counter-terrorism measures

Joint Counter Terrorism Teams

The AFP enjoys strong cooperative and consultative relationships with its Commonwealth, state and territory partners through the Joint Counter Terrorism Teams in each jurisdiction.

The Joint Counter Terrorism Teams are a partnership arrangement, comprising members from the AFP, state and territory police, Australian Security Intelligence Organisation officers and representatives from other agencies where required. The aim of the teams is to work closely with other domestic agencies, the broader intelligence community and international partners to identify and investigate terrorist activities in Australia, including terrorist financing, with a focus on preventive operations.

During 2010–11 the AFP renegotiated nationally consistent governance frameworks for the strategic management of counter-terrorism operations through a memorandum of understanding with each Australian jurisdiction. These instruments integrate and coordinate the

roles and functions of law enforcement and security intelligence agencies as equal partners in the investigation of terrorism-related activities.

Counter Terrorism Control Centre

The Counter Terrorism Control Centre, an initiative announced in the 2010 Counter Terrorism White Paper *Securing Australia, protecting our community*, was established to strengthen Australia's counter-terrorism intelligence activities. The AFP is a key partner agency within the Counter Terrorism Control Centre, which was established and is hosted by the Australian Security Intelligence Organisation to set and manage counter-terrorism priorities, identify intelligence requirements and ensure that the processes of collecting and distributing counter-terrorism information are harmonised and effective across the spectrum of Australia's counter-terrorism activities.

Terrorism Financing Investigations Unit

The AFP recently established the Terrorism Financing Investigations Unit, which is modelled on similar financing investigation units operating in the United States of America and the United Kingdom.

Composed of highly skilled investigators and financial analysts, the role of the Terrorism Financing Investigations Unit is to specifically target the financing of terrorism and terrorist organisations both domestically and offshore. The Terrorism Financing Investigations Unit has representatives from several partner agencies including the New South Wales Police Force, Australian Security Intelligence Organisation, the Australian Transaction Reports and Analysis Centre, Centrelink, Department of Immigration and Citizenship, Australian Taxation Office and the New South Wales Crime Commission.

The Terrorism Financing Investigations Unit has established key relationships with international law enforcement partners who have responsibility for terrorist-financing investigations. During this reporting period the unit also took part in training programs in the United Kingdom and Canada which dealt with issues impacting on terrorist-financing investigations.

Countering violent extremism

The AFP continues to support the national approach to countering violent extremism in Australia. This approach, led by the Commonwealth Attorney-General's Department, aims to provide a strategic focus for a coordinated and comprehensive effort to address the potential for violent extremism and those vulnerable to the processes of radicalisation.

In support of these efforts, the AFP has established the dedicated Countering Violent Extremism Team in Canberra. The team is responsible for the development, implementation and oversight of an AFP national strategy to counter violent extremism. The AFP strategy is underpinned by a collaborative approach with state and Commonwealth partners and a focus on community engagement.

The AFP approach is designed to build on the principles of the AFP National Community Engagement Strategy, which includes building positive, trusting relationships within the community with a view to reducing the likelihood of vulnerable individuals travelling the path of violent extremism.

AFP community engagement activities aimed at strengthening ties with various ethnic and religious communities have included sport, entertainment and family events. For instance, in March 2011 the AFP, in partnership with the Western Bulldogs, Essendon and North Melbourne football clubs, participated in the 2011 Unity Cup in Melbourne. The Unity Cup Family Day is designed to unite Melbourne's culturally diverse communities and consolidate a trusted relationship with law enforcement.



Unity Cup 2011

The AFP also hosted Iftar dinners, held in both Sydney and Melbourne, during the Islamic calendar month of Ramadan. These events were attended by senior representatives of the AFP and senior community leaders to celebrate the breaking of the fast, highlighting the need to accept and embrace religious and community differences.

The AFP continues to support strategies to counter radicalisation in Australian prisons, including disengagement and rehabilitation programs through active involvement in the National Counter Terrorism Committee. The AFP is also a partner agency in a Commonwealth-funded program that provides rehabilitation initiatives and parole conditions for those convicted of terrorism offences in Australia.

National Counter Terrorism Committee

Throughout 2010–11 the AFP continued to actively contribute to the National Counter Terrorism Committee and its subordinate forums.

Through the National Counter Terrorism Committee the AFP contributes to counter terrorism capability development in areas including:

- legal and legislative development
- public information and communication
- nationally compatible communication and information management
- operational response
- preventive investigations
- chemical, biological, radiological and nuclear security and policy.

Counter-terrorism multijurisdictional exercises

The AFP continues to support multijurisdictional counter-terrorism exercises both domestically and internationally. These exercises contribute to Australia's ability to prepare for and prevent acts of terrorism and test our capacity to respond to incidents which involve Australians or Australian interests. During 2010–11 the AFP managed a number of domestic activities including specialised Counter Terrorism Investigation

Workshops, a preventive activity held in Tasmania and several expert tutorial exercises for the Joint Counter Terrorism Teams.

The AFP also managed international Counter Terrorism Investigation Workshops in Thailand and Malaysia in 2010–11.

International counter-terrorism measures

The AFP closely interacts and cooperates with its international partners, particularly in the Asia-Pacific region, to safeguard Australia's national security and prevent the threat of terrorism.

This collaborative approach is managed through dedicated Regional Cooperation Teams in Jakarta and Manila and the Training and Development Centre in Bangkok, which provide investigative, forensic and analytical support to regional partners for investigations into terrorism.

The AFP also maintains dedicated Counter Terrorism Liaison Officers in Washington, London, Jakarta and Islamabad. The role of these liaison officers is to work with law enforcement counterparts in these countries to promote information exchange on emerging terrorism trends and issues.

The AFP also contributes to a variety of international counter-terrorism measures including capacity-building activities, maintenance of a rapid response capability to manage terrorist crises impacting on the economic, social and political stability of Australia's local and global interests and continued collaboration with regional partners in operational support and intelligence sharing.

Regional law enforcement: counter-terrorism liaison and capacity building

In 2010–11 the AFP continued its international efforts to enhance the capacity and skills of regional law enforcement officers to prevent and investigate terrorism. Key activities included:

- using the offshore Counter Terrorism Liaison Officer Program to improve counter-terrorism collaboration with priority countries as part of the AFP International Network

- providing offshore counter-terrorism exercises to test and validate regional capabilities, identify development opportunities and enhance interagency relationships throughout the region
- enhancing and expanding the availability of usage for the AFP-developed Case Management and Information System
 - This software system has improved the ability of law enforcement agencies to effectively manage information in counter-terrorism operations and to combat the growing threat of transnational crime.
- providing ongoing support to the Philippines to enhance the purpose-built forensic explosives laboratory that provides forensic capabilities to support bomb blast investigations
- providing support to Indonesia's DNA laboratory, which provides large-scale disaster victim identification and crime scene and post-blast investigation capabilities and also has the capacity to process biological samples such as human tissue and bodily fluids.

The Family Investigative Liaison Officer Program

In 2010–11 the AFP continued to promote and use its Family Investigative Liaison Officer Program. In the event of major domestic or international incidents and disasters, including terrorism-related events, the program manages the AFP's relationships with Australian victims and their families.

The liaison officers provide information and advice to victims and their families on the progress of investigations undertaken domestically and in foreign law enforcement jurisdictions, ensuring that victims and their families' needs are considered and that they are treated appropriately and professionally at all times.

The Family Investigative Liaison Officers have provided assistance in response to terrorist acts such as the 2002 Bali bombings, natural disasters such as the 2004 Indian Ocean tsunami and more recently the Christmas Island boat tragedy in December 2010.

Counter-terrorism offshore rapid response

The AFP continues to enhance its capacity to provide a rapid response to major incidents, particularly terrorist incidents affecting Australians and Australian interests offshore where forensic, technical and investigative support to investigations is required.

The AFP also provides support and liaison in a preventive capacity during major international events where the potential for a terrorist attack exists. For example, during the 2010 Commonwealth Games in New Delhi the AFP deployed a team in an effort to promote a secure environment for Australians attending the Games. Daily briefings provided by Indian authorities to international law enforcement agencies, including the AFP, provided valuable insight into the operating environment in India during the Games.

Counter-terrorism in the future

The death of Usama bin Laden was a positive development for international efforts against terrorism. However, international terrorism is real and enduring and the nature of the terrorist threat continues to diversify. There is also an ongoing risk of home-grown extremism in Australia which law enforcement and intelligence agencies must continue to manage.

The AFP continues to view counter-terrorism as a high priority which should be intelligence-led and focused on prevention. Through its strong domestic and international engagement, the AFP continues to maintain strong cooperative relationships to prevent acts of terrorism from occurring.

Aviation

Performance highlights

During 2010–11 the Aviation function:

- conducted 124 372 preventive operations
- attended 20 862 response incidents
- charged 54 people before the court
- cautioned 1253 people
- summonsed 276 people
- participated in the interagency response to the improvised explosive devices secreted within computer printer cartridges located in two aircraft that originated from Yemen on 29 October 2010
- coordinated with law enforcement and industry to respond to threats to aviation which were delivered to media outlets, specifically identifying Tullamarine and Avalon airports
- enhanced the national canine capability through the successful procurement, delivery, training and deployment of an additional 17 firearm and explosive detection dogs to Australia's international airports
- commenced the transition from the complex state, territory and federal arrangements for policing major airports to a single federal model, known as the All-In model
 - Since the implementation of Project Macer on 18 December 2010, 293 of the 782 All-In model positions have been filled. It is anticipated that 401 positions will be filled by the end of July 2011.

Overview

Aviation's function is to ensure security and address criminal threats at Australia's 11 major airports and in the aviation sector. Aviation has continued to respond to incidents, including supporting AFP Crime Operations with border-related matters, conducting criminal investigations into aviation-specific crime, maintaining a highly visible patrolling presence and conducting incident preparedness exercises at all designated airports.

During 2010–11 transition from the Unified Policing Model to the All-In model for policing major airports commenced. This transition from complex state, territory and federal arrangements to a single federal model will enhance security and create efficiencies within the aviation sector. This new arrangement, staffed by sworn AFP members, has dedicated resources and consolidated funding.

Transition to the All-In model is occurring under Project Macer and construction of new purpose-built AFP premises and canine facilities at airports is occurring under Project Jupiter. In 2010–11 one canine facility was completed, construction of two purpose-built AFP premises commenced and interim AFP premises were occupied.

During the reporting period 57 former state/territory police officers completed lateral or conversion training and 97 former protective service officers completed or commenced transition training. At the same time, 60 AFP sworn members joined Aviation for service in airports and 70 former state/territory police officers returned to their jurisdictions.

The first AFP bomb appraisal officer course to include former state/territory police, as well as AFP members, was also conducted, and the last of 17 additional firearm and explosive detection dogs were delivered for service.

Responses to security threats at airports

Airport policing

The AFP officers deployed to airports attend to all matters of security and policing at those sites. In 2010–11 they:

- conducted 124 372 preventive operations
- attended 20 862 response incidents
- responded to 3452 unattended or suspicious packages
- arrested 265 people, resulting in 442 charges
- charged 54 people before the court
- cautioned 1253 people
- summonsed 276 people
- made 266 deployments to regional airports.

In addition, the Joint Airport Investigation Teams made 79 apprehensions, resulting in 266 charges and the Aviation Incident Preparedness Team delivered 34 national exercises incorporating all-hazards response at airports.

Yemen cargo incident

On 29 October 2010 two parcels containing explosive devices were intercepted at East Midlands airport in the United Kingdom and Dubai airport in the United Arab Emirates. The parcels were sent from Yemen via United States cargo firms United Parcel Service and FedEx and were destined for Chicago. On 30 October 2010 the Office of Transport Security issued a special security direction (SSD) notice that stipulated all cargo originating from Abu Dhabi, Dubai and Doha be comprehensively screened.

On 5 November 2010 the Office of Transport Security issued a subsequent SSD notice advising that all cargo (including mail) originating from or passing through the Republic of Yemen may not be carried on air services that pass over Australian territory or have a port of call in Australia. The SSD notice included passenger services and freighter services.

The AFP Aviation function worked closely with the Office of Transport Security and the Australian Customs and Border Protection Service to assist with the implementation of the enhanced security-screening measures. This included the extensive use of AFP firearm and explosive detection dog capability and bomb appraisal officers in the cargo stream.

Threats to Tullamarine and Avalon airports

On 18 May 2011 the AFP became aware of a written threat to aircraft operating at Tullamarine and Avalon airports. The threat had been distributed to various media outlets. On 25 May 2011 another written threat, believed to be from the same entity, was received by different parties. The AFP worked closely with Victoria Police to provide an operational response and share intelligence until the matter was determined to be a hoax.

Capabilities

Airport Uniformed Operations Policing

Airport Uniformed Operations Policing (AUOP) officers undertake a counter-terrorist first response function and national and community policing at the 11 major Australian airports: Adelaide, Alice Springs, Brisbane, Cairns, Canberra, Darwin, Gold Coast, Hobart, Melbourne, Perth and Sydney. During 2010–11 the AUOP conducted 124 372 prevention operations and responded to 20 862 incidents.

The AUOP role has been established as part of the transition from the Unified Policing Model to the All-In model at airports. The role is performed by former AFP protective service officers who have transitioned to sworn AFP police officers, former state and territory police officers who have joined the AFP permanently, sworn AFP police officers from other AFP functions and new recruits to the AFP.

AUOP officers enforce Commonwealth law specific to the Aviation sector such as the *Aviation Transport Security Act 2004* and the *Aviation Transport Security Regulation 2005* and assist AFP Crime Operations in prosecuting breaches of Commonwealth border laws such as the *Customs Act 1901* when breaches occur at the 11 major Australian airports. In addition, AUOP officers perform community policing using applied state and territory law where applicable. During the 2010–11 financial year officers arrested 265 people, cautioned 1253 people and summonsed 276 people.

Enhancement of the National AFP Canine capability

On 9 February 2010 the Australian Government announced additional funding of \$17.8 million over four years to enhance the AFP's role in aviation policing and security. The funding increased the number of AFP firearm and explosive detection dogs by 17 and uniformed handlers by 11 and provided additional support staff required to develop and maintain this enhanced capability. The AFP met this commitment on 13 May 2011.

Bomb appraisal officers

AFP bomb appraisal officers contribute to the protection of persons and critical infrastructure at designated places through bomb threat mitigation, deterrence strategies, operational planning, search of vulnerable areas, education and the appraisal of unattended or suspicious items. During 2010–11 bomb appraisal officers responded to 3452 unattended or suspicious packages. The officers' inspection of unattended or suspicious items at airports is critical to ensuring both the safety of the travelling public and the continued efficient operations of airports.

Following the federal government's announcement of an All-In model for policing at Australian airports, the Bomb Appraisal Officer Program conducted the first training course in which participants included police officers who had joined AUOP from three different state police forces and other areas of the AFP, including the Protection function.

Air Security Officer Program

Air security officers provide an intelligence-led deterrence capability on selected domestic and international flights to safeguard Australia-registered aircraft against in-flight attack. This capability includes an in-flight response and resolution capability in the event of an attack.

During 2010–11 air security officers were deployed on both domestic and international flights, demonstrating Australia's commitment to the



AFP bomb appraisal officer

international standards and procedures adopted by the International Civil Aviation Organization.

Joint Airport Investigation Teams

The Joint Airport Investigation Teams (JAITs) provide a specific investigations capacity. The teams proactively target serious and organised criminality and 'trusted insiders' such as aviation employees who exploit, or aim to exploit, infrastructure and security vulnerabilities at all 11 major airports. The AFP members collaborate with personnel drawn from the Australian Customs and Border Protection Service and state police officers from across Australia. The teams also rely on close liaison and cooperation with state and territory law enforcement agencies, government agencies and the aviation industry. During 2010–11 the JAITs made 79 apprehensions resulting in 266 charges. An example of a JAIT investigation is Operation Cambium outlined below.

Operation Cambium

Toll Priority reported that eight consignments of mobile telephones had gone missing between July and August 2010. The Brisbane JAIT identified a person of interest who had been employed as a baggage handler at Cairns airport until August 2010. On 17 February 2011 eight search warrants were executed in the Cairns area and 19 mobile phones were recovered. The person of interest was interviewed and made admissions to the theft of the consignments under investigation. In the magistrate's court he entered a plea of guilty to nine charges of 'Stealing as a servant' under section 398 of the *Criminal Code Act 1899* (Qld). He was sentenced on 18 May 2011 to 18-months imprisonment fully suspended for two years.

Regional Rapid Deployment Teams

Regional Rapid Deployment Teams attend regional airports across Australia to provide an active deterrent against terrorist threats and a counter-terrorist first response capability. These deployments also provide an opportunity to educate regional aviation stakeholders on contemporary security measures and deliver counter terrorist planning strategies. During 2010–11 there were 266 deployments to regional airports.

Incident Preparedness Team

The Aviation Incident Preparedness Team designs and facilitates exercises for the 11 major Australian airports. During 2010–11 the team conducted 34 exercises. The exercises are based on prevalent and emerging security concerns identified through intelligence, stakeholder feedback and management-initiated needs and are designed to enhance an accurate and consistent response to identified incidents.

Cooperation with, and assistance to, state and territory police

The AFP Aviation function worked with state and territory police throughout the period, executing on their behalf 103 warrants relating to issues such as armed robbery, attempted robbery, theft, indecent assault and breach of bail conditions.

Cash seizure at Perth airport

On 1 May 2011 AFP Perth Aviation officers were advised by airline staff at Perth domestic airport of the suspicious behaviour and booking anomalies of a member of the travelling public. AFP Perth Aviation officers challenged the individual regarding his suspicious behaviour, which continued while they were speaking with him. A subsequent search of the individual's luggage established he was carrying \$197 700 in Australian currency that he intended to take to Sydney. He was arrested on suspicion of dealing in the proceeds of crime. The matter was referred to Western Australia Police (WAPol) for further investigation.

Drug seizures

On 18 March 2011 at Adelaide airport AUOP charged a South Australian resident with the state offence of 'Possess prohibited substance for sale' under section 32(1).03 of the *Controlled Substances Act 1984* after he was found in possession of 10 kilograms of cannabis leaf. Information provided to the South Australia Police led to the execution of warrants on a number of premises in southern Adelaide suburbs.

Two passengers were seen acting suspiciously at the Virgin departure lounge of Melbourne airport. The persons of interest boarded a flight to Hobart and were searched on their arrival. An AFP canine reacted positively to the two persons, resulting in police locating 875 amphetamine tablets and 14.5 grams of cocaine with street value of \$25 000. Both were arrested for three separate counts of trafficking in a prohibited substance.

Operation Minesweep

In September 2010 and May 2011 AUOP from Perth airport, AFP Dog Squad, WAPol Gold Stealing Detection Unit, Australian Customs Dog Squad and WAPol Dog Squad conducted Operation Minesweep at the Perth domestic air terminal. The operation proactively targeted trafficking of drugs and explosives to and from gold and diamond mines within Western Australia. Illicit-drug detection dogs and explosive detection dogs were used to screen baggage on flights going to and from the sites and resulted in three apprehensions.

Tropical Cyclone Yasi

On 2 February 2011 Brisbane airport AUOP played a significant role in the evacuation of over 250 critical patients from the Cairns Base Hospital and private hospitals following Cyclone Yasi. The AFP established an incident support centre at Brisbane airport to provide leadership, command and control in the largest hospital evacuation ever undertaken in Australia's history. Patients were transported to hospitals throughout Brisbane.

Protection

Performance highlights

In 2010–11 Protection:

- successfully planned and coordinated AFP support to the 2010 Commonwealth Games in India and Anzac Day celebrations in Turkey and France in 2011
- implemented a client engagement strategy which resulted in 89 per cent client satisfaction in 2011
- deployed members to Norfolk Island in a joint operation with the Norfolk Island Police Force as part of Operation Constance to assist with the safe removal and detonation of more than 500 kilograms of disused explosives located on the island
- commenced planning for new Uniform Protection services at Department of Defence locations in Victoria and New South Wales – these new services will be established in the next 12 months.

Overview

In partnership with Commonwealth, state and territory agencies, the Protection function protects Commonwealth interests in Australia and overseas from acts of terrorism, violent protest and issue-motivated violence and helps maintain the security of individuals and interests identified by the Commonwealth as being at risk.

Protection, which is part of the AFP National Security function:

- provides safe and secure environments for Commonwealth establishments in both Australia and overseas and for Australian high-office holders, internationally protected persons and the diplomatic community living in Australia, including visiting diplomats
- provides close personal protection for Australian and foreign high-office holders deemed to be at risk

- administers the National Witness Protection Program that provides safe and secure environments for those who give evidence in criminal proceedings or who may require protection and assistance for any other reason
- plans and coordinates special events of national interest with strategic partners.

During the 2010–11 financial year Protection was involved in 11 088 movements of Australian and non-Australian office holders. Performance for this output is measured by the:

- prevention of avoidable incidents
- level of client satisfaction
- cost-effectiveness of service delivery as defined in the performance measures.

There were two avoidable incidents during 2010–11, which represents a rate of 0.2 per 1000 movements. This result is considered acceptable for operations of this type, which have a benchmark of five avoidable incidents per 1000 movements.

Of Close Personal Protection resources, 100 per cent were directed to high-impact and very high-impact cases.

Protection underwent a detailed performance audit, conducted by the Australian National Audit Office, with an overall positive result and no recommendations made.

Three new key performance indicators specific to Protection were added to the National Security program in the 2011–12 Portfolio Budget Statement. These new indicators are:

- the rate of avoidable incidents per 5000 hours
- the percentage of time dedicated to preventive versus response activities by Uniform Protection
- the percentage of time dedicated to preventive versus response activities by Close Personal Protection teams.

Uniform Protection

The AFP provides high-visibility preventive and response services to clients for the protection of designated Commonwealth establishments and diplomatic and consular missions within Australia and overseas. These protective security services are government-appropriated and provided on a cost recovery basis.

In 2010–11 Uniform Protection services were provided to:

- diplomatic and consular missions
- official establishments considered to be at risk, including Parliament House, the Lodge, Government House, Kirribilli House and Admiralty House
- nominated Australian Defence Force infrastructure at Headquarters Joint Operations Command in Bungendore in NSW, the Russell Offices in Canberra, Woomera in South Australia, Pine Gap in the Northern Territory and Exmouth and Geraldton in Western Australia
- the Australian Nuclear Science and Technology Organisation
- the International Deployment Group in providing security for the elections in Solomon Islands
- nominated Department of Foreign Affairs and Trade establishments overseas.

The Department of Defence has requested Uniform Protection services at Duntroon Garrison in the ACT, and Victoria Barracks in Melbourne. The new services will be established during the next financial year.



AFP Uniform Protection at work

By the end of the 2010–11 financial year Uniform Protection services were no longer used at:

- Department of Foreign Affairs and Trade, Port Moresby
- Woomera, South Australia
- Participating Police Force, Regional Assistance Mission to Solomon Islands.

In 2010–11 Uniform Protection also:

- deployed members to Norfolk Island in a joint operation with the Norfolk Island Police Force as part of Operation Constance to assist with the safe removal and detonation of more than 500 kilograms of explosives located on the island
- provided assistance to AFP priority operations such as the response to unrest at Christmas Island detention facilities
- invested significant planning and resources to maintain security during charity and public events at the residences of the Prime Minister and the Governor General – these events attract up to 20 000 people annually
- commenced renegotiations of memoranda of understanding with all Uniform Protection commercial clients
- provided external protective security to Parliament House for the ceremonial visits of the Prime Minister of Malaysia, the Prime Minister of Mongolia, the Prime Minister of Samoa and the Prime Minister of New Zealand
- provided external protective security for the opening of the 43rd parliament in September 2010
- gained support from the ACT Legislative Assembly to amend road transport legislation to enable AFP protective service officers to exercise traffic direction and marshalling functions as authorised persons for the purposes of rule 304 of the Australian Road Rules.



AFP Close Personal Protection

Close Personal Protection

The AFP provides protection to the Prime Minister, Governor-General, Israeli Ambassador, United States Ambassador and United States Consul Generals in Melbourne, Perth and Sydney. Internationally protected persons and visiting dignitaries are also provided with varying levels of protection on a case-by-case basis.

The delivery of close personal protection is informed by security threat assessments, visit assessment group ratings, proactive protective security intelligence and other sources.

The AFP Protection teams collaborate with state and territory Protection teams in their jurisdictions.

In 2010–11 Close Personal Protection provided:

- protection for Prime Minister Gillard during 12 international visits
- protection for Governor-General Quentin Bryce during 10 international visits
- protection during 26 official visits by foreign dignitaries to Australia
- security packages for seven full-time principals and for other principals on a risk and as-needs basis

- significant Protection function assets and staff for Anzac Day commemorations in Gallipoli, Turkey, and Villers-Bretonneux, France, in conjunction with the Security Coordination Branch of the Attorney-General's Department, the Department of Foreign Affairs and Trade, the Department of Veterans' Affairs, the Department of the Prime Minister and Cabinet and New Zealand Police
- a Close Personal Protection security liaison officer in Indonesia to liaise with the Indonesian National Police and to negotiate protective security arrangements for the Australian Ambassador's program and for visiting Australian high-office holders to that country
- coordination and planning elements of the whole-of-government security response for the Commonwealth Games 2010 Task Force
- a security liaison officer for the security package for HRH Prince William and the Dalai Lama during visits to Australia
- a full close personal protection package, in consultation with the relevant state police services, to the leader of the opposition during the election campaign and post-election period
- close personal protection packages, in collaboration with state police services, for Australian – United States Ministers (AUSMIN), Australian – United Kingdom Ministers (AUKMIN) and United States Pacific Command (US PACOM) meetings and for leaders from Thailand, Japan, Indonesia, Bosnia, Mongolia, Malta, China, Malaysia, Samoa, New Zealand, Cyprus and Germany
- close personal protection packages for the Pacific Islands Forum, Cairns, as part of Project Atlas
- security liaison officer assistance with 16 domestic visits since 1 July 2010, which included guests of the Australian Government, Defence, the intelligence community and the AFP

Commonwealth Games

In support of the Australian whole-of-government response to the 2010 Commonwealth Games, the AFP made a significant contribution to the maintenance of a secure environment for Australians attending the Games. This was achieved through collaboration with Australian stakeholders, Indian police and security agencies and international law enforcement agencies.

The AFP negotiated security arrangements, treated security risks and provided intelligence support and close personal protection for visiting Australian dignitaries. These services were delivered from the newly established AFP post in New Delhi by representatives from AFP Protection, Counter Terrorism, Intelligence, High Tech Crime Operations and Human Resources functions. AFP members engaged with local law enforcement authorities and law enforcement partners from the United Kingdom, Canada, the United States and New Zealand, sharing resources and intelligence.

These international efforts were supported by the establishment of a joint coordination centre (the Quad), which was the first of its type to be used for a major event. The utility of this arrangement was recognised by dignitaries from all countries involved, including His Royal Highness Prince Edward Earl of Wessex, the Canadian Minister of State for Sport, the Hon Gary Lunn MP and the Australian Minister for Sport, Senator the Hon Mark Arbib, all of whom commented favourably. This success is likely to result in a joint coordination centre being used for large-scale events in the future.

- security liaison officers on:
 - 10 visits by the Governor-General
 - 16 visits by the Prime Minister
 - 3 visits by the Foreign Minister
 - 41 overseas visits by Australian high-office holders
 - 12 visits by other Australian high-office holders.

During 2010–11 Close Personal Protection also:

- commenced a surge strategy that provides a pool of trained Close Personal Protection staff for deployment to special events or additional principals if the security environment changes
- provided significant assets and advice to Western Australia Police, including training assistance and logistics, in the lead-up to the Commonwealth Heads of Government Meeting in October 2011.

National Witness Protection Program

The National Witness Protection Program provides protection and assistance to witnesses identified as being at risk because of assistance they have given to police and other law enforcement agencies in significant criminal prosecutions.

Whole-of-government implications in the relocation of protected witnesses continue to be a focal point of the National Witness Protection Program.

Through the National Witness Protection Program the AFP engages with local and international law enforcement agencies and shares the knowledge and experience gained from this engagement with all Australian jurisdictions through the Australia New Zealand Policing Advisory Agency.

The *Witness Protection Act 1994* requires the Minister for Home Affairs and Justice to report to both houses of parliament on the operation of the National Witness Protection Program at the end of each financial year. The report, which is accessible on the AFP website, must not prejudice the security of the program.

PROGRAM 1.2: INTERNATIONAL DEPLOYMENTS

International Deployment Group

Performance highlights

- **Operation Parliament** – On 4 August 2010 a general election was held in Solomon Islands. The Royal Solomon Islands Police Force, together with the Participating Police Force, assisted in providing security throughout the electoral process. The vote was successfully conducted throughout the country with no significant incidents reported.
- **Operation Pallarenda** – On 15 December 2010 a suspected irregular entry vessel (SIEV) ran aground on rocks in the area known as Rocky Point, Christmas Island. The AFP, the Australian Customs and Border Protection Service, Border Protection Command and the Australian Defence Force coordinated the immediate response to this incident. Despite heavy seas and bad weather severely hampering search and rescue efforts, 42 survivors were recovered. The AFP and other government agencies continue to support the Western Australian coroner in investigating this incident.
- **Operation Clement** – In December 2010 and January 2011 Queensland was affected by a prolonged period of heavy rainfall and a series of floods. Between 10 January and 20 February 2011 the AFP committed a total of 83 personnel to assist the Queensland Police Service's response to this disaster. AFP personnel were tasked with supporting search operations through the provision of swift water search and rescue, community policing, specialist dive support and transport logistics capabilities.

- **Operation Bede** – Between 25 February 2011 and 26 March 2011 a total of 61 AFP members were deployed to Christchurch, New Zealand, after an earthquake of magnitude 6.3 on the Richter scale struck Christchurch. The New Zealand Ministry of Civil Defence and Emergency Management declared the emergency as level 3, the highest for a regional natural disaster. AFP members conducted duties including community policing, reassurance patrols, support to Urban Search and Rescue and high-visibility policing. While off duty, AFP members also assisted New Zealand Police counterparts who had been affected by this incident by cleaning earthquake-affected houses, removing rubble and liquefaction and lending a helping hand where required.
- **Operation Ridley** – On Friday 11 March 2010 an incident occurred in which a large number of clients escaped from the immigration detention centre at North West Point, Christmas Island. Following this incident, ongoing disturbances resulted in the AFP assuming control of the immigration detention centre in order to restore order and security to the facility. The AFP deployed over 200 people in support of this operation.

Overview

Established in February 2004, the International Deployment Group (IDG) provides the Australian Government with a standing capacity to deploy Australian police domestically and internationally to contribute to stability and capacity development operations. The IDG contributes to Australia's United Nations (UN) commitments, as well as regional security and rule of law interests.

Structure

The IDG has three core components:

- a Mission component, comprising sworn and unsworn deployable members
- an Australia-based component that provides operational and corporate support to missions
- the Operational Response Group (ORG), which provides a rapidly deployable tactical and specialist capability.

Missions

UN Peacekeeping Force in Cyprus

The AFP contributes 15 police officers to the UN Peacekeeping Force in Cyprus (UNFICYP). Australia is the only country that has continued to provide police to UNFICYP since the commencement of the mission in 1964. AFP members assist in maintaining the integrity of the buffer zone between the Greek and Turkish Cypriot communities. Members also support the Civil Affairs Branch of the mission to deliver humanitarian services.

During the reporting year the UNFICYP Deputy Senior Police Adviser role was performed by an AFP superintendent. This is a strategic leadership role which was initially aimed at managing all UN Police operations in Cyprus. The role was expanded to include involvement in the peace process between Turkish Northern Cyprus and Greek Southern Cyprus communities.

UN Mission in Sudan

The UN Mission in Sudan (UNMIS) was established in 2005. The AFP contributes 10 police officers to the mission and has done so consistently since March 2006. AFP members perform roles as police mentors, specialist advisers, planners and trainers.

AFP members contribute to the coordination and delivery of bilateral and multilateral assistance programs aimed at restructuring the Sudanese Police Service consistent with democratic policing. Members assist in educating Sudanese civilian police by developing, evaluating and conducting training in leading-practice policing techniques, processes and strategies. Monitoring and evaluating adherence to the Comprehensive Peace Agreement is an additional task undertaken by AFP members in Sudan.

On 9 July 2011 the south of Sudan will secede from the north and the Republic of South Sudan will come into existence. The UN will be supporting the nation-building processes of the Republic of South Sudan and Australia's policing contribution may be reassigned to the new United Nations Mission in South Sudan (UNMISS).

UN Integrated Mission in Timor-Leste

The United Nations Integrated Mission in Timor-Leste (UNMIT) consists of personnel from 40 nations. The AFP maintains a contingent of 50 members.

The current UNMIT mandate was extended to February 2012 to support stability, democratic governance and national reconciliation within Timor-Leste. UNMIT is expected to finish in December 2012, with a drawdown of staff in October 2012 after the parliamentary election.

The UNMIT police component no longer has executive policing functions following the full handover of policing authority to the Policia Nacional de Timor-Leste (PNTL) on 27 March 2011. The primary role is the support, mentoring and capacity building of the PNTL. AFP members are engaged in key roles within the Chief Police Intelligence Service and the Chief



AFP officers undertaking UN service

Personnel Management Administration and in several district and subdistrict commander roles, as well as key advisory roles .

UN Permanent Mission in New York

The AFP has a senior police officer deployed to the UN Permanent Mission in New York. This officer provides advice on civilian policing matters that are relevant to Australia's participation in UN peacekeeping operations.

The officer represents Australia at senior forums and monitors UN Security Council activity. As part of the UN Special Committee on Peacekeeping Operations, the officer contributes to the tactical and strategic objectives of the UN. The officer provides advice to the UN on police capacity building both for the organisation itself and its missions. The officer monitors new and changing UN conventions relating to law enforcement and how they may impact upon Australia.

Afghanistan

The primary objective of Operation Illuminate is to train, develop and mentor Afghan National Police (ANP) members in Uruzgan Province in conjunction with Afghan coalition efforts. Since May 2010 the AFP presence has remained constant at 28 members.

At 30 June 2011 the AFP had trained 1440 ANP members in the Afghan Uniform Patrolman's Course at the Provincial Training Centre in Tarin Kowt, Uruzgan, and 172 members at the Afghan Major Crimes Taskforce in Kabul.

In Uruzgan 61 ANP members have also undertaken literacy training. On completion of the literacy course ANP members are offered the opportunity to undertake the non-commissioned officer course which targets leadership and supervision skills for middle management. A Policing Leadership Course was also conducted at the Provincial Training Centre in January 2011, with 15 senior ANP members completing the course.

Six ANP members who have undergone a train-the-trainer course have returned to the Provincial Training Centre to take up training roles themselves.

The North Atlantic Treaty Organization (NATO) recently offered the AFP an important strategic role as adviser to the Deputy Minister Security within the Afghan Ministry of Interior. The AFP identified a suitable candidate for the role, who will commence duties on 3 July 2011. The AFP also performs strategic roles in Kabul and Kandahar, including liaison with the NATO training mission and engagement with the International Operations Coordination Centre.

Cambodian Criminal Justice Assistance Program

The AFP is currently engaged in Phase III of the Cambodian Criminal Justice Assistance Program in conjunction with AusAID. Phase III involves strengthening the strategic, executive and technical capacity of the Cambodian National Police (CNP). Under the Strategic Partnership Arrangement between AusAID and the AFP, a senior AFP adviser was deployed to Phnom Penh to lead Phase III of the program and work directly with a deputy commissioner from the CNP.

Particular achievements of the program in 2010–11 included:

- strengthening the CNP capacity to monitor and evaluate annual reporting against the CNP Strategic Plan 2008–13
- establishing a national crime data collection and analysis system using a data collection computerised program and collection forms to gather accurate and credible crime statistics
- implementing a community policing strategy via a pilot program focused on building a trusted relationship with local citizens to reduce crime and make Cambodian communities safer.

Timor-Leste Police Development Program

The Timor-Leste Police Development Program aims to build the foundations of an effective and accountable police service for the people of Timor-Leste and establish a policing capability where the governance, values and operational characteristics of the PNTL support and increasingly strengthen the rule of law in an emerging democracy. Primary focus is on the Office of the Secretary of State for Security, Office of the Prosecutor General and the PNTL.

The program consists of 33 Australian police members, 10 contracted technical advisers and 9 locally engaged staff. The program is located primarily in Dili but has an increasing commitment to mobile district teams that mentor and support the PNTL and evaluate progress of the Police Development Program in delivering a range of training, mentoring and capacity-building programs.

The work of the program was officially recognised by the President of Timor-Leste, Dr José Ramos-Horta, on 25 March 2011. The President presented Police Development Program members with the Timor-Leste Solidarity Medal in recognition of the program's contribution to enduring stability.

Key outcomes during 2010–11 included:

- the development and commencement of the delivery of an accredited Executive Police Management Program at diploma level
- the development and commencement of the delivery of levels 1, 2 and 3 of accredited investigation training to all 260 investigators in the PNTL and prosecutors in the Office of Public Prosecution
- the commencement of the restructure and refurbishment of the Police Training Centre
- refurbishment of four safe houses in Dili and the districts, which was undertaken to support the forensic, medical, psychological and safety needs of victims of physical and/or sexual violence
- delivery of training courses for PNTL involved in supporting vulnerable people and investigating gender-based violence crimes
- provision of operational resources such as vehicles, information technology and office equipment.

Pacific Police Development Program

The Pacific Police Development Program is an Australian government initiative supporting a broad range of bilateral and multi-country police capacity development initiatives throughout the Pacific region.

Vanuatu–Australia Police Project: Vanuatu Police Force Capacity Building Project

The transition to the next phase of the Vanuatu Police Force (VPF) Capacity Building Project under the Vanuatu–Australia Police Project took place in February 2011. This has been endorsed by both governments and the project is specifically focused on short term achievements, given this phase is for a 16-month period. The Vanuatu–Australia Police Project will conclude on 30 June 2012.

During 2010–11 the Capacity Building Project focused on completing the activities established for the year in its Annual Joint Business Plan and on reviewing its response capacity to

the changing requirements of the VPF. The project's outcomes are delivered against the VPF Commissioner's priorities and planning targets.

In support of these activities, eight AFP long-term advisers deployed to the project

on a rotational basis. Short-term advisers are also deployed on a needs basis.

Significant outcomes during 2010–11 include:

- the acquisition of a 12 metre police vessel for deployment to Northern Command, which has seen a significant increase in the response of the VPF to communities that have not had access to a policing presence for years
- the rollout of a new VPF very high-frequency radio communications system for Port Vila and Luganville, which commenced in the latter half of 2010
- in June 2011 the graduation of a further 30 recruits, including 8 females, from the Vanuatu Police Training College and the commencement of their probationary period of two years within Southern Command and Northern Command.

Samoa–Australia Police Partnership

The Samoa–Australia Police Partnership operates within the framework of the Samoa–Australia Partnership for Development. The partnership is founded on an institutional relationship between the Samoa Police and Prison Service and the AFP within the broader context of external support to Samoa's law and justice sector. Objectives of the partnership include improving public safety through improved investigations and general policing, enhancing Samoa Police and Prison Service ability to respond to and positively shape community perceptions of police and improving Samoa Police and Prison Service corporate support capacity to facilitate its deliverables.

In the reporting period there were three AFP members, one human resource consultant and one training consultant deployed to Samoa.

During the 2010–11 reporting period key outcomes included:

- the development and implementation of a sergeants course and a constables qualifying course to strengthen supervision and to complete the final phase of the development of recruits
- development and implementation of 'breathalyser' practices and procedures in accordance with Samoan law to improve road safety
- facilitation of an SPS senior management retreat on corporate planning and performance management.

Tonga Police Development Program

The AFP deployed to Tonga in 2008 as part of the trilateral Tonga Police Development Program being conducted in partnership with Tonga and New Zealand. Three AFP members, in partnership with two New Zealand Police members, have supported the Police Commander and have contributed towards achieving the program's goal of professionalising the Tonga Police.

The program has also been supported by short-term AFP staff on specific projects such as the police intelligence review, preparation of the 'True cost of policing' report, the development of police policy and scoping for Tonga Police marine asset options. The latter project involved undertaking a round of consultations and inspections to identify what sustainable options were available for the Tonga Police to maintain marine assets. An options paper was prepared and submitted to the Tonga Police executive for consideration in February 2011. The paper outlined the type of vessel that would be required for a particular role, the cost of running and maintaining the vessel and the option of cost-sharing the vessel with another government department.

Significant outcomes during 2010–11 include:

- equipment and training provided to the Tactical Response Group and training provided on public order management
- the establishment and training of the Airport Policing Unit

- the drafting and subsequent proclamation into legislation of the new *Tonga Police Act 2010*
- introduction of drink-driving legislation, subsequent training and provision of roadside breath-testing devices and breath analysis devices.

Papua New Guinea – Australia Policing Partnership

The Papua New Guinea – Australia Policing Partnership is currently focused on two cornerstone programs: the Centre of Excellence and Organisational Governance and Reform.

Key features of the Centre of Excellence program will be further development of facilities at Bomana Police Training College, support for the major training faculties and the review and revision of the related curriculums, lesson plans, assessment tools and delivery methods, all guided by a 'fit-for-purpose' philosophy. During 2010–11, 240 new police recruits were inducted into the Bomana Police Training College.

The Organisational Governance & Reform program will continue to focus on the promotion of improved corporate governance and organisational leadership and the development of robust and progressive management practices throughout the Royal Papua New Guinea Constabulary.

In 2010–11 significant capital works projects were completed, including:

- surveying and securing the perimeter of the Bomana Police Training College
- improving police station infrastructure in Kundiawa, Kerema, Kimbe, Kiunga and Kenabot
- rehabilitating facilities at Police Headquarters in Konedobu
- renovating the Information and Communication Division's offices.

Nauru Police Force Police Capacity Program

The Nauru Police Force Police Capacity Program was designed to address a range of issues affecting the Nauru Police. AFP officers perform the roles of police commissioner, operations adviser focusing on mentoring and capacity development and logistics officer. Succession planning has commenced to address the National Sustainable Development Strategy short-term milestone of appointing a Nauruan commissioner of police by 2012.

During this reporting period the program:

- maintained a strong emphasis on community liaison through regular meetings
- purchased uniforms and other equipment as part of an ongoing capacity development program for the Nauru Police Force
- constructed a new Nauru Police Force centre funded by the Pacific Police Development Program.

Pacific Police Development Program Regional

Pacific Police Development Program Regional is an initiative for the provision of capacity development through a multilateral program of support to members of the Pacific Island Forum such as Kiribati, Niue, Tuvalu, Marshall Islands, Palau, Cook Islands and Federated States of Micronesia.

In the reporting period Pacific Police Development Program Regional delivered outcomes including:

- police leadership development programs
- fingerprint and basic crime scene training
- provision of police uniforms and equipment
- investigation management training
- provision of police vehicles to Kiribati and Cook Islands to support their community engagement strategy
- emergency management training in Samoa with participants from the region
- sponsorship funding for human resources representatives from Kiribati and Vanuatu to attend Australian Public Service training supported by personal mentoring from IDG Human Resources.



AFP unsworn officer on RAMSI duties

Regional Assistance Mission to Solomon Islands

Regional Assistance Mission to Solomon Islands (RAMSI) is a multinational mission to which Australia, New Zealand and Pacific Islands Forum nations have contributed since the assistance mission commenced in July 2003. The Participating Police Force (PPF) is an Australia-led force consisting of police and technical specialists from contributing countries and forms part of the broader RAMSI Law and Justice Pillar .

In accordance with the Solomon Islands Government – RAMSI Partnership Framework and the increasing capability of the Royal Solomon Islands Police Force (RSIPF), the PPF during the past year intensified efforts aimed at ensuring the RSIPF and the Ministry for Police, National Security and Correctional Services have the capacity and capability to sustain their levels of performance. This has involved supporting the RSIPF in promoting the rule of law across Solomon Islands and enabling RSIPF organisational policies and directions. These initiatives support leadership, policy, community engagement, community trust and confidence and organisational change management. The mission is focused on enabling an effective, accountable and appropriate police force for Solomon Islands.

A significant focus of the PPF during the past year was the 2010 Solomon Islands general election. The success of both the election and subsequent announcement of the government, which occurred in a peaceful, transparent and democratic manner, was the culmination of significant work by the RSIPF with the support of the PPF.

Capacity development activities have also continued throughout the period, with notable achievements including the delivery of the first RSIPF close personal protection course, with members now qualified to undertake unarmed protection tasks in support of foreign dignitaries, politicians and VIPs.

During 2010–11 the PPF successfully delivered a range of institutional reform initiatives. These included the Age and Voluntary Early Retirement Program, Police Accommodation Project, RSIPF Community Officer Program and RSIPF Health Assessment Program. Of particular note is the Police Accommodation Project which, since its inception in June 2009, has delivered 21 new police houses, refurbished 20 existing houses in Honiara and Malaita and constructed police barracks in Noro, Malu'u and Maku. A further 63 police houses are currently under construction. In addition, the Police Accommodation Project constructed a new RSIPF headquarters building and accommodation for the Sexual Assault and Fraud units at Rove.

Through the efforts of both the RSIPF and PPF, the 2010 RAMSI People's Survey results indicate improving attitudes towards the RSIPF and public safety. These achievements have also been highlighted by World Bank governance indicators which show Solomon Islands has improved from the 3rd to the 29th percentile in respect of rule of law and from the 5th to the 43rd percentile for control of corruption since the intervention of RAMSI in 2003.

Domestic operations

In 2010–11 the IDG supported the Northern Territory Emergency Response and external territories policing.

Northern Territory Emergency Response

The AFP commitment to Northern Territory Emergency Response continued to be met in 2010–11 through Operation Pleach, which provided enhanced policing services to remote Indigenous communities in the Northern Territory. On 14 June 2011 the remaining 10 AFP members who were deployed to remote communities in the Northern Territory departed in line with the drawdown of AFP members, marking the conclusion of AFP Operation Pleach. Six AFP members will remain deployed to the Northern Territory Police Child Abuse Taskforce in Darwin until June 2012. The AFP also provided members to the multi-agency Child Abuse Taskforce, which investigated child sexual abuse and child sexual behaviour in remote communities.

Off the Hook community engagement initiative and the Indigenous Marathon Project

Off the Hook involves the community and police engaging in an angling competition and community day throughout the Northern Territory and has achieved demonstrable benefits to police–community relations, with over 1000 Indigenous youth and police across 15 Northern Territory stations having participated in four separate events. The Indigenous Marathon Project commenced in 2010 and is the creation of Commonwealth gold medalist Rob de Castella. It aims to promote a healthy lifestyle and focus on fitness in remote Indigenous communities. The AFP made significant contributions to this project.

AFP members have undertaken a wide range of initiatives in many remote Northern Territory Indigenous communities, particularly with children – for example, the establishment of, and continued involvement in, youth drop-in centres and blue-light discos, school reading programs, bike riding and maintenance programs, movie nights, coaching sporting teams and road safety initiatives including instructing year 11 and 12 students and assisting them in applying for learner’s permits.

External territories policing

The IDG provides community policing services in Australia’s external territories of Christmas Island, Cocos (Keeling) Islands, Norfolk Island and Jervis Bay. The delivery of these services is tailored to both the local environment and the cultural sensitivities and religious diversity of each of the territories. AFP members continue to perform a variety of regulatory functions dependent on the

individual requirements of the locality. These roles include bailiff and sheriff duties, customs, land and maritime search and rescue, and territory controller in times of declared emergency.

In addition to community policing requirements, the IDG delivered resources to Christmas Island in response to security and investigation demands such as the sinking of SIEV 221 and the response to rioting at North West Point immigration detention centre in March 2011. During the reporting period Norfolk Island police, who are AFP members, discovered large quantities of explosives and dangerous goods in the central business district of Norfolk Island. The location, method of storage and age of these goods represented a significant threat to the Norfolk Island community. These incidents were initially managed on the island; however, because of the large quantities, the deployment of several specialist personnel from the Australian mainland was required to ensure the proper and safe disposal of the goods.

In April 2011 a SIEV with 81 suspected irregular arrivals on board was located on its approach to the Cocos (Keeling) Islands. Once the vessel was safely moored, these people were given food, shelter and medical attention with the assistance of the local community. The AFP, together with other agencies and the Cocos (Keeling) Islands community, coordinated the response to this incident.

Operational Response Group

The Operational Response Group (ORG) maintains a rapidly deployable crisis response capability to support international stability and security, predominantly in the Asia–Pacific region. In 2010–11 the ORG maintained a permanent deployment of 15 personnel to Solomon Islands in support of the PPF and the RSIPF.

In addition, the ORG provides specialist police support to all Australia-based high-risk policing operations undertaken against criminal and security threats to Australia’s economic and societal interests.

Christmas Island tragedy

On 15 December 2010 SIEV 221 ran aground at Rocky Point, Christmas Island. The AFP, Australian Customs and Border Protection Service, Border Protection Command and the Australian Defence Force coordinated the immediate response to this incident. However, heavy seas and bad weather hampered search and rescue efforts. AFP members assisted with shoreline searches. Of the estimated 92 people onboard, there were 42 survivors and 30 bodies recovered.

The AFP was the lead agency for disaster victim identification and the repatriation of the deceased. Formal identification of the 30 confirmed deceased was completed on 3 March 2011. Once the deceased were released by the coroner, the AFP (on behalf of the Commonwealth) assumed responsibility for their repatriation.

Significant achievements of the ORG during 2010–11 were:

- the rapid deployment of members to support public order management responses at immigration detention centres in Darwin, Villawood and Christmas Island, including the deployment of 61 ORG members to Christmas Island in March 2011 following riotous behaviour
- the provision of specialist support to 43 referrals predominantly related to serious organised crime such as drug importation
- the further development of strategic partnerships through support to the 2010 Solomon Islands elections and the development of training for the Philippines National Police
- provision of emergency management assistance during the Queensland floods and Cyclone Yasi
- support to the SIEV 221 and Christchurch earthquake responses.

Partnership development

Visits

The IDG Australian Peace and Stability Operations Centre hosted a visit by the Royal Canadian Mounted Police (RCMP). As the RCMP has considerable experience in Afghanistan, the working-level discussions allowed IDG members to gain an insight into this experience and the lessons learned. Other high-level visitors in 2010–11 included the Prime Minister of Samoa and police delegations from India, Singapore, Sri Lanka, New Zealand, Papua New Guinea, the Netherlands, China, Bangladesh and Indonesia.

International Association of Police Training Centres

The National Manager IDG performed the role of President of the International Association of Peacekeeping Training Centres from November 2009 to December 2010. This period extended from the 15th Annual Conference, co-hosted by the AFP and the Australian Defence Force in

Sydney in November 2009, to the conclusion of the 16th Annual Conference held in Dhaka, Bangladesh, from 28 November 2010 to 2 December 2010. The International Association of Peacekeeping Training Centres facilitates communication and exchange of information between various peacekeeping training centres and/or among people responsible for, and interested in, peacekeeping training.

As part of the AFP's role during the presidency, the IDG assisted the Bangladesh Institute of Peace Support Operation Training and Bangladesh Army in preparation and planning for their co-hosting of the 16th Annual Conference. National Manager IDG and a delegation from the IDG attended the conference in support of the presidency role and handover to the Commander of the Bangladesh Institute of Peace Support Operation Training, who will perform the role of President of the International Association of Peacekeeping Training Centres for the current term.

The presidency of the National Manager IDG and the AFP's attendance at the conference strengthened relationships with other delegates, promoted the AFP's successes in peacekeeping training and identified innovative training methods in peacekeeping.

Performance reviews

Measuring the impact of IDG operations

In February 2007 the AFP contracted the University of Queensland to examine existing IDG performance assessment methodologies and develop an updated body of knowledge that includes an effective means of measuring the impact of IDG operations. The project, 'Measuring the impact of the IDG's contribution to peace operations and international capacity building', was completed and delivered to the AFP in June 2011. The AFP will now commence a process of implementation of the framework across applicable AFP international policing missions.

The completed project has delivered a comprehensive framework that emphasises and builds upon local engagement as the core platform for establishing mission objectives and measurement of mission success. Although the framework allows for the use of quantitative data where this can be obtained consistently and reliably, the main focus of the project is measurement of progress in mission environments where reliable quantitative data is difficult or even impossible to source. The framework is built upon a qualitative process that provides a number of tools that reduce the subjectivity of previous qualitative methods sufficiently to measure progress against a well-established justifiable baseline. The University of Queensland has met the design brief from the AFP for a framework that is flexible enough to be applied to all types of AFP mission typologies and all stages of mission delivery.

Foundation theoretical work from the University of Queensland includes a number of papers that examine aspects of the mission environments in which the AFP operates internationally, as well as aspects of measurement of performance in the international development context. A report to the AFP provides a detailed rationale for the framework, as well as critical review of a number of other performance measurement approaches that led the project team to decide on the approach used for the final framework developed. The project team has also written abridged and comprehensive practitioner manuals that provide instructions for use of the framework. Field testing of the framework using AFP missions in Marshall Islands and Vanuatu was conducted during the 2010–11 financial year to ensure the framework could be applied in a practical context.

Training

International Deployment Group Training Team

The International Deployment Group Training Team continued throughout the year to deliver programs and provide assistance to international jurisdictions, such as United Nations (UN) pre-deployment modules to Vanuatu Police, the UN Military Observers course in Papua New Guinea, Hostile Environment training for Department of Foreign Affairs and Trade staff deploying to Afghanistan, Australian Civilian Corp training for AusAID and UN Sexual and Gender-based violence training.

International Deployment Group Training continued a trainer exchange program with the New Zealand Police. In November 2010 a member of the International Deployment Group Training Team and a member from the New Zealand Police undertook reciprocal training.

Construction enhancements, including new building projects, were undertaken by students from the Canberra Institute of Technology at the International Deployment Group training village at Majura.

PROGRAM 1.3: OPERATIONS – POLICING

Crime Program

Performance highlights

- During 2010–11 the AFP seized 5 187 kilograms of illicit drug and precursor chemicals, an increase of 3941 kilograms (316%) over the previous financial year.
- During 2010–11 Crime Program caused the restraint of A\$41 051 446 in proceeds of crime.
- In 2010–11 the AFP delivered on the government’s election commitment to establish a multi-agency Criminal Assets Confiscation Taskforce to identify and confiscate the benefits derived from criminal activity. The taskforce was formally launched in March 2011.
- The high-risk funds strategy has involved cash seizures to date in excess of \$16 million and the arrest of 12 people for money laundering.

Overview

The AFP Crime Program was created in response to the Commonwealth Organised Crime Strategic Framework to enable a holistic approach to combating organised crime both nationally and internationally. Nationally the Crime Program has teams in Darwin, Perth, Adelaide, Hobart, Melbourne, Canberra, Sydney, Brisbane and Cairns; internationally it has teams in 30 countries. The Crime Program’s structure comprises:

- Crime Operations
- Serious and Organised Crime (which includes the International Network).

Crime Operations provides front-line disruption of, and investigation into, Commonwealth offences including illicit drug importation, human trafficking, money laundering, identity theft, intellectual property theft, fraud, corruption and sensitive/political matters. Crime Operations also conducts investigations into the organisers, facilitators and crew of people smuggling ventures.

Serious and Organised Crime conducts investigations into complex organised criminal activity including the importation and manufacture of illicit substances, money laundering and economic crime, fraud, identity crime and corruption. AFP Serious and Organised Crime collaborates with international, Commonwealth, state and territory partners to pursue organised crime networks across the full continuum of their activity. It targets the financial base of crime and also seeks to deter criminality by identifying and reducing vulnerabilities exploited by organised crime groups.

International Network cooperates with other Australian Government agencies domestically and abroad to ensure a whole-of-government approach to fighting crime at its source. The International Network has offices in 29 countries to broker collaboration with international law enforcement agencies to drive investigations and support bilateral or multilateral cooperation. The network collects and exchanges criminal intelligence, as well as enhances the capability of international law enforcement agencies to combat crime. The network also assists Australian Government and law enforcement agencies with EUROPOL and INTERPOL inquiries and has oversight of the Pacific Transnational Crime Network.

Investigations

Significant investigations, 2010–11

- Operation Collage – 5 arrests; 2 vessels and 400 kilograms of cocaine seized
- Operation Busk – 4 arrests; 240 kilograms cocaine seized
- Operation Polaris/Tempest – 5 arrests; 48 kilograms of cocaine seized
- Operation Dreamer – 1 man arrested; 78 kilograms of crystal methamphetamine seized
- Operation Seam – 3 arrests; 175 kilograms of opium paste seized
- Operation Stance/Cootherstone – 2 arrests; 239 kilograms of methamphetamine seized
- Operation Chance – 18 arrests; 71 kilograms of cocaine seized
- Operation Louvar – 330 arrests of people smuggling crew and organisers
- Operation Hypnos – 2 arrests for money laundering; \$800 000 seized
- Operation Theseus – 4 arrests on counterfeit currency and drug charges; 7700 counterfeit notes, 3 printing machines and cocaine worth \$1.05 million seized
- An AFP human trafficking investigation – the recovery of approximately \$5 million
- Operation Lane – 5 arrests across two states; approximately 5000 credit cards and 800 driver licences seized as a result of an investigation into a syndicate carrying out financial fraud

During 2010–11 the AFP accepted 761 new investigations, a slight decrease from the previous financial year when 791 new cases were accepted for investigation.

As a result of both new and ongoing investigations, 666 offenders were arrested and charged before the court and 1609 defendants were convicted.

Collectively, these investigations led to the seizure of 5187 kilograms of illicit drugs.

AFP International Network

The following operational outcomes are examples of those achieved through overseas activities supported by the International Network in the 2010–11 financial year:

- Operation Hoffman is a joint AFP, Australian Crime Commission and New South Wales Police Force investigation into a multi-tiered, transnational syndicate alleged to be involved in importations of commercial quantities of border-controlled drugs, domestic drug distribution and the laundering of proceeds of crime throughout countries such as China, Hong Kong, Singapore, India and Thailand. To date, in Australia and offshore the operation has resulted in 37 arrests, the seizure of over 1 tonne of illicit drugs, precursor and other drug-manufacturing chemicals with an Australian wholesale value of \$44.5 million, the seizure of illegal firearms and other restricted weapons, the seizure of over \$528 000 suspected of being the proceeds of crime and the restraint of \$2.3 million in assets.
- Operation Thaic, a joint AFP and Cambodian National Police Transnational Crime Team investigation, led to the first arrest of an outbound internal drug courier from Cambodia. Further joint investigations resulted in the arrest of another five people, including two Cambodia-based heroin suppliers who have previously supplied heroin to couriers importing drugs into Australia.

- A joint investigation by the AFP and Burmese Anti Narcotics Task Force disrupted drug manufacturing at its source through the seizure of over 600 000 pseudoephedrine tablets, over 90 000 amphetamine-type stimulant (ATS) tablets and 6 kilograms of ephedrine powder. It was identified that the pseudoephedrine had been smuggled from India to clandestine laboratories in Burma for ultimate distribution in Australia.
- Operation Stair resulted in the arrest of four conspirators to import a total of 690 kilograms of cocaine from South America via Tonga. In support of this operation, a joint AFP and Peruvian parcel post investigation was launched which resulted in the arrest of 25 people in Peru and the seizure of 12.5 kilograms of cocaine, 1.65 litres of cocaine suspended in bottles of vegetable oil, 15 latex capsules containing cocaine, 9 books containing concealments of cocaine, 12 book covers containing concealments of cocaine, 4 vehicles, 2 firearms and the equivalent of approximately A\$60 000. Peruvian authorities also requested the assistance of AFP Bogota to make inquiries through the AFP liaison officer network in China; this close cooperation led to the arrest of five people for related offences.
- Operation Girawheen saw significant cooperation between the AFP and Nepalese partners result in the arrest and sentencing of an Australian citizen to a minimum of 15-months imprisonment for child sex tourism offences committed in Nepal.
- AFP assistance provided to a Fijian Police investigation into the theft of \$1 million in minted Fijian currency enabled transnational inquiries in Australia, Singapore and Hong Kong. As a result, three males were arrested in relation to the theft and approximately \$600 000 of the currency was recovered in Australia.
- AFP Bangkok facilitated inquiries with Thai authorities on behalf of Victoria Police to locate and arrest two murder suspects. The AFP International Network provides this crucial role on behalf of state police to assist in overseas inquiries and to achieve multilateral cooperation for police operations.

Commonwealth fraud

In Operation Taiga the AFP executed 35 warrants Australia-wide during ongoing AFP and Department of Climate Change and Energy Efficiency investigations into allegations of fraud against the Home Insulation Program. A number of referrals for state-based offences were made to the relevant state agencies as a result of these warrants.

Corruption and foreign bribery

Operation Rune is an ongoing investigation into bribery offences which has involved extensive international AFP-coordinated activity, including six search warrants executed by the AFP and 11 search warrants executed by United Kingdom and Spanish authorities. The AFP recognises the assistance of Austrade, the Commonwealth Director of Public Prosecutions and Attorney-General's Department, which have all been instrumental in the investigation. The AFP will continue investigations in Australia and internationally with law enforcement partners. The AFP's International Network has been crucial to the investigation in facilitating liaison and the exchange of information with international counterparts.

This operation has highlighted the complexity of international legal and factual matters in investigations of bribery of foreign public officials. As a result, the AFP engaged with Austrade and the Attorney-General's Department in support of legislative review and educational initiatives to raise awareness of this issue in Australian companies operating overseas.

Counterfeit currency

Operation Theseus was an AFP and Reserve Bank of Australia investigation into counterfeit currency and cocaine importation. Four principal suspects were arrested and charged. AFP, New South Wales Police Force and United States law enforcement activity resulted in the seizure of 7700 counterfeit Australian \$50 notes, three commercial printing machines and \$1.05 million worth of cocaine.

Criminal assets

In 2010-11 AFP investigations resulted in the restraint of \$41.1 million in assets while \$3.7 million in assets were forfeited. Pecuniary penalty orders to the value of \$17.1 million were also made.

Significant operations this financial year:

- **Operation Satellite** is a proceeds of crime investigation pursuant to a state police investigation into the production and trafficking of a prohibited drug (methamphetamine). In October 2010 the AFP obtained restraining orders over seven properties, eight mortgages, a bank account, three motor vehicles and cash. To date in this investigation, approximately \$6.7 million worth of assets have been restrained. The matter is ongoing and may result in the identification of further assets for restraint.
- **Operation Goldfinger** is a joint investigation with the Federal Bureau of Investigations (FBI) that has resulted in the restraint of approximately US\$ 15.2 million in gold and silver bullion and cash in Perth in October 2010.
- **Operation Rossa**, a joint investigation by the AFP and Victoria Police, was resolved in April 2011, with 13 people being charged with drug-related and money laundering offences. Approximately \$3.1 million worth of assets have been restrained, including two residential properties, a light aircraft and three luxury vehicles.

Electoral fraud

Operation Mercia was an AFP day of action launched in response to allegations of electoral fraud received from the Australian Electoral Commission (AEC). The AFP interviewed 18 people across four states about allegations of multiple voting during the 2010 federal election. A submission was made to the Parliamentary Joint Standing Committee on Electoral Matters following this investigation.

The AFP and AEC have signed a memorandum of understanding on investigation of Commonwealth offences.

Human trafficking

The AFP changed the name of the Transnational Sexual Exploitation and Trafficking Team to Human Trafficking Teams on 30 May 2011 to better reflect the nature of this crime type. Teams are located in Sydney, Brisbane and Melbourne.

The AFP progressed 45 investigations in 2010-11, 35 of them being new referrals. The 45 investigations in 2010-11 compare with 38 investigations in 2009-10. Approximately 69 per cent of the investigations were related to trafficking for sexual exploitation and the remainder related to trafficking for other forms of labour exploitation.

Investigation outcomes included:

- the recovery of approximately \$5 million as a result of an AFP human trafficking investigation
- as a result of Operation Raspberry, which related to allegations of women being trafficked into the sex industry in Melbourne, the charging of the female suspect, a Chinese national, with two counts of sexual servitude and two counts of debt bondage in relation to two female victims.

Identity crime

In the 2010-11 financial year the Identity Security Strike Teams conducted 18 new investigations, which are typically protracted and complex. For example:

- **Operation Lane** related to a Sydney-based syndicate involved in the production and use of false identification cards to facilitate financial frauds. Five suspects were charged and approximately 5000 credit cards, other identity cards and machinery were seized. The Sydney Identity Security Strike Team worked closely with state police, the Department of Immigration and Citizenship, New South Wales Roads and Traffic Authority and financial institutions to resolve this investigation. Resolution activity took place in New South Wales and South Australia.

- **Operation Cloud** was an investigation into the alleged importation of 1250 forged Medicare cards from Korea. Through the use of facial recognition technology, a suspect was identified who had allegedly taken over the identities of three overseas students in order to commit frauds against financial institutions. The suspect was arrested and charged.

Illicit drugs

The overall volume of illicit drug seizures in 2010–11 increased compared with 2009–10. This increase may be partly attributed to the creation of the new AFP Crime Program and to improvements in the effectiveness of the AFP's domestic and international operations, including enhanced cooperation with international, Commonwealth, state and territory partners.

In the 2010–11 financial year the total amount of drugs seized was 5 187 kilograms, an increase of 3941 kilograms (316%) over the previous financial year. This includes:

- 796 kilograms of cocaine, an increase of 404 kilograms (103%) over the previous financial year
- 583 kilograms of heroin, an increase of 445 kilograms (323%) over the previous financial year
- 404 kilograms of ATS, an increase of 228 kilograms (129%) over the previous financial year
- 3275 kilograms of precursors, an increase of 2932 kilograms (854%) over the previous financial year.

Table 5: Illicit drugs seized, 2009–10 and 2010–11

2009–10			2010–11		
Drug group reported (AFP)	Seizure count	Weight reported (kg)	Drug group reported (AFP)	Seizure count	Weight reported (kg)
Amphetamine & ATS	1438	176.8	Amphetamine & ATS	934	404.45
Cannabis	1595	17.7	Cannabis	1127	46.20
Cocaine	393	392.0	Cocaine	526	795.88
Heroin (opioids)	322	137.9	Heroin (opioids)	311	582.91
MDMA	69	9.0	MDMA	132	11.40
Precursor	58	343.2	Precursor	38	3275.47
Sedatives	62	97.0	Sedatives	62	63.20
Other	293	71.3	Hallucinogen	46	7.42
Total	4230	1244.9	Total	3176	5186.93

Note: Figures for 2010–11 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, the Australian Customs and Border Protection Service and the Joint Asian Crime Group where the drugs have been held in AFP custody. International seizures are excluded.

Significant AFP illicit drug operational outcomes, 2010–11

Operation Polaris/Tempest commenced in September 2010 as a result of information received from the United States Drug Enforcement Administration relating to a possible container-borne importation to Australia. A shipping container was identified and found to contain sport bags concealing 48 kilograms of cocaine. As a result of a controlled operation, five people were identified, arrested and charged.

Operation Collage was an investigation into the importation of a large quantity of cocaine into Australia from Ecuador via a small marine vessel. Following a major maritime surveillance operation involving the AFP, Royal Australian Navy, Australian Customs and Border Protection Service, New South Wales Police Force and Queensland Police, 400 kilograms of cocaine and two vessels were seized and five people were arrested and charged.

Operation Dreamer was an investigation into the importation and sale of illicit drugs, as well as the laundering of proceeds of crime. During December 2010 AFP members arrested a Malaysian male during a surveillance operation. The male was searched and found to be in possession of a small quantity of crystal methamphetamine (ice) and A\$210 000 in cash. A subsequent search of the male's premises resulted in the location and seizure of 78 kilograms of ice.

Operation Stance/Cothorstone was an AFP investigation into a sophisticated European organised crime syndicate operating in Sydney and Perth. As a result of the investigation, and following close cooperation with Western Australia Police, two males (a Belgian national and a Dutch national) were arrested. During the operation 239 kilograms of methamphetamine were seized, making it the largest seizure of methamphetamine in Australian law enforcement history.

Operation Chance was a joint AFP, Australian Customs and Border Protection Service, Colombia Police and Panamanian Police investigation into the importation into Australia of a commercial



Illicit drugs displayed after seizure

quantity of cocaine. As a result of the operation, 71 kilograms of cocaine suspended in hydraulic oil were seized in Australia. Four men were arrested in Mackay, Queensland; seven were arrested in Colombia; and seven were arrested in Panama.

Operation Taiko was a parcel post day of action conducted by the AFP and the Australian Customs and Border Protection Service on 18 November 2010. This Australia-wide operation targeted persons or syndicates using the international parcel post system to import drugs into Australia. Operation Taiko was planned to occur immediately prior to schoolies week and the holiday season, a time when the use of illicit drugs is likely to increase. During this operation 78 search warrants were executed, 145 parcels were seized and 22 suspects were charged with a range of drug-related offences. This joint operation prevented more than 73 kilograms of illicit drugs hitting Australia's streets.

Operation Rossa was a joint investigation with Victoria Police, the Australian Crime Commission and Australian Customs and Border Protection Service into a Melbourne-based drug syndicate. The operation resulted in 13 arrests, the execution of 25 warrants and seizure of \$56 000 in cash, vehicles, an aeroplane, firearms and precursor ATS materials.

Operation Terell resulted in four arrests and the seizure of 14 kilograms of heroin and methamphetamine and \$13 000 in cash.

Operation Diminish resulted in the seizure of 22 kilograms of heroin.

Operation Corbin resulted in two arrests and the seizure of 45 kilograms of heroin.

Operation Seam resulted in three arrests and the seizure of approximately 175 kilograms of opium paste.

Intellectual property crime

In an intellectual property crime day of action in Brisbane, Sydney, Melbourne, Adelaide and Perth on 14 September 2010 the AFP executed 21 Australia-wide warrants in a highly publicised deterrence operation targeting syndicates importing and distributing counterfeit computer software, bags, jewellery and pirated CDs and DVDs.

Money laundering

The Crime Program has continued its pursuit of the financial base of crime with a strong focus on money laundering. Investigations in partnership with the Australian Crime Commission and the Australian Transaction Reports and Analysis Centre (AUSTRAC) have focused on alternative remittance businesses facilitating illicit money movements on behalf of organised crime syndicates. Alternative remittance businesses in Australia are recognised as a potentially high-risk component of the financial sector, vulnerable to abuse for criminal purposes. The absence of sound paper trails, as well as weak customer due diligence and risk management systems, can contribute to money laundering opportunities. This targeting strategy has proven extremely successful – since October 2009 there have been cash seizures in excess of \$16 million and the arrest of 12 people for money laundering.

Operation Zanella, a money laundering investigation, resulted in the seizure of A\$1 931 395, £300 000 and US\$6500 during the 2010–11 financial year. This operation aims to deter and disrupt organised and high-volume money laundering activity through

partnerships with the financial industry, the Australian public sector and international law enforcement agencies. The investigation spans many jurisdictions and has resulted in enhanced international relationships and produced significant crime-targeting efficiencies. It is a case that will continue to receive significant support within the AFP's Serious and Organised Crime function during the coming year.

People smuggling

Budget measures between 1 July 2009 and March 2011 provided the AFP with a total of \$73.1 million over four years to implement six new policy initiatives, ranging from one to four years for each program. These funding initiatives enhanced AFP assistance to foreign counterparts to build their capacity to detect and disrupt people smuggling offences.

As part of a whole-of-government national strategy to combat people smuggling, the AFP provides investigators and intelligence and financial analysts to the People Smuggling Strike Team based in Canberra, Sydney, Melbourne and Perth. The AFP arm of the People Smuggling Strike Team conducts investigations in Australia and overseas in relation to people smuggling organisers, facilitators and crew. The AFP has provided funding to the Australian Customs and Border Protection Service and the Department of Immigration and Citizenship to second officers to the People Smuggling Strike Team in Sydney, Melbourne and Canberra. The People Smuggling Strike Team also works very closely with the Australian Customs and Border Protection Service Border Protection Command to contribute to the joint and collaborative approach to people smuggling.

In April 2010 Operation Louvar was commenced to progress the investigation and prosecution of suspected crew members from suspected irregular entry vessels that had been held in immigration detention.

In the 2010–11 financial year the AFP arrested 329 crew and one organiser, who were charged with offences under the *Migration Act 1958*. These offences attract a maximum penalty of 20-years imprisonment.

On 15 December 2011 a suspected irregular entry vessel (SIEV), now known as SIEV 221, ran aground in the area known as Rocky Point, Christmas Island. It was estimated that 90 people were on board, 42 of whom survived. After an initial response from the AFP International Deployment Group, Crime Program assumed responsibility for the coordinated response to the incident. The Crime Program continues to play the primary role in the investigation of criminal offences around SIEV 221, as well as providing support to the Western Australia coronial investigation.

Crime prevention and partnership development

International cooperation

Experience has demonstrated that the most effective way to identify, deter and disrupt transnational crime is to take a proactive role offshore. It is also recognised that to counter the threat to Australia posed by transnational organised crime it is necessary to disable criminal activities and networks through international engagement.

The AFP International Network supports efforts to disrupt crime at its source through investigative, intelligence and capacity-building activities facilitated by intelligence-sharing agreements, joint operations and alliances forged through participation in multilateral and regional forums. The International Network, in conjunction with the International Policy Coordination Group, has continued to review the operational effectiveness of the network, which has led to the development of the International Engagement Strategy. This document is underpinned by specific regional strategies to ensure that AFP resources are best placed to combat transnational crime threats affecting Australia.

Posts

The AFP has personnel dedicated to law enforcement cooperation at posts in Indonesia, Malaysia, Thailand, Sri Lanka and Pakistan.

As a result of the constantly changing criminal environment, new posts were opened in New Delhi (July 2010) and Los Angeles (April 2011) while Honiara was closed at the end of the 2010–11 financial year. The new posts will ensure continued collaboration with law enforcement partners to meet challenges posed by technology-enabled crime, money laundering, drug trafficking, identity crime, child sex offences, people smuggling, fraud and terrorism.

The New Delhi Post has already demonstrated strong results by providing critical support for Operation Hoffman (see P48) and the whole-of-government response to the 2010 Commonwealth Games and International Cricket Council Cricket World Cup. The AFP presence in Los Angeles has provided opportunities to strengthen the US–Australia alliance and advance Australian law enforcement interests in Mexico, western United States and Canada.

Visits

During the 2010–11 financial year the International Network facilitated 37 inwards and 24 outwards visits of AFP and foreign law enforcement agency delegations to/from Australia. Engagement with these delegations is a key component in strengthening the relationships between the AFP and its international partner agencies, often resulting in the identification of capacity building opportunities and leading to subsequent operational outcomes.

Sharing intelligence

The AFP shares intelligence with law enforcement partners in key source and transit countries to disrupt people smuggling ventures before they depart for Australia. Between 1 July 2010 and 30 June 2011, AFP law enforcement partners in key source and transit countries disrupted over 80 maritime ventures involving over 2300 potential illegal immigrants and made over 70 arrests.

The International Network undertook structural reforms to facilitate the flow of intelligence to partners and clients, increase engagement with

foreign law enforcement agencies and reduce overheads and duplication at posts. For example, the AFP and United Kingdom Serious Organised Crime Agency (SOCA) engaged in a pilot project that enables SOCA and the AFP to employ each other's international networks in certain locations. The arrangements serve to maximise the use of resources, improve capability and timeliness in responding to international inquiries and reduce associated costs.

Capacity building

Law Enforcement Cooperation Program

A total of \$4.5 million was allocated to the Law Enforcement Cooperation Program (LECP) for the 2010–11 financial year. Approval was given for 24 capacity-building programs which serve to enhance the capabilities of the AFP and its international partners. Through the LECP, the AFP has directly increased the capacity of regional countries and their ability to conduct intelligence activities and effective investigations through the provision of apparatus such as surveillance and technical equipment and motor vehicles. The LECP has also funded individuals from foreign law enforcement agencies to undertake training and development programs and university scholarships.

Establishment of the Cambodian Transnational Crime Team

One program resulted in the Australian Joint Transnational Crime Centre being opened in Ho Chi Minh City and the establishment of the Cambodian Transnational Crime Team. This has enabled collaboration between Australia, Vietnam and Cambodia on transnational crimes such as illicit drug production and trafficking, money laundering and human trafficking and has enhanced intelligence sharing.

Through the ongoing relationship with the Cambodian Transnational Crime Team, the AFP is working with the Cambodian National Police on joint law enforcement initiatives with the aim of combating organised crime activities that threaten

the mutual interests of Australia and Cambodia. In the past year the Cambodian Transnational Crime Team made its first arrest of an internal courier attempting to depart from Cambodian borders, as well as conducting joint operations with neighbouring countries to dismantle clandestine laboratories.

Training

The AFP sponsors international senior police opportunities on a range of management and leadership courses such as International Management of Serious and Organised Crime and Asia Region Law Enforcement Management Program. In addition to this, the International Network has facilitated several regional and in country courses to better develop the capabilities of our international law enforcement partners. For example:

- Command, Control and Coordination (C3) workshop for ASEAN countries
 - From 14 to 18 February 2011 a course was conducted with participants from Vietnam, Singapore, Burma, Brunei, Indonesia, Laos, Cambodia and China. This course is extremely relevant to all ASEAN countries in the context of both natural and man-made disasters. This C3 course provided senior police commanders with internationally recognised skills that equipped them with the ability to manage a large scale, multi-agency or multinational incident.
- Money Laundering Investigation Workshop to regional Balkan law enforcement agencies
 - The course was held from 17 to 21 January 2011 with 24 participants from Balkan states, resulting in an enhanced capability of these agencies to investigate money laundering and serious and organised crime.

Support to prevent people smuggling

In the 2010–11 FY the AFP used new policy initiative funding to donate equipment and fund projects to enhance the ability of international law enforcement partners to detect and disrupt people smuggling offences. Some examples of the increased capability include:

- the establishment, construction and fit-out of a computer-based training laboratory for the Sri Lanka Police Service
- provision of computer software and delivery of a regional money laundering investigations program for the Sri Lanka Police Service
- provision of a complete state-of-the-art cybercrime facility within the Indonesian National Police headquarters and training of over 40 staff in high tech crime and computer forensics
- provision of over \$5 million of equipment in Sri Lanka, Indonesia, Pakistan, Thailand and Malaysia including surveillance equipment, cars, bikes and vans, intelligence software and management databases, and computer forensics equipment
- provision of three high-speed patrol vessels for the Indonesian National Police, currently under construction and to be delivered in August 2011, to allow the Indonesian National Police to undertake patrols with specifically designed and equipped vessels
- enhanced surveillance and intelligence equipment for the Royal Thai Police People Smuggling Strike Team including fit-out of a dedicated operations unit, significantly improving the ability to detect and investigate crimes
- provision of marine outboards and ongoing servicing for vessels in the Royal Malaysia Police to support its Marine Unit in conducting patrols
- sponsorship for Royal Malaysia Police members to undertake a Masters program at Wollongong University in Transnational Crime Prevention
- establishment and construction of 12 Indonesian provincial offices dedicated to people smuggling investigations, and ongoing support for the People Smuggling Taskforce located at Indonesian National Police headquarters in Jakarta

- The fourth of these offices was opened in Denpasar, Bali, in November 2010. During the opening ceremony the AFP presented to the Indonesian National Police detection equipment comprising eight motorcycles, seven IT kits, seven video and still photography kits, GPS devices and surveillance equipment. Surveillance training and mentoring in the use of this equipment is continuing.

- delivery of the Disaster Victim Identification project, which has seen a significant enhancement of the forensic capability of the Indonesian National Police by providing a deployable mortuary capacity including cold storage, tables and generators, and development of a five-year forensics plan in conjunction with the Victorian Institute of Forensic Medicine.

The AFP provided considerable funding for the Indonesian National Police to conduct maritime patrols and for the people smuggling operations taskforces to undertake disruptions and investigations. This funding, combined with the support and liaison undertaken offshore, has been instrumental in the successes that have been achieved in this arena.

The AFP provides operations support funding for the People Smuggling Strike Team in the Royal Thai Police, enabling the unit to operate with greater efficiency and autonomy.

The AFP provides extensive advisory support to international people smuggling operations. Note, however, that the AFP cannot exercise police powers outside its own jurisdiction.

In 2010–11 the AFP conducted training programs at the Jakarta Centre for Law Enforcement Cooperation on:

- people smuggling investigations
- interviewing vulnerable witnesses
- intelligence-led investigations
- money laundering.

In Kuala Lumpur, Malaysia, the People Smuggling Strike Team conducted the People Smuggling Investigations Awareness Program.

The Attorney-General's Department delivered a series of training workshops and conferences with regional partners to improve the level of understanding and cooperation between investigators and prosecutors on the legislative complexities of people smuggling in source and transit countries.

The AFP participated in the third meeting of the Malaysia–Australia Working Group on People Smuggling and Trafficking in Persons, which was held in Langkawi, Malaysia, on 27 and 28 October 2010.

Regional forums

The AFP strengthened its involvement in multilateral and regional forums aimed at enhancing police practice, cooperation, knowledge and professionalism. These included:

- 31st Association of South-East Asian Nations (ASEAN) Chiefs of Police Conference, held in Laos in May 2011
 - This is a forum that brings together police officers from 10 South East Asian member nations to forge stronger regional cooperation in police work, to build lasting friendships, to enhance police professionalism and to promote the prevention of crime in the region.
- Pacific Islands Chiefs of Police (PICP) Conference held in Brisbane, Queensland, in August 2010
 - The AFP funded and facilitated this conference, at which 18 of the 21 member countries were represented. Through the PICP the AFP has immediate and influential access to the police executive of all its closest neighbours. Further, the AFP member attached to the PICP Secretariat develops and implements law enforcement projects in the Pacific on behalf of the PICP.
- 79th INTERPOL General Assembly in Qatar in November 2010
 - This forum drives the future directions of international law enforcement, ensuring the focus remains thematic, contemporary and topical. Attended by 650 senior law enforcement officials from 141 countries, the forum provided an ideal platform to enhance relationships and share Australia's expertise in future planning and strategic processes.
- 7th Annual Heads of National Central Bureau Conference at Lyons, France, in April 2011
 - This conference was attended by 252 officials from 147 member countries. The focus of this year's meeting was facilitating international police information exchange.
- Australia and New Zealand Police Commissioners Forum, hosted for the first time by the AFP in Canberra in April 2011
 - At the conference development of a strategic agenda was proposed that would identify and progress priority areas of business for collectively improving policing.
- A colloquium to discuss information sharing with EUROPOL in Canberra in June 2011
 - Representatives from all Australian state and territory police services, the Australian Crime Commission and Australian Customs and Border Protection Service attended. The colloquium resulted in an increased awareness of the assistance EUROPOL could provide in identifying a criminal nexus to other operational targets.
- The official opening of EUROPOL Headquarters in The Hague, 27–30 June 2011
 - High-level plenary sessions on counter-terrorism and organised crime were also attended, which provided an opportunity to gain significant operational insight into current transnational crime trends across Europe with potential future impacts on Australia.

Engagement in the Pacific

Engagement in the Pacific is an Australian foreign policy priority and is imperative for the maintenance of Australia's national security and stability in the region. The Pacific Transnational Crime Network (PTCN) plays a pivotal role across the Pacific region by enhancing the capacity of Pacific nations to combat transnational crime. This was achieved through a platform of people, partnerships and law enforcement intelligence. The PTCN provides proactive transnational criminal intelligence and investigative capabilities to Pacific regional law enforcement agencies. The Pacific Transnational Crime Coordination Centre (PTCCC) in Samoa acts as the hub for a number of Transnational Crime Units (TCUs) in the Pacific. Additionally, the AFP funded two Case Management and Intelligence System training courses, rolled out a specific PTCN portal and conducted two leadership and development courses for PTCN members.

The PTCN is a law enforcement network based around a multi-agency fusion concept of police, customs and immigration officials. The AFP provides financial support for the day-to-day operations of the PTCCC and the TCUs. The PTCN is designed to actively engage Pacific Islands countries in combating transnational crime that affects their countries. Pacific Islands countries have committed to the PTCN by providing staff for the AFP-funded TCUs. There are currently 13 TCUs in the Pacific, with an additional TCU soon to be established in the Cook Islands and expected to be operational by August 2011. Three mini-TCUs (in Palau, Commonwealth of the Northern Mariana Islands and Marshall Islands) feed into the Micronesia TCU and all TCUs feed into the PTCCC. The AFP provides a full time PTCCC adviser in Samoa and a part-time adviser to the Micronesia TCU.

In 2010 the International Network facilitated the inaugural TCU conference. A significant outcome from this was that all TCUs agreed to meet formally on an annual basis to continue improved information sharing and to build on intelligence methodology best practice.

Memoranda of understanding

The AFP renewed or commenced a number of memoranda of understanding to formalise cooperative arrangements in combating transnational crime in countries such as Pakistan, Hong Kong, East Timor, Thailand and Cambodia.

National cooperation

Multi-agency taskforces

The Commonwealth Organised Crime Strategic Framework places emphasis on a multi-agency approach to delivering operational, policy, regulatory and legislative responses to organised crime threats. The AFP remains an active driver of policy and legislative initiatives designed to execute the framework's intention. The AFP is also a significant contributor to managing the framework's requisite operational requirements.

Taskforce Polaris and Taskforce Yelverton

In the 2010–11 financial year the AFP and partner agencies established two multi agency taskforces based in Sydney and Perth. They draw the expertise, knowledge, intelligence and powers of Commonwealth and state law enforcement agencies into single multidisciplinary teams, focused on prosecuting and dismantling organised criminal networks.

The Sydney Taskforce (Polaris) is responsible for coordinating the activities of the Australian Customs and Border Protection Service, New South Wales Police Force, Australian Crime Commission and New South Wales Crime Commission in targeting serious and organised criminality impacting on the international sea cargo terminals and associated supply chains. The taskforce specifically focuses on exploitation by criminal networks of legitimate business processes within the maritime sector.

The Perth Taskforce (Yelverton) coordinates the activities of the Australian Customs and Border Protection Service, Australian Crime Commission and Western Australia Police in targeting the multijurisdictional trafficking of illicit drugs, financial transactions intended to disguise income

source or currency flow and criminal activities that indicate a level of organisational structure.

Criminal Assets Confiscation Taskforce

Attacking the financial base of crime is an AFP priority. The Crime Program established a Criminal Assets area and the position of Manager Criminal Assets. During the 2010 federal election, the government committed to establishing the multi-agency Criminal Assets Confiscation Taskforce, to be led and hosted by the AFP. The taskforce commenced operations in January 2011 and was formally launched in March 2011. The taskforce is managed and supported from the Criminal Assets area.

The taskforce brings together resources from the AFP, Australian Taxation Office, Australian Crime Commission and Commonwealth Director of Public Prosecutions in a focused effort to identify and confiscate the benefits derived from criminal activity. The taskforce provides a coordinated and integrated approach to Commonwealth criminal asset confiscation, delivering on the government's strategy to increase and strengthen agency collaboration as a major tool in the fight against serious and organised crime. The collaborative nature of the taskforce ensures that the skills, expertise, knowledge and legislative mandate of each participating agency are fully exploited.

This initiative has provided the AFP and the Commonwealth with a greater ability to identify and pursue criminal wealth. A significant strategy of the Criminal Assets Confiscation Taskforce is the proactive profiling and identification of criminal assets with Commonwealth, state and international partners.

National Task Force Chamonix

As part of its commitment to multi-agency activities targeting organised crime, the AFP, through the Identity Security Strike Teams, participated in National Task Force Chamonix, which targeted card-skimming activities.

Intelligence sharing

In support of the Organised Crime Strategic Framework, the AFP and the Attorney-General's Department lead the Identity Crime Response Plan Implementation Team, which implements the recommendations endorsed by the Heads of Commonwealth Operational Law Enforcement Agencies (HOCOLEA). The AFP and Australian Crime Commission formulated the National Identity Crime Intelligence Collection Plan to provide a framework for enhanced intelligence cooperation across the Commonwealth and states.

Training

On 14 April 2011 the AFP Human Trafficking Team hosted the People Trafficking: Achieving Collaborative Awareness Discussion Exercise to identify current and future legislative, administrative, service and socio-legal activities to help prevent, disrupt and prosecute criminal groups benefiting from human trafficking in all its forms. Personnel from industry and government and non-government agencies attended and provided positive feedback on the value of the event and the closer engagement between agencies and the AFP that it generated. The event resulted in the AFP identifying a calendar of stakeholder engagement activities across Australia, with the first held in Brisbane on 29 June 2011 and the remainder to be carried out in the 2011–12 financial year. These events will form the basis for a human trafficking community across Australia that will meet regularly. An anti-trafficking community compendium providing information on the investigative and/or victim support capabilities of industry and government and non-government organisations is currently being drafted.

Three police personnel from Queensland, Victoria and New South Wales and 17 AFP personnel successfully completed the Human Trafficking Investigations Program. Complementing this program was the publication of an AFP aide mémoire and practical guide to assist investigators and partner agencies with human trafficking investigations.

Publications

The AFP is one of six AUSTRAC partners contributing to AUSTRAC's *National threat assessment on money laundering*. The document is intended to provide a consolidated picture of the current money laundering environment to inform policy and operational priorities, as well as a baseline of key and emerging threats against which subsequent assessment can gauge changes in the Australian environment.

As Chair of HOCOLEA, the AFP has worked closely with the Attorney-General's Department to review the *Commonwealth fraud control guidelines and Australian Government investigations standards* (AGIS). In particular, the AFP assumed the lead role in regard to AGIS and has conducted an extensive consultation process across the Commonwealth. A significantly revised AGIS has been produced and submitted for HOCOLEA approval.

The AFP developed a new *Australian policing strategy to combat trafficking in persons 2011-13*, which was endorsed by ministers and state and territory police commissioners. The strategy is monitored by the Ministerial Council for Police and Emergency Management – Police.

Systems development

The Identity Security Strike Team National Facial Recognition System Project has progressed and will shortly be implemented across AFP offices, with training completed in June 2011. The system operates through new policy initiative funding and provides for intelligence-led investigations into identity-related offences where biometric clues are often the only evidence left behind by offenders.

Conferences

International Serious and Organised Crime Conference

In October 2010 the AFP was a major sponsor of the International Serious and Organised Crime Conference, hosted in Melbourne. The conference was a joint initiative by the AFP, Australian Institute of Criminology, Victoria Police, the Australian Crime Commission and Crimtrac. The conference focus was on cross agency relationships, which are essential to mitigating the potential threat that serious and organised crime poses to national security. Conference participants engaged in plenary sessions and workshops bringing together experts from law enforcement, intelligence, government and the private sector to share information and identify opportunities for cooperation.

At the conference the AFP's National Manager Serious and Organised Crime spoke of the changing criminal landscape and provided examples of the ways in which increased communication technology is breaking down geographical distances and barriers.

In officially closing the two-day conference, the AFP's Deputy Commissioner Operations called for close cooperation to deny organised criminal networks an environment conducive to their operations, to force them to constantly reassess their own business plans and to ensure that law enforcement dominates the environment and is not being dictated to by organised crime.

Intellectual Property Crime Conference

AFP members, along with senior law enforcement delegates from nine ASEAN countries, attended the Intellectual Property Crime Conference in Sydney in February 2011. The conference assisted members to gain a broad industry overview and to draft strategies to address intellectual property crime within the region.

PROGRAM 1.4: CLOSE OPERATIONAL SUPPORT

Operations Support

Performance highlights

- In 2010–11 the AOCC watch floor teams processed operational requests comprising:
 - 471 family law orders and warrants
 - 30 049 INTERPOL communications
 - 3 136 National Security Hotline Reports
 - 7 329 Information Reports.
- In managing the AFP response to the Queensland floods, the AFP Operations Coordination Centre (AOCC) coordinated the preparation, planning and critical response phase across the AFP for the deployment of AFP search, rescue and general policing personnel to support Queensland Police operations in south-east Queensland. The AOCC coordinated communications between Queensland Police and AFP operations and provided centralised monitoring and reporting of events to the Australian Government and AFP Executive.
- The Spectrum program provided access across the AFP to secure geospatial capability and developed a records management system that ensures the AFP can meet and report on the requirements of the Freedom of Information Act.
- The Intelligence Strategic Program delivered new infrastructure for a new Secret and Top Secret network capability in partnership with other government agencies. These new networks now provide an efficient and effective conduit into the national security community and greatly increase the AFP's ability to manage sensitive and classified information.

Overview

The Operations Support function provides:

- centralised monitoring and initial response, coordination and communications support to AFP operations
- management of the AFP's corporate business process strategies and related relationships with internal and external stakeholders
- delivery of the next generation of systems and processes to align business with information technology functionality
- delivery of security networks for the handling and management of intelligence and sensitive information.

Operations Support is comprised of:

- AFP Operations Coordination Centre
- Corporate Communications
- Security
- Intelligence Strategic Program
- Spectrum Program.

AFP Operations Coordination Centre

AFP Operations Coordination Centre (AOCC) provides a 24/7 centralised monitoring capability, initial response coordination and a communications network to national and international operations, including primary point of contact for members of the public. The AOCC has dual roles: to provide close operations support to operational and intelligence teams across the AFP and to provide a range of coordinating services for the broader organisation.

AOCC watch floor staff monitors operational activities including significant case management entries, international inquiries and Australian National Child Offender Register alert activations and facilitates INTERPOL and EUROPOL requests. Watch floor staff are also responsible for the receipt, registration and initial management of family law recovery orders and family law arrest warrants issued under the *Family Law Act 1975*.

Watch floor staff coordinate activation and notification of persons of interest watch lists for the AFP, state and territory police services and a wide range of authorities including the Australian Taxation Office, New South Wales Crime Commission, Queensland Crime and Misconduct Commission, Child Support Agency, Australian Securities and Investments Commission, bankruptcy trustees, Australian Fisheries Management Authority and Attorney-General's Department.

AOCC maintains an investigations support service to receive and evaluate investigation referrals from the public, client agencies and law enforcement partners. The team manages the AFP's legislative obligations on Ombudsman inspections of controlled operations records and provides specialised advice internally on controlled operations, import and export permits, registrar services to special projects and national coordination of property and exhibits.



AOCC watch floor operations

AOCC's Strategic Systems Management area assists the AFP to manage and record information by managing access to internal and external operational databases and systems. It provides a key audit and data integrity function for investigation and intelligence personnel and promotes consistency and best practice for recording information in AFP operational systems. The Strategic Systems Management area provides operational reporting, analysis and monitoring, including reporting on business activities, incidents and events and performance benchmarks to support decision making by the AFP Operations Committee and AFP Senior Executive. The area also incorporates an external inquiries function that provides an interface between AFP investigators and external information providers.

AOCC monitors emerging incidents and coordinates AFP emergency management and crisis response. Through the Incident Coordination Centre framework AFP response to incidents is consistent with reforms to the Australian Government Crisis Management Framework. The AFP, through the Incident Coordination Centre, works with government and law enforcement partners during whole-of-government crisis response and consequence management.

AOCC was integral in supporting the preparation and planning of, and critical response to, the following operations and incidents:

- Commonwealth Games – India
- rescue and recovery of passengers of SIEV 221
- search, rescue and general policing support in response to the Queensland floods
- policing support during disaster recovery associated with the Christchurch earthquake
- immigration detention centre disorder in support of the Department of Immigration and Citizenship.

Client satisfaction

The AOCC successfully moved to its new facility in the Edmund Barton Building (EBB) in August 2010. The following are key outcomes of AOCC's consolidation within EBB:

- Clients did not experience disruption in service delivery as the Business Continuity Plan was applied with minimal impact to operational capacity.
- An alternative work location now provides a back-up facility not previously available for AOCC. The Business Continuity Plan was tested under live operating conditions and refined following a systems failure and subsequent relocation to an alternative work location.
- Consolidation of teams has enhanced service delivery through more flexible workforce planning.

The AOCC exceeded its key performance objective of an overall client satisfaction level of at least 80 per cent, receiving an overall positive

satisfaction result of 89 per cent (satisfied or very satisfied) in the Business Satisfaction Survey. Only 9 per cent of respondents indicated any dissatisfaction and no clients were very dissatisfied.

Corporate Communications

Corporate Communications develops and implements communication strategies to deliver key messages internally and to domestic and international partners and the broader Australian community.

During 2010–11 the Corporate Communications restructure was consolidated. The new structure uses the specialised skills of four teams – Marketing, Media, Online Services and Production – to ensure that messages reach targeted audiences by delivery through a range of communication mediums. While each of the four communication streams provides specific advice, the AFP is provided with a complete and tailored communication service.

Table 6: AOCC key communications and central monitoring support services

Incident dispatches to Airport Uniform Police and Counter Terrorist First Response at the 11 major airports	23 137
Total calls received at the call centre on dedicated lines:	
131 AFP (131 237)	29 471
1300 AFPOPS (1300 237 677)	4 994
INTERPOL and the National Security hotlines	21 581
Total alarms activated and responses managed by Central Monitoring Support personnel	64 990
Alarms activated of significance to the Commonwealth	50 884
Commercial alarm activations	14 106

Table 7: AOCC Information and Alerts Team – alerts

Australian National Child Offender Register activations	1978
Family law	2565
Other	4999
Total Passenger Analysis Clearance and Evaluation	7564

Corporate Communications launched its new state-of-the-art Conference Centre in March 2011 at AFP Headquarters. The facility uses the latest in audio and visual technology to enhance the organisation's ability to communicate both internally and externally. The 100-seat theatre is being used to host a range of functions from internal musters to video-enhanced interactive scenario planning with external stakeholders. Through its audio and visual capabilities, including live streaming, the centre has the capacity to reach a much larger audience across the AFP and into the broader community.

During the reporting period, the first series of a new observational documentary-style program, called *AFP*, went to air on the Nine Network.

The program provides the Australian public with a unique window into the AFP and its role in fighting crime both domestically and overseas, contributing to an increase in public awareness and confidence and encouraging community participation in the fight against crime.

The initial six episodes, produced by *Zapruder's other films*, was viewed across Australia from April to June 2011 and will be followed by a second series in 2012, presenting the additional material filmed during 2008 and 2009.

In 2010–11 the four streams of Corporate Communications worked together to support major events and operations, including:

- International Missing Children's Day launch
- Australia-wide ThinkUKnow launches
- National Missing Persons Week
- National Police Remembrance Day
- Fraud Awareness Week
- National Youth Week
- Edmund Barton Building opening.

The National Media Team managed a high volume of media inquiries and activities in 2010–11, including:

- more than 25 000 references to AFP activities in the broadcast and press media
- 3320 public media inquiries
- 253 media releases
- 29 media conferences.

The Online Services Team achieved the following in 2010–11:

- Between 1 July 2010 and 30 June 2011 the AFP's website received 1 044 906 unique visitors and 5 266 562 unique page views.
- The AFP Media extranet was activated in late 2010 to provide an efficient platform for the transmittal of broadcast-quality content to selected media agencies. This facility has been successfully used on multiple occasions to deliver high-definition videos and images relating to major AFP operations and media events.
- In May 2011 the Online Services Team, in conjunction with the Freedom of Information Team, successfully facilitated the initial rollout of the Australian Government's Information Publication Scheme via the AFP website. Work on the Information Publication Scheme initiative is ongoing, with several more tranches of information scheduled for publication over the next year.

The Production Team achieved the following outcomes in 2010–11:

- completion of a new Conference and Production Centre
 - The new centre began operations in early 2011 and has already played host to several major conferences involving both internal and external stakeholders.
- coordination of an interagency scenario and discussion forum on human trafficking
- photography, video and audio services to support major AFP operations and training initiatives, as well as broader communication strategies.

In 2010–11 the Marketing Team:

- supported the development and implementation of the AFP's contribution to many campaigns, including
 - National Missing Person's Week
 - International Missing Children's Day
 - launch of the Criminal Assets Confiscation Taskforce
 - AFP Graduate Program 2012
- conducted employee communications campaigns on
 - changes to freedom of information legislation
 - improvements to the investigators' toolkit
 - rank review
 - culture and diversity climate scan
 - security awareness training.

Security

The AFP is fully compliant with the Australian Government Protective Security Policy. The AFP Security Committee is responsible to the Commissioner for the ongoing development of security policy, oversight of security matters and creation and maintenance of an appropriate security culture for the protection of AFP functions and official resources.

Serving as the Agency Security Adviser, Manager Security is responsible for the implementation of security policy within the AFP, including oversight of information and communications technology (ICT). The AFP contributes to the wider whole-of-government security policy agenda through participation in key committees and forums.

The focus of security training, practice and policy is to ensure the AFP meets its responsibilities under the Australian Government Protective Security Policy with an emphasis on protecting the integrity of AFP investigations, its people and assets.

The AFP is an exempt agency for the purposes of negative vetting security clearances in accordance with the Australian Government *Protective security manual*. The AFP has aligned standards and processes with the incoming Protective Security Policy Framework to ensure interoperability with other exempt agencies and non exempt agencies that use the services of the Australian Government Security Vetting Agency. During 2010–11 Personnel Security Vetting granted 3654 security clearances, ranging from Site Access Only to Top Secret. All AFP appointees must obtain and maintain some form of security clearance. Currently 74.5 per cent of the AFP maintains a national security clearance, an increase from last year of 6.5 per cent.

During 2010–11 the Information and Communications Technology Security Team continued to provide the following services:

- technical security advice and operational support for the management and development of the AFP's information technology systems
- security awareness training
- vulnerability management
- incident response.

The Operational Security Team continued to provide strategic and tactical security advice and products to support operational activities. This includes:

- extensive support to the International Deployment Group and the International Network to assist with security planning for offshore deployments
- focused security support to domestic operations
- implementation of the Defensive Security Travel Briefing Team to provide contemporary defensive security travel briefings to AFP members on official and private international travel.

All staff undertook the AFP's new online security training, which tests the AFP's baseline security knowledge. There is now an annual requirement for all staff to complete this online training.

Intelligence Strategic Program

On 1 January 2011 the Intelligence Strategic Program was renamed Strategic Programs. This area manages long-term initiatives for the AFP to deliver significant outcomes and benefits, ensuring the AFP is working to best practice. The area includes the AFP's Project Management Office, which is responsible for establishing a program and project management support environment to manage the AFP's total investment in change, including new policy initiatives. This includes implementing the Capability Improvement Plan for Project and Program Management and providing secretariat services and portfolio management support to the AFP's Strategic Investment Committee.

A key Strategic Programs initiative will be completed in the first quarter of the 2011–12 financial year and will deliver the AFP's Secret and Top Secret networks in partnership with other government agencies. These new networks now provide an efficient and effective conduit into the national security community and greatly increase the AFP's ability to manage sensitive and classified information. All of the infrastructure required to connect the AFP to the national security community for both the Secret and Top Secret networks was delivered in the 2010–11 financial year. The first quarter of 2011–12 will see the final rollout of desktop terminals and phones to areas within AFP Headquarters that did not have secured facilities completed before the end of the 2010–11 financial year.

The National Security Chief Information Officer has created a 10-year vision and road map for the use of sensitive and classified information between national security agencies. The AFP, as a key member of, and contributor to, the national security community, has created the National Security Capability Development function to further develop the AFP's use of Secret and Top Secret material. Information classified at

the Secret and above level requires significant infrastructure and procedural rigour to ensure the integrity of the information being exchanged. The cost in establishment and management of these networks is far greater than standard government ICT networks.

The National Security Capability Development Team also liaises with partner agencies across the community to progress the road map and collaborate on developing cross-agency solutions for the ICT networks and infrastructure required to manage Secret and Top Secret communications.

There are six projects that commenced in 2010–11 and all are expected to be completed in 2011–12, delivering new capabilities to the AFP:

- secure video teleconferencing that will enable the AFP to have real-time video access within headquarters and throughout all major regional offices in Australia, and international secure video teleconferencing around the world through partnership with the Department of Foreign Affairs and Trade
- investigator tools and applications onto the AFP's Secret network to assist operational policing undertaken at the Secret classification
- disaster recovery solutions to ensure full availability of the AFP's Secret and Top Secret networks
- use of partner agencies' existing communications infrastructure to exchange data with our international allies
- secure deployable capability
- preparing the AFP to meet the requirements of the new national security classification regime.

Spectrum

Spectrum is a \$108 million program funded over four years (2008–12) by both the Australian Government, through a new policy initiative, and the AFP to deliver business and information technology projects in direct support of AFP operations. The Spectrum Program delivered its first phase of business process improvements in early 2010.

The second phase of the program was largely completed within the 2010–11 reporting period, during which the program delivered a range of technical functionality to AFP operations designed to improve access to information and streamline current processes. The most significant deliverables were provision of access across the organisation to secure geospatial capability and the development and implementation of a records management system designed to ensure the AFP can meet and report on the requirements of the Freedom of Information Act.

In January 2011, in accordance with government direction which places a greater emphasis on commercial acquisition and consistent with the guidance of the Australian Government Information Office and the Department of Finance and Deregulation, a request for tender was issued to industry for the acquisition of software applications to meet investigations, incident management and intelligence needs for the AFP. The results of this process will inform direction for the third and final phases of the program.

The AFP's ongoing investment in strategic capabilities such as people, information, intelligence and technology will enable the agency to continue to provide effective intelligence-led policing to the people of Australia.

Intelligence

Performance highlights

During 2010–11 Intelligence:

- implemented the Targeted Enforcement Prioritisation Index, an intelligence-led, risk-based target priority model to assist with operational prioritisation and resource allocation
- continued to participate in the Strategic Alliance Group's Criminal Intelligence Advisory Group, which is chaired by the AFP's National Manager Intelligence
- disseminated 1084 Intelligence Reports in support of AFP operations, 942 of which were shared with external clients
- continued to build strong relationships with the Australian intelligence community, which resulted in 85 per cent external client satisfaction
- strengthened governance frameworks during the reporting period, including through the publishing of the AFP's *Intelligence doctrine*, which encapsulates a single philosophy governing the AFP's approach to criminal intelligence.

Overview

The key focus for Intelligence in 2010–11 was to provide high-quality, targeted and real-time intelligence services to all AFP operational functions. This was achieved by refining the business model and portfolio structure, the co-location of intelligence support staff with investigative teams and provision of operational and tactical intelligence to meet the operational functions' priorities.

The Intelligence function developed and maintained mutually beneficial relationships with the Australian and international intelligence community, other government departments and state and territory law enforcement agencies. Particular emphasis was placed on effective participation in the whole of government National Intelligence Coordination Committee and enhancement of interoperability with federal, state and territory agencies.

In February 2011 the AFP Intelligence function hosted and chaired the 2011 Criminal Intelligence Advisory Group meeting in Australia. The group consists of the heads of intelligence of the United States Federal Bureau of Investigation, the United Kingdom Serious Organised Crime Agency, the New Zealand Police, the United States Drugs Enforcement Administration, the United States Immigration and Customs Enforcement, the Royal Canadian Mounted Police and the Australian Crime Commission. The Criminal Intelligence Advisory Group identifies and exploits opportunities where agencies can work together to tackle specific threats and issues arising from global organised crime.

Key government and organisational performance measures for the AFP Intelligence function this financial year related to service delivery and client satisfaction. The survey of external clients showed a satisfaction rate of 85 per cent and the survey of internal clients showed a satisfaction rate of 73 per cent.

Initiatives and outputs

During 2010–11 the Intelligence function achieved a number of key outputs including an internal audit of the delivery of intelligence services. As a result of this audit, a service delivery model was implemented that better reflected the needs of the Intelligence function's clients. Headquarters Intelligence structures were realigned to more effectively integrate international and domestic intelligence with the creation of the Transnational Intelligence Operations (TIO) area. TIO monitors intelligence flows across the AFP to ensure convergences across crime types are identified and actioned. TIO has enhanced the function's support to the AFP's International Network and operations, and also administers the Target Evaluation Prioritisation Index to effectively identify targets for inclusion in the Australian Crime Commission's *National criminal target report*.

In line with operational priorities the Intelligence function continued to provide tactical intelligence, operational intelligence and strategic intelligence. The Intelligence function's resource flexibility enabled the redirection of resources when greater emphasis was placed on people smuggling and

disturbances on Christmas Island and Villawood detention centres.

Aviation Intelligence continues to enhance cooperative intelligence sharing between government aviation intelligence stakeholders through the AFP-chaired Airport Intelligence Joint Working Group. The group has implemented a vulnerabilities register identifying potential security and crime vulnerabilities at Australian airports while ensuring member agency intelligence resources deployed to assess these vulnerabilities are coordinated.

Based at each designated Australian airport, Aviation Intelligence and the Joint Airport Intelligence Groups (JAIGs) also conducted criminal environmental scans to assess the impact of criminality in the Australian aviation environment.

In August 2010 the JAIG in Canberra received information from New South Wales Police Force about two recent fraud matters involving cleaning contracts in the aviation environment. JAIG inquiries identified the use of fraudulent aviation security identification cards (ASICs) to facilitate this fraud. The matter was referred to the Joint Airport Investigation Team in Sydney for further investigation.

In March 2011 intelligence led to the seizure of 51 fraudulent ASICs. The alleged offender was charged with possessing the cards and New South Wales fraud offences relating to monies paid by people to whom he illegally offered aircraft cleaning subcontracts.

Aviation Intelligence also provided support to the investigation of the organised theft of 182 Apple laptop computers from the Toll Freight facility in Sydney. This assisted in identifying the offenders and resulted in the arrest of the primary offender and nine peripheral offenders.

People Smuggling Intelligence provides tactical intelligence support to the AFP's People Smuggling Strike Team, including the preparation and dissemination of intelligence product to foreign law enforcement partners. This has enhanced the AFP's sharing of intelligence and

collaborative targeting of people smuggling networks overseas and enables foreign law enforcement to take action against offenders involved in people smuggling and related crime.

Intelligence co-located a number of members with Australian Customs and Border Protection Service personnel and provided intelligence services to whole of government efforts to disrupt people smuggling ventures and networks.

Intelligence identified an international money laundering network operating as alternative remittance agents in Pakistan, Afghanistan and Australia suspected of supporting people smuggling and further identified other transnational crime groups. Together with other Australian agencies, the Intelligence function provided support to the Pakistani authorities with full identification of suspected *hawala* dealers, their businesses and their suspected involvement in people smuggling and money laundering. Intelligence referred the matter to the People Smuggling Strike Team. The investigation, also supported by Intelligence, resulted in the search of the business premises of several *hawala* dealers in Pakistan and the arrest of five people, including the principal suspect, for human trafficking and money laundering offences.

In August 2010 People Smuggling Intelligence identified persons suspected of organising a large number of people smuggling ventures to Australia. The matter was referred to the People Smuggling Strike Team, leading to a joint AFP and Indonesian National Police investigation that resulted in the arrest of several key organisers in Indonesia.

High Tech Crime Intelligence supports operations countering and preventing cyber attacks against computer systems of national interest and provides operational assessments on online trends and emerging issues, including monitoring the activities of issue-motivated groups of significant interest to domestic and foreign law enforcement partners and the Australian intelligence community.

High Tech Crime Intelligence also provides significant input into a number of government initiatives, including the National Cyber Security Threat Assessment.

Child Protection Operations Intelligence

supports investigations into matters involving the possession and/or transmission of child exploitation material and assists in the monitoring of people travelling overseas who are recorded on the Australian National Child Offender Register.

Child Protection Operations Intelligence provides expert knowledge to investigators and the AFP International Network regarding child sex tourism matters.

Transnational Intelligence Operations

was established during the year to enhance intelligence support to the AFP's International Network and to monitor and direct intelligence flows into the AFP. The area plays a key role in mapping convergences between crime types impacting on the AFP and continues to maintain the quarterly AFP Target Evaluation Prioritisation Index.

In this financial year the Target Evaluation Prioritisation Index, which was developed in 2009–10, was trialled across the broad spectrum of AFP operational activities. For example, during October 2010 Transnational Intelligence Operations worked closely with the US Law Enforcement Administration to identify a vessel off the east coast of Australia suspected of carrying a large quantity of cocaine. The matter was referred for investigation, resulting in the successful interception of the vessel, the seizure of 400 kilograms of cocaine and arrest of five people .



Evidence from intelligence-led investigation

During late 2010 Transnational Intelligence Operations observed growing potential linkages between the trafficking of methamphetamine by central Asian criminal groups into South-East Asia and the activities of people smuggling organisers operating in the region. Transnational Intelligence Operations produced and shared a number of products with police in Indonesia, Malaysia and Thailand to assist with targeting this convergence across crime types and with disrupting the underlying criminal networks.

In January 2011, based on intelligence gathered during the preparation of its quarterly Target Evaluation Prioritisation Index, Transnational Intelligence Operations engaged international law enforcement in the search for and location of the AFP's highest-priority target. The target, who was also wanted for arrest in the United Kingdom, was successfully extradited in February 2011 and is currently in United Kingdom custody.

With support from the Dutch Korps Landelijke Politiediensten, in January 2011 Transnational Intelligence Operations successfully identified an international criminal group involved in large-scale importation and distribution of illicit drugs into Australia. The matter was referred for investigation and resulted in the arrest of four persons over March and April 2011 and the seizure of approximately 239 kilograms of methamphetamine suspected of having been imported into Australia by the group.

Drawing upon its embedded liaison officer, Transnational Intelligence Operations worked with the Australian Customs and Border Protection Service during January 2011 to target possible imports of opium from Iran into Australia. During March 2011 intelligence generated through this liaison assisted the Australian Customs and Border Protection Service in locating 175 kilograms of opium concealed in jars of tomato paste imported into Australia from Iran. This resulted in the arrest of three people in Sydney.

Counter Terrorism Intelligence provided intelligence support to domestic and international counter-terrorism operations through the collation, analysis and timely dissemination of intelligence products. Counter Terrorism Intelligence also provided expert knowledge and support to national and international partners and stakeholders and maintained mutually beneficial relationships with organisations including INTERPOL and EUROPOL. This has contributed to a greater global view of the issues associated with terrorist groups worldwide.

Counter Terrorism Intelligence identified significant convergences across individuals, groups and regional areas associated with terrorist activities and provided high-value briefings to the AFP Executive regarding current and emerging counter-terrorism issues.

During the year Counter Terrorism Intelligence provided intelligence support to a number of high-impact terrorism investigations and prosecutions being conducted by the Joint Counter Terrorism Teams.

Protection Intelligence continued to provide support to Protection operations for a number of significant planned events in 2010–11 including Talisman Sabre, a United States and Australian joint military training exercise in which AFP members participated, and the Commonwealth Heads of Government Meeting. This support included the provision of field intelligence teams and close engagement with state police counterparts and Commonwealth agencies. Protection Intelligence was also heavily involved in the strategic planning of several high-level visits from foreign government representatives and heads of state that were deemed crucial to Australian bilateral relations.

International Deployment Group Intelligence provided tactical and operational support to the International Deployment Group and associated stakeholders throughout 2010–11. Identification, cultivation and maintenance of new and existing relationships have been instrumental in overseas missions, achieving planned objectives while maintaining a safe and secure environment.

International Deployment Group Intelligence deployed members as part of the Joint Intelligence Group in support of the AFP's response to Christmas Island. Intelligence support was also provided to priority overseas missions, including Afghanistan and Sudan.

Strategic Intelligence Services was restructured during the year. In addition to its ongoing role of informing and supporting broader AFP decision making and management of the AFP's obligations under the National Intelligence Coordination Committee (NICC) structure, it took over responsibility for the Intelligence Dissemination team and the Canberra-based and regional vault facilities.

The Strategic Crime Assessments team in Strategic Intelligence Services continued to provide analytical and resource prioritisation support to the AFP Executive through a range of strategic crime assessments such as the Annual Intelligence Assessment and the biennial International Policy Coordination Group Scan.

The NICC Team in SIS facilitated AFP input into 26 national intelligence collection papers during the year. Of these, the NICC team took the lead or co-lead on five papers on behalf of the national security community.

Intelligence was responsible for the development and implementation of a new Information Report module. This has resulted in a significant increase in the number of Information Reports submitted and disseminated to partner agencies.

Local Office Intelligence teams are placed within AFP offices nationally to provide operational and tactical intelligence support in the areas of transnational sexual exploitation and trafficking, money laundering, crime operations, serious and organised crime, child protection operations, drugs, counter-terrorism, people smuggling, human source management and protection.

Notable outputs during 2010–11 were tactical/operational intelligence support provided to a number of people smuggling operations, drug investigations and organised crime resulting in:

- the seizure of 400 kilograms of cocaine
- the identification and arrest of three people involved in a criminal network responsible for the importation of 168 kilograms of heroin concealed in wooden doors imported into Sydney from Malaysia
- the arrest of an American national and the seizure of 3.5 kilograms of cocaine in Sydney
- the arrest of two persons in Australia, two persons offshore and the seizure of a commercial quantity of cocaine
- the identification of multiple importations of precursors to Australia from China that led to the arrest of five persons and also identified a pattern of imports that impacted on South Australia, New South Wales, Queensland and Victoria
- the seizure of 15 kilograms of methamphetamine in Perth
- three arrests, restraint of A\$710 500 and £300 000 and seizure of 78 kilograms of methamphetamine ('ice') following an investigation into a global money laundering syndicate responsible for laundering the proceeds and instruments of crime for transnational crime groups
- the identification of several persons who, for the purpose of laundering money, had sent significant funds to internet sites known to offer 4 methylmethcathinone
- the arrest of seven persons for the importation, manufacture and supply of 4-methylmethcathinone – money laundering charges were laid and approximately \$135 000 seized and forfeited under the Proceeds of Crime Act.

Forensic and Data Centres

Performance highlights

During 2010–11 Forensic and Data Centres:

- provided forensic support to over 81 per cent of all AFP cases brought before court
- supported international partner investigations with post-blast analysis
- supported the risk analysis of the availability within Australia of security sensitive chemical and biological material and the diversion of chemicals into illicit drug production
- provided forensic support during the investigation of fire-damaged crime scenes following the disturbances at the Christmas Island and Villawood immigration detention centres
- undertook disaster victim identification in response to the Christmas Island boating tragedy (December 2010) and the Christchurch earthquake (February 2011)
- developed new capabilities in the areas of geomatics, shoe impression comparisons and document paper examination
- provided support to South East Asian Bomb Data Centre (SEABDC) partners through the conduct of training programs and facilitation of the SEABDC Working Group
- in partnership with Australian state and territory jurisdictions enhanced the national intelligence of illicit drugs through a forensic analysis program
- supported the Indonesian National Police in the identification of suspects in the investigation into the bombing of the Marriott Hotel, Jakarta
- successfully completed the three-year capacity-building project for the Iraqi Police Service, in which 245 Iraqi police were trained in various forensic sciences and leadership.

Overview

Forensic and Data Centres provides forensic science and technical intelligence services to the AFP and partner agencies. It also contributes to international capacity building and seeks to strengthen relationships with domestic and international counterparts and academia.

Forensic and Data Centres delivers:

- forensic science and specialist services (laboratory and field operations), including biological and chemical criminalistics, identification science, computer forensic and electronic evidence, disaster victim identification, ballistics and rapid field operations response capability
- technical intelligence services provided by the Australian Bomb Data Centre, the Australian Chemical, Biological, Radiological and Nuclear Data Centre and the Australian Illicit Drug Data Centre, which was formally launched in February 2010 to provide technical drug intelligence and a national program for profiling illicit drugs
- coordination and management of projects funded for a specific purpose
- leadership through Australian participation in international forums including the provision of Australian heads of delegation in a range of scientific and technical environments – for example:
 - the Technical Response Group of the Australia, United Kingdom, Canada and United States Quadrilateral partnership
 - participation in the associated chemical, biological and radiological terrorism exercise that was conducted in the United Kingdom in March 2011
 - membership of the Organising Committee of the INTERPOL International Forensic Science Managers' Symposium, and Chair of the INTERPOL DNA Expert Monitoring Group.

During 2010–11 there was a forensic aspect to 81 per cent of AFP cases in court.

The Forensic and Data Centres function is comprised of:

- **Forensic Operations**, which covers:
 - chemical criminalistics
 - biological criminalistics
 - fingerprint identification
 - firearms and ballistics identification
 - document examination
 - crime scene sciences
 - computer forensic
 - imaging
 - facial recognition
 - audio and video
 - disaster victim identification.
- **Data Centres**, which includes the:
 - Australian Bomb Data Centre
 - Australian Chemical, Biological, Radiological and Nuclear Data Centre
 - Australian Illicit Drug Data Centre.
- **Business Support**, which attends to:
 - research and development
 - training
 - capacity building and projects
 - administration
 - quality assurance
 - information management
 - occupational health and safety.

Forensic Operations

Significant operations, 2010–11

The AFP Disaster Victim Identification Team took a lead role in the coronial component of the December 2010 Christmas Island boating tragedy. Team members were also deployed to assist with the victim identification aspect of the response to the Christchurch earthquake.

Forensic personnel assisted investigators in a number of drug importation and seizure operations. These operations included:

- Operation Rossa – the importation and trafficking of precursor/synthetic drugs along the eastern seaboard of Australia
- Operation Seam – the importation of 176.8 kilograms of opium concealed in a shipment of tomato paste cans
- Operation Leartes – the importation of 13 kilograms of cocaine concealed in rolls of textiles
- Operation Fife – the importation of 21 kilograms of cocaine concealed in farm machinery
- Operation Cleaner – the importation of 17 kilograms of cocaine impregnated into clothing and towels
- Operation Terrell – the importation of 11.2 kilograms of heroin concealed in blocks of frozen fish
- Operation Collage – the importation of 400.9 kilograms of cocaine from South America
- Operation Gatta and Operation Messara – the importation of a combined 3.5 kilograms of methylamphetamine in four postal packages sent by the same person from overseas
- Operation Zanella and Operation Dreamer – the seizure of 76.8 kilograms of methylamphetamine seized during the execution of a search warrant.

Crime Scene Sciences and Chemical Criminalistics personnel travelled to Norfolk Island where they undertook analysis of 500 kilograms of commercial explosive material and assisted in its destruction.

The Biological Criminalistics team assisted Victoria Police with DNA testing that led to the conviction of four offenders in the high-profile murder of Desmond ‘Tuppence’ Moran. This assistance was provided following an offer of support from Commissioner Negus to Chief Commissioner Overland.

Computer Forensic personnel assisted a joint investigation by AFP High Tech Crime Operations and Cambodian authorities into an Australian national living in Cambodia who was suspected of being involved in child sex tourism. The assistance included deploying an officer to Cambodia to assist with the initial triage of exhibits and the subsequent analysis of these items back in Australia. It resulted in the conviction of the

Australian national to four-years imprisonment. This is the first case of evidence provided by the AFP Computer Forensic team being used in a Cambodian court.

AFP Computer Forensic personnel assisted High Tech Crime Operations with the investigation of 100 child protection operation matters.

Imaging personnel were deployed in response to the Christmas Island riots initially to obtain audio-video footage and subsequently to provide specialist 360-degree image capture and to survey the crime scene.

Crime scenes

The Crime Scene Sciences Team established the SICAR capability, an intelligence tool that enables footwear impressions collected from crime scenes to be compared electronically to assist ACT police in their detection of burglaries.

Crime Scenes Sciences is further developing forensic surveying into geomatics to improve its service provision. It combines technical, geophysical and imaging instrumentation that is deployable to crime scenes to aid investigators search, record and recover evidence from scenes.

Crime Scenes Sciences has reviewed and restructured to more accurately map its resources to the needs of ACT Policing. This has resulted in a significant improvement in personnel response times to requests for attendance at crime scenes, thereby providing an improved service to policing and victims of crime.



Forensic staff at a crime scene

Biometrics

A number of initiatives have been undertaken to increase capacity and improve the biometrics capability of the AFP:

- In January 2011 the AFP signed the INTERPOL Charter to gain access to the INTERPOL DNA database. This allows Australian law enforcement agencies to search unidentified DNA profiles internationally through the National Central Bureau in Canberra.
- In March and April 2011 latent fingerprints from unsolved serious crimes in Canada, the United Kingdom and the United States of America were searched against the National Automated Fingerprint Identification System as a pilot to establishing an international fingerprint exchange framework, hosted by the AFP. The pilot has occurred in conjunction with CrimTrac and resulted in one identification of a latent fingerprint from a Canadian unsolved serious violent crime.
- Forensic and Data Centres represented the AFP on the Crimes Act Part 1D Statutory Review (which concluded on 30 June 2010). The revised legislation is currently being drafted and contains significant improvements such as a statutory basis for international exchange of DNA profiles, as well as important procedural simplifications. It is proposed the legislation will go before parliament in the spring session of 2011.
- Forensic and Data Centres is leading the re-establishment of the Commonwealth convicted offender backcapture program and has engaged other Commonwealth agencies through Heads of Commonwealth Operational Law Enforcement Agencies (HOCOLEA) to further broaden the scope of collection and effectiveness of this regime. The initial meeting of the HOCOLEA DNA Working Group occurred in June 2011.
- The Biological Criminalistics team is contributing to the national implementation of an enhanced DNA analysis capability which will see a simultaneous move to enhanced DNA profiling technology nationally.

Chemical criminalistics

Demand for the expanding textile damage and fibre examination capability for major operations

has spread beyond the ACT. In a Northern Territory Police murder investigation the examinations were an integral part of the forensic evidence which led to the defendant receiving a life sentence.

The Chemical Criminalistics Team also continued to build its in-house gunshot residue examination capability, and the expertise was applied to a number of firearm shooting incidents in the ACT.

The team maintained efforts to ensure that the highly recognised explosive residue analysis capability remained at the forefront of its field through ongoing operational support, research and development and an active commitment to national and international networks and committees. The team played a major role on the organising committee for the 10th International Symposium on the Analysis and Detection of Explosives, which was held in Canberra in November 2010. The symposium was a huge success for the AFP and the national and international forensic explosives community. The next symposium will be held in 2013, with an AFP Forensic and Data Centres member now holding the position of Chair of the International Committee for the symposium.

The team's commitment to professional development and training continued this period, with ongoing support provided to the delivery of forensic sessions for multijurisdictional counter terrorism investigations training, updated training for Forensic Operations members in regional AFP offices, a range of training to the Iraqi Police Service Training program and internal training of team members.

Document science

Highlights of the Document Science Team operations include the identification of suspects through the examination of handwriting and indentations on threatening letters and other related documents.

Ongoing document examination services continued to be provided to a number of key external stakeholders including the Australian Defence Force Investigative Service, Australian Taxation Office and Centrelink.

The team's commitment to training for team members and the delivery of external training continued over the year, with key highlights being the development and successful delivery of two new courses: Quality Assurance in Document Examination (delivered in Thailand in August 2010) and Tier 2 Document Examination (delivered at the Jakarta Centre for Law Enforcement Cooperation in March 2011).

The team continued its commitment to research and development resulting, for example, in a new paper analysis and comparison capability.

Firearms identification and armoury

The Firearms Identification and Armoury Team collaborated with the Attorney-General's Department to enhance legislation and control regarding importation of firearms, weapons and ammunition.

In one such instance a firearm was found during a national operation. The Firearms Identification and Armoury Team recovered the serial number and traced the origin offshore. The team provided this forensic intelligence to the New South Wales Police Ballistic Branch, which linked the firearm to a shooting incident that had previously occurred in New South Wales.

Electronic evidence

In February 2011 the AFP Computer Forensic team was formally acknowledged for having the first computer forensic laboratory in Australia to receive ISO 17025 accreditation through the National Association of Testing Authorities.

The AFP Computer Forensic team has enhanced resources and improved the skills of AFP investigators to seize, handle and review electronic exhibits through the establishment of the Technical Investigator Competency program. To date more than 300 AFP investigators have received training from Computer Forensic personnel in the examination and extraction of data from mobile telephones and in review of electronically acquired data. This has significantly improved the time taken to process and provide such evidence to the courts.

GalaxyNet, the AFP's evidence-processing and distribution network, was further enhanced during the review period and now connects six major AFP offices in Australia, providing a total of 1.3 PB (petabytes) of storage capacity. Australian airports and smaller regional offices will be brought online over the next 12 months.

Data Centres

Australian Bomb Data Centre

During the reporting period the Australian Bomb Data Centre (ABDC) received 93 requests for information, produced 17 formal assessment products, delivered support to 27 domestic training programs and conducted operational deployments to support our regional partners. These included rapid assessments to support decision making in other departments and agencies – for example, the technical analysis of the Yemeni 'printer bomb'.

The ABDC continued to support technical intelligence capability development within the South East Asian region and internationally through:

- the conduct in partner countries of three basic and advanced bomb data centre procedure courses with 89 international students attending
- increasing information exchange and cooperation with the conduct of South East Asia Bomb Data Centre Working Group meetings between representatives of five regional Bomb Data Centre partners and Australia
- the conduct in November of the 2010 ABDC Annual International Conference, which had over 200 delegates with representatives from 15 countries
- engagement with the United States and Asia-Pacific partners at the United States Pacific Command conference including attendance as keynote speaker
- post-blast and Bomb Data Centre instruction as part of the Iraqi Police training project.

The ABDC also provides support to whole-of-government programs such as the Attorney-General's Department Chemicals of Security

Concern *Homemade explosives awareness guide* and the Department of the Prime Minister and Cabinet National Security Science and Technology Branch *Bomb threat evacuation guide*.

The ABDC continued to deliver Power of Explosives demonstrations to relevant Commonwealth agency representatives throughout the year, including specific demonstrations in support of the Attorney-General's Chemicals of Security Concern program. These particular demonstrations provide a firsthand look at the effects of homemade explosives and the potential use of readily available precursor chemicals.

The Australian Chemical, Biological, Radiological and Nuclear Data Centre

The Australian Chemical, Biological, Radiological and Nuclear Data Centre (ACBRNDC) received 115 requests for information during the reporting period and produced 20 formal products. This included advice on issues such as suspicious substance events, investigations and assessment of National Security Hotline reports.

The ACBRNDC supported training initiatives and worked with state and territory jurisdictions through professional groups like the Chemical Warfare Agents Laboratory Network, the Australian Counter-Bioterrorism Laboratory Network and the Public Health Laboratory Network. The ACBRNDC continued to support both networks through attendance at senior Commonwealth working groups and technical advice to the Council of Australian Governments' reviews of materials of security concern, which included:

- the Department of Health and Ageing's Security Sensitive Biological Agents Regulatory Scheme by updating the risk assessment methodology necessary for the review of the Security Sensitive Biological Agents list and starting technical assessments of the agents
- the Attorney-General's Department Chemicals of Security Concern risk assessment by providing technical input to the risk assessment of the explosive precursors on the list of Chemicals of Security Concern and commencing work on the risk assessment of toxic chemicals.

To improve global chemical, biological and radiological security, the ACRNDC:

- organised a one-day information session during the Australian Bomb Data Centre conference held in Canberra in November 2010
- hosted the Biotechnology Symposium in Sydney in September 2010 where the potential benefits and misuses of these emerging techniques were workshopped
- supported international activities under the Global Initiative for Combating Nuclear Terrorism, especially for the development of international protocols for nuclear forensics.

The ACRNDC continued to support INTERPOL's efforts in Bioterrorism and Radiological and Nuclear Terrorism Prevention programs. These efforts included providing:

- a member of INTERPOL's Bioterrorism Prevention Expert Group
- expert trainers for INTERPOL's train-the-trainer modules for combating bioterrorism, as well as participating in Table Top Exercises and development/revision of the Bioterrorism Incident Response Guide
- expert advice on establishing a similar program for radiological and nuclear security.

The ACRNDC has also been engaged in several collaborative projects internationally which included:

- the Law Enforcement Group, which deals with chemical, biological and radiological investigative issues and which met in Canberra in May 2011
- the US Technical Support Working Group
- the US Department of Homeland Security.

The Australian Illicit Drug Data Centre

The Australian Illicit Drug Data Centre (AIDDC) managed the formal relationship between the AFP and the National Measurement Institute, which provides routine forensic analysis services for illicit drug samples in criminal investigations and chemical-profiling services used to generate technical intelligence. In the 2010–11 financial year 25 16 AFP illicit drug samples were submitted and analysed.

During 2010–11 AIDDC members responded to 154 requests for information, provided proactive input to policy development relating to novel and analogue drugs and produced significant forensic drug intelligence products. Key products related to novel substances that had been seized in many jurisdictions around the world, including Australia, as well as strategic reporting of trends in AFP heroin seizures.

The AIDDC also managed the Enhanced National Intelligence Picture on Illicit Drugs program. This year the program secured the formal participation of several states and territories, allowing the first domestic multijurisdictional illicit drug samples to be collected and profiled. The program uses innovative science to develop a more detailed national picture on key illicit drug types.

The National Drug Precursor Risk Assessment Capability (NDPRAC) also commenced in 2010–11. NDPRAC is developing a formal risk assessment methodology for precursor chemicals/equipment that might be diverted into domestic illicit drug manufacturing. The risk assessments produced by NDPRAC in the coming year will be used by government forums to formulate risk management strategies and develop policy in relation to precursor chemicals/equipment.

Quality assurance

Quality Assurance and Information Support

The Quality Assurance and Information Support area provided support to Forensic and Data Centres teams and disciplines in the areas of:

- exhibit management
- quality assurance and laboratory accreditation
- information management and reporting
- occupational health and safety.

During 2010–11 Forensic and Data Centres introduced monthly stocktaking in its main exhibit store, assisted by barcoding and stocktaking reconciliation systems.

Following a series of audits in 2010–11, the AFP's laboratories were again re accredited against ISO/IEC 17025:2005.

Chief Scientist

The Chief Scientist is responsible for developing new technology and processes, enhancing skills and knowledge through in-house capability development programs and engaging in collaborative external projects with other government departments and academia.

The installation of two significant pieces of equipment established a new capability for Forensic and Data Centres. The Terra XRD is a modern field-deployable instrument that can be used for the rapid and highly reliable identification of materials such as those found in improvised explosive devices, suspicious powders and illicit drug preparations and manufacture. The Plex-ID is currently being put through trials to enable the rapid identification of biological agents, such as those that might be associated with terrorism. It is one of only a few such instruments available to law enforcement agencies worldwide and is the first of its kind in Australia.

Forensic and Data Centres, in collaboration with the University of Canberra and Flinders University, won two research grants in the Australian Government's National Competitive Grants Scheme. These highly sought-after grants will be used to enhance DNA analysis and drug analysis.

Projects Team

The Projects Team delivers the offshore new policy initiatives allocated to Forensic and Data Centres.

The Iraqi Police Service Training

The Iraqi Police Service Training is a whole-of-government initiative to fulfil the Australian Government's commitment to a number of memoranda of understanding with the Iraqi Government.

As part of the Australian Government's 'Overseas development assistance – assistance to Iraqi Police Service', the AFP was provided with \$13.7 million over three years to develop a more effective Iraqi Police Service. This funding commenced in 2008 and ceased on 30 June 2011.

The primary objective of the project is to assist in establishing a sustainable and strong Iraqi law

enforcement capability through the provision of training to enhance the forensic and leadership capacity of the Iraqi Police Service.

The Canberra Institute of Technology and University of Canberra, under the banner of the National Centre for Forensic Studies, have been the AFP's partners in delivery of the forensic science training program. The Australian Institute of Police Management delivered the police leadership training component of the initiative.

Under the Iraqi Police Service Training initiative 245 Iraqi police officers have received specialist training. At the Australian Institute of Police Management 90 officers received training in police leadership, and 155 officers completed forensic training conducted in Canberra.

The AFP component of this whole-of-government initiative was delivered as planned, on schedule and within budget.

The Pacific Police Development Program – Forensic Program

The Pacific Police Development Program – Forensic Program is a subproject of the AFP's International Deployment Group's Pacific Police Development Program.

During the review period the Forensic Program:

- facilitated the establishment of the Pacific Forensic Working Group
- provided forensic training to police in Tonga, Samoa, Cook Islands, Solomon Islands, Vanuatu, Federated States of Micronesia, Timor-Leste and Papua New Guinea
- provided forensic-specific equipment to a number of these countries
- refurbished two fingerprint laboratories.

The Forensic Program is currently in the process of procuring an automated fingerprint system for Pacific Islands countries which will be located in Samoa. This initiative will enable fast and effective regional intelligence that is comparable with that of Australia.

Thailand

The strong operational and capacity-building relationships built over a number of years between Thai law enforcement forensic agencies and the AFP have proved extremely beneficial to all agencies. The training and equipment provided by the AFP to these agencies have resulted in an increase in successful investigations and prosecutions in Thailand. The ability of personnel from AFP Forensic and Data Centres and Thai agencies to work together and interact on a common working platform to assist in investigations has been a highlight of the success of these relationships.

Over the reporting period Forensic and Data Centres has:

- provided training and mentoring in DNA profiling and forensic artistry
- provided consumable items to the Royal Thai Police fingerprint laboratory
- awarded three scholarships for Masters in Forensic Science at the Mahidol University to Thai forensic personnel.

Pakistan

Implementation of the Pakistani new policy initiative was delayed due to security issues in Pakistan. The refurbishment of facilities to house a number of United Nations Office on Drugs and Crime computer-based training laboratories commenced early in 2011 and the writing of a computer-based training program on first responders to a crime scene (non-forensic) is nearing completion.

Arrangements are in place to facilitate the training of Pakistani law enforcement forensic personnel in Australia over the next two years.

Africa

This new policy initiative is for forensic capacity building in southern African nations. The AFP has entered into a partnership agreement with the Victorian Institute of Forensic Medicine to deliver this initiative.

During the reporting period training and equipment was provided to law enforcement, forensic and medical personnel from a number of southern African nations. Under this initiative

there is currently one pathologist from Uganda undertaking a one-year internship with the Victorian Institute of Forensic Medicine, with a further eight pathologists from other southern African countries programmed for internships.

Indonesia

Forensic and Data Centres continues to forge strong relationships with its Indonesian counterparts. Capacity building in specific forensic disciplines through the Jakarta Centre for Law Enforcement Cooperation continued over the reporting period. This capacity building included mobile telephone data extraction techniques, document examination and forensic artistry.

The forensic artistry training had an immediate impact, with three of the six newly trained facial artists being deployed to assist in the response to a suicide bombing in Cirebon, West Java.

Business reviews

In response to the recommendations made under the *Federal audit of police capabilities* by Mr Roger Beale AO, the service level agreement and funding arrangements between ACT Policing and Forensic and Data Centres are currently being revised to better reflect the cost of providing the forensic service to the ACT community. The service level agreement was negotiated and agreed to and reflects a costed level of service that can be expected by ACT Policing and delivered by Forensic and Data Centres.

Forensic Operations underwent a strategic review of the systems employed to support its business, particularly those unique systems that are specific to forensic science. This is the first such review since forensic accreditation under ISO 17025 in 1996 and follows significant growth in the AFP's forensic capability. The review identified 30 recommendations which, when implemented, will result in gains in efficiency and effectiveness and improved timeliness and responsiveness to operations.

During the 2010-11 budget process Forensic and Data Centres developed an outline business case for a new forensic facility. This resulted in approval being received to bring forward a detailed business case for consideration in 2011-12.

High Tech Crime Operations

Performance highlights

- Operation Rescue was an international investigation into a sophisticated online network of child sex offenders. The AFP assisted with infiltrating and shutting down a child abuse website which was hosted in the Netherlands. As a result of this operation, 31 Australian offenders were arrested and charged, with 184 offenders arrested around the world. Four children were removed from harm in Australia.
- Operation Danton was a proactive investigation into offenders using a popular peer-to-peer (P2P) application. P2P applications allow direct electronic file sharing and are a common way for transferring child sexual exploitation material. To date there have been 11 arrests in Australia.
- An investigation supported by High Tech Crime Operations led to the prosecution of members of an Australia-based criminal syndicate involved in a large-scale phishing attack and electronic entity takeover to facilitate the unauthorised transfer of funds in excess of A\$1 000 000 from compromised internet banking accounts.
- Acting on information from the National Aeronautical Space Agency, the AFP investigated suspects involved in the large-scale network penetration and infection of computers. As a result of the investigation, two Western Australian males were arrested and charged with conspiracy to commit unauthorised modification of data to cause impairment.
- High Tech Crime Operations undertook an intelligence project to target and disrupt criminal enterprises involved in the recruitment of 'money mules' to facilitate the transfer of stolen funds to overseas entities from compromised internet banking accounts. Action undertaken by High Tech Crime Investigations team members resulted in A\$171 943 of funds being intercepted from unauthorised transfers made from compromised internet banking accounts. In total the project identified A\$1 977 840 funds at risk.
- In 2010–11 a total of 142 child sex offenders were arrested on 205 charges.

Overview

High Tech Crime Operations (HTCO) provides the AFP with an enhanced capability to investigate, disrupt and prosecute offenders committing serious and complex technology crimes. It provides centrally coordinated surveillance and high-tech capabilities that support all AFP policing functions both domestically and offshore.

HTCO monitors trends of technology crime and participates in intergovernmental and international forums with national and international strategic partners. Key programs include Cyber-Safety, E-Security National Agenda and Enhanced Technical Surveillance.

HTCO aims to build a highly technical investigative capability for the AFP to anticipate and identify emerging technology challenges for law enforcement and to develop response strategies to these by engaging with domestic and foreign

law enforcement agencies, government, industry, academia and the public.

HTCO is headed by an assistant commissioner, National Manager High Tech Crime Operations, with responsibility for two branches: Investigations and Business Delivery and Collections and Capabilities.

The HTCO Investigations and Business Delivery branch consists of five units:

- High Tech Crime Investigations and Internet Policing Team
- Child Protection Operations
- Future Technology and High Tech Investigations Support
- Crime Prevention and National Missing Persons Coordination Centre
- Business Delivery.

The HTCO Collections and Capabilities branch consists of six units that deliver technical assistance to all AFP investigations. These units are:

- Telecommunications Interception Division
- Technical Operations
- Physical Surveillance
- Technical Capability Delivery
- Radio and Electronic Support
- Enhanced Technical Surveillance.

Investigations and Business Delivery

Investigations and Business Delivery contains investigative, technical investigations support, crime prevention, national missing persons and business delivery teams.

High Tech Crime Investigations and Internet Policing Team

High Tech Crime Investigations

High Tech Crime Investigations comprises investigators and technical experts dedicated to investigating and prosecuting computer crimes under the *Commonwealth Criminal Code Act 1995*, including:

- significant computer intrusions and related offences such as
 - breaches of corporate or government computer systems
 - collective large-scale breaches of individual computer systems in homes or businesses to harvest personal, business and/or financial data
- creating, controlling or distributing botnets
- creating, supplying, possessing or controlling malicious software with the intent to commit or facilitate serious computer offences
- activities related to those above which directly impact the banking and finance sector (including phishing, 'mule' recruitment and online criminal trading of financial, business and/or personal data).

The teams also closely collaborate with system owners from both government and the private sector to protect the security and stability of Australia's critical information systems and its burgeoning digital economy through proactively mitigating cyber threats.

Through the High Tech Crime Investigations teams the AFP provides a national law enforcement investigative capacity in accordance with the government's Cyber Security Strategy. As an active partner of the Cyber Security Operations Centre and CERT Australia, the AFP continues to implement intelligence-led policing methods of identifying and mitigating cyber security events through enhanced intelligence sharing opportunities.

In August 2010 High Tech Crime Investigations undertook an intelligence project designed to specifically target and disrupt criminal enterprises involved in the recruitment of 'money mules' to facilitate the transfer of stolen funds to overseas entities from compromised internet banking accounts. Action undertaken by team members resulted in A\$ 1 71 943 of funds being intercepted from unauthorised transfers made from compromised internet banking accounts. In total the project identified \$ 1 977 840 funds at risk.

High Tech Crime Investigations also delivered a number of training and capacity building projects throughout the Asia-Pacific region. For example, the team worked with the Jakarta Centre for Law Enforcement Cooperation to hold a cybercrime workshop in Semarang, Indonesia, in December 2010.

Internet Policing

During 2010-11 Internet Policing provided critical support for AFP investigations including child protection operations, counter-terrorism, money laundering, high-tech crime and ACT Policing.

This support included undertaking covert activities on the internet. Examples include taking over the online identity of a person involved in the distribution of child abuse material or 'becoming a friend' of people suspected of having been involved in other criminal activity, including drug distribution.

Internet Policing works closely with law enforcement worldwide and has led numerous proactive international operations, particularly in relation to online child exploitation. In 2010–11 the team provided online investigations training and presentations to national and international law enforcement including the Indonesian National Police. Internet Policing strives to operate at the forefront of global online social technology.

The teams are involved in international operations against offenders trading personal, corporate and financial data and malicious software. The teams have also prosecuted offenders for sophisticated exploitation of government and corporate systems and committing electronic attacks on government websites.

Child Protection Operations

In combating transnational and online child sexual exploitation, the AFP has forged strong relationships with national and international law enforcement communities. Representative of critical strategic engagements are the Australia New Zealand Policing Advisory Agency Child Protection Committee and the Virtual Global Task Force, of which National Manager HTCO assumed the Chair in December 2009 for a three-year term.

The Virtual Global Task Force in this period increased its membership to nine law enforcement agencies with the inclusion of EUROPOL in April 2011. Private sector agencies also joined this collaboration as part of the ongoing collective fight against online child sexual exploitation. These agencies included End Child Prostitution Child Pornography and Trafficking of Children for Sexual Purposes network (ECPAT International), International Association of Internet Hotlines (INHOPE), the National Centre for Missing and Exploited Children (NCMEC) and the International Centre for Missing and Exploited Children (ICMEC).

This collaboration was also acknowledged and supported by the Australian Government in December 2010 through funding provided under the *Proceeds of Crime Act 2002* to assist in conducting the Virtual Global Task Force's fourth biennial conference held in Sydney, Australia.

In collaboration with its international partners, the AFP has successfully identified and charged numerous offenders for child sexual exploitation offences. Child Protection Operations teams continue to work collaboratively with foreign law enforcement professionals to combat child sex tourism. This includes the active monitoring and prosecution of child sex offenders. As part of the strategy-based approach, Child Protection Operations is developing proactive measures to combat child sex tourism. These strategies include deployments to targeted jurisdictions to map the environments and build stronger relationships with local law enforcement and non-government organisations.

During the past year, Child Protection Operations, in collaboration with CrimTrac and the Queensland Police Service, continued to develop the Australian National Victim Image Library (ANVIL). ANVIL has the primary objectives of more effectively and efficiently identifying child victims and their abusers and minimising investigator exposure to child exploitation materials.



Child protection awareness material

Table 8: Child sex offences: apprehension statistics, 2010–11

Incident type	Arrest/Summons
Child sex offences – online child sex exploitation	136 offenders for 194 charges
Child sex offences – not child sex tourism	4 offenders for 6 charges
Transnational – child sex tourism	2 offenders for 5 charges
Total child sex offences	142 offenders for 205 charges

ANVIL is based upon the Microsoft-supplied Child Exploitation Tracking System. Formal approval to commence the establishment of nationwide deployment of this software was provided by the Ministerial Council for Police and Emergency Management – Police in July 2010. Since that time, significant progress has been made countering the complex technical, evidential and security requirements and the effective integration of ANVIL into investigative processes for all Australian police services.

Future Technology and High Tech Investigations Support

The Future Technology Team was established to create innovative information and communications technology solutions to support technology-enabled crime investigations. This included the development of customised hardware and the provision of new analytical software. The team has conducted a review of current technology solutions used within HTCO and continues to refine these solutions, strengthening them physically, drafting best-practice guidelines and refining administrative procedures.

High Tech Investigations Support was established to support AFP investigators in understanding and prosecuting crimes involving new or unique information communications technology. Since its inception the team has successfully supported operations and developed capabilities for the following AFP functions: HTCO, Counter-Terrorism, Intelligence, the Crime Program, International, Protection and ACT Policing.

In addition, support has been provided to state law enforcement agencies and other federal

government agencies. High Tech Investigations Support assisted in the development and supported the delivery of a focused educational program to upskill members in online investigations and technology-based criminal activity to support operations. High Tech Investigations Support also established the High Tech Crime Conference, which brings together Commonwealth, state and territory law enforcement agencies with academic, technical and legal experts in order to collaborate to resolve technology crime challenges.

Crime Prevention and National Missing Persons Coordination Centre

HTCO Crime Prevention develops and implements crime prevention strategies through heightened education and awareness, recognising the importance of education in combating technology crime.

The National Missing Persons Coordination Centre co-located with the Crime Prevention Team in September 2010 to maximise education and awareness activities.

Crime Prevention

The Crime Prevention Team has been instrumental in implementing strategies aimed at raising awareness of online risks and empowering online users to protect themselves online.

As cyber safety and security is everybody's responsibility, the team has fostered relationships with government and non-government organisations, industry and community groups to ensure key cyber-safety messages reach their intended targets.

Some of the significant achievements for 2010–11 include:

- attendance and booth displays at conferences and community events such as the Canberra Show, Haldon Street Festival and the iConnect Conference (Council of Catholic School Parents)
- delivery of over 70 presentations on internet safety to raise security awareness at schools in the Australian Capital Territory and regional New South Wales and Victoria with an outreach to approximately 11 300 students
- delivery of cyber-safety and security sessions to junior rugby league representative squads as part of the Australian Rugby League Development program with an outreach to approximately 300 boys
- delivery of 29 ‘social media and reputation management’ sessions to over 1000 athletes from the Australian Football League, National Rugby League, Rugby Union, Swimming Australia, Hockey ACT and various institutes of sport
- participation in National Cyber-Security Awareness Week with over 17 different events and activities
- participation in the Northern Territory Department of Justice Australian Classification Education Program visit to Darwin and Alice Springs (the Mutitjulu and Ntaria communities) to engage with stakeholders to better understand the issues affecting Indigenous persons in relation to cyber safety and security.

Throughout 2010–11 the ThinkUKnow program delivered 210 presentations to nearly 7300 people across Australia. ThinkUKnow delivers interactive presentations to parents, carers and teachers at primary and secondary schools to raise awareness of issues facing youth online.

In April 2011 the Minister for Home Affairs and Justice launched the new Youth section on the ThinkUKnow website and a ThinkUKnow Facebook page and Twitter account. At the end of May 2011 there were over 2789 ThinkUKnow website members.

National Missing Persons Coordination Centre

The National Missing Persons Coordination Centre coordinates and promotes a national integrated approach to increase the awareness and reduce the impact of missing persons and to educate the Australian community about this significant issue.

The National Missing Persons Coordination Centre operates under the PLEASE principles of Prevention, Location, Education, Awareness, Support and Evaluation. These principles provide a framework for the centre to work and direct a range of initiatives to:

- reduce the incidence of missing person reports
- raise awareness within the broader community
- educate and train service providers to respond more effectively to missing persons
- support those families and friends affected by the disappearance of a family member or friend.

Some of the significant achievements for 2010–11 include:

- providing advice and referral support to 290 clients across Australia through the 1800 line
- hosting the Global Missing Children’s Network Conference in Sydney with representatives from 16 of the 19 member countries in attendance
- providing the keynote speaker at the Western Regional Canadian Forum on Missing Persons (Saskatchewan) to representatives from Canadian law enforcement and government and non-government organisations
- coordinating significant awareness events including national and international campaigns such as National Missing Persons Week, Day for Daniel, National Youth Week and International Missing Children’s Day.
- managing and developing stakeholders through the Police Consultative Group on Missing Persons and a Stakeholder Consultation Forum.

Business Delivery

The HTCO Business Delivery Team provides a range of strategic support and administrative, procurement, financial and human resource services to support the work of the HTCO function. The team assists the Executive with business planning and the coordination of whole-of-function and cross-function activities and reporting obligations. The Business Delivery Team is responsible for information management and maintaining the HTCO intra-web portal. The team provides assistance with governance arrangements, coordination of parliamentary submissions and ministerial and other briefings, as well as managing media interest for HTCO. The team coordinates briefings for executive attendance at a range of national and international committees, forums and working groups, as well as presentations delivered at a wide range of internal and external seminars and conferences.

High Tech Collections and Capabilities

The High Tech Collections and Capabilities branch comprises teams that deliver technical assistance to AFP investigations. The teams are Telecommunications Interception Division, Technical Operations, Physical Surveillance, Technical Capability Delivery, Radio and Electronic Support and Enhanced Technical Surveillance.

Telecommunications Interception Division

The Telecommunications Interception Division supports investigations by providing monitoring, record-keeping and report services in accordance with the *Telecommunications (Interception and Access) Act 1979* and a record-keeping and report service in accordance with the *Surveillance Devices Act 2004*. The Telecommunications Interception Division is responsible for the management of lawfully intercepted product and the provision of evidentiary packages in support of AFP prosecutions and facilitates inspections by the Commonwealth Ombudsman's Office to ensure legislative compliance.

Technical Operations

Technical Operations has teams located around Australia. The teams are responsible for conducting overt and covert technical operations in support of AFP national and international investigations and ACT Policing.

Physical Surveillance

The AFP has Physical Surveillance teams located around Australia. The teams provide professional covert physical surveillance in support of major investigations, criminal intelligence collection programs and technical and controlled operations. During the year Physical Surveillance and Technical Operations have been working closely together to provide a joint surveillance capacity to support investigations.

Technical Capability Delivery

The four teams within Technical Capability Delivery conduct special technical surveillance operations through telecommunications interception and surveillance devices legislation. This work has primarily supported serious and organised crime, counter-terrorism and child protection operations. Technical Capability Delivery developed or procured significant new evidence collection capabilities during this period, as well as moving significant systems and infrastructure to the new headquarters.

Radio and Electronic Support

Radio and Electronic Support develops and maintains the AFP's radio communications systems throughout Australia and its territories and supports certain specialised electronic equipment used by investigators. The team also supports the equipment and systems used within the AFP Operations Coordination Centre to communicate with AFP members by radio to ensure that they and the public and public figures for whom they are responsible are kept safe.

Radio and Electronic Support played a significant part in providing AFP input into the development of new arrangements for the 400-MHz radio band. Through its membership of national forums, the AFP contributed to the establishment of a government radio band within the 400-MHz band, ensuring that sufficient radio communications spectrum has been made available to law enforcement and public safety and security agencies.

Enhanced Technical Surveillance

HTCO is building a platform to combine all surveillance device and telecommunications interception material in support of AFP investigations through the Enhanced Technical Surveillance initiative. This initiative is facilitating the development of the next generation of investigative tools. The Enhanced Technical Surveillance project is cutting-edge, with a high level of risk involved – as is to be expected from a world first platform of its kind. A gradual introduction into service will commence in August 2011, initially as a replacement telecommunications interception system.

Enhanced Technical Surveillance aims to be fully operational by early 2012 and is working towards a system that will offer compatibility with other key partner agencies.

OUTCOME 2

ACT POLICING

ACT Policing's performance is measured by one major outcome and a series of outputs and performance measures articulated in the purchase agreement.

More information about performance can be found in the ACT Policing annual report available at www.police.act.gov.au or through ACT Policing Media and Marketing on (02) 6264 9460, act-police-marketing@afp.gov.au.



05

CORPORATE SERVICES

Financial and Commercial

Performance highlights

In 2010–11 the Financial and Commercial function:

- improved compliance performance across the AFP
- revamped the Commissioner's Financial Instructions
- developed the AFP cost attribution model to the whole-of-AFP level
- introduced an automated and integrated 'purchase to payment' process
- made substantial progress on building redevelopment work at the Australian Institute of Police Management
- ongoing reduction and optimisation of the AFP's property base
- enhanced performance and budget monitoring through embedded finance representatives.

Overview

The Finance and Commercial function is responsible for the delivery of financial management, property, procurement, criminal records and transactional and business services focused on supporting operational areas to achieve cost-effective service delivery outcomes. Finance and Commercial has continued to implement the One AFP, One Corporate initiative, which consolidates corporate services and resources across the AFP to achieve improved functionality, service delivery and resource efficiency. A focus on improved capabilities and service delivery continues to enable resources to be redirected to high-priority operational activities where results are being achieved.

Particular achievements include further embedding of the Finance Representatives network across the operational units in the AFP. The network assists in forming productive partnerships with operational areas, removing

duplication and providing consistent and timely advice and support. This initiative has contributed significantly to improving compliance performance.

Automation of processes has continued through Program Hummer with the rollout of online training registration, new inventory management capability, scanned invoice processing and significant progress in moving to an online and automated invoice processing. The AFP continues to pursue opportunities to consolidate its property holdings and deliver cost savings, as well as operational and management efficiencies.

Finance and Commercial has continued strengthening relationships with stakeholders both within the Attorney-General's portfolio and across government more broadly. The AFP participated in whole-of-government procurement activities including implementing new air travel arrangements, renewing major office machines and taking a lead role in the review of government fleet management arrangements. These activities all contribute to achieving ongoing efficiencies for the AFP.

Business Services

Business Services:

- processes payrolls and accounts
- administers financial and human resources systems
- develops business capability
- performs criminal records checks
- provides risk management and security advice.

Cost Attribution Model

Development of the AFP Cost Attribution Model (CAM) was completed to better inform Senior Executive planning and to support decision making. The CAM provides improved transparency and understanding of resource consumption throughout the AFP, with information increasingly being used to support business analysis and planning, costing and pricing of services and resource allocation decisions.

Business improvement program

The SAP (Systems Applications Products) Administration and Financial Processing and Payroll teams continued to enhance services through automation of manual processes using new technology and capability, delivered through the SAP business improvement program (Program Hummer). The Financial Processing teams undertook an increased monitoring and mentoring role as the AFP implemented online and workflow purchase-to-pay processes that improved the compliance, visibility and timeliness of the AFP's purchases.

Program Hummer continues to create a more contemporary model of corporate services delivery to the AFP. In 2010–11 the program moved into its sixth phase, providing enhanced corporate functionality in attendance management, online training application, assets transfers and disposals, automated invoice processing and development of a whole-of-AFP inventory management system, including the issuing of uniforms.

Criminal records

The Criminal Records Team continued to provide access to criminal record information for authorised purposes, conducting over 520 000 national police checks for AFP clients and providing information and services in support of a further 91 000 national police checks conducted through other Australian police services and CrimTrac. The team also responded to more than 50 000 requests for prosecution and law enforcement purposes spanning both the Australian Capital Territory and Commonwealth jurisdictions.

A tender process was commenced that will result in improved access and efficiency in the national police check service during the 2011–12 year. This will include electronic payment and self-validating online forms to expedite submission and processing of applications. AFP Criminal Records continues to work with other Australian police services and CrimTrac to improve the quality and efficiency of the national police checking service.

Security Risk Management Consultancy

The Security Risk Management Consultancy continued to enjoy strong demand for its services from a range of government bodies including the Department of Innovation, Industry, Science and Resources, the High Court of Australia, ComSuper and the National Science and Technology Centre (Questacon).

Financial Controller

Financial Controller provides support and advice on budget and reporting issues and develops and maintains the AFP's external budget framework and internal funding allocations to business units. It supports the Performance and Budget Monitoring Committee in its consideration of the strategic allocation of operating funds to achieve the AFP's outcomes. The group also provides financial analysis to the Strategic Investments Committee to support its consideration of proposals for capital funding.

Finance representatives are embedded in the operational areas to provide expert analysis and advice. The representatives also assist with financial forecasting and internal reporting through to the Finance Committee to help business areas make well-informed financial decisions and support the AFP's involvement in government budget processes. Through the embedded arrangements operational areas have more immediate access to specialists to assist in improving knowledge of financial management responsibilities and enhancing compliance performance.

The group develops and maintains the AFP's four-year operating budget and assists with the preparation of new policy proposals, including engagement with external stakeholders such as the Department of Finance and Deregulation, Attorney-General's Department and AusAid.

Financial performance

The AFP's \$1295 million departmental operating income for 2010–11 was comprised of \$1018 million in government appropriation, \$146 million from the Australian Capital Territory Government for policing services and \$131 million in other externally generated revenue. In addition the AFP received \$51 million in government appropriation for capital expenditure and \$16 million as an equity injection as part of new initiatives. The AFP also administered \$38 million in expenses on behalf of the government in 2010–11.

In the 2010–11 financial year the AFP reported a departmental operating deficit of \$9.9 million (excluding the impact of unfunded depreciation of \$82.8 million) – less than 1 per cent of the AFP's total budget. The operating loss has been incurred in the context of a busy year in which the AFP has achieved against performance targets and delivered effectively for the government on international deployment and aid responsibilities. The operating loss is equivalent to the value of the loss recorded under no-win, no-loss arrangements, for which the AFP is not seeking supplementation. Additional and unforeseen costs were also incurred in responding to the Christchurch earthquakes, Queensland floods and Cyclone Yasi, further limiting the AFP's ability to achieve a nil operating result.

Audited financial statements showing the AFP's financial position appear under the heading 'Financial statements' in this report.

Financial Services

Financial Services provides a range of support in financial policy, financial governance, asset management, treasury, taxation compliance and external financial reporting.

The major achievement during 2010–11 was implementation of the revised Commissioner's Financial Instructions to replace the former Commissioner's Order 4. This paved the way for improvements in certificate of compliance outcomes through a refined structure and

enhanced clarity in officers' responsibilities. It will continue to be followed through with further training to heighten its impact. An enhanced automation of transfer and disposal of assets functionality was implemented, improving the capacity to manage the AFP asset base.

Tax

The National Tax Team continued to provide a high level of support to overseas missions and those members deployed internationally as part of the International Deployment Group. Assistance with the application of tax exemptions, the provision of strategic advice, training and policy development has provided a framework under which the AFP continues to meet its taxation obligations in an efficient manner.

Assets

The Assets Team achieved endorsement of the implementation of a rolling stocktake which was activated for the 2010–11 financial year stocktaking process. The rolling stocktake promotes a targeted process whereby each asset class undergoes stocktaking every third year, with higher-risk classes undergoing stocktaking every second year. Firearms undergo stocktaking each year.

Commercial Support

Commercial Support manages the AFP's property, procurement and contracting functions.

Property

Commercial Support is responsible for the property operations of the AFP, covering the provision of project management services in the delivery of infrastructure and capital works, leasing, facilities management, help desk operations and the procurement and administration of property operating expenditure.

The AFP is a member of the Commonwealth Property Interdepartmental Committee established by the Department of Finance and Deregulation in support of the Commonwealth Property Management Framework.

Official opening of AFP National Headquarters

At a ceremony held on 7 April 2011, the Prime Minister of Australia, the Hon Julia Gillard MP, officially opened AFP National Headquarters.

Guests included the Minister for Home Affairs and Justice, Brendan O'Connor MP, AFP staff and representatives of AFP partner agencies and organisations.

After the Prime Minister declared the newly refurbished AFP Headquarters open, the official party toured some of the building's high-tech facilities.

The opening of its new National Headquarters marked a significant milestone for the AFP. With 2000 AFP staff from 10 separate sites now located in the same building, the AFP is seeking to gain ongoing business and cost efficiencies through the centralisation. It also now provides a better standard of accommodation to support its staff conducting national leadership, operational strategy, management and enabling functions.



Prime Minister Gillard opening AFP National Headquarters

Aviation security accommodation

The AFP is managing a project to provide long-term aviation security police accommodation in support of Australia's major airports, along with facilities for the AFP's canine operations. These facilities are expected to become operational progressively throughout 2011-14.

Proposed new forensic facility

The AFP is developing a detailed business case for a proposed new AFP forensic facility project, consistent with the directions of government.

Procurement and contracts management

Commercial Support provides national procurement sourcing, contract management services and the central coordination of the provision of staff services in travel, fleet and logistics. It also delivers centre-led procurement advisory services for devolved purchasing across the organisation, including its corporate and diverse operational areas.

The AFP continues to work with other agencies and is a member of multijurisdictional management committees. The AFP is a member of the Australia New Zealand Policing Advisory Agency Procurement Committee. The aim of the committee is to facilitate greater value for money in procurement to support policing across Australia and New Zealand through collaborative procurement and information sharing.

Australian Institute of Police Management

The AFP is managing a redevelopment project at the Australian Institute of Police Management to provide an enhanced training facility, maintain and ensure the productive use of heritage buildings and preserve the habitat for resident populations of wildlife.

Construction works at the Australian Institute of Police Management site in Manly began in March 2010 and the site is expected to be fully operational by September 2011.

The AFP also participated in Department of Finance and Deregulation coordinated procurement activities during the reporting period. In particular, the AFP continues as a member of the Travel Services Project Management Committee to assist with the development of new whole-of-government travel arrangements and is represented on the Project Advisory Committee for the Fleet Management Services. A key focus of procurement is developing preferred supplier panels and working with other agencies to cross-leverage these arrangements in the acquisition of goods and services.

The AFP carries out the compliance and reporting obligations under the *Commonwealth procurement guidelines* and institutes national guidelines relating to purchasing policy and use of preferred suppliers, including panel arrangements. The AFP uses the AusTender system to publish the *AFP annual procurement plan*, to advertise business opportunities and to report procurement contracts, including standing-offer arrangements.

In 2010–11 the AFP conducted a number of major tender processes including:

- provision of overseas and domestic removal and storage services
- provision of antivirus software
- investigations, intelligence and incident management system
- provision of core routers and switches
- provision of IP voice and telephone equipment
- provision of cleaning services for Western Australia, Northern Territory, Tasmania and South Australia
- panel for the supply of radio communications equipment, systems and services

- supply and fit of light bars, sirens, accessories and covert lights
- dedicated point-to-point layer-2 carrier services
- supply and management of AFP uniforms and related equipment.

Information on the value of contracts, including consultancies, is available at www.tenders.gov.au. The AFP regularly reviews and updates its annual procurement plan. The AFP also publishes the *Senate order on departmental and agency contracts* on its website. In 2010–11 the AFP did not let any contracts of \$100 000 or more which did not provide for the Auditor-General to have access to the contractor's premises.

Consultancies

During 2010–11 the AFP entered into 46 new consultancy contracts (including five contracts valued at under \$10 000). The total actual expenditure on new consultancy contracts in 2010–11 was \$1 416 035. In addition, 26 ongoing consultancy contracts were active in 2010–11, involving a total actual expenditure of \$1 304 180.

Information on the value of contracts and consultancies is available on the AusTender website.

Exempt contracts

During 2010–11 the AFP did not publish on AusTender the details of 148 contracts with a total value of \$23 539 173 because the details would disclose exempt matters under the *Freedom of Information Act 1982*.

Table 9: Expenditure on consultants, 2008–09 to 2010–11

	2008–09	2009–10	2010–11
New contracts let	63	63	46
Total expenditure (new and ongoing contracts)	\$2 758 307	\$4 994 551	2 719 077

Information and Communications Technology

Performance highlights

In 2010–11 Information and Communications Technology (ICT):

- developed the new ICT operating model: Plan-Build-Run-Governance for implementation in 2011–12
- established the new Deputy Chief Technology Officer position
- initiated the Australian Government Chief Technology Officer Forum
- hosted the inaugural Chief Information Officer Law Enforcement day for international agencies
- undertook the AFP Executive BlackBerry trial to an accredited Smartphone device within the corporate environment
- developed the AFP technology road maps highlighting the strategic vision for ICT capability and development.

Overview

In 2010–11 Information and Communications Technology (ICT) continued to deliver critical corporate and operational technology services and capability to support the AFP.

Supporting investigations, ICT ensures that operational technology and communications systems are robust and effective. ICT ensures also that the AFP, as a national security agency, is connected at all security classifications and is compliant with information security requirements. ICT provides effective interoperability and connection both domestically and internationally.

Throughout the year ICT has undertaken significant change management and planning to roll out a new operating model, Plan-Build-Run-Governance. This model is derived from best practice ICT industry standards and will enhance ICT's work efficiency and relevance within the

AFP. This move to incorporate a proven best practice model is in line with ICT's efforts to contribute to the AFP's seven strategic principles – in particular, by eliminating duplication through the establishment of better business processes, strengthening stakeholder relationships both internal and external to the AFP through more targeted and planned engagement and delivering against the principles of One AFP, One Corporate by consolidating previously disparate governance and corporate functions.

Significant achievements

ICT's significant achievements in 2010–11:

- Successful initiation and planning stages were completed to transform the ICT organisational structure to the new operating model, Plan-Build-Run-Governance.
- The senior ICT leadership team was reduced from four Senior Executive Service positions to three, yielding an efficiency gain and complementing the new Plan-Build-Run-Governance operating model.
- A Deputy Chief Technology Officer position was created to support the Chief Technology Officer, strengthening senior technology experience and depth of knowledge in the AFP.
- The Chief Technology Officer Forum was established across Australian Government agencies. The forum is a technology-focused adjunct to the Chief Information Officer Forum and Chief Information Officer Committee.
- The AFP Chief Information Officer initiated and hosted the inaugural Chief Information Officer Law Enforcement meeting as part of the newly established Chief Information Officer Forum. This law enforcement meeting provided a unique opportunity for domestic and foreign partner agency chief information officers to meet and discuss technological, operational and national security issues. The law enforcement meeting will be held as part of the biannual Chief Information Officer Forum program.

- The AFP Executive BlackBerry trial provided an opportunity for AFP Senior Executive to actively participate in trialling a government-accredited Smartphone device connected to the AFP corporate network.
- ICT strategic road maps were developed to provide long-term planning of ICT systems to support AFP operational needs and corporate growth requirements.
- ICT continued to enhance the AFP's geospatial capability, including the delivery of Google (maps) to the AFP corporate desktop environment.
- ICT continued to support the AFP's Spectrum program with specialist ICT advice.
- ICT ensured computing capability for 2500 users when the AFP moved to its new National Headquarters.
- ICT ensured that critical ICT systems were in place and operable to support a seamless transition when AFP Operations Coordination Centre moved to Fairbairn and then National Headquarters.
- ICT initiated a number of emerging technology projects:
 - Information Collection and Information Discovery
 - electronic photo boards
 - AFP Innovations Centre
 - tablet computing usage
- ICT supported the delivery of secure telecommunications and information systems to operational efforts in India throughout the 2010 Commonwealth Games.

Human Resources

Performance highlights

- The AFP Enterprise Agreement for Executive Level Band 9 employees was approved by Fair Work Australia on 11 January 2011 and commenced on 18 January 2011.
- In December 2010 the AFP established the rolling two-year AFP Workforce Plan incorporating forecast workforce numbers, skills, capabilities and workforce mix. The plan is being implemented.
- In October 2010 the AFP established the Workforce Diversity Strategy with the goal of attracting, recruiting, developing and retaining people from five groups:
 - Aboriginal and Torres Strait Islander Australians
 - women
 - people from culturally and linguistically diverse communities
 - gay, lesbian, transsexual and transgender people
 - people with disabilities.
- The AFP received a Pride in Diversity award recognising the AFP as the best public service organisation for initiatives relating to gay, lesbian, transsexual and transgender employees.
- In April 2011 the AFP established an Employment Branding Strategy which, aligned with the Workforce Plan and the Diversity Strategy, will in 2012 form the basis for AFP recruitment.
- In November 2010 the Human Resource Business Partnering and Service Delivery Model was developed and is now being implemented. The model is aligned to the One AFP, One Corporate philosophy and forms an effective, transparent and cost-efficient service delivery model for Human Resources.

Overview

The AFP has had a long-term commitment to creating a supportive, flexible and fair work environment where differences between employees are respected. During the year the AFP launched an inclusive diversity plan as part of a range of management tools that recognise high-performing organisations need to maintain a respectful workplace in order to access, develop and retain the skills and abilities of a cross section of all Australians.

The mission of the AFP Human Resources (HR) function, which is in the Chief Operating Officer branch, is to provide contemporary people solutions that contribute to all AFP programs to enable the AFP to deliver effective law enforcement. HR delivered and promoted timely and effective HR policies, strategies and initiatives to support AFP business needs such as the two-year workforce plan and a workforce diversity plan.

The HR function comprises:

- Human Resource Strategies, which is responsible for workforce planning and reporting, recruitment, employee relations, workforce development, workforce diversity, leadership and executive development and HR service delivery.
- Organisational Health, Wellbeing and Recognition, which is a newly formed group designed to enhance the AFP's operational effectiveness by building, promoting and recognising a physically, emotionally and ethically healthy workforce.
- Learning and Development, which coordinates the delivery of targeted learning and development programs to enhance knowledge and skills required by the AFP.
- Professional Standards, which delivers timely management and investigation of employment suitability and integrity issues and maintains effective relationships with key external stakeholders including the Commonwealth and Law Enforcement Ombudsman and the Australian Commission for Law Enforcement Integrity.

- Australian Institute of Police Management, which provides a centre of excellence focused on the development of current and future leaders in policing.

Strategic HR and positioning the AFP as employer of choice

The Human Resource Strategies Team continued to deliver outcomes aligned with a strategic HR framework to position the AFP as an employer of choice. In 2010–11 the AFP continued to have strong retention rates – the attrition rate for all staff was 5 per cent and for sworn staff 3 per cent, reflecting retention rates that are consistently higher than the Australian Public Service as a whole. Key outcomes achieved in 2010–11 are listed below.

Enterprise Agreement

The AFP Enterprise Agreement for Executive Level Band 9 employees was approved by Fair Work Australia on 11 January 2011 and commenced on 18 January 2011. The general Enterprise Agreement is being finalised, with the voting to take place in August 2011.

Executive remuneration

Senior Executive Service (SES) remuneration is incorporated in a Workplace Agreement between the SES employee and the Commissioner of the AFP. The AFP Remuneration Committee provides ongoing advice to the Commissioner on remuneration for the SES group and individuals within that group. The role of the Remuneration Committee is to ensure that a consistent approach is taken to SES remuneration in the organisation.

SES appointees may be provided with an annual bonus as part of their total remuneration package. The quantum of this bonus is determined by the Commissioner on the basis of the SES employee's deliverables over a 12-month period against an agreed performance charter. Bonus payments for all AFP SES employees are moderated by the Remuneration Committee. The Committee provides advice to the Commissioner on bonus payments.

Workforce Plan

In December 2010 the AFP established the rolling two-year AFP Workforce Plan incorporating forecast workforce numbers, skills, capabilities and workforce mix.

Social inclusion

Workforce Diversity Strategy

In October 2010 the AFP established the Workforce Diversity Plan for attracting, recruiting, developing and retaining people from five groups:

- Aboriginal and Torres Strait Islanders (A&TSI)
- women
- people from culturally and linguistically diverse communities
- gay, lesbian, transsexual and transgender people
- people with disabilities.

Aboriginal and Torres Strait Islanders

The AFP continued to work towards meeting the target of increasing the A&TSI component of its workforce by 2.7 per cent by 2015. The AFP has a commitment to employ an additional 200 A&TSI employees by 2015 under the Australian Employment Covenant, established by the Council of Australian Governments (National Partnership Agreement on Indigenous Economic Participation).

A&TSI staffing levels were 0.73 per cent in June 2010. The target increase of 1.4 per cent is based on a two-year period starting 1 July 2010. Additional recruitment during 2010–11 ensured that the AFP is progressing to meet the target during the next financial year.

New A&TSI employees since 1 July 2010 include:

- 14 Directions Program trainees
- 3 A&TSI graduates
- 3 A&TSI cadets
- 2 A&TSI investigative assistant trainees.

In 2010, 22 A&TSI people submitted applications for the ACT Policing recruitment round and 25 A&TSI people submitted applications for the Protective Service Office recruitment round.

Profiling the AFP with the A&TSI community has been a priority. In February 2011 the AFP participated in the Learn, Earn, Legends, Careers Expo on the Gold Coast in the lead-up to the Indigenous All Stars Rugby League match.

The AFP provides leadership for A&TSI issues for the Attorney-General's portfolio and chairs the Portfolio Reconciliation Network meetings that take place once every two months.

Gay, lesbian, transsexual and transgender people

The AFP received a Pride in Diversity award recognising the AFP as the best public service organisation for initiatives relating to gay, lesbian, transsexual and transgender employees.

AFP Gay and Lesbian Liaison Officer (GLLO) network provides support to the Australian gay, lesbian, bisexual, transgender and intersex (GLBTI) community.

All GLLOs are volunteers and include police and civilian staff, trained to deal sensitively with GLBTI issues and available to provide advice and support to members of the public, as well as AFP personnel. Membership of the GLLO network is open to all AFP members, not just GLBTI employees.

People with disabilities

The AFP periodically reviews its policies, protocols, guidelines and practices to ensure the compliance requirements of the *Disability Discrimination Act 1992* are met. In October 2010 the AFP Workforce Diversity Plan was launched. This plan includes the AFP Disability Program and Strategy, which outlines specific initiatives to support the recruitment and retention of people with disability. The strategy also provides for greater education and awareness of the benefits of employing people with a disability to be made available to all AFP employees.

The Human Resources function is currently revising the AFP 2010–12 Disability Program and Strategy. It will be replaced by the *Disability Action Plan 2012–14*, which will be launched on International Day of People with Disability on 3 December 2011. The public will be able to access the plan on the AFP website: www.afp.gov.au.

The AFP's Workforce Diversity Team continues to support and encourage business areas to consider the employment of people with disability in appropriate roles. The AFP has more recently been exploring options for the placement of people with disability in appropriate roles.

The Workforce Diversity Team also liaises with external organisations such as the Diversity Council of Australia and the Australian Employers' Network on Disability. This ensures that the AFP understands contemporary diversity and disability issues. As a member of such organisations, the Workforce Diversity Team can provide training and presentations for staff on issues relating to discrimination within the workforce and on recruiting and working with employees with disabilities.

AFP employees are regularly encouraged to ensure that their diversity status is updated to reflect their own equity and diversity information.

Recruitment

In 2010–11 the AFP reviewed its recruitment policy and programs and now has established, as part of a continuous improvement process, a flexible recruitment policy to differentiate between internal, external, sworn and unsworn recruitment.

Entry-level programs

The AFP continued its commitment to entry-level recruitment including graduate and cadetship programs. In 2010–11 the AFP recruited 18 graduates from target disciplines and 14 Indigenous trainees.

Employment branding

In April 2011 the AFP established an employment branding strategy which, aligned with the Workforce Plan and the Diversity Strategy, forms the basis for AFP recruitment.

The strategy is based on ensuring the AFP has a diverse workforce mix and skills capabilities into the future. The AFP will target A&TSI groups and increase the numbers of women and people from a culturally and linguistically diverse background.

Client service

Business Partner Model of Service Delivery

In November 2010 the HR Business Partner Model of Service Delivery (in line with the One AFP, One Corporate model) was developed and implemented. The model forms the basis for effective, transparent and cost efficient service delivery by HR. Under the model to date, achievements of HR personnel include:

- operating as internal consultants for workforce-related initiatives, resulting in efficiencies and reduced costs for the organisation
- generating targeted and consistent monthly resource reports and quarterly organisational health reports to business functions to assist in their decision making
- providing targeted HR support and services to AFP emergency operations in New Zealand, Christmas Island, New South Wales, Victoria and Queensland.

Customer Service Charter and Service Delivery Model

HR has implemented a range of continuous improvement initiatives to increase client satisfaction, resulting in the establishment and promotion of the HR Customer Service Charter and the HR Business Partner Model. Training in customer service skills was provided across the Chief Operating Officer function. As a result, the HR Advisory Team has been reviewed and restructured with a strong focus on business partnering. An extension of this process led to a broad review of Wellbeing Services, which resulted in the identification of improved and more efficient methods of service delivery. The program was progressively rolled out during the year, with the final workshop held in June 2011. The impact on client satisfaction will be measured by future surveys as part of the HR Marketing and Communication Group communication strategy and implementation plan.

Professional development

Leadership and executive development

In 2010–11 the AFP continued to deliver the Executive Development Program, which included a succession planning framework for SES and Executive Level Band 9 employees. AFP-specific leadership philosophy doctrines were established as the basis for leadership development into the future.

Targeted learning and succession planning

During the year all targets were met for career management and succession planning. The process included the application of a succession planning and development matrix to Executive Level Band 9 employees.

The targeted Executive Development Program funded through HR Strategies continued to be implemented with a process established for succession planning of Executive Level Band 9, SES 1 and SES 2 staff. The relevant succession frameworks are based on 360-degree feedback and related processes and have been jointly agreed to by managers, national managers and the executive. The ratings on the matrix continue to be used to develop relevant staff.

Learning and development initiatives included the establishment of an AFP Board of Studies working to endorsed terms of reference. National managers were appointed as training faculty mentors to ensure relevance of program content. Aiding career development, the Investigators Development Continuum now forms part of core business within Investigations Training as does the Intelligence Training Continuum, which also encompasses a Law Enforcement Intelligence Analyst Program.

Leadership and command training

In recent years the AFP has offered leadership development programs focused on the exercise of leadership skills at different levels, including the Tier 1 Leadership (Team Leadership) Program and the Tier 2 (Organisational Leadership) Program. More than 300 participants have completed the Tier 1 Program. At present, the AFP is focusing on

the development of an organisational leadership philosophy and framework through a partnership initiative between the Australian Institute of Police Management, Learning and Development and Human Resources Strategy. This will be the basis for all new leadership initiatives and will inform leadership activity at all levels of the organisation. As such, with the exception of the Tier 1 Leadership Program, leadership programs have not been offered in the second half of the financial year as they are under review and will be redeveloped in line with the philosophy statement.

Command training is delivered regularly through Command, Control and Coordination (C3) workshops and Incident Command and Control System (ICCS) workshops. These workshops are in high demand across the organisation and have also been delivered to a number of our law enforcement partners offshore. The workshops focus on command theory and provide participants with an opportunity to practise and apply command skills in scenarios. The Incident Command System, from which the ICCS was originally developed, has been proven to be both internationally and locally effective for responding to all types of police and emergency incidents. The ICCS has been endorsed by the National Counter-Terrorism Committee and, as such, provides a nationally consistent system for these types of incidents. The ongoing provision of command training ensures AFP personnel are well placed to lead and participate in multijurisdictional and national command responses.

Enhancing health and wellbeing

HR continued to implement service improvement initiatives which included:

- opening the AFP Headquarters Gymnasium – the gym quickly established a usage rate of 1000 sign-ins per week
- implementing the Medical Operational Readiness Program and the Health & Fitness Program
- reducing the Comcare premium significantly for the financial year based on HR's efforts in promoting occupational health and safety (OH&S) legislation and requirements across the organisation

- establishing a new structure that combined Medical, Health and Fitness, Wellbeing Services, Occupational Health and Safety, Confidant Network and Recognition and Ceremonial that increased the sharing of information and joint interventions to support members. This has been well received by the AFP and will continue to increase customer satisfaction through an integrated approach to health, safety and wellbeing.

Strengthening professional standards

In the reporting period the Professional Standards Integrity Assurance, Education and Training Team delivered training to more than 3700 AFP members via face to face classroom training. The training included sessions on Ethics in Leadership, Respectful Workplace and Professional Standards Integrity Awareness. To complement this training, Professional Standards published three case studies relating to a range of more common misconduct issues. Although sanitised, the case studies are from actual events and included harassment in the workplace, inappropriate use of the AFP email system and alcohol-related issues.

Professional Standards works closely with Legal and Governance Coordination to ensure quality assurance using a risk-based approach to governance production. A number of Professional Standards instruments were published and modified during the reporting period including guidelines on integrity reporting, references and testimonials, conflict of interest and secondary employment. In addition, Professional Standards entered a head agreement with the Office of Police Integrity, Victoria.

In the reporting period the AFP received a total of 233 complaints that amounted to serious misconduct, defined by the *Australian Federal Police Act 1979* as category 3 misconduct. This is a 3.3 per cent decrease on the previous year. Of these complaints 87 were made by members of the public, 129 were made by AFP appointees (not including the 10 AFP appointees who self-reported) and 7 (3 per cent) were reported anonymously.

Enhancements to the adjudication process, including the formation of an Adjudication Secretariat and the appointment of more members to the Adjudication Panel, have resulted in efficiencies. During the reporting period there were 393 adjudications completed. This is a 281 per cent increase on the previous year.

The business rules around the processing of complaints have changed significantly and it is therefore not possible to compare the statistical run times of previous years.

Further statistics regarding complaints can be found in 'Appendix B: Corporate integrity'.

Occupational health and safety

During 2010–11 the AFP continued to comply with its legal obligations under the *Occupational Health and Safety Act 1991* and the *Safety, Rehabilitation and Compensation Act 1988*. This was achieved in day-to-day business through organisational adherence to AFP policies, guidelines and standard operating procedures which are aligned to the requirements of the legislation. Some AFP governance documents focus specifically on OH&S matters, and all safety-related documentation is easily accessible to employees on the AFP intranet.

A total of 6689 staff members completed a mandatory OH&S online training course. All new AFP staff members are required to complete the course within four weeks of commencement.

During 2010–11 the AFP conducted 119 OH&S training courses across the organisation. These covered topics such as:

- OH&S induction for recruits, lateral transfers, non-sworn members and locally engaged overseas staff
- roles and responsibilities of managers, supervisors and attendees on leadership development programs and team leader training
- local OH&S familiarisation
- manual handling

- tailored OH&S courses for various specialist areas
- OH&S risk management
- workplace incident reporting
- radiation safety training
- safe handling of chemicals awareness
- both remote and senior first aid
- emergency management and control.

The AFP Health and Safety Management Arrangements 2007–12 comply with legal obligations and include:

- 59 designated work groups, health and safety representatives and deputies
- the national Occupational Health and Safety Committee, Operational Safety Committee and eight Regional Occupational Health and Safety Consultative committees
- online workplace hazard and incident reporting systems which ensure Comcare notification under section 68 of the *Occupational Health and Safety Act 1991* and have achieved continued improvement in the reporting of hazards and incidents
- expert advice and assistance to facilitate OH&S risk management
- active support for employees with injuries, including access to workers compensation entitlements and structured programs to achieve early and durable return to work under the Safety and Rehabilitation Commission's processes
- systems for fire safety, emergency evacuation and first aid services at all AFP locations.

Various health-monitoring and prevention programs are also in place to target specific hazards, including:

- providing assistance for optimal ergonomic set-up of employee workstations
 - A total of 1283 workstation assessments were conducted with staff relocating to AFP Headquarters in Canberra.

- medical services for recruits and members deployed to special operations and overseas missions
- medical reviews for employees exposed to particular hazards such as hazardous substances, bodily fluids and noise during the course of their duties
- welfare, employee assistance, psychological counselling and chaplain support services for employees to minimise psychological impacts from work situations
- influenza vaccinations.

Other activities during 2010–11 include:

- reviewing the:
 - *National guideline on occupational rehabilitation and return to work*
 - *National guideline on safe working with radiation*
 - *National guideline on electrical safety*
 - *National guideline on emergency procedures*
 - *National guideline on health and safety management arrangements 2007–12*
- Occupational Health and Safety online training course
- hazard and workplace incident reporting system to ensure continued support of AFP needs.
- assisting Comcare with its campaign to target improvement in compliance with notification of OH&S incidents by providing documentation of AFP policies, procedures, guidance, training and the online system used to support workplace incident notification
- assisting Comcare with its campaign for development of guidelines for international travel
- participating in the Comcare pilot project to audit the rehabilitation management system
- auditing the emergency procedures for Perth Gate 1 facility and developing the evacuation management plan.

During 2010–11 the AFP worked collaboratively with the Department of Education, Employment and Workplace Relations, Comcare Australia, the Australia New Zealand Policing Advisory Agency, the Australian Federal Police Association, the Police Federation of Australia and the Commonwealth Public Sector Union toward the development of the harmonised work health and safety laws. The work undertaken included an independent review by Mr Bruce Hodgkinson SC which ascertained a need to include a provision for operations undertaken by the AFP. Work undertaken will enable the AFP to make a smooth transition to the new work health and safety arrangements by January 2012.

During 2010–11 the AFP notified Comcare of 120 incidents under section 68 of the *Occupational Health and Safety Act 1991*.

Comcare investigated the unauthorised discharge of a firearm at the armoury of Melbourne airport and also commenced an investigation into an allegation by a former member that the AFP failed to take all reasonably practicable steps to protect his health and safety while he was employed by the AFP.

There were no provisional improvement notices issued by health and safety representatives or improvement notices issued by the regulator.

The AFP implements best practice in return-to-work options and the sourcing of suitable duties for injured or ill members to enable a reduction in incapacity weeks.

Policy and Governance

Performance highlights

Policy and Governance:

- delivered strategic policy advice to the AFP Senior Executive on Australian Government, Attorney-General and Minister for Home Affairs and Justice priorities
- established the International Policy Coordination Group to oversee the International Engagement Strategy
- established the Research Committee to oversee and coordinate the AFP's research framework and ensure its alignment to the AFP's corporate objectives
- implemented a new Serious and Organised Crime Policy role
- commenced a review of the AFP's key committee framework in accordance with the recommendations of the Australian National Audit Office audit of the AFP's management of the implementation of new policy initiatives
- successfully implemented the Information Publication Scheme requirements, developing and implementing a progressive publishing plan
- supported AFP engagement with the Parliamentary Joint Committee on Law Enforcement, which was formally convened in November 2010 to monitor and review the performance of the AFP and the Australian Crime Commission, examine their annual reports and report on trends and changes in criminal activities, practices and methods that affect the AFP and the Australian Crime Commission
- supported the development and passage of legislation, including the *National Security Legislation Amendment Act 2010* and *Crimes Legislation Amendment Act 2011*, that significantly enhanced Commonwealth police powers
- refined the AFP business planning framework from a yearly life cycle to a three-yearly life cycle
- implemented internal policy by managing and assuring the quality of the AFP Governance Instrument Framework, including the incorporation of risk management assurances against each governance instrument
- produced a model template brief which will assist investigators to assemble a uniform and legally correct brief for consideration by the Commonwealth Director of Public Prosecutions.

Overview

The Policy and Governance function strives to be a trusted adviser within the AFP, with the Attorney-General, Minister and key policy partners. The function shapes and influences policy settings in support of the AFP's operational outcomes. A key part of this role is maintaining external stakeholder relationships with whole-of-government partners, members of the national security community and counterpart law enforcement agencies including the Attorney-General's Department, Department of the Prime Minister and Cabinet, Australian Customs and Border Protection Service, CrimTrac and the Australian Crime Commission.

The Policy area provides strategic policy advice both within the AFP and externally, supports AFP Executive representation at key Australian Government and intergovernmental policy forums and coordinates policy positions across the entire AFP on a broad range of issues including terrorism, non-proliferation, serious and organised crime, aviation security and cybercrime. The Policy area is also responsible for external budget advice and coordination.

The Internal Audit and Business Analysis area supports the leadership and management of the AFP by providing strategic organisational planning, risk management, business continuity, governance, internal audit and performance analysis.

AFP Legal consists of a group of legal practitioners and staff who work primarily in Canberra with outposts in Sydney and Solomon Islands. AFP Legal provides extensive legal advice and support across a wide range of issues that impact on the AFP, including operational and counter-terrorism activities, international policing and commercial, governance, employment, litigation and information disclosure matters. Its goal is to provide high-quality, timely and independent legal advice and services to support AFP operations and corporate activities.

In the first six months of 2010–11 the Policy and Governance function included the AFP's Security branch. This responsibility was transferred to Operations Support and the function gained responsibility for Government Relations.

Government Relations manages the AFP's relations and communications with government through the Office of the Minister for Home Affairs and Justice and with parliament, in particular its interaction with parliamentary committees. Government Relations also advocates the AFP law reform program with partner agencies, facilitates public access to the AFP's information pursuant to the *Freedom of Information Act 1982* and the *Archives Act 1983*.

Policy

To better align its services with the priorities of the AFP for 2010–11, the Policy function was restructured into the following two branches:

- Policy Coordination
 - National Security Policy
 - Policy Forums
 - Serious and Organised Crime Policy
- Strategic Policy
 - Strategic Policy
 - New Policy and Emerging Issues.

National Security Policy Team

The primary role of the National Security Policy Team is to provide strategic policy advice to the Commissioner in support of key national security forums such as the National Security Committee of Cabinet and the Secretaries Committee on National Security. The team also supported AFP Senior Executive participation in a range of high-level strategic policy and coordination bodies and working groups, most notably the Homeland and Border Security Policy Coordination Group, the Strategic Policy Coordination Group and the Border Management Group.

Policy Forums Team

The Policy Forums Team was created in 2010, replacing the Domestic Policy Team. The change reflected a realignment of responsibilities, enabling this section to focus on the provision of policy advice to the AFP Senior Executive members to support them in their roles at peak Commonwealth and national law enforcement forums.

The team provides support for the following forums and their associated senior officers groups:

- Australia New Zealand Policing Advisory Agency (ANZPAA) Board of Management
- Australia New Zealand Police Commissioners Forum
- CrimTrac Board of Management
- Australian Crime Commission Board
- Standing Council for Police and Emergency Management
- Heads of Commonwealth Operational Law Enforcement Agencies
- Strategic Leaders' Group.

Policy Forums members represent the AFP at various supporting meetings for the abovementioned forums including the CrimTrac Strategic Issues Group, the ANZPAA Liaison Officers Forum and the Australian Crime Commission Board Liaison Officers Forum. Internal AFP policy forums, such as the AFP CrimTrac Advisory Group, are also coordinated by Policy Forums in support of the executive-briefing process.

Serious and Organised Crime Policy role

In a new venture to strengthen links between policy and functional areas, the AFP created the role of Coordinator Serious and Organised Crime Policy. The role facilitates collaboration between the AFP Serious and Organised Crime and Policy and Governance functions to promote a more cohesive understanding of critical policy issues and a coordinated approach to informing policy development, with a key focus on the Commonwealth's Organised Crime Strategic Framework, including elements of the Commonwealth Organised Crime Response Plan.

Strategic Policy Team

The Strategic Policy Team maintained AFP engagement in whole-of-government processes on a range of strategic policy issues including the AFP's international engagement, the Review of Aid Effectiveness and its implications for the AFP and the newly developed National Drug Strategy. The Strategic Policy team provided support to the:

- development of the AFP International Engagement Strategy
- establishment of the International Policy Coordination Group, which is a new governance committee to oversee the International Engagement Strategy and its alignment with AFP activity offshore
- AFP Commissioner's participation in the Strategic Alliance Group, an annual meeting of the chiefs of national law enforcement agencies from the United States of America, the United Kingdom, New Zealand, Canada and Australia.

New Policy and Emerging Issues Team

The New Policy and Emerging Issues Team is responsible for coordinating and shaping the AFP's input into the Australian Government Budget process. This entails overseeing the development and submission of central agency and whole-of-government new policy proposals and savings options.

A new responsibility for the team has been the coordination of the AFP's input into the *Proceeds of Crime Act 2002* (POCA) funding submission process. Similar to the role associated with the Budget process, this involves overseeing the development and submission of bids to the Attorney-General's Department for consideration by the Minister for Home Affairs and Justice who allocates POCA funds.

The team provides secretariat services for the newly established AFP Research Committee which has oversight of the AFP's Research Strategy. The implementation of the Research Strategy has established the foundations to drive efficiencies and facilitate whole-of-organisation decision making about research investment. The team also facilitated the relationship between the AFP and the Centre of Excellence in Policing and Security (CEPS) through coordinating contributions to CEPS projects and managing AFP representation on the International Advisory Board and the Research Advisory Committee. The team also has oversight of the AFP's relationship with the Lowy Institute.

Government Relations

Ministerial team

The Ministerial team is the primary point of contact between the AFP and the Minister for Home Affairs and Justice, the Hon Brendan O'Connor MP. The Ministerial team is responsible for the coordination of all parliamentary documents – for example, Senate Estimates briefings, answers to questions on notice and various parliamentary committee submissions and is responsible for the cabinet liaison function.

The AFP's Law Enforcement Liaison Officer (LELO) in Minister O'Connor's Office provides a single point of contact for the Ministerial team to the offices of the Minister for Home Affairs and Justice and the Attorney-General. LELO is supported by, and works closely with, the Ministerial team and maintains a key operational relationship with both offices to provide timely advice on law enforcement matters.

Table 10: Ministerial work progressed, 2010–11

Ministerial briefings, including possible parliamentary questions, question time briefs and Minister's Office briefs	539
Items of ministerial correspondence	345
Questions on notice (e.g. from ministers)	5
Senate Estimates – answers to questions on notice	90
Parliamentary joint committee questions on notice	6

*Supplementary Budget Estimates not held due to 2007 federal election.

Note: The figures in this table were recorded using the Attorney-General's Department TRIM system from 1 July 2010 to 30 January 2011. From 31 January 2011 to 30 June 2011 these figures were manually recorded due to system changes.

Legislation Program Team

The Legislation Program Team manages the AFP's engagement with legislative review and law reform processes and pursues the AFP's own law reform agenda with government.

The most significant legislative amendments progressed by the section in cooperation with Commonwealth departments were contained in the:

- *Law and Justice Legislation Amendment (Identity Crimes and Other Measures) Act 2011*
- *National Security Legislation Amendment Act 2010*
- *Parliamentary Joint Committee on Law Enforcement Act 2011*
- Human Rights (Parliamentary Scrutiny) Bill 2010 and Human Rights (Parliamentary Scrutiny) (Consequential Provisions) Bill 2010
- *Defence Legislation Amendment (Security of Defence Premises) Act 2011*
- *Telecommunications Interception and Intelligence Services Legislation Amendment Act 2011*
- *Crimes Legislation Amendment Act 2011*
- *Aviation Crimes and Policing Legislation Amendment Act 2011*
- Cybercrime Legislation Amendment Bill 2011.

Information Access Team

The Information Access team coordinated the AFP's compliance with the *Freedom of Information Amendment (Reform) Act 2010* through:

- implementing a revised AFP national guideline and new practical guide on freedom of information (FOI)
- continuing to refine the processes for handling FOI requests, including the development through Spectrum of a new case management tool
- providing a range of awareness and training options for the AFP Executive, coordinators and team leaders, FOI decision makers, internal reviewers and key business support and operational personnel

- establishing a working group sponsored by the Strategic Leaders' Group to prepare the AFP for reforms and its ongoing requirements to meet these reforms.

Internal Audit and Business Analysis

Internal Audit and Business Analysis provides comprehensive organisational governance, an audit assurance framework and an effective business performance and accountability framework.

The framework encompasses:

- business planning
- risk management
- business continuity management
- a system of governance instruments
- internal audit
- business performance and accountability.

Governance Coordination and Review

The AFP's Governance Instrument Framework includes key governance documents, such as national policies and guidelines and Commissioner's Orders.

The integrity of this framework is maintained by the Governance Coordination and Review Team.

AFP Legal

Ensuring the AFP has timely, accurate and appropriate legal support is the key priority for AFP Legal. The legal practice comprises 36 legal practitioners and four support staff. All the legal practitioners hold practising certificates and operate under the Commissioner's Charter of Independence when providing legal advice. The General Counsel leads the practice and it is organised into five functional legal teams: Operational and Counter Terrorism, International Deployment Group, Commercial and Governance, Employment and Litigation, and Information Law.

During 2010–11 an external legal consultant, Beaton Research and Consulting, conducted a strategic review of Legal. The consultant concluded that the practice structure and work practices were sound but made a number of recommendations to strengthen future performance. Over the first half of 2011 the team has been implementing the key recommendations including regular reports to the Strategic Leaders' Group, a new legal matters and knowledge management system and a focus on preventive legal practice.

AFP Legal directly supports the AFP's law enforcement operations across the major law enforcement functions and is focused on reinvigorating investigations. This support involves legal advice to assist the AFP's Executive and investigators in all phases of investigation and frequently extends to legal assistance during and after trial. For example, Legal provided direct support to Operation Rune (Secrecy case), including advice on investigative and evidence collection powers and the deployment of a lawyer during the critical arrest and interview phase. Extensive legal support has also been provided for people smuggling matters.

The Legal team has continued its provision of dedicated services to ACT Policing and support to operations in the regional offices.

Legal also continued to make a significant contribution to the training of AFP officers, including Counter Terrorism state and federal officers. For example, the team contributed to the review and development of major training materials for senior investigators, as well as drafted a Commonwealth model brief template for use by investigators.

Legal has seen an increase in work since mid-2010 as a result of the withdrawal of certain services of the Commonwealth Director of Public Prosecutions.

Legal continues to provide dedicated advice and services to the International Deployment Group. There is currently one deployed AFP lawyer in Solomon Islands. Legal has been heavily involved in the support of police deployments to the Queensland floods and the Christchurch earthquake. The team has also been involved in a range of operational and other legal issues arising from AFP deployments in Australian external territories and internationally.

Legal continues to deliver strong support to operational and enabling functions in relation to commercial and governance matters. Significant commercial assistance in support of operational activities, including in relation to people smuggling and technical capability delivery, was provided. The team also gave commercial assistance in relation to a number of Program Spectrum information and communications technology initiatives, the *AFP* television series and several significant construction and property matters, including for the Australian Institute of Police Management, the National Headquarters in the Edmund Barton Building and a new centre for the Nauru Police Force.

In addition to its commercial legal services, Legal continued to provide governance-related advice and assistance, including with regard to new and revised AFP governance instruments and the development of arrangements with the AFP's domestic and international partners.

The Legal team manages the AFP's panel of external legal service providers and it also directly sources legal counsel from the independent Bar. During 2010–11 the Legal team provided advice on approximately 3200 matters.



06

GOVERNANCE AND ACCOUNTABILITY

KEY COMMITTEES FRAMEWORK

The AFP Key Committees Framework sets out the agency's key decision-making groups and outlines their primary and specific responsibilities, membership, meeting frequency and accountabilities.

The AFP's Key Committees Framework was last reviewed in 2008 when it was agreed that a framework reflecting a tiered structure of strategic, governance and operational committees would best reflect the AFP's high-level committee structure. Since the 2008 review, a number of significant changes have been made to the AFP's organisational structure and new committees have been established including the:

- Strategic Investment Committee
- International Policy Coordination Committee
- Research Committee.

There has also been an audit of the AFP's management of the implementation of new policy initiatives, conducted in 2010–11 by the Australian National Audit Office (ANAO). The ANAO found that there is a lack of clarity around key elements of the committee structure. Accordingly, the Strategic Policy area has commenced a review of the framework which includes updated definitions of the tiered structure of committees. While the framework below is based on the 2008 review, elements of this have been updated through the 2010–11 reporting period.

Executive management

The executive management committee is the Strategic Leaders' Group.

Strategic committees

The strategic committees address issues that correspond to the specific responsibilities of the Strategic Leaders' Group and are expected to provide regular and strategic information to the group.

The committees are the:

- Finance Committee and its subcommittee, the Performance and Budget Monitoring Committee
- Workforce Committee
- Audit Committee
- Security Committee
- Remuneration Committee.

Operational committees

The operational committees were established by the Strategic Leaders' Group to facilitate senior managers' operational awareness and prioritisation across the organisation as a whole without an undue emphasis on the priorities of any one function. The designation is also used for committees of such importance that they warrant this designation. The committees are the:

- Witness Protection Committee
- AFP National Operations Committee
- National Occupational Health and Safety Management Committee
- Investigations Advisory Group.

DISCRETIONARY GRANTS

The AFP administered no discretionary grant programs in 2010–11.

INSURANCE AND RISK MANAGEMENT

The AFP embraces risk management as an integral part of its business and has realigned its risk management governance to reflect the International Standard for Risk Management: AS/NZS ISO 31000:2009.

The AFP assesses risk as part of the procurement and contract life cycle and, as such, has policies and procedures for the management of insurance and risk which are embedded in AFP business-planning practices.

The AFP also focuses on specific areas of risk, including occupational health and safety, fraud control and financial and commercial practices, and conducts risk assessments for all large procurement activities.

During the reporting period the Strategic Risk Management Team was expanded and restructured to reflect policy and implementation streams. These streams continued to enhance AFP risk management policy and deliver AFP-specific risk and business continuity management training and awareness sessions. The AFP has business continuity plans in place for each of its key sites across Australia and testing for these sites occurs every six months with a focus on three key scenarios: loss of infrastructure, loss of information and communications technology and loss of people.

Disaster recovery plans are also in place for the crucial information and communications technology services that support AFP operations and, in the event of an influenza pandemic, business continuity is planned for and managed in a whole-of-government context in line with the requirements of the Department of the Prime Minister and Cabinet.

Comcover insurance arrangements are also key to the AFP's risk mitigation strategies for managing financial risk. They provide the AFP with 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 that encompasses both medical emergencies and personal effects.

The AFP again participated in the annual Comcover Risk Management Benchmarking Survey. The AFP improved its overall score from the 2010 results, reflected in the 6.3 per cent discount to the AFP's Comcover insurance premium.

FRAUD CONTROL AND ANTI-CORRUPTION PLAN

To manage the risk of fraud and corruption across the AFP all national managers, managers and coordinators maintain controls and implement the actions contained in the Fraud Control and Anti-corruption Plan.

In accordance with the requirements of the newly revised *Commonwealth fraud control guidelines 2011*, the AFP is in the process of developing the *Fraud control and anti-corruption plan 2011-13*, which will supersede the 2009-11 version. The new plan will continue to address fraud and corruption risks faced by the agency and ensure that risk treatments are continually monitored and assessed for their effectiveness.

Fraud control risks are reviewed on a quarterly basis and progress on the plan's implementation is reported to the AFP Audit Committee and the Australian Attorney-General's Department each year throughout its life cycle.

INTERNAL AUDIT

Internal audit

Delivery of the AFP Executive-endorsed annual Internal Audit Program was through a mix of in-house and outsourced resources. In 2010-11 the AFP Audit Committee considered 26 internal audit reports and met quarterly. The annual Audit Program was informed by risk assessments which identified the AFP's most significant potential vulnerabilities. The implementation of internal audit and relevant Australian National Audit Office recommendations were allocated to AFP business units by the Audit Committee and subsequently monitored through regular implementation reporting to the Audit Committee.

EXTERNAL SCRUTINY

Judicial decisions and decisions of administrative tribunals

During 2010–11 there were no judicial decisions or decisions of administrative tribunals that had, or may have, a significant impact on the operations of the AFP.

Commonwealth and Law Enforcement Ombudsman reports

During 2010–11 the Commonwealth and Law Enforcement Ombudsman undertook a review and investigations pursuant to his function.

Reviews of AFP complaint management

Division 7, Part V of the *Australian Federal Police Act 1979* requires the Commonwealth Ombudsman to conduct at least one annual review of the AFP's administration of Part V of the *Australian Federal Police Act 1979* and report annually to parliament on the Ombudsman's work and activities under that Part.

On 9 February 2011 the Commonwealth Ombudsman tabled his report to parliament covering his work and activities under Part V of the *Australian Federal Police Act 1979* during the period 2010–11. This report noted the improvement in the quality and consistency of the AFP's complaint handling. The Commonwealth Ombudsman further noted that AFP Professional Standards was conducting ongoing training and raising awareness across the organisation, as well as providing a quality assurance role.

During 2010–11 the Commonwealth Ombudsman conducted one review pursuant to section 40XA of the *Australian Federal Police Act 1979*. This review had a specific objective: to assess the comprehensiveness and adequacy of the AFP complaint-handling process. The review covered the period 1 March to 31 August 2010; however, the draft report had not been received as at 30 June 2011.

Review of Categories of Conduct Determination 2006

Under section 40RM of the *Australian Federal Police Act 1979*, the AFP Commissioner and Commonwealth Ombudsman may jointly determine categories of conduct for the purposes of this Act. The AFP Commissioner and Commonwealth Ombudsman signed a joint determination of the categories of conduct on 13 December 2006.

During 2010–11 the Commonwealth Ombudsman's office and the AFP reviewed the Categories of Conduct Determination 2006, and the revised instrument will be considered by the Commissioner and the Commonwealth Ombudsman in the coming period.

Section 8 investigations

During 2010–11 the Commonwealth Ombudsman issued AFP Professional Standards with 108 notices under section 8 of the *Ombudsman Act 1976* advising of his intention to begin an investigation or requesting information or additional information from the AFP.

Administrative deficiencies

Section 15 of the *Ombudsman Act 1976* lists the grounds on which the Commonwealth Ombudsman can formally make a report to an agency and ultimately to the Prime Minister and parliament. Most complaints to the Commonwealth Ombudsman are resolved informally; however, the Commonwealth Ombudsman may record an administrative deficiency in some instances. The purpose of recording an administrative deficiency is not to reprimand the agency but to draw attention to possible issues that warrant further consideration and improvement.

During 2010–11 the Commonwealth Ombudsman recorded 15 administrative deficiencies against the AFP. The majority of these were in relation to unreasonable delay in the resolution of complaints.

The AFP has committed to ensuring complaints are resolved in a timely manner. As a result, an adjudication panel which comprises a number of SES 1 managers was established in July 2010 to enhance the adjudication of category 3 (serious misconduct) complaints. This has further been strengthened by the addition of two more panel members and a secretariat team to support the adjudication process. A retired AFP SES member has also been employed on a contractual basis to assist. Since the formation of the adjudication panel, 366 complaints have been adjudicated, resulting in a substantial reduction in the number of category 3 complaints awaiting adjudication.

Auditor-General reports

During this reporting period the Australian National Audit Office (ANAO) audited the:

- AFP's financial statements
- performance measures relating to the AFP's community policing contract with the ACT Government.

In 2010–11 the AFP was the primary subject of two ANAO reports tabled in parliament. These were:

- No 29 – Management of the Implementation of New Policy Initiatives
- No 43 – Australian Federal Police Protection Services.

The AFP was also an active participant in cross-agency audit reports:

- No 4 – National Security Hotline
- No 7 – Confidentiality in Government Contracts: Senate Order for Departmental and Agency Contracts (Calendar Year 2009 Compliance)
- No 22 – Audits of the Financial Statements of Australian Government Entities for the Period Ended 30 June 2011.

Active and ongoing ANAO activity involving the AFP during 2010–11 related to an AFP-specific audit, Administration of the NPI – Fighting Terrorism at its Source Initiative.

Audit report no 29

ANAO undertook a performance audit of the AFP's management of the implementation of new policy initiatives (NPIs), tabling its report in parliament on 16 February 2011.

The ANAO notes that the transformation of AFP operations since 2000 has been driven by the implementation of NPIs, resulting in the establishment of new capability, expanding existing capability or improving support to operations.

The ANAO made four recommendations, which the AFP is implementing. The AFP is improving the effectiveness of its approach to the management and implementation of NPIs and broader governance consideration.

In the context of recommendation 1, the AFP has reviewed and updated elements of its governance framework so that the scope of authority and supporting operational business arrangements for its committees are clearly specified in terms of reference. Further to this, the Strategic Leaders' Group will review the AFP's Key Committee Framework in late 2011 to ensure ongoing currency of these governance arrangements.

With respect to recommendation 2, the AFP's planning for NPI implementation is being strengthened through the development of enhanced governance frameworks and supplementary business cases to improve formal consideration of implementation risks and business strategies. The Strategic Leaders' Group has endorsed a reviewed and updated *National guideline on risk management*. The updated guideline addresses the requirements of the AFP's operations, including the implementation of projects, programs and all change initiatives and is compliant with AS/NZ ISO 31000.

In relation to recommendations 3 and 4, the AFP has established the Project Management Office to develop and maintain appropriate business support structures and governance for AFP change initiatives including projects, programs and NPIs. The Portfolio Management Office supports the AFP's Strategic Investment Committee on investment decisions and oversight of projects, programs and NPIs and provides guidance and advice to business areas on implementation of projects and programs.

Audit report no 43

ANAO undertook a performance audit of the AFP's Protection services, tabling its report in parliament on 25 May 2011.

The ANAO made no recommendations, acknowledging that AFP management had already instigated strategies for improvements in areas identified in the report.

Parliamentary committees

The 2010–11 period was the first year the Parliamentary Joint Committee for Law Enforcement had oversight of the AFP. Government Relations is the first point of contact in the AFP for the Parliamentary Joint Committee for Law Enforcement. During 2010–11 the AFP appeared before the committee in relation to its inquiry into the adequacy of aviation and maritime security measures to combat serious and organised crime, to provide a private briefing on the role, functions and structure of the AFP and for the committee's inquiry into the AFP's 2009–10 annual report.

The AFP recognises the important role of parliamentary scrutiny of its operations, proposed legislation and the national security and crime threats affecting Australia. The AFP is committed to engaging openly wherever possible with parliamentary committees to assist them with their inquiries. The AFP contributed to the following parliamentary committees:

- Senate Environment and Communications Committee Inquiry into the adequacy of protections for the privacy of Australians online on 29 October 2010 and 1 December 2010
- Senate Standing Committee on Legal and Constitutional Affairs Inquiry into the Crimes Legislation Amendment Bill 2010 on 4 November 2010
- Senate Standing Committee on Legal and Constitutional Affairs Inquiry into the Telecommunications Interception and Intelligence Services Legislation Amendment Bill 2010 on 11 November 2010
- Joint Select Committee on the Christmas Island Tragedy on 27 May 2001 and 6 June 2011
- Senate Standing Committee on Legal and Constitutional Affairs Inquiry into Migration Amendment (Strengthening the Character Test and Other Provisions) Bill 2011 on 29 June 2011.

ECOLOGICAL SUSTAINABILITY DEVELOPMENT AND ENVIRONMENTAL PERFORMANCE

Fleet

The AFP continues to monitor the energy efficiency of its fleet. Policies are in place to have regard to the government's Green Car Challenge when selecting vehicles.

Over the past 12 months the AFP has decreased the size of its fleet by 48 vehicles. This reduction is attributed in part through the formation of a central pool car system at its new National Headquarters.

Infrastructure projects

The AFP implemented enhanced ecologically sustainable development targets for the AFP's infrastructure projects, including the refurbishment and fit-out of the new headquarters, the redevelopment of the Australian Institute of Police Management and the aviation security accommodation project.

The ecologically sustainable development initiatives include:

- implementing the National Australian Built Environment Rating System
- implementing the principles of the Green Star Rating Scheme to promote the use of environmentally efficient design, sustainable materials and recyclable products
- adopting waste management systems to include segregation of waste into recyclable, organic and waste-to-landfill
- using energy-efficient lighting and lighting control systems
- adopting water conservation initiatives such as dual-flush cisterns, fitting water efficient flow restriction devices to all fixtures and harvesting rainwater
- installing external lighting controls to ensure lighting is only used when it is required.

The Australian Institute of Police Management is also meeting its commitments under its Historic Heritage Management Plan.



07

APPENDIXES

APPENDIX A: DISCLOSURE OF INFORMATION

Freedom of information

This appendix provides information required under section 8 of the *Freedom of Information Act 1982* (the FOI Act) from 1 July 2010 to 30 April 2011 and incorporates the new publication requirements as a result of the reforms to the FOI legislation.

The AFP releases documents pursuant to the FOI Act, the *Freedom of Information Amendments (Reforms) Act 2010*, the *Privacy Act 1988*, the *Archives Act 1983* and the AFP Regulations. Many documents are also made available to the public via the AFP's website. Details of requests received by the AFP for information during 2010–11 are shown in Table A1.

The FOI team facilitates public access to AFP documents consistent with the provisions of the FOI Act. Under section 23 of the Act, the Information Access team leader and senior team member are authorised to make initial decisions.

With the introduction of the *Freedom of Information Amendments (Reforms) Act 2010* on 1 November 2010, the number of FOI requests has increased by 23 per cent. There were 343 FOI requests made in 2010–11 compared with 278 FOI requests made in 2009–10.

FOI applicants seek access to information concerning past or present investigations conducted by the AFP. Many of these requests require an extensive search of AFP information repositories and can involve the examination of many hundreds of pages of documents. Due diligence and resource-intensive examination is applied to the process in assessing the information, ensuring that personal privacy concerns are taken into consideration as well as AFP law enforcement activities. Requests can be complex and aspects of them are complicated further due to the shared information the AFP holds from other local or international agencies, some of which are exempt agencies under the Act.

In 2010–11 the AFP submitted quarterly and annual returns under the Act for the Office of the Information Commissioner and for the Department of the Prime Minister and Cabinet's Report to Parliament under section 93 of the FOI Act. Detailed information about the AFP's

FOI procedures and information on making FOI requests to the AFP can be found on the AFP's website at www.afp.gov.au.

From 1 May 2011 agencies subject to the Act are required to publish information to the public as part of the Information Publication Scheme (IPS). This requirement is in Part II of the Act and has replaced the former requirement to publish a section 8 statement in an annual report. An agency plan showing what information is published in accordance with the IPS requirements is accessible at www.afp.gov.au.

Procedures and contact points

Requests for access to documents and applications for internal review of decisions made under the Act should be addressed to:

Information Access Team
Government Relations Branch
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
- their date of birth
- a postal address in Australia
- a detailed description of the documents requested.

Requests can be delivered to any AFP office or forwarded directly to the Information Access Team at the address above.

Prior to 1 November 2010 an application fee of \$30.00 applied to all requests made under the Act and further charges apply for the processing of applications. An application fee of \$40.00 also applied to all applications for an internal review of decisions made under the Act.

With effect from 1 November 2010, however, the application fee (including the fee for internal review) no longer applies due to the commencement of the *Freedom of Information (Reform) Act 2010*. Additionally, no charges will apply to applicants seeking access to their own personal information under the Act. For all other applications, the first

five hours of decision-making time will be free and applications not decided within the statutory time frame will be processed free of charge. Further information regarding fees and charges can be found at www.oaic.gov.au. Payments should be made payable to the Receiver of Public Monies.

In addition to the coordinator, team leader and senior team member of the Information Access Team, the Manager Government Relations is also authorised, pursuant to section 23 of the Act, to make decisions concerning fees and charges and the release or exemption of documents under the Act.

If an applicant applies 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 Information Access Team by mail, email (foi@afp.gov.au) or by phoning (02) 6 131 6 131. There are also different fees payable to access documents not covered by the FOI Act. For information on obtaining a copy of a motor vehicle accident or an incident report relating to a property offence in the Australian Capital Territory, phone (02) 6245 7417. For information on obtaining an incident report relating to an offence against a person in the Australian Capital Territory, phone (02) 6245 7435.

For information on obtaining a character check or criminal and traffic conviction report, phone (02) 6202 3333. For information relating to personal information under the *Privacy Act 1988*, requests should be made to the Information Access Team.

Types of documents

The AFP holds documents on a 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 Commissioner's 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 Home Affairs and Justice. These generally relate to the development of AFP policy or are provided as background to particular administrative decisions in database records including computer files, printouts and statistical data.

Documents available free of charge upon request

A range of publications are available free of charge through the Media Centre link at www.afp.gov.au.

Services and documents available for a fee

A list of services and documents available for a fee are available through the 'About the AFP' link at www.afp.gov.au.

Table A1: AFP information requests, 2010–11

Category	2009–10	2010–11
Freedom of information	278	343
General requests for documents under AFP Regulations	885	510
Requests for accident record documents under AFP Regulations	1614	2022
Requests for personal information under the Privacy Act	3	1
Total	2780	2876

APPENDIX B: CORPORATE INTEGRITY

Table B1: Complaints submitted during 2010–11, by category

Total AFP	Total complaints	Codings with complaints
Category 1	156	344
Category 2	501	1001
Category 3	233	367
Corruption issues	30	45
Totals	920	1757

Outcome 1	Total complaints	Codings with complaints
Category 1	59	128
Category 2	403	840
Category 3	158	235
Corruption issues	25	41
Totals	645	1244

Outcome 2	Total complaints	Codings with complaints
Category 1	97	216
Category 2	98	161
Category 3	75	132
Corruption issues	5	4
Totals	275	513

Table notes:

Codings

Codings are individual issues identified within a complaint. Multiple codings may be applied where two or more complaint issues are identified from information supplied by a complainant or where two or more members are subject to the complaint.

Complaint categories

The AFP complaint management framework is underpinned by a four-tiered model grounded in Part V of the *Australian Federal Police Act 1979* (Cth):

- **Category 1** conduct issues relate to minor management, customer service and performance matters.
- **Category 2** conduct issues include minor misconduct and unsatisfactory performance.
- **Category 3** conduct issues are serious misconduct matters that do not involve corruption but may give rise to employment termination, breaches of criminal law and serious neglect of duty.

Corruption issues arise in circumstances where an AFP appointee has engaged in, is engaging in or may engage in corrupt conduct.

While AFP Professional Standards has overall responsibility for the management of complaints against AFP appointees, various areas of the AFP and the Australian Commission for Law Enforcement Integrity have responsibility for delivering specific elements of the four-tiered model.

Table B2: Complaints submitted during 2010–11, by source

Source	Total complaints	% of total complaints
Anonymous member of the public	16	2
Member of the public	342	37
Reporting another AFP member	528	57
Self-reported	34	4
Totals	920	100

Table B3: Status of complaints as at 30 June 2011

	Finalised	Outstanding	Total
Category 1	179	21	200
Category 2	515	109	624
Category 3	151	633	784
Corruption issues	15	70	85
Totals	860	833	1693

Note: This table includes matters reported before 1 July 2010 that had not been finalised prior to that date.

Table B4: Most frequent AFP conduct issues established during 2010–11

Issue	Number established
Diligence failure	133
Failure to comply with direction or procedure	84
Supervision failure	79
Serious breach of the AFP Code of Conduct	70
Breach of the AFP Code of Conduct	45
Inadequate service	14
Serious breach of directions or procedures	14
Failure to record or report	13
Inappropriate behaviour	13
Discourtesy	9

Table B5: Prohibited drug tests conducted during 2010–11

Category	2009–10	2010–11
Mandatory applicant testing	668	817
Mandatory targeted testing	5325	4292
Mandatory investigation and certain incident testing	43	25
Totals	6036	5134

Table B6: Finalised codings during 2010–11, by category and finding

Total AFP	Established	Not established	Discretion not to proceed	Withdrawn
Category 1	42	316	38	8
Category 2	391	532	88	7
Category 3	114	175	41	0
Corruption issues	0	10	6	1
Totals	547	1033	173	16

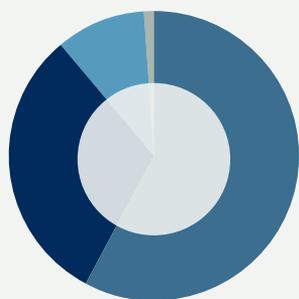


Chart B1: Total AFP findings

- **58%** Not established
- **31%** Established
- **10%** Discretion not to proceed
- **1%** Withdrawn

Table B7: Finalised codings for Outcome 1 during 2010–11, by category and finding

Outcome 1	Established	Not established	Discretion not to proceed	Withdrawn
Category 1	15	102	15	2
Category 2	361	374	66	3
Category 3	108	102	32	0
Corruption issues	0	8	6	1
Totals	484	586	119	6

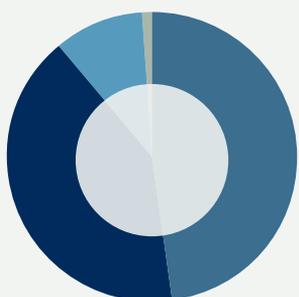


Chart B2: Outcome 1 findings

- **48%** Not established
- **41%** Established
- **10%** Discretion not to proceed
- **1%** Withdrawn

Table B8: Finalised codings for Outcome 2 during 2010–11, by category and finding

Outcome 2	Established	Not established	Discretion not to proceed	Withdrawn
Category 1	27	214	23	6
Category 2	30	158	22	4
Category 3	6	73	9	0
Corruption issues	0	2	0	0
Totals	63	447	54	10

This table includes only matters where the case is finalised.

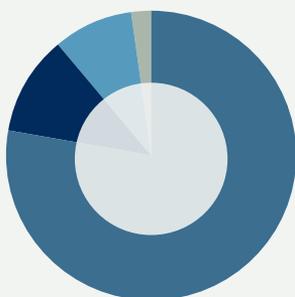


Chart B3: Outcome 2 findings

- **78%** Not established

- **11%** Established

- **9%** Discretion not to proceed

- **2%** Withdrawn

APPENDIX C: ADVERTISING AND MARKET RESEARCH

During 2010–11 the AFP facilitated an advertising campaign for National Missing Persons Week (1 to 7 August 2010) and participated in National Youth Week, International Missing Children’s Day and Day for Daniel organised by other agencies and organisations. Further information is available in the reports on Australian Government advertising that are prepared by the Department of Finance and Deregulation. Those reports are available at <http://www.finance.gov.au/advertising/index.html>.

Table C1: Media costs during 2010–11

Vendor	Amount (\$)
Universal McCann	2 550
TNS Social Research	39 050

APPENDIX D: HUMAN RESOURCES STATISTICS

Table D1: Ongoing, non-ongoing and casual staff as at 30 June 2011

Employee group	2010-11*	2009-10*	Difference
Sworn protective service officer (PSO) permanent full-time	1064	1196	-132
Sworn PSO permanent part-time	2	3	-1
Sworn PSO temporary full-time	0	0	0
Sworn PSO temporary part-time	0	0	0
Sworn PSO casual	0	0	0
Sworn PSO secondee paid	0	0	0
Sworn PSO Total	1066	1199	-133
Sworn police permanent full-time	3115	2965	150
Sworn police permanent part-time	100	90	10
Sworn police temporary full-time	1	0	1
Sworn police temporary part-time	0	0	0
Sworn police casual	1	1	0
Sworn Police Total	3217	3056	161
Unsworn permanent full-time	2284	2130	154
Unsworn permanent part-time	198	182	16
Unsworn temporary full-time	85	103	-18
Unsworn temporary part-time	14	14	0
Unsworn casual	24	24	0
Unsworn Total	2605	2453	152
Asia-Pacific Group permanent full-time	8	7	1
Asia-Pacific Group temporary full-time	1	0	1
Temporary full-time	1	0	1
Asia-Pacific Group Total	10	7	3
Grand Total	6898	6715	183

* The 2009-10 and 2010-11 financial years include Australian Institute of Police Management staff in the AFP numbers.

Table D2: AFP Senior Executive, 2010–11 (substantive staff)

Executive	Management	AFP sworn	AFP unsworn	Total
Program 1.1: National Security - Policing				
Deputy Commissioner National Security	Counter Terrorism	3	0	3
	Protection	2	1	3
	Aviation	6	1	7
Program 1.2: Close Operations Support				
Deputy Commissioner National Security	IDG	6	2	8
Deputy Commissioner National Security total		17	4	21
Program 1.3: Operations - Policing				
Deputy Commissioner Operations	Serious and Organised Crime	5	0	5
	Crime Operations	5	0	5
	Sydney	1	0	1
	Melbourne	1	0	1
	Perth	1	0	1
	Brisbane	1	0	1
Deputy Commissioner Operations total		14	0	14
Program 1.4: Close Operations Support				
Deputy Commissioner Close Operations Support	Operations Support	3	2	5
	Intelligence	3	0	3
	Forensic and Data Centres	1	2	3
	High Tech Crime Operations	2	1	3
Deputy Commissioner Close Operations Support total		9	5	14
Commissioner's Office		4	1	5
Commissioner's Office total		4	1	5
Chief Operating Officer	Human Resources	3	5	8
	Finance and Commercial	0	5	5
	Policy and Governance	2	5	7
	Information & Communications Technology	1	3	4
Chief Operating Officer total		6	18	24
Asia-Pacific Group		0	1	1
Asia-Pacific Group total		0	1	1
Program 2: ACT Community Policing				
Chief Police Officer ACT	ACT Policing	3	1	4
Chief Police Officer ACT total		3	1	4
Grand total		53	29	82

Table D3: AFP geographical distribution, 2010–11

	Sworn protective service officer			Sworn police			Unsworn			Asia-Pacific Group			Grand total
	Female	Male	Total	Female	Male	Total	Female	Male	Total	Male	Female	Total	
Australian Capital Territory	39	315	354	363	1097	1460	1182	830	2012	0	0	0	3826
Commonwealth territories	0	5	5	8	30	38	6	7	13	0	0	0	56
New South Wales	15	244	259	109	376	485	106	103	209	5	5	10	963
Northern Territory	4	64	68	4	36	40	9	1	10	0	0	0	118
Overseas posts	0	16	16	43	269	312	32	35	67	0	0	0	395
Queensland	6	82	88	59	260	319	58	42	100	0	0	0	507
South Australia	5	21	26	15	52	67	13	3	16	0	0	0	109
Tasmania	1	11	12	3	8	11	1	2	3	0	0	0	26
Victoria	6	108	114	93	262	355	67	51	118	0	0	0	587
Western Australia	13	111	124	14	116	130	35	22	57	0	0	0	311
Grand total	89	977	1066	711	2506	3217	1509	1096	2605	5	5	10	6898

Table D4: AFP Senior Executive performance bonus payments, 2010–11

	Amount \$	Number
SES 3	86 000.00	4
SES 2	235 099.09	17
SES 1	500 731.26	61
Total	810 230.35	82

Note: These performance bonuses were paid during the 2010–11 financial year and relate to performance during the 2010–11 financial year.

While there were 82 SES staff at 30 June 2011, only 78 were eligible for performance bonuses.

Table D5: Years of service, 2010–11

		AFP personnel - years of service							
Personnel group	Executive	<1	1-5	6-10	11-15	16-20	21-25	26+	Total
Sworn protective service officer (PSO)	Chief Operating Officer*	0	7	15	3	1	3	1	30
	Chief Police Officer - ACT	0	0	1	0	0	0	0	1
	Deputy Commissioner Close Operations Support	0	17	11	2	1	4	1	36
	Deputy Commissioner National Security	11	363	415	77	40	74	13	993
	Deputy Commissioner Operations	0	2	4	0	0	0	0	6
Sworn PSO total		11	389	446	82	42	81	15	1066
Sworn police	Chief Operating Officer*	59	24	44	36	15	29	27	234
	Chief Police Officer - ACT	39	354	180	59	24	43	59	758
	Deputy Commissioner Close Operations Support	0	94	98	90	45	69	80	476
	Deputy Commissioner National Security	50	446	188	111	43	95	124	1057
	Deputy Commissioner Operations	6	210	141	113	56	82	75	683
	Office of the Commissioner	0	0	1	2	1	2	3	9
Sworn police total		154	1128	652	411	184	320	368	3217
Unsworn	Chief Operating Officer*	183	448	179	45	19	24	18	916
	Chief Police Officer - ACT	42	127	43	7	6	3	2	230
	Deputy Commissioner Close Operations Support	137	419	175	62	17	23	8	841
	Deputy Commissioner National Security	24	193	88	17	13	11	6	352
	Deputy Commissioner Operations	38	106	58	28	12	12	4	258
	Office of the Commissioner	1	3	3	1	0	0	0	8
Unsworn total		425	1296	546	160	67	73	38	2605
Asia-Pacific Group		1	7	1	1	0	0	0	10
Grand total		591	2820	1645	654	293	474	421	6898

* The Chief Operating Officer function includes sworn recruits at the college (99 staff), graduates (16 staff) and the Directions Program (19 staff).

Table D6: AFP workforce composition, 2010–11

	Sworn police			Sworn protective service officer			Unsworn			Asia-Pacific Group			Total
	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total	
Band 1	0	0	0	0	0	0	0	2	2	0	0	0	2
Band 2	70	139	209	26	180	206	59	41	100	1	0	1	516
Band 3	127	470	597	38	478	516	369	217	586	0	0	0	1699
Band 4	184	558	742	15	159	174	415	196	611	1	0	1	1528
Band 5	136	560	696	4	123	127	148	83	231	2	0	2	1056
Band 6	38	126	164	1	3	4	207	174	381	0	0	0	549
Band 7	110	401	511	4	14	18	165	149	314	0	0	0	843
Band 8	7	54	61	0	15	15	86	110	196	0	1	1	273
Band 9	30	154	184	1	5	6	46	83	129	1	3	4	323
Casual	0	1	1	0	0	0	7	18	25	0	0	0	26
Statutory office holders	0	4	4	0	0	0	0	0	0	0	0	0	4
SES	9	39	48	0	0	0	7	23	30	0	1	1	79
Total	711	2506	3217	89	977	1066	1509	1096	2605	5	5	10	6898

Table D7: Outposting to other agencies / police services, secondments, territories policing and peacekeeping

Base salary group	0 ¹	1	2	3	4	5	6	7	8	9	SES	Total
External territories												
Jervis Bay				3		1		1				5
Christmas Island	3			3	3	1		1				11
Cocos Island	3				1			1				5
Norfolk Island					1	1		1				3
External territories total	6	0	0	6	5	3	0	4	0	0	0	24
Stability / Capacity building												
Afghanistan					3	8		9	3	4		27
Cambodia								1				1
Cyprus						5		1		1		7
Timor-Leste – UN				2	11	27	2	7		1		50
Timor-Leste Police Development Program					2	11	3	4	2	2	1	25
Nauru					1			1		1		3
Papua New Guinea					2	4	1	3		4		14
Samoa								2		1		3
Regional Assistance Mission to Solomon Islands				10	35	36	10	19	7	15		132
Sudan						8	1			1		10
Tonga								2	2	1		5
Vanuatu							1	5		2		8
Stability / Capacity building total	0	0	0	12	54	99	18	54	14	33	1	285
Australian Crime Commission												
Adelaide								1				1
Perth								1				1
Sydney								1				1
Canberra								1				1
Australian Crime Commission total	0	0	0	0	0	2	2	0	0	0	0	4

¹ Casual staff with no base salary recorded.

Base salary group	0 ¹	1	2	3	4	5	6	7	8	9	SES	Total
Centrelink												
Adelaide							1					1
Brisbane							2					2
Canberra (Tuggeranong)							1					1
Darwin							0					0
Hunter Region (NSW)							1					1
Melbourne							3					3
Perth							1					1
Sydney							2					2
Townsville							1					1
Centrelink total	0	0	0	0	0	0	12	0	0	0	0	12
Department of Foreign Affairs and Trade												
Sydney							1					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								1	1			2
Australian Federal Police Association total	0	0	0	0	0	0	0	1	1	0	0	2
Northern Territory Police												
Operation Themis				1	3	12	3	1		1		21
Northern Territory Police total	0	0	0	1	3	12	3	1	0	1	0	21
Australia New Zealand Policing Advisory Agency												
Melbourne									1			1
Australia New Zealand Policing Advisory Agency total	0	0	0	0	0	0	0	0	1	0	0	1
Attorney-General's Department												
Brisbane								1				1
Attorney-General's Department total	0	0	0	0	0	0	0	1	0	0	0	1

Table D7: Outposting to other agencies / police services, secondments, territories policing and peacekeeping (cont.)

Base salary group	0'	1	2	3	4	5	6	7	8	9	SES	Total
National Threat Assessment Centre												
Canberra								2				2
National Threat Assessment Centre total	0	2	0	0	0	2						
Department of Climate Change and Energy Efficiency												
Canberra								1				1
Department of Climate Change and Energy Efficiency total	0	1	0	0	0	1						
Australian Defence Force Investigative Service												
Canberra								1				1
Australian Defence Force Investigative Service total	0	1	0	0	0	1						
International												
UN headquarters (New York)										1		1
Prime Minister and Cabinet (Canberra)										1		1
International total	0	2	0	2								
Centre of Excellence in Policing and Security												
Canberra										1		1
Centre of Excellence in Policing and Security total	0	1	0	1								
Microsoft												
United States of America										1		1
Microsoft total	0	1	0	1								

APPENDIX E: RESOURCE STATEMENTS

Agency resource statement 2010–11

	Actual available for 2010–11 appropriation \$'000	Payments made 2010–11 \$'000	Balance remaining 2010–11 \$'000
	(a)	(b)	(a) - (b)
ORDINARY ANNUAL SERVICES¹			
Departmental appropriation			
Departmental appropriation ²	1,581,293	1,379,585	201,708
Total	1,581,293	1,379,585	201,708
Administered expenses			
Outcome 1 ³	40,187	36,179	
Total	40,187	36,179	
Total ordinary annual services	A 1,621,480	1,415,764	
OTHER SERVICES⁴			
Departmental non-operating			
Equity injections	290,979	70,827	220,152
Total	290,979	70,827	220,152
Total other services	B 290,979	70,827	220,152
Total available annual appropriations	1,912,459	1,486,591	
Total appropriations excluding special accounts	1,912,459	1,486,591	
SPECIAL ACCOUNTS			
Opening balance ⁵	9,255		
Appropriation receipts ⁶	1,546		
Non-appropriation receipts to special accounts	8,481		
Payments made		10,129	
Total special account	C		9,153
Total resourcing (A+B+C)	1,931,741	1,496,720	
Less appropriations drawn from annual appropriations above and credited to special accounts	(1,546)	(1,546)	
Total net resourcing for agency	1,930,195	1,495,174	

¹Appropriation Bill (No.1) 2010–11 and Appropriation Bill (No.3) 2010–11. This also includes prior year departmental appropriations available and S.31 relevant agency receipts.

²Includes an amount of \$51.151m in 2010–11 for the Departmental Capital Budget. For accounting purposes this amount has been designated as 'contributions by owners'.

³Appropriation Bill (No.1) 2010–11 and Appropriation Bill (No.3) 2010–11. This includes retained prior-year administered appropriations and is adjusted for the reduction of 2010–11 administered appropriations which occurs on tabling of the 2010–11 annual report in parliament.

⁴Appropriation Bill (No.2) 2010–11 and Appropriation Bill (No.4) 2010–11. This also includes available equity appropriations from previous years.

⁵Does not include 'Special Public Money' held in accounts like Other Trust Monies accounts, Services for other Government and Non-agency Bodies accounts, or Services for Other Entities and Trust Monies Special Accounts.

⁶Appropriations receipts from annual departmental appropriations for 2010–11 included above.

Expenses and resources for Outcome 1

Outcome 1: Reduced criminal and security threats to Australia's collective economic and societal interests through cooperative policing services	Budget* 2010-11 \$'000	Actual expenses 2010-11 \$'000	Variation \$'000
	(a)	(b)	(a) - (b)
Program 1.1: National Security – Policing			
Departmental expenses			
Departmental appropriation	289,747	281,883	7,864
Revenue from independent sources (Section 31)	62,674	62,479	195
Special accounts	2,431	2,936	(505)
Expenses not requiring appropriation in the budget year	24,763	19,764	4,999
Total for Program 1.1	379,615	367,062	12,553
Program 1.2: International Deployments			
Administered expenses			
Ordinary annual services (Appropriation Bill No. 1)	35,461	27,828	7,633
Departmental expenses			
Departmental appropriation	269,669	281,874	(12,205)
Revenue from independent sources (section 31)	32,367	39,314	(6,947)
Special accounts	1,475	1,149	326
Expenses not requiring appropriation in the budget year	19,856	13,442	6,414
Total for Program 1.2	358,828	363,607	(4,779)
Program 1.3: Operations – Policing			
Administered expenses			
Ordinary annual services (Appropriation Bill No. 1)	13,651	10,082	3,569
Departmental expenses			
Departmental appropriation	216,080	229,085	(13,005)
Revenue from independent sources (section 31)	2,536	7,631	(5,095)
Special accounts	4,282	4,193	89
Expenses not requiring appropriation in the budget year	15,460	14,996	464
Total for Program 1.3	252,009	265,987	(13,978)

*Full-year budget, including any subsequent adjustment made to the 2010-11 Budget.

Expenses and resources for Outcome 1 (cont.)

Outcome 1: Reduced criminal and security threats to Australia's collective economic and societal interests through cooperative policing services	Budget* 2010-11 \$'000	Actual expenses 2010-11 \$'000	Variation \$'000
	(a)	(b)	(a) - (b)
Program 1.4: Close Operational Support			
Administered expenses			
Ordinary annual services (Appropriation Bill No. 1)	3,187	211	2,976
Departmental expenses			
Departmental appropriation	242,300	237,545	4,755
Revenue from independent sources (section 31)	10,524	10,275	249
Special accounts	1,849	1,851	(2)
Expenses not requiring appropriation in the budget year	20,838	32,194	(11,356)
Total for Program 1.4	278,698	282,076	(3,378)
Outcome 1 totals by appropriation type			
Administered expenses			
Ordinary annual services (Appropriation Bill No. 1)	52,299	38,121	14,178
Departmental expenses			
Departmental appropriation	1,017,796	1,030,387	(12,591)
Revenue from independent sources (section 31)	108,101	119,699	(11,598)
Special accounts	10,037	10,129	(92)
Expenses not requiring appropriation in the budget year	80,917	80,396	521
Total expenses for Outcome 1	1,269,150	1,278,732	(9,582)
	2009-10	2010-11	
Average staffing level (number)	5579	5769	

*Full-year budget, including any subsequent adjustment made to the 2010-11 Budget.

Expenses and resources for Outcome 2

Outcome 2: A safe and secure environment through policing activities on behalf of the Australian Capital Territory Government	Budget* 2010-11 \$'000	Actual expenses 2010-11 \$'000	Variation \$'000
	(a)	(b)	(a) - (b)
Program 2.1: ACT Community Policing			
Departmental expenses			
Revenue from independent sources (section 31)	140,257	141,228	(971)
Expenses not requiring appropriation in the budget year	5,623	5,496	127
Total expenses for Outcome 2	145,880	146,724	(844)
	2009-10	2010-11	
Average staffing level (number)	945	963	

*Full-year budget, including any subsequent adjustment made to the 2010-11 Budget.



08

FINANCIAL STATEMENTS



INDEPENDENT AUDITOR'S REPORT

To the Minister for Home Affairs

Report on the Financial Statements

I have audited the accompanying financial statements of the Australian Federal Police for the year ended 30 June 2011, which comprise: a Statement by the Commissioner and Chief Financial Officer; Statement of Comprehensive Income; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; Schedule of Contingencies; Schedule of Asset Additions; Schedule of Administered Items and Notes comprising a Summary of Significant Accounting Policies and other explanatory information.

Commissioner's Responsibility for the Financial Statements

The Australian Federal Police's Commissioner is responsible for the preparation of financial statements that give a true and fair view in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards, and for such internal control as the Commissioner determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit 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 about 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 of the financial statements that give a true and fair view 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 the accounting policies used and the reasonableness of accounting estimates made by the Australian Federal Police's Commissioner, as well as evaluating the overall presentation of the financial statements.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

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*, including the Australian Accounting Standards; 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 2011 and of its financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

As described in note 20 to the financial statements, the Australian Federal Police has recently become aware there is an increased risk of a breach of section 83 of the Constitution where payments are made from special appropriations and special accounts in circumstances where the payments do not accord with conditions included in the relevant legislation, and has advised that these circumstances will be investigated.

Australian National Audit Office



Kristian Gage
Audit Principal

Delegate of the Auditor-General

Canberra
8 September 2011

Australian Federal Police

**Financial Statements
for the Year Ended 30 June 2011**

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AUSTRALIAN FEDERAL POLICE
STATEMENT BY THE COMMISSIONER AND CHIEF FINANCIAL OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2011 are 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.



T.W. Negus APM
Commissioner

Date: 8-9-2011



H. Gunning
Chief Financial Officer

Date: 8.9.11

AUSTRALIAN FEDERAL POLICE
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2011

	Notes	2011 \$'000	2010 \$'000
EXPENSES			
Employee benefits	3A	857,536	783,047
Supplier expenses	3B	445,974	490,869
Depreciation and amortisation	3C	82,846	67,969
Finance costs	3D	375	417
Write-down and impairment of assets	3E	604	2,642
Losses from asset sales	3F	-	1
Grants	3G	-	393
Total expenses		1,387,335	1,345,338
LESS:			
OWN-SOURCE INCOME			
Own-source revenue			
Sale of goods and rendering of services	4A	267,739	235,696
Rental income	4B	2,060	602
Other	4C	1,025	1,394
Total own-source revenue		270,824	237,692
Gains			
Gains from asset sales	4D	165	-
Resources received free of charge	4E	5,810	5,830
Total gains		5,975	5,830
Total own-source income		276,799	243,522
Net cost of services		(1,110,536)	(1,101,816)
Revenue from Government	4F	1,017,804	1,106,043
Surplus/(Deficit) attributable to the Australian Government		(92,732)	4,227
OTHER COMPREHENSIVE INCOME			
Changes in asset revaluation reserves		2,403	(434)
Total other comprehensive income		2,403	(434)
Total comprehensive income/(loss) attributable to the Australian Government	23	(90,329)	3,793

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

AUSTRALIAN FEDERAL POLICE
BALANCE SHEET
as at 30 June 2011

	Notes	2011 \$'000	2010 \$'000
ASSETS			
Financial Assets			
Cash and cash equivalents	5A	18,714	19,191
Trade and other receivables	5B	442,714	539,177
Other	5C	10,461	8,007
Total financial assets		471,889	566,375
Non-Financial Assets			
Land and buildings	6A,C	232,658	178,948
Property, plant and equipment	6B,C	149,014	159,003
Intangibles	6D,E	48,826	33,305
Inventories	6F	8,747	3,226
Other	6G	11,494	12,439
Total non-financial assets		450,739	386,921
Total Assets		922,628	953,296
LIABILITIES			
Payables			
Suppliers	7A	72,122	100,745
Other	7B	37,414	28,262
Total payables		109,536	129,007
Provisions			
Employee provisions	8A	228,384	211,916
Other	8B	8,458	13,106
Total provisions		236,842	225,022
Total Liabilities		346,378	354,029
Net Assets		576,250	599,267
EQUITY			
Contributed equity		650,434	583,122
Reserves		34,871	32,468
Accumulated deficit		(109,055)	(16,323)
Total equity		576,250	599,267

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

**AUSTRALIAN FEDERAL POLICE
STATEMENT OF CHANGES IN EQUITY**
for the year ended 30 June 2011

	Retained earnings		Asset revaluation reserve		Contributed equity/capital		Total equity	
	2011	2010	2011	2010	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance								
Balance carried forward from previous period	(16,323)	(20,546)	32,468	32,902	583,122	531,207	599,267	543,563
Adjustments	-	(4)	-	-	-	-	-	(4)
Adjusted opening balance	(16,323)	(20,550)	32,468	32,902	583,122	531,207	599,267	543,559
Comprehensive income								
Other comprehensive income	-	-	2,403	(434)	-	-	2,403	(434)
Surplus/(Deficit) for the period	(92,732)	4,227	-	-	-	-	(92,732)	4,227
Total comprehensive income	(92,732)	4,227	2,403	(434)	-	-	(90,329)	3,793
Transactions with owners								
Contributions by owners	-	-	-	-	16,161	51,915	16,161	51,915
Equity injection - appropriation	-	-	-	-	-	-	-	-
Departmental capital budget	-	-	-	-	51,151	-	51,151	-
Sub-total transactions with owners	-	-	-	-	67,312	51,915	67,312	51,915
Closing balance as at 30 June	(109,055)	(16,323)	34,871	32,468	650,434	583,122	576,250	599,267
Closing balance attributable to the Australian Government	(109,055)	(16,323)	34,871	32,468	650,434	583,122	576,250	599,267

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

AUSTRALIAN FEDERAL POLICE
CASH FLOW STATEMENT
for the year ended 30 June 2011

	Notes	2011 \$'000	2010 \$'000
OPERATING ACTIVITIES			
Cash received			
Goods and services		258,220	238,819
Appropriations		1,326,556	1,352,104
Net GST received		37,014	34,194
Total cash received		<u>1,621,790</u>	<u>1,625,117</u>
Cash used			
Employees		832,367	747,451
Suppliers		524,933	489,549
Section 31 receipts transferred to OPA		254,418	216,148
Grant payments		-	393
Competitive neutrality payments		-	2,171
Total cash used		<u>1,611,718</u>	<u>1,455,712</u>
Net cash from operating activities	9	<u>10,072</u>	<u>169,405</u>
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of property, plant and equipment		174	30
Total cash received		<u>174</u>	<u>30</u>
Cash used			
Purchase of property, plant and equipment		43,992	73,911
Purchase of land and buildings		67,612	105,542
Purchase of intangibles		21,097	16,396
Total cash used		<u>132,701</u>	<u>195,849</u>
Net cash used by investing activities		<u>(132,527)</u>	<u>(195,819)</u>
FINANCING ACTIVITIES			
Cash received			
Contributed equity		70,827	39,043
Departmental capital budget funding		51,151	-
Total cash received		<u>121,978</u>	<u>39,043</u>
Cash used			
Dividends paid		-	364
Total cash used		<u>-</u>	<u>364</u>
Net cash from financing activities		<u>121,978</u>	<u>38,679</u>
Net increase/(decrease) in cash held		<u>(477)</u>	<u>12,265</u>
Cash and cash equivalents at the beginning of the reporting period		19,191	6,926
Cash and cash equivalents at the end of the reporting period	5A	<u>18,714</u>	<u>19,191</u>

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

AUSTRALIAN FEDERAL POLICE
SCHEDULE OF COMMITMENTS
as at 30 June 2011

	2011	2010
BY TYPE	\$'000	\$'000
Commitments receivable		
Sublease rental income	(3,891)	-
Net GST recoverable on commitments	(53,161)	(53,970)
Total commitments receivable	<u>(57,052)</u>	<u>(53,970)</u>
Commitments payable		
Capital commitments		
Land and buildings	7,940	28,871
Property, plant and equipment ¹	699	8,143
Intangibles	-	431
Other	-	655
Total capital commitments	<u>8,639</u>	<u>38,100</u>
Other commitments		
Operating leases ²	550,936	502,630
Other ³	99,517	191,166
Total other commitments	<u>650,453</u>	<u>693,796</u>
Net commitments by type	<u>602,040</u>	<u>677,926</u>
BY MATURITY		
Commitments receivable		
Other commitments receivable		
One year or less	(10,536)	(14,171)
From one to five years	(21,784)	(17,572)
Over five years	(24,732)	(22,227)
Total other commitments receivable	<u>(57,052)</u>	<u>(53,970)</u>
Commitments payable		
Capital commitments		
One year or less	8,128	38,042
From one to five years	511	58
Total capital commitments	<u>8,639</u>	<u>38,100</u>
Operating lease commitments		
One year or less	80,075	77,368
From one to five years	197,429	180,177
Over five years	273,432	245,085
Total operating lease commitments	<u>550,936</u>	<u>502,630</u>
Other Commitments		
One year or less	66,876	98,675
From one to five years	32,641	92,491
Total other commitments	<u>99,517</u>	<u>191,166</u>
Net commitments by maturity	<u>602,040</u>	<u>677,926</u>

NB: Commitments are GST inclusive where relevant.

AUSTRALIAN FEDERAL POLICE
SCHEDULE OF COMMITMENTS (continued)
as at 30 June 2011

¹ Contracts for the purchase of equipment for overseas deployments and other operational activities.

² Operating leases included are effectively non-cancellable.

³ Contracts for the purchase of a variety of goods and services including logistics support for overseas deployments.

Nature of Lease	General description of leasing arrangement
Leases for office accommodation	Lease payments are subject to terms as detailed in the lease agreement and 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.

This schedule should be read in conjunction with the accompanying notes.

AUSTRALIAN FEDERAL POLICE
SCHEDULE OF CONTINGENCIES
as at 30 June 2011

	2011	2010
	\$'000	\$'000
Contingent assets		
Claims for damages or costs	<u>1,251</u>	<u>39</u>
Total contingent assets	<u>1,251</u>	<u>39</u>
Contingent liabilities		
Claims for damages or costs	<u>6,187</u>	<u>5,925</u>
Total contingent liabilities	<u>6,187</u>	<u>5,925</u>
Net contingent assets/(liabilities)	<u>(4,936)</u>	<u>(5,886)</u>

Details of each class of contingent liabilities and contingent assets listed above are disclosed in Note 10.

This schedule should be read in conjunction with the accompanying notes.

AUSTRALIAN FEDERAL POLICE
 SCHEDULE OF ASSET ADDITIONS
 for the year ended 30 June 2011

The following non-financial non-current assets were added in 2010-11

	Notes	Buildings \$'000	Other property, plant & equipment \$'000	Intangibles \$'000	Total \$'000
Additions funded in the current year					
By purchase - appropriation ordinary annual services		19,053	20,191	11,907	51,151
Departmental capital budget			365	66	1,002
Ordinary operating costs		571			
By purchase - appropriation other services		52,391	24,405	11,570	88,366
Equity injection		72,015	44,961	23,543	140,519
Total funded additions funded in the current year	6C, 6E	72,015	44,961	23,543	140,519
Total additions		72,015	44,961	23,543	140,519

The following non-financial non-current assets were added in 2009-10

	Notes	Buildings \$'000	Other property, plant & equipment \$'000	Intangibles \$'000	Total \$'000
Additions funded in the current year					
By purchase - appropriation ordinary annual services		99,392	47,761	9,789	156,942
Ordinary operating costs					
By purchase - appropriation other services		6,148	26,288	6,607	39,043
Equity injection		105,540	74,049	16,396	195,985
Total funded additions funded in the current year	6C, 6E	105,540	74,049	16,396	195,985
Additions recognised in 2009-10 - to be funded in future years					
Make-good		1,339	-	-	1,339
Total future years/unfunded additions	6C	1,339	-	-	1,339
Total additions		106,879	74,049	16,396	197,324

AUSTRALIAN FEDERAL POLICE
SCHEDULE OF ADMINISTERED ITEMS

	Notes	2011 \$'000	2010 \$'000
Expenses administered on behalf of Government <i>for the year ended 30 June 2011</i>			
Suppliers expenses	14A	38,121	15,096
Grants	14B	-	97
Total expenses administered on behalf of Government		38,121	15,193
Assets administered on behalf of Government <i>as at 30 June 2011</i>			
Financial assets			
Cash and cash equivalents	15A	1,108	6
Receivables	15B	72	55
Total financial assets		1,180	61
Non-financial assets			
Other	15C	12	14
Total non-financial assets		12	14
Total assets administered on behalf of Government		1,192	75
Liabilities administered on behalf of Government <i>as at 30 June 2011</i>			
Payables			
Suppliers	16A	3,919	1,964
Total payables		3,919	1,964
Total liabilities administered on behalf of Government		3,919	1,964

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

AUSTRALIAN FEDERAL POLICE
SCHEDULE OF ADMINISTERED ITEMS (continued)

	Notes	2011 \$'000	2010 \$'000
Administered Cash Flows			
<i>for the year ended 30 June 2011</i>			
OPERATING ACTIVITIES			
Cash received			
Net GST received		302	701
Total cash received		<u>302</u>	<u>701</u>
Cash used			
Suppliers		36,481	15,830
Total cash used		<u>36,481</u>	<u>15,830</u>
Net cash flows from (used by) operating activities		<u>(36,179)</u>	<u>(15,129)</u>
Net Decrease in Cash Held		<u>(36,179)</u>	<u>(15,129)</u>
Cash and cash equivalents at the beginning of the reporting period		6	-
Cash from Official Public Account for:			
- Appropriations		37,583	15,836
		<u>37,583</u>	<u>15,836</u>
Cash to Official Public Account for:			
- GST		(302)	(701)
		<u>(302)</u>	<u>(701)</u>
Cash and cash equivalents at the end of the reporting period	15A	<u>1,108</u>	<u>6</u>

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

AUSTRALIAN FEDERAL POLICE

SCHEDULE OF ADMINISTERED ITEMS (continued)

	2011	2010
	\$'000	\$'000
Administered Commitments		
<i>as at 30 June 2011</i>		
BY TYPE		
Commitments receivable		
GST recoverable on commitments	(464)	(50)
Total commitments receivable	<u>(464)</u>	<u>(50)</u>
Commitments payable		
Other commitments		
Project commitments	-	2,295
Other commitments	5,761	-
Total other commitments	<u>5,761</u>	<u>2,295</u>
Net commitments by type	<u>5,297</u>	<u>2,245</u>
BY MATURITY		
Commitments receivable		
Other commitments receivable		
One year or less	(373)	(50)
From one to five years	(91)	-
Over five years	-	-
Total other commitment receivable	<u>(464)</u>	<u>(50)</u>
Commitments payable		
Other commitments		
One year or less	4,761	2,295
From one to five years	1,000	-
Over five years	-	-
Total other commitments	<u>5,761</u>	<u>2,295</u>
Net commitments by maturity	<u>5,297</u>	<u>2,245</u>

NB: Commitments are GST inclusive where relevant.

The nature of key other commitments are the delivery of three fit for purpose patrol vessels to assist in operations in the south east Asian region and contributions to Save the Children Australia, for children and youth in conflict with the law.

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

Notes to and forming part of the financial statements

Note 1: Summary of Significant Accounting Policies

1.1 Objectives of the Australian Federal Police

The Australian Federal Police (AFP) is an Australian Government controlled entity. The objectives of the 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: Reduced criminal and security threats to Australia's collective economic and societal interests through co-operative policing services

Outcome 2: A safe and secure environment through policing activities on behalf of the Australian Capital Territory Government

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

AFP activities contributing toward these outcomes are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, income 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.

The following four programs relate to Outcome 1:

- Program 1.1 National Security - Policing
- Program 1.2 International Deployments
- Program 1.3 Operations - Policing
- Program 1.4 Close Operational Support

The following program relates to Outcome 2:

- Program 2.1 ACT Community Policing

The AFP conducts administered activities on behalf of the Government under the following programs:

- Program 1.2 International Deployments
- Program 1.3 Operations - Policing
- Program 1.4 Close Operational Support

Notes to and forming part of the financial statements

1.2 Basis of preparation of the financial statements

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

The financial statements have been prepared in accordance with:

- Finance Minister's Orders (or FMO's) for reporting periods ending on or after 1 July 2010; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities 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 statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

Unless an alternative treatment is specifically required by an accounting standard or the FMO, assets and liabilities are recognised in the balance sheet when and only when it is probable that future economic benefits will flow to the entity or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under executor contracts are not recognised unless required by an accounting standard. Liabilities and assets that are unrecognised are reported in the Schedule of Commitments or the Schedule of Contingencies.

Unless alternative treatment is specifically required by an accounting standard, income and expenses are recognised in the statement of comprehensive income when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

Administered revenues, expenses, assets and liabilities and cash flows reported in the Schedule of Administered Items and related notes are accounted for on the same basis and using the same policies as for departmental items, except where otherwise stated at Note 1.20.

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 realise more or less than similar properties in the market.
- The fair value of other property, plant and equipment is measured at market selling price for assets unless a market does not exist. In these circumstances depreciated replacement cost is applied.
- The liability for long service leave has been estimated using present value techniques. This takes into account expected salary growth through promotion, inflation, attrition and future discount rates.

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next accounting period.

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the application date as stated in the standard.

No new accounting standards issued prior to the signing of the financial statements, applicable to the current reporting period, had a financial impact on the AFP.

Future Australian Accounting Standard Requirements

No new accounting standards issued prior to the signing of the financial statements, applicable to the future reporting periods, are expected to have a future financial impact on the AFP.

Notes to and forming part of the financial statements

1.5 Revenue

Revenue from the sale of goods is recognised when:

- the risks and rewards of ownership have been transferred to the buyer;
- the agency retains no managerial involvement or 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 associated 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 impairment allowance account. Collectability of debts is reviewed at the end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Revenue from Government

Amounts appropriated for departmental outputs for the year (adjusted for any formal additions and reductions) are recognised as revenue when the AFP gains control of the appropriation, 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.

On 1 July 2010 the Federal Government's net cash appropriation funding arrangements came into effect, resulting in discontinued funding to the AFP for some non-cash expenses (depreciation, amortisation and makegood) through departmental appropriations. Funding for capital items is now provided through an annual Departmental Capital Budget as a contribution by owner. The impact of this change is reflected in Note 23, which is designed to disclose the AFP's operating position, without the effect of the Government's net cash arrangements.

Parental Leave Payments Scheme

The AFP offset amounts received under Parental Leave Payments Scheme (for payment to employees) by amounts paid to employees under that scheme, because these transactions are only incidental to the main revenue-generating activities of the entity. Amounts received by the AFP not yet paid to employees would be presented gross as cash and a liability (payable). The total amount received under this scheme is disclosed as a footnote to Note 3A: Employee Benefits.

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.

Resources received free of charge are recorded as either revenue or gains depending on their nature.

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.

Sale of Assets

Gains from disposal of assets are recognised when control of the asset has passed to the buyer.

1.7 Transactions with the Government as Owner

Equity

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and from 1 July 2010 Departmental Capital Budgets (DCBs) are recognised directly in contributed equity in that year.

Notes to and forming part of the financial statements

1.8 Employee Benefits

Liabilities for 'short-term employee benefits' (as defined in AASB 119 *Employee Benefits*) and termination benefits due within twelve months of end of reporting period 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.

Other long-term employee benefits are measured as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

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 at the estimated salary rates that will apply at the time the leave is taken, 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 estimated using present value techniques. This takes into account expected salary growth through promotion and inflation and attrition.

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 terminations and has informed those employees affected that it will carry out the terminations.

Superannuation

Staff of the AFP are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap), or nominated superannuation fund. 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. This liability is reported by the Department of Finance and Deregulation as an administered item.

The AFP makes employer contributions to the employee's superannuation scheme at rates determined by an actuary to be sufficient to meet the current 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.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the year.

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 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.

When an asset is acquired by means of a finance lease, the asset is capitalised at either the 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 is 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.

The AFP had not entered into any finance leases as at 30 June 2011 (2010: Nil).

1.10 Borrowing Costs

All borrowing costs are expensed as incurred.

Notes to and forming part of the financial statements

1.11 Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, cash held with outsiders, demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash is recognised at its nominal amount.

1.12 Financial Assets

The AFP classifies its financial assets as 'loans and receivables'. The classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets are recognised and derecognised upon 'trade date'.

Loans and Receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis except for financial assets that are recognised at fair value through profit or loss.

Impairment of Financial Assets

Financial assets are assessed for impairment at the end of each reporting period.

If there is objective evidence that an impairment loss has been incurred for loans and receivables, 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 statement of comprehensive income.

1.13 Financial Liabilities

Financial liabilities are classified as other financial liabilities and are recognised and derecognised upon 'trade date'.

Other Financial Liabilities

Other financial liabilities, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

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).

1.14 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent 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 asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

Notes to and forming part of the financial statements

1.15 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 income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of 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.

1.16 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 'make good' 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 'make good' recognised.

Revaluations

Fair values for each class of asset are determined as shown below:

<i>Asset Class</i>	<i>Fair value measured at</i>
Land	Market selling price
Buildings exc. Leasehold improvements	Market selling price
Leasehold improvements	Depreciated replacement cost
Property, 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 subsequent 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 in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/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

1.16 Property, Plant and Equipment (continued)

Depreciation

Depreciable assets are written-off to their estimated residual values over their estimated useful lives to AFP using, in all cases, the straight-line method of depreciation.

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:

	2011	2010
Buildings on freehold land	6 to 25 years	6 to 25 years
Buildings on leasehold land	6 to 25 years	6 to 25 years
Leasehold improvements	Lease term	Lease term
Plant and Equipment	3 to 10 years	3 to 10 years

Impairment

All assets were assessed for impairment at 30 June 2011. 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 AFP were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition

An item of property, plant and equipment is derecognised upon disposal, or when no future economic benefits are expected from its use or disposal.

1.17 Intangibles

AFP's intangibles comprise internally developed and externally acquired software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Software is amortised on a straight-line basis over its anticipated useful life. The useful life of AFP's software is 3 to 5 years (2010: 3 to 5 years).

All software assets were assessed for indications of impairment as at 30 June 2011.

1.18 Inventories

Inventories held for distribution are valued at cost, adjusted for any loss of service potential.

When inventories held for distribution are distributed, the carrying amount of those inventories are recognised as an expense.

Inventories acquired at no cost or nominal consideration are initially measured at current replacement cost at the date of acquisition. Inventory held by the AFP include uniforms and goods held for distribution by the International Deployment Group.

International Deployment Group Inventory

Inventory items held by the International Deployment Group have previously been expensed rather than recognised as an asset until distribution. In 2010-11 the AFP is recognising these items in its balance sheet. Retrospective restatement is impracticable. The value of inventory recognised for the first time at 30 June 2011 totalling \$4.145m has been recognised as a reduction in suppliers expense and an increase in inventory.

Notes to and forming part of the financial statements

1.19 Taxation

The AFP is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the 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
- for receivables and payables.

1.20 Reporting of Administered Activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the schedule of administered items and related notes. Except where otherwise stated below, administered items are accounted for on the same basis and using the same policies as for departmental items, including the application of Australian Accounting Standards.

Administered Cash Transfers to and from the Official Public

Revenue collected by AFP for use by the Government rather than the AFP is administered revenue. Collections are transferred to the Official Public Account (OPA) maintained by the Department of Finance and Deregulation. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriation on behalf of Government. These transfers to and from the OPA are adjustments to the administered cash held by the AFP on behalf of the Government and reported as such in the statement of cash flows in the schedule of administered items and in the administered reconciliation table in Note 17.

Receivables

Where receivables are not subject to concessional treatment, they are carried at amortised cost using the effective interest method. Gains and losses due to impairment, derecognition and amortisation are recognised through profit or loss.

1.21 Accounting for the Australian Institute of Police Management

The purpose of the Australian Institute of Police Management (AIPM) is to provide senior management, executive development, education and consultancy services to Australasian police forces. The AIPM is administered by the AFP. It also reports on its performance to a Board of Control that is composed of Police Commissioners from Australia and New Zealand.

The AIPM operates within the corporate governance framework of the AFP, the AFP's policies apply in all aspects of the AIPM's corporate service function, all staff at the AIPM are staff members of the AFP, and the operations of the AIPM are partly funded from AFP annual departmental appropriations. The AFP has effective control of the AIPM and therefore AIPM transactions are consolidated into the financial statements of the AFP.

AIPM transactions are contained within the special account, 'Services for other Departmental and Non-Agency Bodies Account (Departmental)', in addition to being consolidated within the AFP financial statements in 2010-11. The 'Services for other Departmental and Non-Agency Bodies Account (Departmental)' was closed in June 2011 and the balance was transferred to the 'Services for Other Entities and Trust Moneys Account'. As a special account AIPM funds can only be used for the purpose specified above.

1.22 Accounting for The Asia/Pacific Group on Money Laundering

The purpose of the Asia/Pacific Group on Money Laundering (APG) is to facilitate the adoption, implementation and enforcement of internationally accepted anti-money laundering and anti-terrorist financing standards. The AFP hosted the APG for the year ended 30 June 2011 and reports on its performance for the members of the APG.

The APG operates within the corporate governance framework of the AFP, the AFP's policies apply in all aspects of the APG's corporate service function. All staff members are staff members of the AFP. The AFP has effective control of the APG and therefore APG transactions are consolidated into the financial statements of the AFP.

APG transactions are contained within the special account, 'Asia Pacific Group on Money Laundering Special Account', in addition to being consolidated within the AFP financial statements. The 'Asia Pacific Group on Money Laundering Special Account' was closed in June 2011 and the balance was transferred to the 'Services for Other Entities and Trust Moneys Account'. As a special account APG funds can only be used for the purpose specified above.

Note 2: Events After the Reporting Period

No significant events have occurred since the reporting date requiring disclosure in the financial statements.

Notes to and forming part of the financial statements

	2011	2010
	\$'000	\$'000
Note 3: Expenses		
<u>Note 3A: Employee Benefits</u>		
Wages and salaries	599,586	555,120
Superannuation:		
Defined contribution plans	33,084	25,947
Defined benefit plans	92,165	78,863
Leave and other entitlements	115,952	116,826
Separation and redundancies	10,515	2,114
Other employee expenses	6,234	4,177
Total employee benefits	857,536	783,047

The AFP received \$2,280 (2010: \$0) under the Parental Leave Payments Scheme; these amounts were offset against the amounts paid to employees in the Statement of Comprehensive Income.

Note 3B: Suppliers

Goods and services		
Communications and IT	36,119	39,358
Consultants and contractors	54,008	60,994
General and office	23,093	32,253
Travel	69,903	62,890
Staff and recruitment	41,207	45,206
Motor vehicle expenses	7,477	10,303
Postage and freight	6,792	9,649
Operational	61,199	71,082
Training	16,773	18,917
Building and accommodation	25,891	29,184
Total goods and services	342,462	379,836
Goods and services are made up of:		
Provision of goods – related entities	-	439
Provision of goods – external parties	40,802	63,179
Rendering of services – related entities	33,107	67,088
Rendering of services – external parties	268,553	249,130
Total goods and services	342,462	379,836
Other supplier expenses		
Operating lease rentals – external parties:		
Minimum lease payments	80,887	82,319
Contingent rentals	5,615	6,255
Other supplier expenses	141	507
Workers compensation expenses	16,869	21,952
Total other supplier expenses	103,512	111,033
Total supplier expenses	445,974	490,869

Notes to and forming part of the financial statements

	2011	2010
	\$'000	\$'000
<u>Note 3C: Depreciation and Amortisation</u>		
Depreciation:		
Property, plant and equipment	52,461	43,246
Leasehold improvements	20,175	16,554
Buildings	1,307	1,028
Total depreciation	73,943	60,828
Amortisation:		
Intangibles:		
Computer software	8,903	7,141
Total amortisation	8,903	7,141
Total depreciation and amortisation	82,846	67,969
<u>Note 3D: Finance Costs</u>		
Unwinding of discount	375	417
Total finance costs	375	417
<u>Note 3E: Write-Down and Impairment of Assets</u>		
Asset write-downs and impairments from:		
Impairment from trade and other receivables	1	22
Buildings write-down	-	1,069
Impairment of property, plant and equipment	595	1,551
Revaluation decrement - property, plant and equipment	8	-
Total write-down and impairment of assets	604	2,642
<u>Note 3F: Losses from Asset Sales</u>		
Property, plant and equipment:		
Proceeds from sale	-	(30)
Carrying value of assets sold	-	31
Total losses from asset sales	-	1
<u>Note 3G: Grants</u>		
Overseas	-	393
Total grants	-	393

Notes to and forming part of the financial statements

	2011	2010
	\$'000	\$'000
Note 4: Income		
REVENUE		
<u>Note 4A: Sale of Goods and Rendering of Services</u>		
Provision of goods - related entities	-	1
Provision of goods - external parties	9	13
Rendering of services - related entities	100,899	70,050
Rendering of services - external parties	166,831	165,632
Total sale of goods and rendering of services	<u>267,739</u>	<u>235,696</u>
<u>Note 4B: Rental Income</u>		
Operating lease:		
Sublease	2,060	602
Total rental income	<u>2,060</u>	<u>602</u>
<u>Note 4C: Other Revenue</u>		
Reduction in provisions	476	412
Asset recognition	9	138
Other	540	844
Total other revenue	<u>1,025</u>	<u>1,394</u>
GAINS		
<u>Note 4D: Gains from Asset Sales</u>		
Property, plant and equipment:		
Proceeds from sale	174	-
Carrying value of assets sold	(9)	-
Total gains from asset sales	<u>165</u>	<u>-</u>
<u>Note 4E: Resources Received Free of Charge</u>		
ANAO audit services	330	350
ACT Government provision of police stations	5,480	5,480
Total Resources Received Free of Charge	<u>5,810</u>	<u>5,830</u>
REVENUE FROM GOVERNMENT		
<u>Note 4F: Revenue from Government</u>		
Appropriations:		
Departmental outputs	1,017,804	1,107,237
Less: Appropriations to be returned	-	(1,194)
Total revenue from Government	<u>1,017,804</u>	<u>1,106,043</u>

Notes to and forming part of the financial statements

	2011 \$'000	2010 \$'000
Note 5: Financial Assets		
<u>Note 5A: Cash and Cash Equivalents</u>		
Special Accounts	3,029	5,238
Cash on hand	159	172
Cash at bank	15,526	13,781
Total cash and cash equivalents	18,714	19,191
<u>Note 5B: Trade and Other Receivables</u>		
Good and Services:		
Goods and services - related entities	16,510	2,252
Goods and services - external parties	5,642	4,784
Total receivables for goods and services	22,152	7,036
Appropriations receivable:		
For existing programs	186,022	239,942
For departmental supplementations	-	2,414
For Special Accounts	6,000	4,000
For equity projects	220,152	274,818
Total appropriations receivable	412,174	521,174
Other receivables:		
GST receivable from the Australian Taxation Office	1,719	5,531
Comcare	5,640	4,705
Other	1,448	1,167
Total other receivables	8,807	11,403
Total trade and other receivables (gross)	443,133	539,613
Less impairment allowance account:		
Goods and services	(419)	(436)
Total impairment allowance account	(419)	(436)
Total trade and other receivables (net)	442,714	539,177

All receivables are current assets

Receivables are aged as follows:

Not overdue	437,663	537,150
Overdue by:		
1 to 30 days	1,105	830
31 to 60 days	984	527
61 to 90 days	429	150
More than 90 days	2,952	956
Total receivables (gross)	443,133	539,613

Notes to and forming part of the financial statements

2011 2010
\$'000 \$'000

Note 5B: Trade and Other Receivables (continued)

The impairment allowance account is aged as follows:

Not overdue	-	-
Overdue by:		
More than 90 days	419	436
Total impairment allowance account	419	436

Reconciliation of the Impairment Allowance Account:

Movements in relation to 2011

	Goods and services \$'000	Total \$'000
Opening balance	436	436
Amounts recovered and reversed	(18)	(18)
Increase recognised in net surplus	1	1
Closing balance	419	419

Movements in relation to 2010

	Goods and services \$'000	Total \$'000
Opening balance	413	413
Increase recognised in net surplus	23	23
Closing balance	436	436

Note 5C: Other Financial Assets

Accrued revenue	10,461	8,007
Total other financial assets	10,461	8,007

All accrued revenue recognised is expected to be recovered in no more than 12 months.

Notes to and forming part of the financial statements

	2011 \$'000	2010 \$'000
Note 6: Non-Financial Assets		
<u>Note 6A: Land and Buildings</u>		
Land at fair value		
Leasehold land - at fair value	1,485	803
Total land	1,485	803
Buildings on freehold land:		
Buildings on freehold land at fair value	3,865	3,804
Accumulated depreciation	-	(360)
Total buildings on freehold land	3,865	3,444
Buildings on leasehold land:		
Buildings on leasehold land at fair value	22,156	16,237
Accumulated depreciation	-	(666)
Total buildings on leasehold land	22,156	15,571
Leasehold improvements:		
At fair value	161,827	56,948
Accumulated depreciation	-	(16,499)
Work in progress	43,325	118,681
Total leasehold improvements	205,152	159,130
Total land and buildings	232,658	178,948

All revaluations are conducted in accordance with the revaluation policy stated in Note 1. In June 2011 an independent valuer, CB Richard Ellis, conducted the revaluations.

Revaluation increments of \$682,000 (2010: \$0) for land, \$646,548 (2010: \$0) for buildings on freehold land, \$7,542 (2010: \$93,000 decrement) for buildings on leasehold land and \$5,600,041 (2010: \$111,000 decrement) for leasehold improvements were credited to the asset revaluation reserve and included in the equity section of the balance sheet.

No indicators of impairment were found for land and buildings

No land or buildings were expected to be sold or disposed of within the next 12 months.

Note 6B: Property, Plant and Equipment

Other property, plant and equipment:		
Fair value	131,606	205,778
Accumulated depreciation	-	(79,586)
Work in progress	17,408	32,811
Total property, plant and equipment	149,014	159,003

All revaluations were conducted in accordance with the revaluation policy stated at Note 1. In June 2011 an independent valuer CB Richard Ellis, conducted the revaluations.

Revaluation decrement of \$4,726,000 (2010: \$0) was debited to the asset revaluation reserve and included in the equity section of the balance sheet. In addition to this, there is a small decrement of \$8,000 (2010: \$0) which was recognised in the income statement.

No indicators of impairment were found for property, plant and equipment.

Notes to and forming part of the financial statements

Note 6C: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment (2010-11)

	Land \$'000	Buildings on freehold land \$'000	Buildings on leasehold land \$'000	Buildings on leasehold land improvements \$'000	Total land and buildings \$'000	Other property, plant & equipment \$'000	Total \$'000
As at 1 July 2010							
Gross book value	803	3,804	16,237	175,629	196,473	238,589	435,062
Accumulated depreciation and impairment	-	(360)	(666)	(16,499)	(17,525)	(79,586)	(97,111)
Net book value 1 July 2010	803	3,444	15,571	159,130	178,948	159,003	337,951
Additions*:							
By purchase	-	149	7,725	64,141	72,015	44,961	116,976
Revaluations and impairments recognised in other comprehensive income	682	647	8	5,600	6,937	(4,726)	2,211
Revaluations recognised in operating result	-	-	-	-	-	(8)	(8)
Impairments recognised in the operating result	-	-	-	-	-	(595)	(595)
Depreciation and amortisation expense	-	(375)	(932)	(20,176)	(21,483)	(52,461)	(73,944)
Other movements	-	-	-	10	10	(39)	(29)
Reclassifications	-	-	(216)	(3,553)	(3,769)	2,888	(881)
Disposals:							
Other	-	-	-	-	-	(9)	(9)
Net book value 30 June 2011	1,485	3,865	22,156	205,152	232,658	149,014	381,672
Net book value as of 30 June 2011 represented by:							
Gross book value	1,485	3,865	22,156	205,152	232,658	149,014	381,672
Accumulated depreciation	-	-	-	-	-	-	-
	1,485	3,865	22,156	205,152	232,658	149,014	381,672

* Disaggregated additions information are disclosed in the Schedule of Asset Additions.

Notes to and forming part of the financial statements

Note 6C (Cont'd): Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment (2009-10)

	Land \$'000	Buildings on freehold land \$'000	Buildings on leasehold land \$'000	Buildings - leasehold improvements \$'000	Total land and buildings \$'000	Other property, plant & equipment \$'000	Total \$'000
As at 1 July 2009							
Gross book value	803	2,911	17,817	69,197	90,728	168,597	259,325
Accumulated depreciation and impairment	-	-	-	-	-	(38,032)	(38,032)
Net book value 1 July 2009	803	2,911	17,817	69,197	90,728	130,565	221,293
Additions*:							
By purchase	-	-	95	105,445	105,540	74,049	179,589
By other	-	-	(93)	(1,339)	(204)	-	(1,339)
Revaluations and impairments recognised in other comprehensive income	-	-	(93)	(1,111)	(204)	-	(204)
Impairments recognised in the operating result	-	-	-	(1,069)	(1,069)	(1,551)	(2,620)
Depreciation and amortisation expense	-	(360)	(668)	(16,554)	(17,582)	(43,246)	(60,828)
Other movements	-	-	-	58	58	(100)	(42)
Reclassifications	-	893	(1,580)	825	138	(683)	(545)
Disposals:							
Other	-	-	-	-	-	(31)	(31)
Net book value 30 June 2010	803	3,444	15,571	159,130	178,948	159,003	337,951
Net book value as of 30 June 2010 represented by:							
Gross book value	803	3,804	16,237	175,629	196,473	238,589	435,062
Accumulated depreciation	-	(360)	(666)	(16,499)	(17,525)	(79,586)	(97,111)
	803	3,444	15,571	159,130	178,948	159,003	337,951

* Disaggregated additions information are disclosed in the Schedule of Asset Additions.

Notes to and forming part of the financial statements

	2011	2010
	\$'000	\$'000
Note 6D: Intangibles		
Computer software:		
Internally developed – in progress	18,778	7,780
Internally developed – in use	56,043	47,395
Purchased	27,445	22,680
Total computer software (gross)	102,266	77,855
Accumulated amortisation	(53,440)	(44,550)
Total computer software (net)	48,826	33,305
Total intangibles	48,826	33,305

No indicators of impairment were found for intangible assets.

No intangibles are expected to be sold or disposed of within the next 12 months.

Notes to and forming part of the financial statements

Note 6E: Reconciliation of the Opening and Closing Balance of Intangibles (2010-11)

	Computer software internally developed	Computer software purchased	Total
As at 1 July 2010	\$'000	\$'000	\$'000
Gross book value	55,175	22,680	77,855
Accumulated amortisation and impairment	(31,671)	(12,879)	(44,550)
Net book value 1 July 2010	23,504	9,801	33,305
Additions*:			
By purchase	17,287	6,256	23,543
Amortisation	(5,202)	(3,701)	(8,903)
Reclassifications	917	(36)	881
Net book value 30 June 2011	36,506	12,520	48,826
Net book value as of 30 June 2011 represented by:			
Gross book value	74,821	27,445	102,266
Accumulated amortisation and impairment	(36,874)	(16,566)	(53,440)
	37,947	10,879	48,826

* Disaggregated additions information are disclosed in the Schedule of Asset Additions.

Notes to and forming part of the financial statements

Note 0E: Reconciliation of the Opening and Closing Balance of Intangibles (2009-10)

	Computer software internally developed \$'000	Computer software purchased \$'000	Total \$'000
As at 1 July 2009			
Gross book value	44,022	16,931	60,953
Accumulated amortisation and impairment	(27,983)	(9,461)	(37,444)
Net book value 1 July 2009	16,039	7,470	23,509
Additions*:			
By purchase	11,767	4,629	16,396
Amortisation	(3,784)	(3,358)	(7,142)
Reclassifications	(518)	1,063	545
Disposals:			
Other	-	(3)	(3)
Net book value 30 June 2010	23,504	9,801	33,305
Net book value as of 30 June 2010 represented by:			
Gross book value	55,175	22,680	77,855
Accumulated amortisation and impairment	(31,671)	(12,879)	(44,550)
	23,504	9,801	33,305

* Disaggregated additions information are disclosed in the Schedule of Asset Additions.

Notes to and forming part of the financial statements

	2011	2010
	\$'000	\$'000

Note 6F: Inventories

Inventories held for distribution	<u>8,747</u>	<u>3,226</u>
Total inventories	<u>8,747</u>	<u>3,226</u>

During 2010-11 \$2,921,444 of inventory held for distribution was recognised as an expense (2010: \$3,788,617).

During 2010-11 there was no write-down of inventory held for distribution which was reflected in the Statement of Comprehensive Income (2010: \$27,720).

Inventory items held by the International Deployment Group have previously been expensed rather than recognised as an asset until distribution. In 2010-11 the AFP is recognising these items in its balance sheet. Retrospective restatement is impracticable. The value of inventory recognised for the first time at 30 June 2011 totalling \$4,145,000 has been recognised as a reduction in suppliers expense and an increase in inventory.

No items of inventory were recognised at fair value less cost to sell.

The AFP purchases all inventory with the intention to distribute it within 12 months.

Note 6G: Other Non-Financial Assets

Prepayments	<u>11,494</u>	<u>12,439</u>
Total other non-financial assets	<u>11,494</u>	<u>12,439</u>

No indicators of impairment were found for other non-financial assets.

Total other non-financial assets - are expected to be recovered in:

No more than 12 months	<u>10,792</u>	<u>12,119</u>
More than 12 months	<u>702</u>	<u>320</u>
Total other non-financial assets	<u>11,494</u>	<u>12,439</u>

Notes to and forming part of the financial statements

	2011	2010
	\$'000	\$'000
Note 7: Payables		
<u>Note 7A: Suppliers</u>		
Trade creditors and accruals	56,834	85,697
Operating lease rentals	15,288	15,048
Total supplier payables	<u>72,122</u>	<u>100,745</u>
Supplier payables expected to be settled within 12 months:		
Related entities	3,709	5,791
External parties	56,416	83,143
Total	<u>60,125</u>	<u>88,934</u>
Supplier payables expected to be settled in greater than 12 months:		
External parties	11,997	11,811
Total	<u>11,997</u>	<u>11,811</u>
Total supplier payables	<u>72,122</u>	<u>100,745</u>
Settlement is usually made within 30 days.		
<u>Note 7B: Other Payables</u>		
Prepayments received/unearned income	11,185	11,308
Salaries and wages	15,620	13,357
Other payables	171	442
Superannuation	2,868	2,061
Separations and redundancies	7,570	1,094
Total other payables	<u>37,414</u>	<u>28,262</u>

All Other Payables are expected to be settled within 12 months.

Notes to and forming part of the financial statements

	2011	2010
	\$'000	\$'000

Note 8: Provisions

Note 8A: Employee Provisions

Leave	228,072	211,604
Other	312	312
Total employee provisions	228,384	211,916

Employee provisions are expected to be settled in:

No more than 12 months	78,296	75,676
More than 12 months	150,088	136,240
Total employee provisions	228,384	211,916

Note 8B: Other Provisions

Provision for restoration obligations	8,458	9,123
Provision for legal settlement	-	150
Provision for building leases	-	3,833
Total other provisions	8,458	13,106

Other provisions are expected to be settled in:

No more than 12 months	1,771	4,699
More than 12 months	6,687	8,407
Total other provisions	8,458	13,106

	Provision for Restoration Obligations \$'000	Provision for Legal Settlement \$'000	Provision for Building Leases \$'000	Total \$'000
Carrying amount 1 July 2010	9,123	150	3,833	13,106
Amounts used	(390)	(150)	(3,833)	(4,373)
Provisions not realised	(458)	-	-	(458)
Unwinding of discount or change in discount rate	183	-	-	183
Closing balance 2011	8,458	-	-	8,458

The AFP currently has 43 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 previously had legal 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.

Staff from various AFP sites across Canberra commenced a moved into new national headquarter facilities, the Edmund Barton Building, during 2009-10. A provision for building leases representing rent payable on buildings vacated to the end of their lease term was recognised in 2009-10.

Notes to and forming part of the financial statements

	2011 \$'000	2010 \$'000
Note 9: Cash Flow Reconciliation		
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement		
Cash and cash equivalents as per:		
Cash flow statement	18,714	19,191
Balance sheet	<u>18,714</u>	<u>19,191</u>
Difference	<u>-</u>	<u>-</u>
 Reconciliation of net cost of services to net cash from operating activities:		
Net cost of services	(1,110,536)	(1,101,816)
Add revenue from Government	1,017,804	1,106,043
 Less non-cash items		
Depreciation / amortisation	82,846	67,969
Net write down of non-financial assets	604	2,642
Gain on disposal of assets	(165)	1
Asset recognition	(9)	(138)
Reduction in provisions	(476)	(412)
Finance costs	375	417
Reclassification of non-financial assets	36	-
 Changes in assets / liabilities		
Decrease in net receivables	41,795	31,645
(Increase) in inventories	(5,521)	(297)
(Increase) / decrease in prepayments	945	(2,863)
(Increase) in accrued revenue	(2,454)	(2,966)
Increase in employee provisions	16,468	28,979
Increase / (decrease) in supplier payables	(36,437)	33,243
Increase in other payables	9,152	10,175
(Decrease) in other provisions	(4,355)	(1,046)
(Decrease) in competitive neutrality payments payable	-	(2,171)
Net cash from operating activities	<u>10,072</u>	<u>169,405</u>

Notes to and forming part of the financial statements

Note 10: Contingent Liabilities and Assets

	Claims for damages or costs		Total	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Contingent assets				
Balance from previous period	39	347	39	347
New	1,211	10	1,211	10
Re-measurement	12	4	12	4
Assets recognised	(11)	(322)	(11)	(322)
Total contingent assets	1,251	39	1,251	39
Contingent liabilities				
Balance from previous period	5,925	2,550	5,925	2,550
New	1,587	175	1,587	175
Re-Measurment	(520)	3,450	(520)	3,450
Liabilities recognised	-	(250)	-	(250)
Obligations expired	(805)	-	(805)	-
Total contingent liabilities	6,187	5,925	6,187	5,925
Net contingent assets	(4,936)	(5,886)	(4,936)	(5,886)

Quantifiable Contingencies

The Schedule of Contingencies reports contingent liabilities and assets in respect of claims for damages/costs of \$6.19m (2010: \$5.93m) and \$1.25m (2010: \$0.04m) respectively. The amount represents an estimate of the AFP's asset or liability based on precedent cases.

Notes to and forming part of the financial statements

Note 11: Senior Executive Remuneration

Note 11A: Senior Executive Remuneration Expense for the Reporting Period

	2011	2010
	\$	\$
Short-term employee benefits:		
Salary	10,914,123	9,694,757
Annual leave accrued	1,305,498	1,326,137
Performance bonus	763,575	521,018
Transfer costs	359,538	132,268
Fringe Benefits Tax	260,096	310,805
Motor vehicle allowances	1,616,808	1,386,869
Other allowances	770,042	491,324
Total short-term employee benefits	<u>15,989,680</u>	<u>13,863,178</u>
Post-employment benefits		
Superannuation	3,378,666	2,632,244
Total post-employment benefits	<u>3,378,666</u>	<u>2,632,244</u>
Other long-term benefits		
Long-service leave	705,012	586,692
Total other long-term benefits	<u>705,012</u>	<u>586,692</u>
Termination benefits	188,059	4,751
Total	<u>20,261,417</u>	<u>17,086,865</u>

Notes:

- Note 11A was prepared on an accrual basis (so the performance bonus expenses disclosed above differs from the cash 'Bonus paid in Note 11B).
- Senior Executive means the AFP Commissioner, Senior Executive Service (SES) Officers and their equivalents who were employed in these positions at any time during the financial year. It excludes acting arrangements and part-year services where remuneration expensed was less than \$150,000.
- Other allowances include parking, spouse travel, health and fitness, financial advice and overseas allowances.

Notes to and forming part of the financial statements

Note 11B: Average Annual Remuneration Packages and Bonus Paid for Substantive Senior Executives as at the end of the Reporting Period

Fixed Elements and Bonus Paid ¹	SES No.	as at 30 June 2011				as at 30 June 2010			
		Fixed elements		Total	SES No.	Fixed elements		Total	
		Salary	Allowances			Salary	Allowances		
		\$	\$	\$		\$	\$	\$	\$
Total fixed remuneration (including part-time arrangements):									
\$150,000 to \$179,999	28	141,737	33,150	174,887	39	136,357	33,148	169,505	6,122
\$180,000 to \$209,999	27	154,443	33,150	187,593	22	158,039	33,150	191,189	7,528
\$210,000 to \$239,999	17	183,685	35,503	219,188	5	186,922	33,150	220,072	7,073
\$240,000 to \$269,999	2	219,013	36,900	255,913	4	219,928	35,650	255,578	13,970
\$270,000 to \$299,999	3	241,667	38,150	279,817	-	-	-	-	-
\$300,000 to \$389,999	1	-	-	-	1	380,950	-	380,950	24,960
\$390,000 to \$419,999	1	396,696	-	396,696	-	-	-	-	-
Total	78				71				

Notes:

¹ This table reports on substantive senior executives who are employed by the entity as at the end of the reporting period. Fixed elements are based on the employment agreement of each individual - each row represents an average annualised figure (based on head count) for the individuals in that remuneration package band (i.e. the 'Total' column). Superannuation is specifically excluded.

² Represents average actual bonuses paid during the reporting period. The 'Bonus paid' is excluded from the 'Total' calculation, (for the purpose of determining remuneration package bands). The 'Bonus Paid' within a particular band may vary between financial years due to factors such as individuals commencing with or leaving the entity during the financial year.

Variable Elements:

With the exception of performance bonuses, variable elements are not included in the 'Fixed Elements and Bonus Paid' table above. The following variable elements are available as part of senior executives' remuneration package:

- (a) Performance bonuses are paid between the following rates: 0% to 12%.
- (b) Leave entitlements consist of either four or five weeks recreation leave.
- (c) Senior executives are members of one of the following superannuation funds: Commonwealth Superannuation Scheme; Public Sector Superannuation Scheme; Public Sector Superannuation accumulation plan, or their nominated superannuation fund.
- (d) Variable allowances including communication packages and spousal accompanied travel in exceptional circumstances if deemed to be in the interest of the AFP.

Note 11C: Other Highly Paid Staff

During the reporting period, there were 139 employees (2009-10: 59) for which the combined salary and performance bonus were \$150,000 or more. These employees did not have a role as senior executive and were therefore not disclosed in Note 11A and Note 11B.

Notes to and forming part of the financial statements

	2011 \$'000	2010 \$'000
Note 12: Remuneration of Auditors		
Financial statement audit services were provided free of charge to the AFP.		
The fair value of the services provided was:		
Australian Federal Police	<u>330</u>	<u>350</u>
	<u>330</u>	<u>350</u>
Additional audit services provided and charged by the Auditor-General:		
ACT Policing	68	69
Australian Institute of Police Management	<u>44</u>	<u>40</u>
	<u>112</u>	<u>109</u>

No other services were provided by the Auditor-General.

Notes to and forming part of the financial statements

	2011	2010
	\$'000	\$'000

Note 13: Financial Instruments

Note 13A: Categories of Financial Instruments

Financial Assets

Loans and receivables:

Cash and cash equivalents	18,714	19,191
Trade receivables	22,152	7,036
Other receivables	7,088	5,872
Accrued revenue	10,461	8,007
Total	58,415	40,106

Carrying amount of financial assets

58,415	40,106
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Financial Liabilities

At amortised cost:

Trade creditors	72,122	100,745
Other payables	171	442
Total	72,293	101,187

Carrying amount of financial liabilities

72,293	101,187
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Note 13B: Net Income and Expense from Financial Assets

Loans and receivables

Impairment	(1)	(23)
Net loss loans and receivables	(1)	(23)

Net loss from financial assets

(1)	(23)
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The net expense from financial assets not at fair value through profit and loss is \$765 (2010: \$22,219).

Note 13C: Fair Value of Financial Instruments

The carrying value of all financial assets in the balance sheet approximates fair value.

Notes to and forming part of the financial statements

Note 13D: Credit Risk

The AFP's exposure to credit risk is minimal and relates to trade receivables. Management has endorsed policies and procedures for debt management to reduce the incidence of credit risk on trade receivables. Additionally, management has assessed the risk of default on payment and has made an impairment allowance of \$419,283 (2010: \$435,598).

The following table illustrates the AFP's gross exposure to credit risk, excluding any collateral or credit enhancements.

	2011 \$'000	2010 \$'000
Financial assets		
Trade receivables	22,152	7,036
Other receivables	7,088	5,872
Total	29,240	12,908

The AFP holds no collateral to mitigate against credit risk.

Credit quality of financial instruments not past due or individually determined as impaired

	Not past due nor impaired 2011 \$'000	Not past due nor impaired 2010 \$'000	Past due or impaired 2011 \$'000	Past due or impaired 2010 \$'000
Trade receivables	23,770	10,445	5,470	2,463
Total	23,770	10,445	5,470	2,463

The AFP assessed \$419,283 (2010: \$435,598) of trade receivables to be impaired and therefore in doubt of recovery. This amount is included in the past due or impaired balance above. All other trade receivables are considered recoverable.

Ageing of financial assets that were past due but not impaired for 2011

	1 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
Trade receivables	1,105	984	429	2,533	5,051
Total	1,105	984	429	2,533	5,051

Ageing of financial assets that were past due but not impaired for 2010

	1 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
Trade receivables	830	527	150	520	2,027
Total	830	527	150	520	2,027

Notes to and forming part of the financial statements

Note 13E: Liquidity Risk

The AFP is a Commonwealth agency that is primarily budget funded and has internal policies and procedures in place to ensure budget funded resources are available to meet its financial obligations as and when they fall due. As such, the AFP's exposure to liquidity risk is not significant.

The following table illustrates the maturities for financial liabilities.

Maturities for non-derivative financial liabilities 2011

	On demand \$'000	within 1 year \$'000	1 to 2 years \$'000	2 to 5 years \$'000	> 5 years \$'000	Total \$'000
Trade creditors	-	60,125	11,997	-	-	72,122
Other payables	-	171	-	-	-	171
Total	-	60,296	11,997	-	-	72,293

Maturities for non-derivative financial liabilities 2010

	On demand \$'000	within 1 year \$'000	1 to 2 years \$'000	2 to 5 years \$'000	> 5 years \$'000	Total \$'000
Trade creditors	-	88,934	11,811	-	-	100,745
Other payables	-	442	-	-	-	442
Total	-	89,376	11,811	-	-	101,187

The AFP has no derivative financial liabilities in both the current and prior year.

Notes to and forming part of the financial statements

Note 13F: Market Risk

The AFP's exposure to market risk is minimal and relates only to basic financial instruments held such as foreign currencies.

Foreign currency risk

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The AFP is exposed to foreign currency risk primarily through undertaking certain transactions denominated in foreign currency.

The AFP is exposed to currencies denominated in US Dollar, Indonesian Rupiah, Euro, Papua New Guinea Kina and Vanuatu Vatu.

The following table details the effect on the profit and equity as at 30 June from 15 per cent favourable/ unfavourable change in the AUS dollar against the above currencies with all other variables held constant.

The sensitivity analysis of the AFP's exposure to foreign currency risk at the reporting date has been determined based on the Department of Finance & Deregulation's calculated average of the five main currencies the Commonwealth is exposed to, being USD, EUR, GBP, JPY and NZD.

Sensitivity analysis of the risk that the AFP is exposed to for 2011

	Risk variable	Change in risk variable %	Effect on	
			Profit and loss \$'000	Equity \$'000
Currency risk	Exposed currency	15.00	131	131

Sensitivity analysis of the risk that the AFP is exposed to for 2010

	Risk variable	Change in risk variable %	Effect on	
			Profit and loss \$'000	Equity \$'000
Currency risk	Exposed currency	14.00	137	137

Notes to and forming part of the financial statements

	2011	2010
	\$'000	\$'000
Note 14: Expenses Administered on Behalf of Government		
EXPENSES		
Note 14A: Suppliers		
Goods and services		
Communications and IT	83	186
Consultants and contractors	8,801	4,885
Contributions to common police services	986	-
General and office	2,085	709
Operational expenses	170	18
Official Development Assistance	514	-
Police equipment	862	1,366
Police equipment for other jurisdictions	19,289	4,060
Rent and Accomodation	113	122
Training	3,972	2,441
Travel	1,246	1,309
Total goods and services	38,121	15,096
Goods and services are made up of:		
Provision of goods - related entities	2,100	-
Provision of goods - external parties	20,190	6,285
Rendering of services - related entities	1,750	2,080
Rendering of services - external parties	14,081	6,731
Total goods and services	38,121	15,096
Note 14B: Grants		
Private sector:		
Overseas	-	97
Total grants	-	97

Notes to and forming part of the financial statements

	2011 \$'000	2010 \$'000
Note 15: Assets Administered on Behalf of Government		
FINANCIAL ASSETS		
Note 15A: Cash and Cash Equivalents		
Administered bank account - Australian Federal Police	1,108	6
Total cash and cash equivalents	1,108	6
Note 15B: Receivables		
Other receivables:		
GST receivable from Australian Taxation Office	72	55
Total other receivables	72	55
Total receivables (net)	72	55
All receivables are not overdue		
Goods and services receivables are with entities within the Australian Government. Credit terms were net 28 days.		
NON-FINANCIAL ASSETS		
Note 15C: Prepayments		
Prepayments	12	14
Total other non-financial assets	12	14
No indicators of impairment were found for other non-financial assets.		
Total other non-financial assets - are expected to be recovered in:		
No more than 12 months	12	14
More than 12 months	-	-
Total other non-financial assets	12	14
Note 16: Liabilities Administered on Behalf of Government		
PAYABLES		
Note 16A: Suppliers		
Trade creditors and accruals	3,919	1,964
Total suppliers	3,919	1,964
Current supplier payables are represented by:		
External parties	3,919	1,964
Total	3,919	1,964
Settlement is usually made within 30 days.		

Notes to and forming part of the financial statements

	2011	2010
	\$'000	\$'000
Note 17: Administered Reconciliation Table		
Opening administered assets less administered liabilities as at 1 July	(1,888)	(1,830)
Plus: Administered income	-	-
Less: Administered expenses (non CAC)	(38,121)	(15,193)
Administered transfers to/from Australian Government:		
Appropriation transfers from OPA:		
Annual appropriations for administered expenses (non CAC)	37,583	15,836
Transfers to OPA	(302)	(701)
Closing administered assets less administered liabilities as at 30 June	(2,728)	(1,888)

Notes to and forming part of the financial statements

	2011	2010
	\$'000	\$'000
Note 18: Administered Financial Instruments		
Note 18A: Categories of Financial Instruments		
Financial Assets		
Loans and receivables:		
Cash and cash equivalents	1,108	6
Total	1,108	6
Carrying amount of financial assets	1,108	6
Financial Liabilities		
At amortised cost:		
Trade creditors	3,919	1,964
Total	3,919	1,964
Carrying amount of financial liabilities	3,919	1,964

Note 18B: Fair Value of Financial Instruments

The carrying value of all financial instruments in the balance sheet approximates fair value.

Note 18C: Credit Risk

The Administered activities of the AFP were not exposed to a high level of credit risk as the financial asset is cash.

Note 18D: Liquidity Risk

The AFP's liabilities are Trade Creditors. The exposure to liquidity risk is based on the notion that the AFP will encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely as the AFP is appropriated funding from the Australian Government and the AFP manages its budgeted funds to ensure it has adequate funds to meet payments as they fall due. In addition, the AFP has policies in place to ensure payments are made when due and has no past experience of default. As such, the AFP's exposure to liquidity risk is not significant. All financial liabilities are due within 1 year. The AFP has no derivative liabilities in both the current and prior year.

Notes to and forming part of the financial statements

Note 19: Appropriations

Table A: Annual Appropriations ('Recoverable GST exclusive') - 2011 Appropriations

	2011 Appropriations						Appropriation applied in 2011 (current and prior years) \$'000	Variance \$'000
	Appropriation Act		FMA Act		Total appropriation \$'000			
	Annual Appropriation \$'000	Appropriations reduced ^(a) \$'000	Section 30 \$'000	Section 31 \$'000				
DEPARTMENTAL								
Ordinary annual services	1,068,984	(37)	1,609	254,418	1,324,974	1,379,585	(54,611) ^(b)	
Other services								
Equity	16,161	-	-	-	16,161	70,827	(54,666) ^(c)	
Total Departmental	1,085,145	(37)	1,609	254,418	1,341,135	1,450,412	(109,277)	
ADMINISTERED								
Ordinary annual services	68,280	(30,155)	-	-	38,125	36,179	1,946 ^(d)	
Administered items								
Total Administered	68,280	(30,155)	-	-	38,125	36,179	1,946	

Notes:

- (a) Appropriations available under Appropriations Acts (No. 1, 3, 5) 2010-11; sections 10, 11, 12 and 15 and under Appropriation Acts (No. 2, 4, 6) 2010-11; sections 12, 13, 14 and 17 have been reduced. Departmental appropriations do not lapse at financial year-end. However, the responsible Minister may decide that part or all of a departmental appropriation is not required and request the Finance Minister to reduce that appropriation. The reduction in the appropriation is effected by the Finance Minister's determination and is disallowable by Parliament. Appropriation reductions are shown against the year the appropriation relates to however not recognised until they are passed. Appropriation reductions passed during the year relating to 2010-11 include:
 - Determination to Reduce Appropriation Upon Request (No. 20 of 2010-11) which included a reduction of \$36,574.00 for Appropriation Act (No. 1) 2010-2011.
 - Reduction of \$30,155,321.42 relating to Administered Appropriation Acts (No. 1 and 3) 2010-11 which is reflected Note 19C of these statements and will take effect when the statements are tabled.
- (b) The amount of variance in Ordinary Appropriation mainly relates to carried forward expenditure relating to prior years operations and an increase in operational activity in the current year.
- (c) The variance in the equity annual appropriation and equity appropriation applied in 2011 has occurred because funding appropriated in prior years has been applied to projects that deferred into the current year.
- (d) The variance represents funds required to pay for existing liabilities as at 30 June 2011 which are yet to be paid.

Notes to and forming part of the financial statements

Note 19: Appropriations (continued)

Table A: Annual Appropriations ('Recoverable GST exclusive') - 2010 Appropriations

	2010 Appropriations					Appropriation applied in 2010 (current and prior years) \$'000	Variance \$'000
	Appropriation Act		FMA Act		Total appropriation \$'000		
	Annual Appropriation \$'000	Appropriations reduced ^(a) \$'000	Section 30 \$'000	Section 31 \$'000			
DEPARTMENTAL							
Ordinary annual services	1,116,446	(6,787)	5,798	227,084	1,342,541	1,360,035	(17,494) ^(b)
Other services						39,043	12,872 ^(c)
Equity	51,915	-	-	-	51,915	1,399,078	(4,622)
Total Departmental	1,168,361	(6,787)	5,798	227,084	1,394,456		
ADMINISTERED							
Ordinary annual services	33,652	(18,458)	-	-	15,194	15,129	65 ^(d)
Administered items							
Total Administered	33,652	(18,458)	-	-	15,194	15,129	65

Notes:

- (a) Appropriations available under Appropriations Acts (No. 1, 3) 2009-10; sections 10, 11 and 12 and under Appropriation Acts (No. 2, 4) 2009-10; sections 13 and 14 have been reduced. Departmental appropriations do not lapse at financial year end. However, the responsible Minister may decide that part or all of a departmental appropriation is not required and request the Finance Minister to reduce that appropriation. The reduction in the appropriation is effected by the Finance Minister's determination and is disallowable by Parliament. Appropriation reductions are shown against the year the appropriation relates to. Appropriation reductions passed in 2009-10 include:
 - Determination to Reduce Appropriations Upon Request (No. 11 of 2009-10) which reduced Appropriation Act (No. 1) 2009-2010 for \$4,600,000.00 Departmental Appropriation.
 - Determination to Reduce Appropriations which were tabled during 2010-11 but relate to 2009-10 and are recognised in the above table include:
 - Determination to Reduce Appropriation Upon Request (No. 20 of 2010-11) which included a reduction of \$1,000,761.00 for Prior Year Output (Departmental) in Appropriation Act (No. 2) 2009-10 which was reflected in the 2010 appropriation tables as a reduction to ordinary annual services.
 - Determination to Reduce Appropriation Upon Request (No. 20 of 2010-11) which included a reduction of \$1,185,946.60 in Appropriation Act (No.1) 2009-10 which is shown in the 2009-10 appropriation table.
 - Administered reduction of \$18,458,129.04 which was reduced as part of a Appropriation Act Section 11 reduction upon tabling of the 2009-10 Annual Report.
- (b) The variance in annual appropriation for ordinary annual services and the appropriation applied in 2009-10 has occurred because prior year appropriations were used to internally fund the AFP's National Headquarters (the Edmund Barton Building).
- (c) The variance in the equity annual appropriation and the appropriation applied in 2009-10 has accrued primarily due to capital projects scheduled for 2009-10 being deferred to future years.
- (d) The variance represents funds required to pay for existing liabilities as at 30 June 2010 which are yet to be paid.

Notes to and forming part of the financial statements

Table B: Unspent Departmental Annual Appropriations (recoverable GST exclusive)

	2011 \$'000	2010 \$'000
Appropriation Act (No. 2) 2004-2005	-	56,282
Appropriation Act (No. 2) 2005-2006	2,560	2,560
Appropriation Act (No. 4) 2005-2006	24,568	37,949
Appropriation Act (No. 4) 2006-2007	17,249	17,249
Appropriation Act (No. 2) 2007-2008	43,755	43,755
Appropriation Act (No. 4) 2007-2008	554	554
Appropriation Act (No. 3) 2007-2008	-	9,716
Appropriation Act (No. 1) 2008-2009	7,727	8,170
Appropriation Act (No. 2) 2008-2009	103,598	103,598
Appropriation Act (No. 1) 2009-2010	-	222,056
Appropriation Act (No. 2) 2009-2010	12,871	14,955
Appropriation Act (No. 4) 2009-2010	-	1,525
Appropriation Act (No. 1) 2010-2011	173,289	-
Appropriation Act (No. 2) 2010-2011	14,982	-
Appropriation Act (No. 3) 2010-2011	5,007	-
Appropriation Act (No. 4) 2010-2011	15	-
Appropriation Act (No. 1) 2010-2011 - Cash on hand	15,685	13,953
Total	421,860	532,322

Notes to and forming part of the financial statements

Table C: Reduction in Administered Items ('recoverable GST exclusive')

2011 Ordinary Annual Services	Amount required ¹ - by Appropriation Act		Amount required ¹ - as represented by:		Total amount required ²	Total amount appropriated ³	Total Reduction ⁴
	Act (No.1)	Act (No.3)	Spent	Retention			
Outcome 1	\$ 25,537,270.25	\$ 12,587,408.33	\$ 35,265,559.01	\$ 2,859,119.57	\$ 38,124,678.58	\$ 68,280,000.00	\$ 30,155,321.42

1. Administered items for 2010-11 were reduced to these amounts when these financial statements were tabled in Parliament as part of the AFP's 2010-11 annual report. This reduction was effective in 2011-12, but the amounts were reflected in Table A in the 2010-11 financial statements in the column 'Appropriations reduced' as they were adjustments to 2010-11 appropriations.
2. Amount required as per Appropriation Act (Act 1 s. 11; Act 2 s. 12).
3. Total amount appropriated in 2010-11.
4. Total reduction effective in 2011-12.

2010 Ordinary Annual Services	Amount required ¹ - by Appropriation Act		Amount required ¹ - as represented by:		Total amount required ²	Total amount appropriated ³	Total Reduction ⁴
	Act (No.1)	Act (No.3)	Spent	Retention			
Outcome 1	\$ 15,193,880.96	-	\$ 13,132,054.31	\$ 2,061,826.65	\$ 15,193,880.96	\$ 33,652,000.00	\$ 18,458,119.04

1. Administered items for 2009-10 were reduced to these amounts when these financial statements were tabled in Parliament as part of the agency's 2009-10 annual report. This reduction was effective in 2010-11, but the amounts were reflected in Table A in the 2009-10 financial statements in the column 'Appropriations reduced' as they were adjustments to 2009-10 appropriations.
2. Amount required as per Appropriation Act (Act 1 s. 11; Act 2 s. 12).
3. Total amount appropriated in 2009-10.
4. Total reduction effective in 2010-11.

Notes to and forming part of the financial statements

Note 20: Special Accounts

The AFP has recently become aware that there is an increased risk of non-compliance with Section 83 of the Constitution where payments are made from special appropriations and special accounts in circumstances where the payments do not accord with conditions included in the relevant legislation.

The AFP will investigate these circumstances and any impact on its special accounts shown below, seeking legal advice as appropriate.

Other Trust Monies Account (OTM) (Departmental)	2011	2010
	\$	\$
Appropriation: <i>Financial Management and Accountability Act 1997 section 21.</i>		
Establishing Instrument: <i>Financial Management and Accountability Act 1997 section 20.</i>		
<i>Purpose:</i> For the receipt of monies temporarily held in trust or otherwise for the benefit of a person other than the Commonwealth.		
Balance brought forward from previous period	9,237,437	9,339,338
Other receipts	28,086,673	17,163,882
Total increase	28,086,673	17,163,882
Available for payments	37,324,110	26,503,220
Payments made to suppliers	22,351,922	17,265,783
Total balance transferred to the SOETM (22 June 2011)	14,972,188	-
Total decrease	37,324,110	17,265,783
Balance carried to next period and represented by:		
Cash - held by the agency on Trust	-	9,237,437
Total balance carried to the next period	-	9,237,437

Services for other Departmental and Non-Agency Bodies Account (SOG) (Departmental)	2011	2010
	\$	\$
Appropriation: <i>Financial Management and Accountability Act 1997 section 21.</i>		
Establishing Instrument: <i>Financial Management and Accountability Act 1997 section 20.</i>		
<i>Purpose:</i> For the payment of monies in connection with services performed on behalf of other governments and non-agency bodies.		
Balance brought forward from previous period	8,257,979	5,389,903
Other receipts	7,696,943	9,472,454
Total increase	7,696,943	9,472,454
Available for payments	15,954,922	14,862,357
Payments made to suppliers	8,189,708	6,604,378
Total balance transferred to the SOETM (22 June 2011)	1,765,214	-
Total decrease	9,954,922	6,604,378
Cash from OPA transferred to SOETM (22 June 2011)	6,000,000	-
Balance carried to next period and represented by:		
Cash - held by the Agency	-	4,257,978
Cash - held in the Official Public Account	-	4,000,000
Total balance carried to the next period	-	8,257,979

Notes to and forming part of the financial statements

Note 20: Special Accounts (continued)

Asia Pacific Group on Money Laundering Special Account - formerly Financial Action Task Force - Asia Pacific Group Secretariat Account (APG) (Departmental)	2011	2010
	\$	\$
Appropriation: <i>Financial Management and Accountability Act 1997 section 21.</i>		
Establishing Instrument: <i>Financial Management and Accountability Act 1997 section 20.</i>		
<i>Purpose:</i> 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.		
Balance brought forward from previous period	1,218,760	675,280
Appropriation for reporting period	-	-
Costs recovered	2,330,325	2,522,521
Total increases	2,330,325	2,522,521
Available for payments	3,549,085	3,197,801
Payments made	2,150,380	1,979,041
Total balance transferred to the SOETM (22 June 2011)	1,398,705	-
Total decreases	3,549,085	1,979,041
Balance carried to next period and represented by:		
Cash - held by the Agency	-	1,218,760
Total balance carried to the next period	-	1,218,760

Services for Other Entities and Trust Monies Account (SOETM) (Departmental)	2011	2010
	\$	\$
Appropriation: <i>Financial Management and Accountability Act 1997 section 21.</i>		
Establishing Instrument: <i>Financial Management and Accountability (Establishment of Special Account for Australian Federal Police) Determination 2011/03.</i>		
Date Established: 15 June 2011		
<i>Purpose:</i> For the receipt of monies temporarily held in trust or otherwise for the benefit of a person other than the Commonwealth, for the payment of monies in connection with services performed on behalf of other governments and non-agency bodies and 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.		
Balance brought forward from previous period	-	-
Appropriation for reporting period	-	-
Balance from OTM, SOG and APG (22 June 2011)	18,136,107	-
Cash held by the OPA (transferred from SOG 22 June 2011)	6,000,000	-
Total increase	24,136,107	-
Available for payments	24,136,107	-
Payments made to suppliers	-	-
Total decrease	-	-
Balance carried to next period and represented by:		
Cash - held by the Agency	3,029,358	-
Cash - held by the Agency on Trust	15,106,749	-
Cash - held in the Official Public Account	6,000,000	-
Total balance carried to the next period	24,136,107	-

On the 22nd of June the balances of the 'Other Trust Monies', the 'Services for Other Governments and Non-Agency Bodies' and the 'Asia Pacific Group on Money Laundering' special accounts were transferred to a new type of special account called the 'Services for Other Entities and Trust Monies' special account (SOETM). This change occurred as a result of the Department of Finance and Deregulation's recommendation that the AFP review and reclassify its special accounts, as considered appropriate.

Notes to and forming part of the financial statements

	2011	2010
	\$	\$
Note 21: Compensation and Debt Relief		
Departmental		
No 'Act of Grace' expenses were incurred during the reporting period. (2010: Nil)	-	-
None of the above expenses were paid on a periodic basis. (2010: Nil)	-	-
No waivers of amounts owing to the Australian Government were made pursuant to subsection 34(1) of the Financial Management and Accountability Act 1997. (2010: Nil)	-	-
No payments were provided under the Compensation for Detriment caused by Defective Administration (CDDA) Scheme during the reporting period. (2010: Two payments made)	-	68,845
No ex-gratia payments were provided for during the reporting period. (2010: Nil)	-	-
No payments were provided in special circumstances relating to APS employment pursuant to section 73 of the Public Service Act 1999 (PS Act) during the reporting period. (2010: Nil)	-	-

Notes to and forming part of the financial statements

Note 22: Reporting of Outcomes

Note 22A: Net Cost of Outcome

The AFPF uses an activity based costing system to determine the attribution of its shared items. The basis of attribution in the table below is consistent with the basis used for the budget and where possible actuals are used.

	Outcome 1		Outcome 2		Total	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Expenses						
Administered	38,121	15,193	-	-	38,121	15,193
Departmental	1,240,611	1,206,796	146,724	138,542	1,387,335	1,345,338
Total	1,278,732	1,221,989	146,724	138,542	1,425,456	1,360,531
Income from non-government sector						
Departmental						
Activities subject to cost recovery	26,020	32,530	140,820	133,115	166,840	165,645
Total departmental	26,020	32,530	140,820	133,115	166,840	165,645
Total	26,020	32,530	140,820	133,115	166,840	165,645
Other own-source income						
Departmental	104,479	72,397	5,480	5,480	109,959	77,877
Total	104,479	72,397	5,480	5,480	109,959	77,877
Net cost/(contribution) of outcome delivery	1,148,233	1,117,062	424	(53)	1,148,657	1,117,009

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.

Notes to and forming part of the financial statements

Note 22B: Major Classes of Departmental Expense, Income, Assets and Liabilities by Outcomes

	Outcome 1		Outcome 2		Total	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Departmental Expenses:						
Employee	748,610	680,218	108,926	102,829	857,536	783,047
Supplier	412,296	458,288	33,678	32,581	445,974	490,869
Depreciation and amortisation	78,741	64,880	4,105	3,089	82,846	67,969
Grants	-	393	-	-	-	393
Other	964	3,017	15	43	979	3,060
Total	1,240,611	1,206,796	146,724	138,542	1,387,335	1,345,338
Departmental Income:						
Income from government	1,017,804	1,106,043	-	-	1,017,804	1,106,043
Goods and services	126,919	102,581	140,820	133,115	267,739	235,696
Other	3,580	2,346	5,480	5,480	9,060	7,826
Total	1,148,303	1,210,970	146,300	138,595	1,294,603	1,349,565
Departmental Assets						
Cash and cash equivalents	18,643	19,190	71	1	18,714	19,191
Trade and other receivables	423,751	522,898	18,963	16,279	442,714	539,177
Other financial assets	10,461	8,007	-	-	10,461	8,007
Land and buildings	229,662	177,224	2,996	1,724	232,658	178,948
Infrastructure, plant and equipment	138,922	148,596	10,092	10,407	149,014	159,003
Intangibles	48,366	32,482	460	823	48,826	33,305
Inventories	8,484	3,092	263	134	8,747	3,226
Other non-financial assets	11,340	12,255	154	184	11,494	12,439
Total	889,629	923,744	32,999	29,552	922,628	953,296

Note 22B: Major Classes of Departmental Expense, Income, Assets and Liabilities by Outcomes (continued)

	Outcome 1		Outcome 2		Total	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Departmental Liabilities						
Suppliers	(71,158)	(98,804)	(964)	(1,941)	(72,122)	(100,745)
Other payables	(35,086)	(25,334)	(2,328)	(2,928)	(37,414)	(28,262)
Employee provisions	(201,744)	(187,522)	(26,640)	(24,394)	(228,384)	(211,916)
Other provisions	(8,416)	(12,912)	(42)	(194)	(8,458)	(13,106)
Total	(316,404)	(324,572)	(29,974)	(29,457)	(346,378)	(354,029)

Outcomes 1 and 2 are described in Note 1.1. Net costs shown include intra-government costs that were eliminated in calculating the actual budget outcome.

Notes to and forming part of the financial statements

Note 22C: Major Classes of Administered Expenses, Income, Assets and Liabilities by Outcomes

	Outcome 1		Outcome 2		Total	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Administered expenses						
Supplier expense	38,121	15,096	-	-	38,121	15,096
Grants	-	97	-	-	-	97
Total	38,121	15,193	-	-	38,121	15,193
Administered income						
Administered assets						
Cash	1,108	6	-	-	1,108	6
Receivables	72	55	-	-	72	55
Prepayments	12	14	-	-	12	14
Total	1,192	75	-	-	1,192	75
Administered liabilities						
Suppliers payable	3,919	1,964	-	-	3,919	1,964
Total	3,919	1,964	-	-	3,919	1,964

Outcomes 1 and 2 are described in Note 1.1.

Notes to and forming part of the financial statements

	2011	2010
	\$'000	\$'000
Note 23: Comprehensive Income (Loss) Attributable to the AFP		
Total comprehensive income (loss) attributable to the AFP		
Total comprehensive income (loss) attributable to the Australian Government*	(90,329)	3,793
Plus: non-appropriated expenses		
Depreciation and amortisation expenses	82,846	-
Total Comprehensive Income (loss) Attributable to the Australian Federal Police	<u>(7,483)</u>	<u>3,793</u>
Less changes in equity		
Less changes in asset revaluation reserves	(2,403)	434
Total Surplus/(Deficit) attributable to the Australian Federal Police	<u>(9,886)</u>	<u>4,227</u>

* As per the Statement of Comprehensive Income

On 1 July 2010 the Federal Government's net cash arrangements came into effect, resulting in discontinued funding to the AFP for non-cash expenses (depreciation, amortisation and makegood) through departmental appropriations. Funding for capital items is now being provided through an annual Departmental Capital Budget agreed with the Department of Finance and Deregulation. The impact of this change is reflected in this note, which is designed to disclose the AFP's operating position, without the effect of the Government's net cash arrangements.

Depreciation was funded in 2009-10 through appropriation for outputs.



09

GUIDES

COMPLIANCE INDEX

Description	Page	Requirement
Letter of transmittal	i	Mandatory
Table of contents	iii–v	Mandatory
Index	208–217	Mandatory
Glossary	205	Mandatory
Contact officer	inside front cover	Mandatory
Internet home page address and internet address for report	inside front cover	Mandatory
Review by Commissioner		
Review by Commissioner	1–8	Mandatory
Summary of significant issues and developments	3–6	Suggested
Overview of department’s performance and financial results	2–3	Suggested
Outlook for the following year	7	Suggested
Significant issues and developments – portfolio	n.a.	Suggested
Departmental overview		
Role and functions	10	Mandatory
Organisational structure	13	Mandatory
Outcomes and program structure	11–13	Mandatory
Where outcome and program structure differ from PBS/PAES or other portfolio statements accompanying any other additional appropriation bills (other portfolio statements), details of variation and reasons for change	n.a.	Mandatory
Portfolio structure	13	Mandatory
Report on performance		
Review of performance during the year in relation to programs and contribution to outcomes	15–22	Mandatory
Actual performance in relation to deliverables and KPIs set out in PBS/PAES or other portfolio statements	18–21	Mandatory
Where performance targets differ from the PBS/PAES, details of both former and new targets and reasons for the change	n.a.	Mandatory
Narrative discussion and analysis of performance	23–87	Mandatory
Trend information	4, 5, 6, 7, 13, 17, 28–111 passim	Mandatory
Performance of purchaser/provider arrangements	n.a.	If applicable, suggested
Significant changes in nature of principal functions/services	n.a.	Suggested
Factors, events or trends influencing departmental performance	3–6	Suggested
Contribution of risk management in achieving objectives	77, 91, 101, 102, 103, 104, 107, 110–111, 113	Suggested
Social inclusion outcomes	98–99	If applicable, mandatory

Description	Page	Requirement
Performance against service charter customer service standards, complaints data and the department's response to complaints	8, 101, 112-113, 120-123	If applicable, mandatory
Discussion and analysis of the department's financial performance	3, 17, 92	Mandatory
Discussion of any significant changes from the prior year or from budget	3, 11-12	Suggested
Agency resource statement and summary resource tables by outcomes	133-136	Mandatory
Developments since the end of the financial year that have affected or may significantly affect the department's operations or financial results in future	n.a.	If applicable, mandatory
Management accountability		
Corporate governance		
Agency heads are required to certify that their agency complies with the <i>Commonwealth fraud control guidelines</i>	i	Mandatory
Statement of main corporate governance practices in place	104, 105, 107, 110, 113-114	Mandatory
Names of the Senior Executive and their responsibilities	13	Suggested
Senior management committees and their roles	12-13, 110	Suggested
Corporate and operational planning and associated performance reporting and review	103-105	Suggested
Approach adopted to identifying areas of significant financial or operational risk	110-114	Suggested
Policy and practices on the establishment and maintenance of appropriate ethical standards	101	Suggested
How nature and amount of remuneration for SES officers is determined	97	Suggested
External scrutiny		
Significant developments in external scrutiny	112-114	Mandatory
Judicial decisions and decisions of administrative tribunals	112	Mandatory
Reports by the Auditor-General, a parliamentary committee or the Commonwealth Ombudsman	112-114	Mandatory
Management of human resources		
Assessment of the effectiveness in managing and developing human resources to achieve departmental objectives	96-103	Mandatory
Workforce planning, staff turnover and retention	97, 98, 99	Suggested
Impact and features of enterprise or collective agreements, individual flexibility arrangements, determinations, common law contracts and AWAs	n.a.	Suggested
Training and development undertaken and its impact	100	Suggested
Occupational health and safety performance	101-103	Suggested
Productivity gains	n.a.	Suggested
Statistics on staffing	125-132	Mandatory

Description	Page	Requirement
Enterprise or collective agreements, individual flexibility arrangements, determinations, common law contracts and AWAs	97	Mandatory
Performance pay	127	Mandatory
Assets management		
Assessment of effectiveness of assets management	90-94, 115	If applicable, mandatory
Purchasing		
Assessment of purchasing against core policies and principles	90, 93-94	Mandatory
Consultants		
The annual report must include a summary statement detailing the number of new consultancy services contracts let during the year, the total actual expenditure on all new consultancy contracts let during the year (inclusive of GST), the number of ongoing consultancy contracts that were active in the reporting year and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST). The annual report must include a statement noting that information on contracts and consultancies is available through the AusTender website.	93-94	Mandatory
Australian National Audit Office access clauses		
Absence of provisions in contracts allowing access by the Auditor-General	94	Mandatory
Exempt contracts		
Contracts exempt from the AusTender	94	Mandatory
Financial statements		
Financial statements	137-199	Mandatory
Other information		
Occupational health and safety (section 74 of the <i>Occupational Health and Safety Act 1991</i>)	101-103	Mandatory
Freedom of information for the period 1 July 2010 to 30 April 2011 inclusive (see terms of subsection 8(1) of the <i>Freedom of Information Act 1982</i> as it existed prior to 1 May 2011)	104, 106-109, 118-119	Mandatory
Advertising and market research (section 311A of the <i>Commonwealth Electoral Act 1918</i>) and statement on advertising campaigns	124	Mandatory
Ecologically sustainable development and environmental performance (section 516A of the <i>Environment Protection and Biodiversity Conservation Act 1999</i>)	115	Mandatory
Grant programs	110	Mandatory
Disability reporting - explicit and transparent reference to agency-level information available through other reporting mechanisms	98-99	Mandatory
Correction of material errors in previous annual report	n.a.	If applicable, mandatory
List of requirements	202-204	Mandatory

GLOSSARY

All-In model	a single federal model for the delivery of nationally coordinated aviation policing and security arrangements at Australia's major airports
Confidant Network	a group of trained appointees (confidants) who provide information, options and support to other appointees (clients) when they are dealing with inappropriate or unethical behaviour in their work environment
Drug Harm Index	a performance measure which puts a dollar figure on the overall damage prevented to the Australian public per kilogram of drugs seized
EUROPOL	the law enforcement agency of the European Union, which aims to help achieve a safer Europe by supporting the law enforcement agencies of European Union member states in their fight against international serious crime and terrorism
INTERPOL	the world's largest international police organisation, with 188 member countries, which facilitates cross-border police cooperation and assists agencies to prevent or combat international crime
no win, no loss arrangement	appropriation funding specifically designed so that the entity involved does not receive financial advantage or disadvantage in providing agreed deliverables; at the end of the financial year the entity's appropriation funding is adjusted to match the agreed deliverable expenses
One AFP, One Corporate	the AFP's fourth strategic principle: to rationalise and consolidate corporate functions
Project Macer	a project to facilitate the planning and implementation of the transition from the Unified Policing Model, consisting of a hybrid workforce, to the All-In model, consisting of a sworn AFP police officer workforce which is flexibly deployable and which can respond to both community policing and counter-terrorist incidents
ThinkUKnow	evening presentations delivered by trained AFP, Microsoft and ninemsn volunteers to parents, carers and teachers on how to keep kids safe online (supported by the website www.thinkuknow.org.au).

ABBREVIATIONS

ABDC	Australian Bomb Data Centre
ACBRNDC	Australian Chemical, Biological, Radiological and Nuclear Data Centre
ACT	Australian Capital Territory
AFP	Australian Federal Police
AGIS	<i>Australian Government investigations standards</i>
AIDDC	Australian Illicit Drug Data Centre
ANAO	Australian National Audit Office
ANP	Afghan National Police
ANVIL	Australian National Victim Image Library
ANZPAA	Australia New Zealand Policing Advisory Agency
AO	Officer of the Order of Australia
AOCC	AFP Operations Coordination Centre
ASEAN	Association of South-East Asian Nations
ASIC	aviation security identification card
ATS	amphetamine-type stimulant
AUOP	Airport Uniformed Operations Policing
AWA	Australian Workplace Agreement
C3	Command, Control and Coordination
CEPS	Centre of Excellence in Policing and Security
CNP	Cambodian National Police
DHI	Drug Harm Index
EBB	Edmund Barton Building
FOI	freedom of information
GLBTI	gay, lesbian, bisexual, transgender and intersex
GLLO	Gay and Lesbian Liaison Officer
GST	goods and services tax
HOCOLEA	Heads of Commonwealth Operational Law Enforcement Agencies
HR	human resources, Human Resources
HRH	His Royal Highness
HTCO	High Tech Crime Operations
ICCS	Incident Command and Control System
ICT	Information and Communications Technology
IDG	International Deployment Group
IPS	Information Publication Scheme
JAIG	Joint Airport Intelligence Group
JAIT	Joint Airport Investigation Team
KPI	key performance indicator

LECP	Law Enforcement Cooperation Program
LELO	Law Enforcement Liaison Officer
n.a.	not applicable
NDPRAC	National Drug Precursor Risk Assessment Capability
NICC	National Intelligence Coordination Committee
NM	national manager
NPI	new policy initiative
OH&S	occupational health and safety
ORG	Operational Response Group
PAES	Portfolio Additional Estimates Statement
PBS	Portfolio Budget Statement
PICP	Pacific Islands Chiefs of Police
PNTL	Policia Nacional de Timor-Leste (East Timor National Police)
POCA	Proceeds of Crime Act
PPF	Participating Police Force
PTCCC	Pacific Transnational Crime Coordination Centre
PTCN	Pacific Transnational Crime Network
RAMSI	Regional Assistance Mission to Solomon Islands
RCMP	Royal Canadian Mounted Police
RSIPF	Royal Solomon Islands Police Force
SAP	Systems Applications Products
SES	Senior Executive Service
SIEV	suspected irregular entry vessel
SOCA	Serious Organised Crime Agency
SSD	special security direction
TCU	Transnational Crime Unit
TIO	Transnational Intelligence Operations
VIP	very important person
VPF	Vanuatu Police Force

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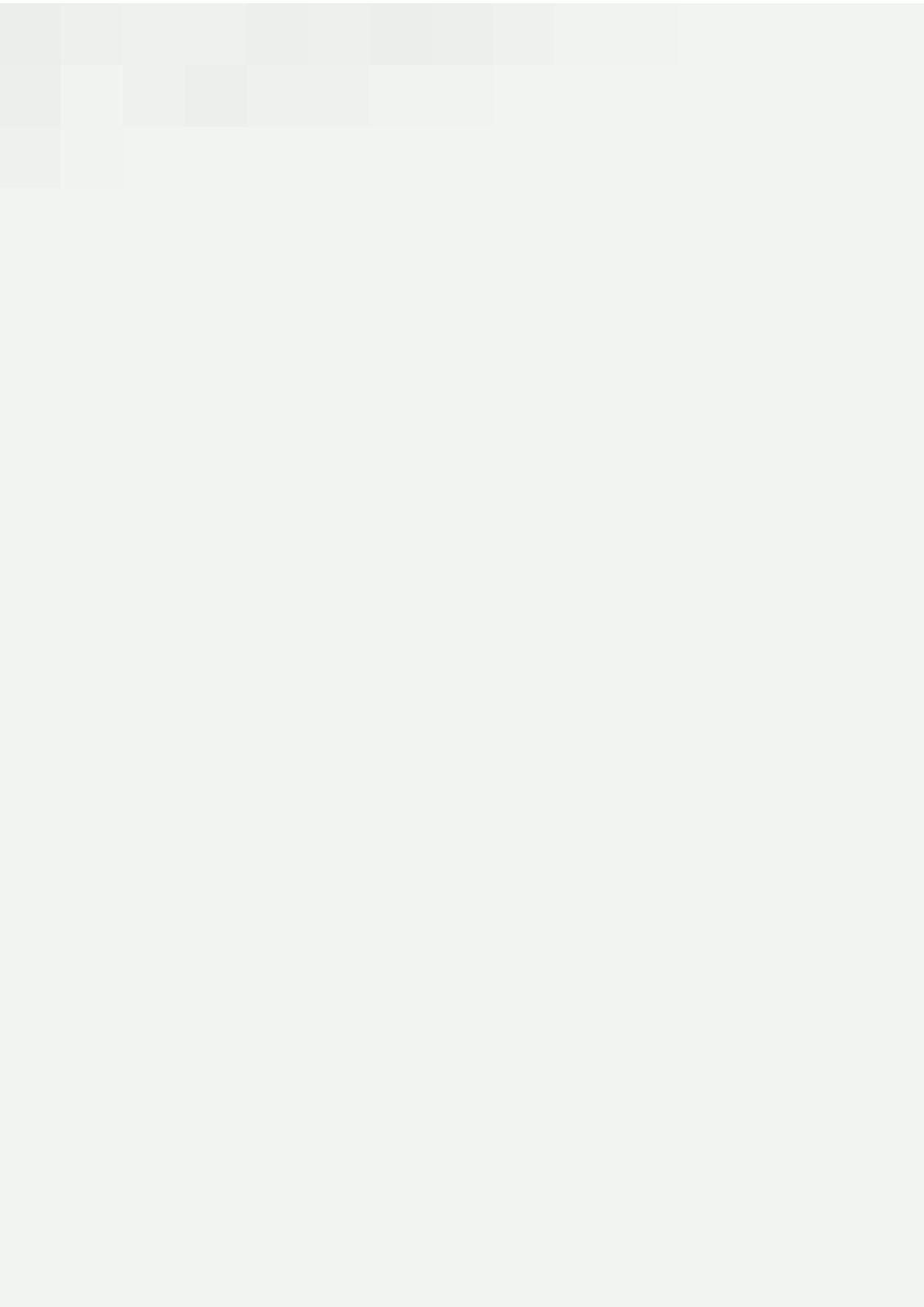
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