

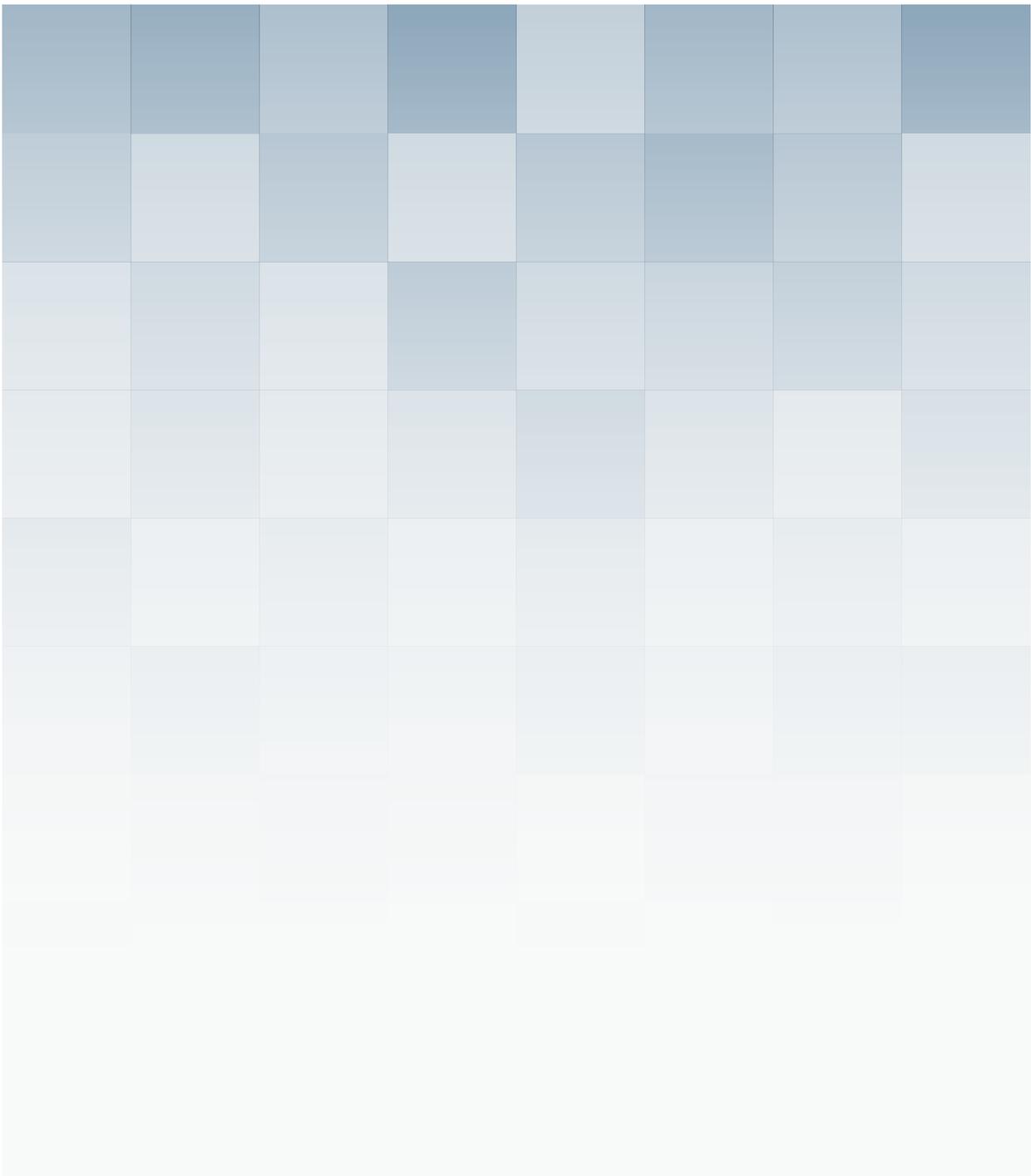


**AFP**

AUSTRALIAN FEDERAL POLICE

ANNUAL REPORT 2012–13





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AUSTRALIAN FEDERAL POLICE

ANNUAL REPORT 2012–13

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For an electronic version of this annual report and previous annual reports, go to: [www.afp.gov.au/media-centre/publications/annual-reports.aspx](http://www.afp.gov.au/media-centre/publications/annual-reports.aspx)

# Letter of transmittal

1 October 2013

The Hon Michael Keenan MP  
Minister for Justice  
House of Representatives  
Parliament House  
Canberra ACT 2600

Dear Minister

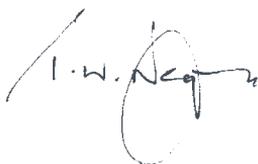
I am pleased to submit the Australian Federal Police (AFP) annual report for the year 1 July 2012 to 30 June 2013. This report has been prepared in accordance with the *Australian Federal Police Act 1979* and the *Financial Management and Accountability Act 1997*.

The report summarises the performance of the AFP for 2012–13 and includes audited financial statements.

A copy of this report is to be tabled before each house of parliament on or before 31 October 2013.

In accordance with guideline 5.8 of the *Commonwealth fraud control guidelines 2011*, I hereby certify that the AFP has in place appropriate fraud prevention, detection, investigation, reporting and data collection procedures and processes. The AFP is also taking all reasonable measures to minimise the incidence of fraud in the 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 large, stylized flourish at the end.

TW Negus APM  
Commissioner

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Media inquiries: (02) 6131 6333

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Media inquiries: (02) 6264 9460

### **Adelaide Office**

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Level 8, 55 Currie Street  
Adelaide SA 5000  
(08) 8416 2811

### **Brisbane Office**

Australian Federal Police  
203 Wharf Street  
Spring Hill Qld 4000  
(07) 3222 1222

### **Darwin Office**

Australian Federal Police  
4 Pederson Road  
Marrara NT 0812  
(08) 8980 1300

### **Hobart Office**

Australian Federal Police  
Level 7, 47 Liverpool Street  
Hobart Tas. 7000  
(03) 6230 1510

### **Melbourne Office**

Australian Federal Police  
383 La Trobe Street  
Melbourne Vic. 3000  
(03) 9607 7777

### **Perth Office**

Australian Federal Police  
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West Perth WA 6005  
(08) 9320 3444

### **Sydney Office**

Australian Federal Police  
110 Goulburn Street  
Sydney South NSW 2000  
(02) 9286 4000

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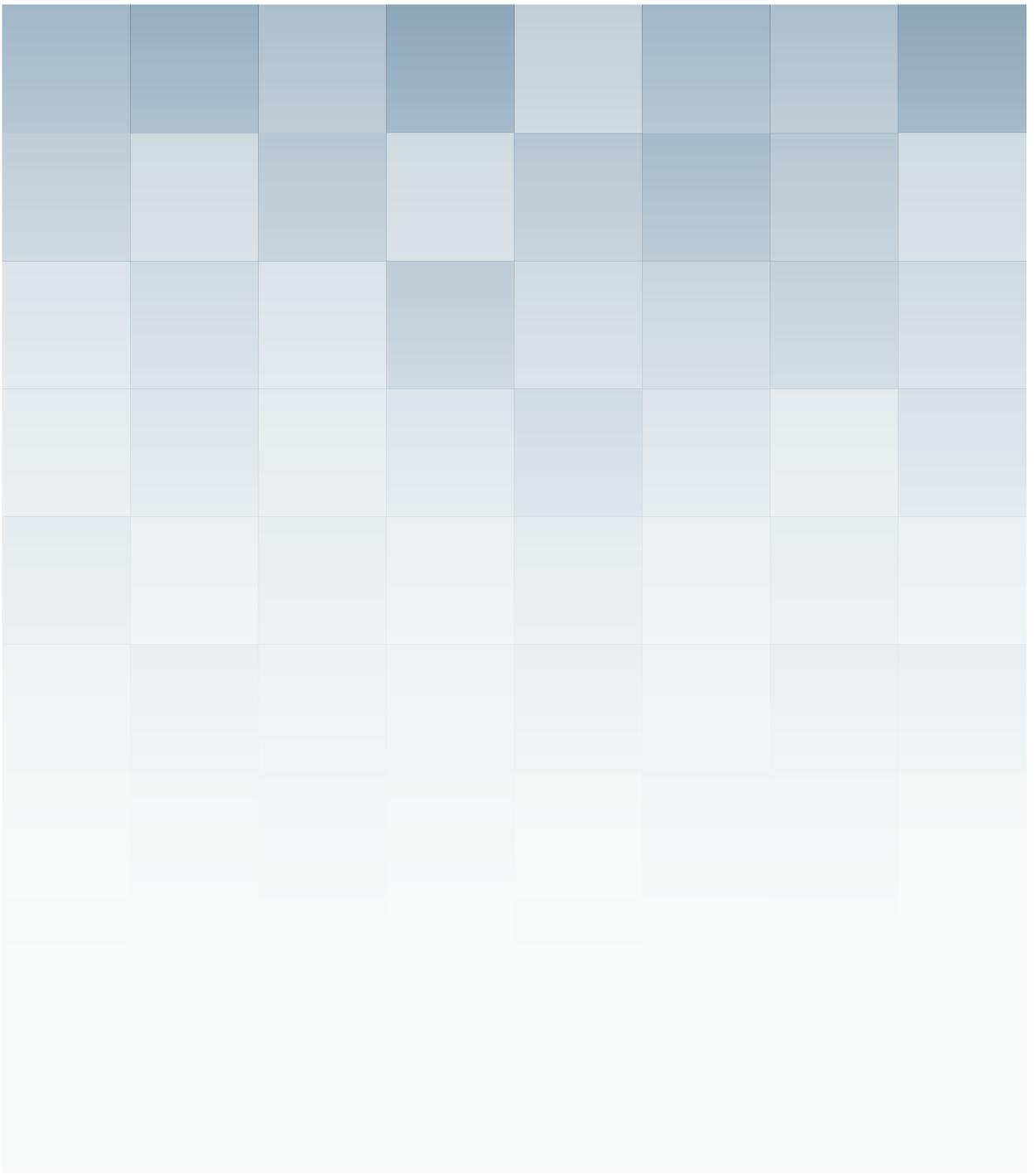
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## CHAPTER 1 COMMISSIONER'S REVIEW

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## CHAPTER 1 COMMISSIONER'S REVIEW



## Overview

The tabling of this report will coincide with the commencement of my fifth year as Commissioner of the Australian Federal Police (AFP). During this time, the AFP has made it a priority to reinvigorate our investigative capability, optimise the use of our resources, enhance the flexibility of our workforce and strengthen our relationships with partner agencies and stakeholders. These priorities are articulated within the organisation's seven strategic principles, our values and most recently the AFP Strategic Plan 2012–15 (page 16).

The commitment to these organisational principles and sound management is evident by the organisation's ongoing operational successes. During the reporting period, the AFP achieved all 33 Portfolio Budget Statements key performance indicators for the second consecutive year. In addition, the AFP improved on the results of 11 of these indicators, including community confidence in aviation law enforcement and security, responsiveness of forensic technical intelligence and community awareness of cybersecurity. The AFP also recorded an overall stakeholder satisfaction rate of 90 per cent, which equals last year's record result.

In a dynamic environment, good governance and a focus on reducing supplier expenditure also ensured these results were delivered on target, with a small deficit of \$2.5 million on a budget of over \$1.3 billion (excluding depreciation and the impact of bond rate movements). The significance of these results is further emphasised by the absence of any adverse findings from the Australian National Audit Office (ANAO) in relation to the AFP's financial statements.

The AFP has placed considerable effort during 2012–13 on strengthening its investigative capability, with 517 sworn recruits commencing at the AFP College. During the reporting period, the AFP endorsed a revised investigative doctrine that informs the work of investigators and also reinvigorated its detective training.

The AFP has shown its commitment to improving the recruitment and retention of people with disabilities through the launch of the AFP Disability Action Plan 2012–14. AFP inclusiveness was also recognised through a 2013 Pride in Diversity award where the AFP was found to be the highest-placed public sector employer in supporting gay, lesbian, bisexual, transgender and intersex members. The AFP also endorsed a workforce plan which will inform the structure and characteristics of its future workforce.

The AFP continues to adopt collaborative and innovative approaches to combating crime. During the reporting period the AFP established the Fraud and Anti-Corruption business area within the Crime Program to address serious and complex fraud against the Commonwealth such as corruption, foreign bribery and complex identity crime.

## CHAPTER 1 COMMISSIONER'S REVIEW

Our strategy to address organised crime also included a commitment to joint waterfront taskforces in Sydney (Polaris) and Melbourne (Trident). These taskforces have successfully targeted serious organised criminal activities at international sea cargo terminals and ports and include representation from Australian Customs and Border Protection Service (Customs), Australian Crime Commission (ACC), Australian Taxation Office (ATO), the Australian Transaction Reports and Analysis Centre (AUSTRAC) and state police jurisdictions. Since their inception, the Polaris and Trident taskforces have resulted in 57 arrests and the seizure of over 12 tonnes of illicit substances, 249 tonnes of illegal tobacco, over \$1 million in cash and 11 firearms. The waterfront taskforces will be expanded in 2013–14 to include Brisbane (Jericho).

Building on the success of these collaborative arrangements, the AFP is now in the process of establishing the National Anti-Gang Taskforce. This taskforce will include representatives of the AFP, state and territory police, ACC, Customs, Department of Immigration and Citizenship, ATO and the Department of Human Services. The taskforces will target gang-related crime across Australia, supporting the substantial efforts of state and territory police.

As part of our efforts to raise awareness of what we do and better engage with the community, the AFP launched an official Facebook page in February 2013. The Facebook page is used to engage with the community, support operational work by acting as an information resource and is also an important engagement and awareness tool for crime prevention and recruitment messages. This initiative has exceeded expectations as a communication tool, with over 15 000 'likes' at 30 June 2013.

Finally, 2013 marks the centenary of the Australian Capital Territory. Policing has played an important role in supporting Canberra's growth into a vibrant and safe capital city over the past 100 years. Having evolved from the Commonwealth Police and Australian Capital Territory Police, the AFP is proud of its long history of serving the community of Canberra.



Police officers at the National Police Remembrance Day Service in Canberra in September 2012

## CHAPTER 1 COMMISSIONER'S REVIEW

## Operational performance

The 2012–13 reporting period was another outstanding operational year for the AFP, meeting all key performance indicators. The organisation continued to vigorously target serious criminal activity in conjunction with domestic and international partners, with notable successes including the:

- seizure of 6.5 tonnes of illicit drugs and precursors, thereby mitigating an estimated \$2.4 billion in harm to the Australian community
- targeting of criminal wealth and the financial base of crime through restraining \$62.5 million in assets (59 per cent above the target)
- disruption and deterrence of crime through the achievement of an organisational conviction rate of 93 per cent for cases reaching court
- finalisation of 490 cases reaching court, which represents a 38 per cent improvement on last financial year.

The multi-agency, multidisciplinary approach of the AFP has resulted in significant domestic and international operational outcomes during the reporting period, including:

- **Operation Marca**, a multi-agency joint taskforce comprising the AFP, the Australian Commission for Law Enforcement Integrity (ACLEI) and Customs which targeted corruption and organised crime activity within Customs at Sydney International Airport
  - Since June 2012 the operation has resulted in the arrest of 20 people, including four serving Customs officers for their alleged involvement in the importation of border-controlled precursors and corruption offences.
  - In addition the operation has resulted in the execution of 28 search warrants, the seizure of 54 kilograms of pseudoephedrine and \$237 450 in cash.
  - Operation Marca demonstrates the success of the AFP's commitment to working with ACLEI and partner agencies to target corruption within government agencies.
- **Operation Lino**, a joint international criminal investigation involving the AFP, United States Secret Service and the Romanian National Police into alleged credit card fraud
  - The investigation identified the fraudulent use of 30 000 Australian credit cards with an estimated global exposure of US\$2.5 billion. This exposure was successfully mitigated and seven people were subsequently charged in Romania for the largest credit card data theft in Australia's history.
- **Operation Roselle**, which involved 585 kilograms of methamphetamine (ice) worth up to \$438 million, the largest single seizure of ice in Australian law enforcement history and resulted in the arrest of three people
- **Operation Volante**, a joint investigation involving Victoria Police, the New South Wales Police Force, ACC and Customs, with additional support provided by international law enforcement partners
  - This investigation resulted in the seizure of 42 kilograms of illicit drugs, the restraint of approximately \$9 million in assets and the arrest of 27 people.
- **Operation Whiffler**, a joint investigation involving the AFP and law enforcement agencies in Japan and Vietnam which resulted in the seizure of 110 kilograms of methamphetamine and the arrest of six people
- **Operation Walcott**, a joint investigation involving the AFP, Customs, United States Drug Enforcement Administration, Tonga Police and Cook Islands Police

## CHAPTER 1 COMMISSIONER'S REVIEW

- This operation resulted in the seizure of 200 kilograms of cocaine with a value of up to \$116 million from a grounded yacht in Tonga.
- **Operation Texsel**, a complex international investigation into the unauthorised entry of 21 vessels into Australia
  - As a result of the collaboration of Australian and international law enforcement agencies, an alleged people smuggler was arrested in Dubai and became the first person to be extradited to Australia from the United Arab Emirates for any offence. The person was subsequently charged with offences under the Migration Act 1958.
- **Operation Conqueror**, a large-scale coordinated child sexual abuse investigation undertaken by AFP High Tech Crime Operations, which resulted in 25 arrests
- **Operation Saxton**, a joint operation between High Tech Crime Operations and international partners that mitigated the threat to \$570 million in funds posed by Citadel malware and led to the identification of the perpetrators in Russia.

In October 2012 we marked 10 years since the Bali bombings. The Bali bombings proved pivotal in informing the AFP response to confront the spectre of terrorism both in Australia and internationally. These responses have continued to evolve, with the AFP implementing a nationwide approach to prevention and disruption.



Manager Indonesia Chris Sheehan, Deputy Commissioner Operations Andrew Colvin, AFP Commissioner Tony Negus and Senior Liaison Officer Bali Gary O'Neill at the Bali memorial for the 10th anniversary service in October 2012

Another significant milestone achieved during the reporting period was the completion of Project Macer. This involved the transition from the previous joint-jurisdictional 'Unified Policing Model' to the 'All-In' AFP sworn police model at Australia's 10 major airports. This provides the AFP with a singular policing command and responsibility in these locations. The AFP also implemented Airport Watch, which comprises a community engagement strategy that encourages people working or conducting business at airports to identify and report suspicious behaviour.

The AFP supported 35 international visits by Australian high-office holders and provided assistance to major events such as the London 2012 Olympic and Paralympic Games and Anzac Day ceremonies in Turkey and France. During the reporting period, the AFP also ensured the safety of 43 visits by foreign dignitaries and the protection of critical infrastructure and sites of Commonwealth interest.

During 2012–13 people smuggling remained a dominant issue. The AFP refocused its capacity in this sphere consistent with a whole-of-government approach. Through these efforts six people-smuggling organisers and 26 crew members were arrested. The AFP was also heavily engaged in escorting

## CHAPTER 1 COMMISSIONER'S REVIEW

unauthorised maritime arrivals to designated regional processing centres, with 70 separate air support operations being undertaken under Operation Duval.

During the year, the AFP's 14-year involvement in United Nations (UN) policing in Timor-Leste came to a successful conclusion when the UN Integrated Mission in Timor-Leste completed its mandate on 31 December 2012. Since July 1999 over 800 AFP members have been deployed to UN missions in Timor-Leste where they carried out operational activities to re-establish law and order, creating the foundations for a local police service.

# Business review

On 1 July 2012 the AFP International Deployment Group's Operational Response Group and ACT Policing's Specialist Response and Security Team were amalgamated, becoming the Specialist Response Group (SRG). The creation of the SRG provides an enhanced operational model for all AFP business and provides a more effective capability to meet operational responses locally, nationally and internationally. The SRG has a wide range of capabilities including public order management, search and rescue, disaster response, intelligence, police negotiation, canine services, bomb appraisal, water operations and tactical operations.

On 10 July 2012 the AFP Strategic Leaders' Group endorsed a new Strategic Risk Profile which is based on best practice. The Strategic Risk Profile will inform the AFP's strategic decision making in relation to:

- planning and risk management
- resource allocation and investment priorities
- research and capability development priorities
- the Strategic Audit Plan 2012–15 and the annual Audit Plan.

The AFP has also been actively involved in the work of the Customs Reform Board, which was established in December 2012, including seconding a senior executive officer to Customs in early 2013 and supporting the inaugural Integrity Support Officer Program in Canberra in May 2013.

In March 2013 the Parliamentary Standing Committee on Public Works granted approval for a new forensic facility to be built at the AFP Majura site. This new facility will be key to the development of future AFP forensic capability.

## CHAPTER 1 COMMISSIONER'S REVIEW

## Future outlook

The AFP operates in a dynamic and often uncertain environment. To maximise results, the AFP will remain committed to its sound and effective strategic management principles.

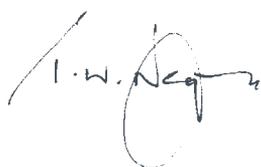
During the next reporting period, the AFP will continue to build on its culture of innovation. In 2013–14 the organisation will commence a review of its performance management framework to ensure it is placed appropriately to inform contemporary and emerging organisational outcomes. The AFP will also participate in the ANAO Key Performance Indicator Audit Pilot Project.

Through the internal 'One AFP' project the organisation will focus its efforts to achieve efficiencies to ensure investigative resources are maximised. The AFP is also on track to deliver the next-generation operational information technology system following the award of the contract for the development of the AFP's new investigations, intelligence and incident management system under the Spectrum Program.

Operationally, the International Deployment Group will transition its missions in Solomon Islands and Afghanistan. The AFP will support the Regional Assistance Mission to Solomon Islands transition and incremental drawdown of activities through to 2017. The AFP's existing Afghanistan mission is scheduled for review in the period leading up to June 2014 following the transition from a regional training mission to a limited advisory role centred in Kabul.

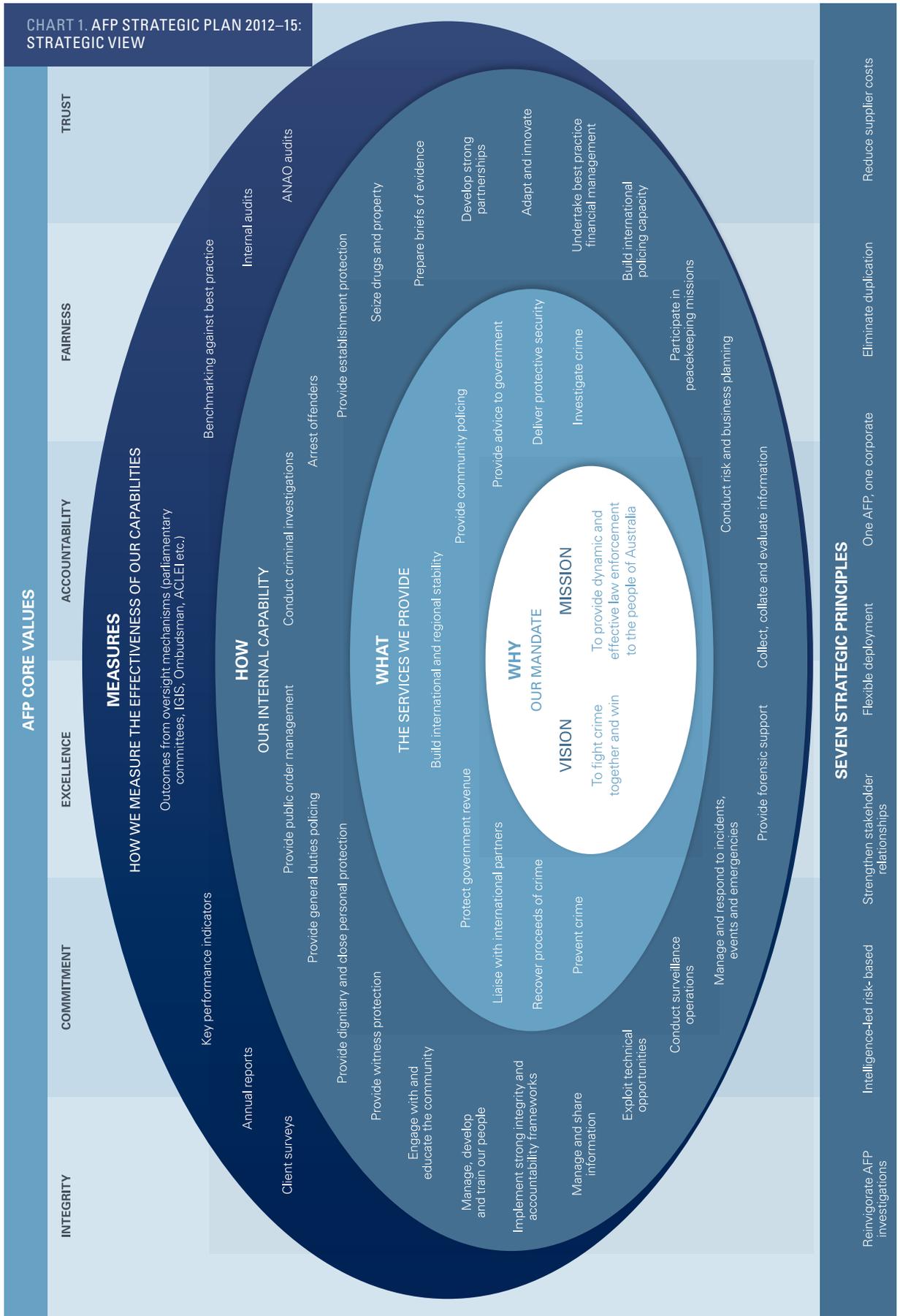
The AFP will also continue to prepare for upcoming major events, such as the G20 Summit in Brisbane in November 2014, with other state and Commonwealth agencies.

The outcomes we have achieved in 2012–13, and our strong governance framework, place the AFP in a strong position to meet the operational and business challenges that may arise in the future.

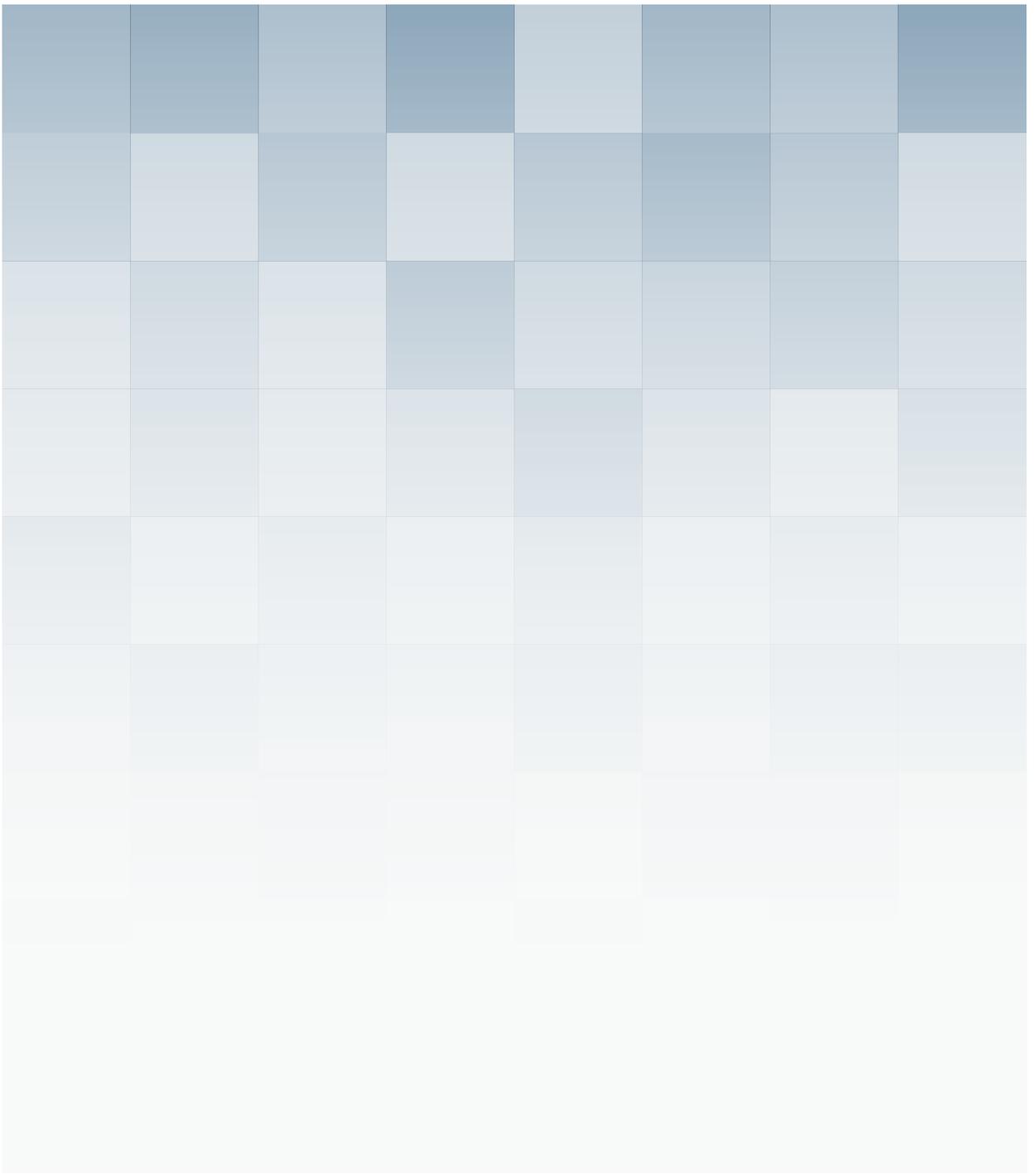


**TW Negus APM**  
Commissioner

CHART 1. AFP STRATEGIC PLAN 2012–15: STRATEGIC VIEW









## CHAPTER 2 OVERVIEW OF THE AUSTRALIAN FEDERAL POLICE

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## CHAPTER 2 OVERVIEW OF THE AUSTRALIAN FEDERAL POLICE

## Role of the Australian Federal Police

THE AFP IS AUSTRALIA'S INTERNATIONAL LAW ENFORCEMENT AND POLICING ORGANISATION AND THE AUSTRALIAN GOVERNMENT'S CHIEF SOURCE OF ADVICE ON POLICING ISSUES. THE ROLE OF THE AFP IS TO ENFORCE COMMONWEALTH CRIMINAL LAW, TO CONTRIBUTE TO COMBATING ORGANISED CRIME AND TO PROTECT COMMONWEALTH INTERESTS FROM CRIMINAL ACTIVITY IN AUSTRALIA AND OVERSEAS. AS A KEY MEMBER OF THE NATIONAL SECURITY COMMUNITY, THE AFP LEADS AND CONTRIBUTES TO MANY WHOLE-OF-GOVERNMENT NATIONAL SECURITY INITIATIVES. SECTION 8 OF THE *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 and the property of the Commonwealth (including Commonwealth places) and the safeguarding of Commonwealth interests
- the provision of police services in relation to the Australian Capital Territory, the Jervis Bay 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 establishing, developing and monitoring peace, stability and security in foreign countries.

## CHAPTER 2 OVERVIEW OF THE AUSTRALIAN FEDERAL POLICE

## Ministerial Direction

THE AFP'S STRATEGIC PRIORITIES ARE DETERMINED IN ACCORDANCE WITH SECTION 8 OF THE ACT AND MINISTERIAL DIRECTION ISSUED UNDER SECTION 37(2) OF THE ACT. 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 the 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, work health and safety, and workplace diversity.

## CHAPTER 2 OVERVIEW OF THE AUSTRALIAN FEDERAL POLICE

## Strategic priorities

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
- 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 Ministerial Direction is operationalised through the AFP's Statement of Intent, which is made up of the AFP Strategic Plan 2012–15 and AFP business plans, supported by a range of formal and informal reporting actions. As forecast in the 2012–13 Portfolio Budget Statements, during the reporting period the AFP focused on:

- applying resources towards activities likely to have the greatest impact on criminal networks and security threats both within Australia and offshore
- finalising planning for the construction of the modern purpose-built forensic facility
- completing implementation of the Proceeds of Crime Litigation business area as part of the Criminal Assets Confiscation Taskforce
- continuing to model the highest standards of professional and public accountability
- strengthening collaboration with domestic and international law enforcement partners.

## CHAPTER 2 OVERVIEW OF THE AUSTRALIAN FEDERAL POLICE

# Reporting structure

The AFP reporting structure remained unchanged for 2012–13.

## 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

Program 1.2 delivers initiatives on behalf of the Australian Government that are aimed at improving regional and international security, stability and governance. It comprises the International Deployment Group.

### 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 Operations Support

Program 1.4 provides specialist support to the AFP's national security and operations programs, in particular keeping pace with advancements in technology and science. It comprises Operations Support, Intelligence, Forensic and Data Centres, High Tech Crime Operations, Legal and Proceeds of Crime Litigation.

## OUTCOME 2

Outcome 2 contributes to a safe and secure environment through policing activities on behalf of the Australian Capital Territory Government.

### Program 2.1 ACT Community Policing

Program 2.1 provides crime and safety management, road safety, prosecution and judicial support, and crime prevention.

## CHAPTER 2 OVERVIEW OF THE AUSTRALIAN FEDERAL POLICE

## Strategic Leaders' Group

THE STRATEGIC LEADERS' GROUP (SLG) IS THE AFP'S PEAK ADVISORY COMMITTEE AND ASSISTS THE COMMISSIONER IN MAKING DECISIONS AND EXERCISING HIS STATUTORY RESPONSIBILITIES.

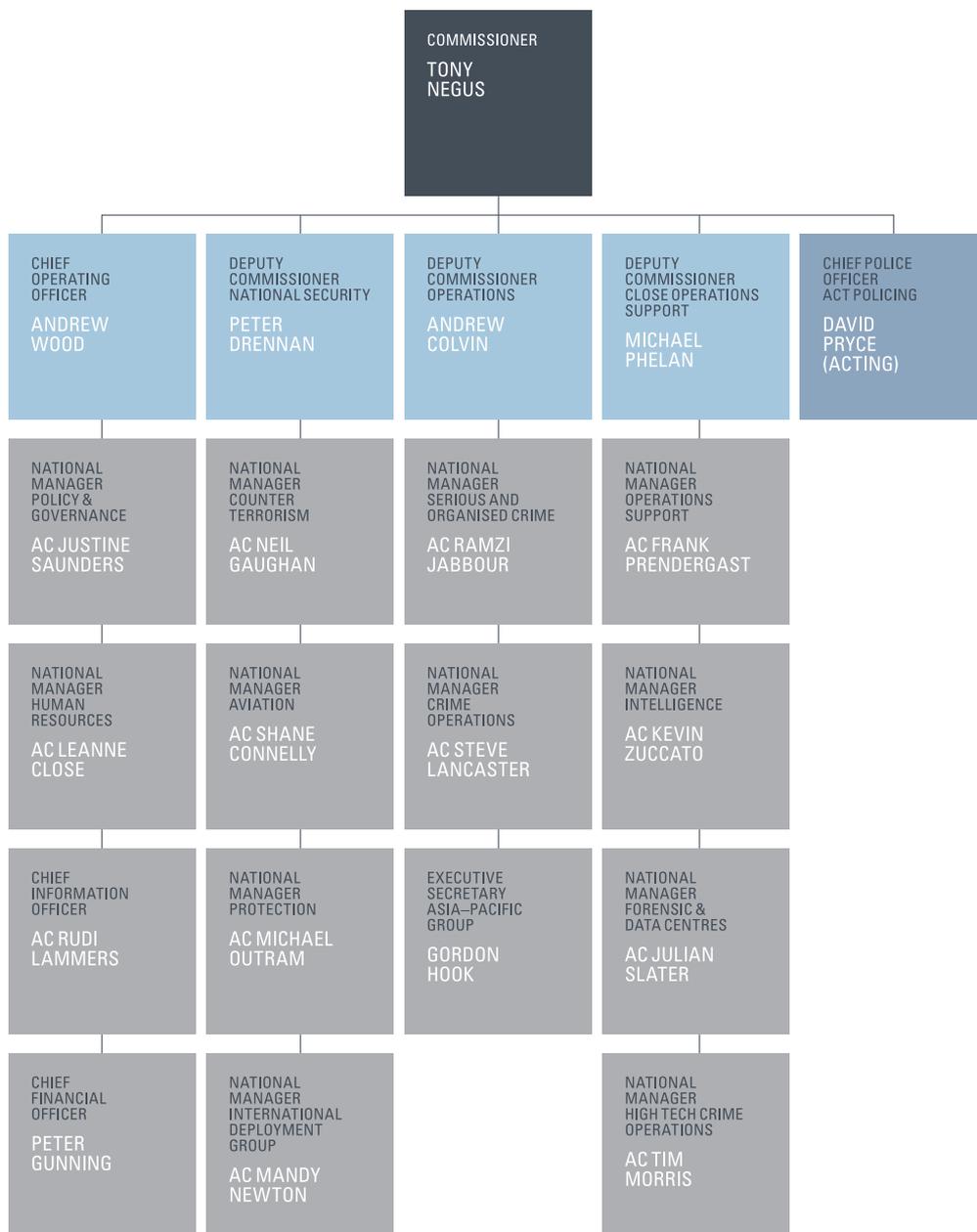
Membership of the SLG comprises the Commissioner (the Chair), the Deputy Commissioners, the Chief Operating Officer, the Chief Police Officer ACT Policing, National Managers and two non-executive members. The non-executive members have an independent advisory role and their knowledge and experience adds value to the SLG's deliberations. In April 2013 non-executive member Mr William Laurie's involvement with the AFP SLG concluded. Professor Michael Wesley joined the SLG at this time, with Mr Richard Smith AO PSM continuing his non-executive membership.

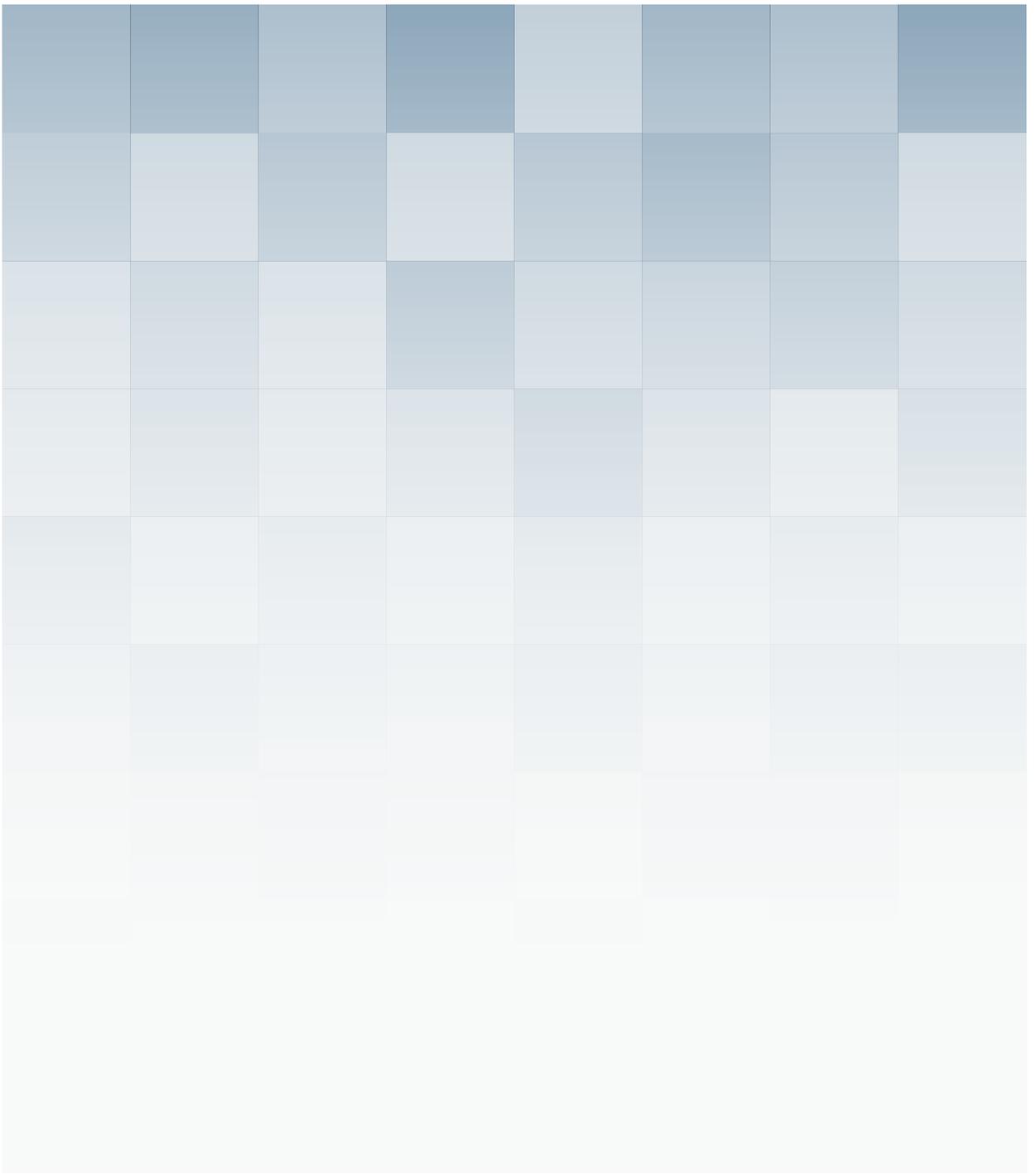
The SLG's purpose is to discuss and provide advice on strategic issues facing the organisation. It enables a streamlined approach to managing the business of the AFP across its many diverse functions. The role of the SLG includes reviewing and guiding the AFP's strategic priorities, having regard to the Ministerial Direction. During 2012–13 issues considered by the SLG included:

- strategic implications of the emerging operating budgetary environment
- organisational and financial performance
- the AFP's external budget strategy
- informing and endorsing the AFP Workforce Plan
- AFP's *Annual intelligence assessment 2013: transnational criminal trends and threats to Australia*
- Spectrum Program (next-generation operational systems and processes)
- Commonwealth Law Enforcement Integrity Testing model
- development of the National Security Strategy
- review of the AFP Physical Competency Standards
- Australia in the Asian Century White Paper
- Australian Customs and Border Protection Reform and implications for the AFP
- AFP Strategic Risk Profile
- endorsement of the AFP International Engagement Strategy.

CHAPTER 2 OVERVIEW OF THE AUSTRALIAN FEDERAL POLICE

CHART 2. THE AFP’S ORGANISATIONAL STRUCTURE AT 30 JUNE 2013







## CHAPTER 3 PERFORMANCE OVERVIEW

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## CHAPTER 3 PERFORMANCE OVERVIEW

# Outcome 1

## REDUCED CRIMINAL AND SECURITY THREATS TO AUSTRALIA'S COLLECTIVE ECONOMIC AND SOCIETAL INTERESTS THROUGH COOPERATIVE POLICING SERVICES

This section provides a summary of the performance of the four AFP programs under Outcome 1:

- National Security – Policing
- International Deployments
- Operations – Policing
- Close Operations Support.

All key performance indicators (KPIs) and targets are consistent with those listed in the 2012–13 Portfolio Budget Statements (PBS). Further details of performance against deliverables are in Chapter 4.

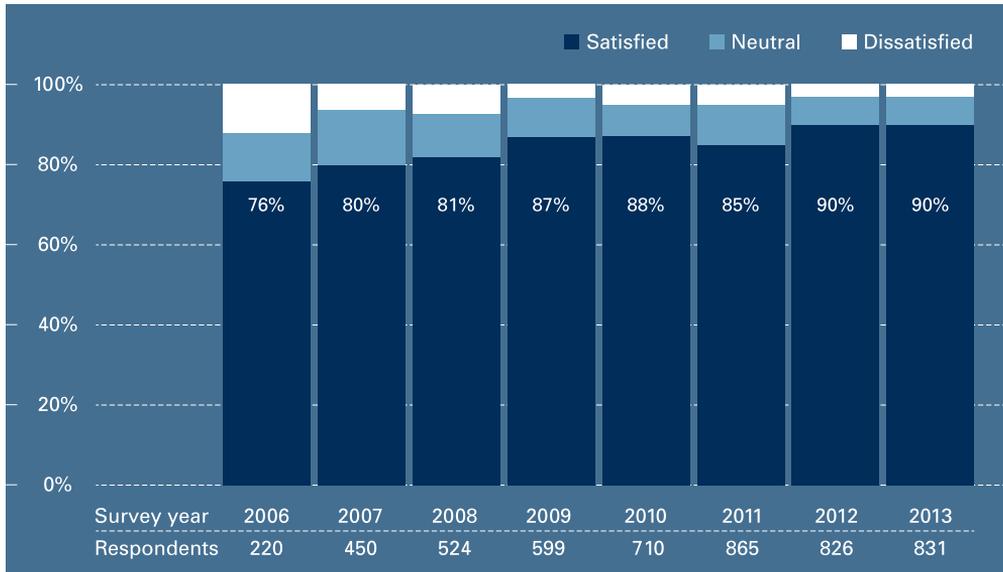
## PERFORMANCE SUMMARY

The AFP met or exceeded targets for all 33 KPIs (Tables 1 to 4). This extends the record of strong results across all programs since comprehensive reporting of KPIs against targets was introduced in 2009–10. The AFP also met all 33 KPI targets last year although the targets were raised in 2012–13 for six indicators (KPIs 19, 21, 22, 30, 32 and 33) and actual performance results improved for 11 indicators (KPIs 1, 6, 8, 11, 19, 21, 24, 26, 31, 32 and 33).

Overall stakeholder satisfaction again reached 90 per cent, which is equal to the highest recorded since the survey commenced (Chart 3). This is an important achievement, given the increasing scope and diversity of the AFP's clients and partners, 831 of whom completed the survey. Of these, 43 per cent were from government, 38 per cent law enforcement and 15 per cent private sector. Over half of the respondents provided additional feedback on their experience of interacting with the AFP, which will inform ongoing business delivery and stakeholder engagement.

CHAPTER 3 PERFORMANCE OVERVIEW

CHART 3. STAKEHOLDER SATISFACTION WITH THE AFP



Source: Business Satisfaction Survey

Program 1.1 National Security – Policing

This program comprises Aviation, Counter Terrorism and Protection. The primary focus of this program is prevention of security threats to Australia, achieved through collaborative policing within the national security sectors.

During 2012–13 the level of cooperation with partners continued to be measured by perceptions of stakeholder satisfaction measured by the AFP Business Satisfaction Survey. Over the past year the National Security program maintained high levels of stakeholder satisfaction, with 94 per cent of respondents being satisfied or very satisfied in 2012–13 compared with 93 per cent during 2011–12 (Table 1, KPI 1).

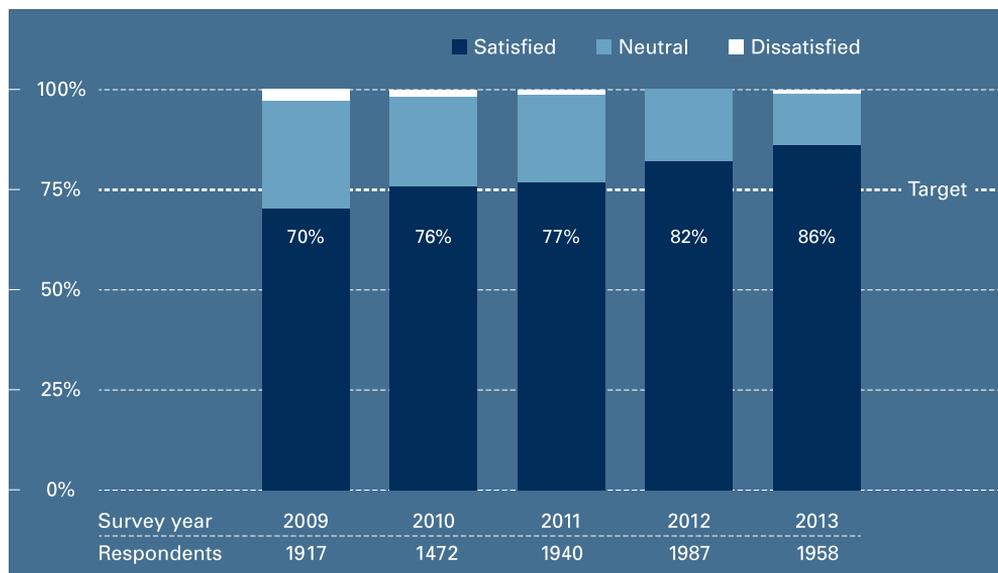
The program’s emphasis on prevention, disruption and investigation is measured by a range of KPIs at the function level. Counter Terrorism exceeded all performance targets surrounding percentage of time on high-impact to very high-impact cases (KPI 2), percentage of investigations that are preventive (KPI 3), percentage of time spent on operational activity (KPI 4) and the percentage of investigations that result in prosecution, disruption or intelligence referral (KPI 5).

The Aviation function performed strongly: all response time targets were achieved (KPI 8), with the response to Priority 1 matters improving from 82 per cent to 85 per cent. The level of community confidence in the AFP’s contribution to law enforcement and security at major Australian airports (KPI 6) continued to increase, reaching 86 per cent (Chart 4). The target of 75 per cent satisfaction was met across all airports this year.

The Protection function also exceeded all KPIs, with nil avoidable incidents being recorded (KPI 11) and with the function continuing its focus on preventive activities across Close Personal Protection (KPI 10) and Uniform Protection (KPI 9).

CHAPTER 3 PERFORMANCE OVERVIEW

CHART 4. COMMUNITY SATISFACTION WITH AVIATION LAW ENFORCEMENT AND SECURITY



Source: Airport Consumer Confidence Survey

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	2011–12	2012–13	Target 2012–13	Met
<b>PROGRAM LEVEL</b>						
KPI 1. Level of external client/stakeholder satisfaction (percentage of clients satisfied or very satisfied) <sup>1</sup>	90%	90%	93%	94%	85%	Yes
<b>COUNTER TERRORISM</b>						
KPI 2. Percentage of time spent on high-impact to very high-impact cases	99%	96%	98%	96%	95%	Yes
KPI 3. Percentage of counter-terrorism investigations that are preventative (not responsive)	100%	100%	100%	100%	100%	Yes
KPI 4. Percentage of time spent on operational activity (versus capacity development activity)	83% v. 17%	82% v. 18%	85% v. 15%	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%	100%	100%	90%	Yes

CHAPTER 3 PERFORMANCE OVERVIEW

PROGRAM 1.1 NATIONAL SECURITY – POLICING (CONTINUED)							
Key performance indicator	2009–10	2010–11	2011–12	2012–13	Target 2012–13	Met	
<b>AVIATION</b>							
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) <sup>2</sup>	76%	77%	82%	86%	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%	95%	90%	70%	Yes	
KPI 8. Response to aviation law enforcement and/or security incidents in accordance with priority response times	Priority 1: within 5 minutes	81%	83%	82%	85%	75%	Yes
	Priority 1: within 10 minutes	95%	97%	97%	97%	90%	Yes
	Priority 2: within 15 minutes	91%	92%	94%	92%	75%	Yes
	Priority 2: within 20 minutes	96%	96%	97%	95%	90%	Yes
	Priority 3: within 90 minutes	99%	99%	100%	99%	75%	Yes
	Priority 3: within 120 minutes	100%	99%	100%	100%	90%	Yes
	Priority 4: within 24 hours	100%	100%	100%	100%	90%	Yes
<b>PROTECTION</b>							
KPI 9. Percentage of time dedicated to preventive versus response activities (Uniform Protection) <sup>3</sup>	n.a. <sup>4</sup>	n.a. <sup>4</sup>	99% v. 1%	99% v. <1%	≥80% v. <20%	Yes	
KPI 10: Percentage of time dedicated to preventive versus response activities (Close Personal Protection) <sup>5</sup>	n.a. <sup>4</sup>	n.a. <sup>4</sup>	21% v. 79%	32% v. 68%	<40% v. ≥60%	Yes	
KPI 11: Number of avoidable incidents per 5000 hours <sup>6</sup>	n.a. <sup>4</sup>	n.a. <sup>4</sup>	0.03	0.00	<4	Yes	

- KPI 1 is based on the AFP Business Satisfaction Survey.
- KPI 6 is based on the AFP Airport Consumer Confidence Survey.
- Preventive activities for Uniform Protection include active patrolling, monitoring of electronic measures, alarms and closed-circuit television, and access/egress support. Response activities include response to security incidents.
- Not applicable – new KPI introduced in 2011–12.
- Preventive activities for Close Personal Protection include close personal protection advances, major event planning and training. Response activities include provision of close personal protection and operational responses to major events.
- Avoidable incidents are defined as incidents that could have been avoided through physical action, intervention or reasonable intelligence and that result in death, injury or loss of dignity or embarrassment to those individuals and interests identified by the Australian Government or the AFP as being at risk.

CHAPTER 3 PERFORMANCE OVERVIEW

## Program 1.2 International Deployments

The International Deployment Group (IDG) contributes to national security by providing policing support and policing capacity development to enhance the rule of law internationally.

The IDG exhibited positive outcomes through sustaining high-satisfaction ratings from both international and domestic stakeholders (KPIs 12 and 13) and obtaining positive feedback in specific internal and external reviews (KPI 14). In 2012–13 the IDG completed the implementation of its performance assessment framework (KPI 15). The resource distribution remained consistent with the World Bank’s rule of law indicators (KPI 16) and maintained a regional focus, with 88 per cent of IDG resources committed to countries in the Asia–Pacific region (KPI 17).

TABLE 2. PERFORMANCE OF INTERNATIONAL DEPLOYMENTS IN RELATION TO PBS KPIS

PROGRAM 1.2 INTERNATIONAL DEPLOYMENTS							
Key performance indicator		2009–10	2010–11	2011–12	2012–13	Target 2012–13	Met
Level of external client/stakeholder satisfaction (percentage of clients satisfied or very satisfied) <sup>1</sup>	KPI 12. International clients	82%	100%	100%	100%	80%	Yes
	KPI 13. Australian clients/stakeholders	85%	91%	88%	87%	85%	Yes
KPI 14. Quality assurance review feedback from internal and external reviews		Positive feedback	Positive feedback	Positive feedback	Positive feedback <sup>2</sup>	Positive feedback	Yes
KPI 15. New performance framework based on the University of Queensland project: Measuring the impact of IDG’s contribution to peace operations and international capacity building		On schedule	Finalised	Implementing	Implemented <sup>3</sup>	Implementation	Yes
KPI 16. Percentage of mission resources committed to countries with rule of law indicators below the international median <sup>4</sup>		n.a.	94%	90%	90%	80%	Yes
KPI 17. Percentage of mission resources committed to countries in the Asia–Pacific region		n.a.	92%	90%	88%	85%	Yes

1. KPI 12 and KPI 13 are based on the AFP Business Satisfaction Survey.
2. The KPI 14 rating for 2012–13 is based on positive feedback from internal reviews of the Cyprus mission and the South Sudan mission and an external review of the Vanuatu Australia Police Project.
3. The KPI 15 rating for 2012–13 is based on the integration of University of Queensland performance assessment methodology into the monitoring and evaluation of overseas operations to better align police development assistance with AusAID aid delivery best practice.
4. For KPI 16 the international median is based on annual rule of law figures published by the World Bank.

CHAPTER 3 PERFORMANCE OVERVIEW

Program 1.3 Operations – Policing

The Operations – Policing program comprises the Serious and Organised Crime function and the Crime Operations function and is collectively referred to as the Crime Program.

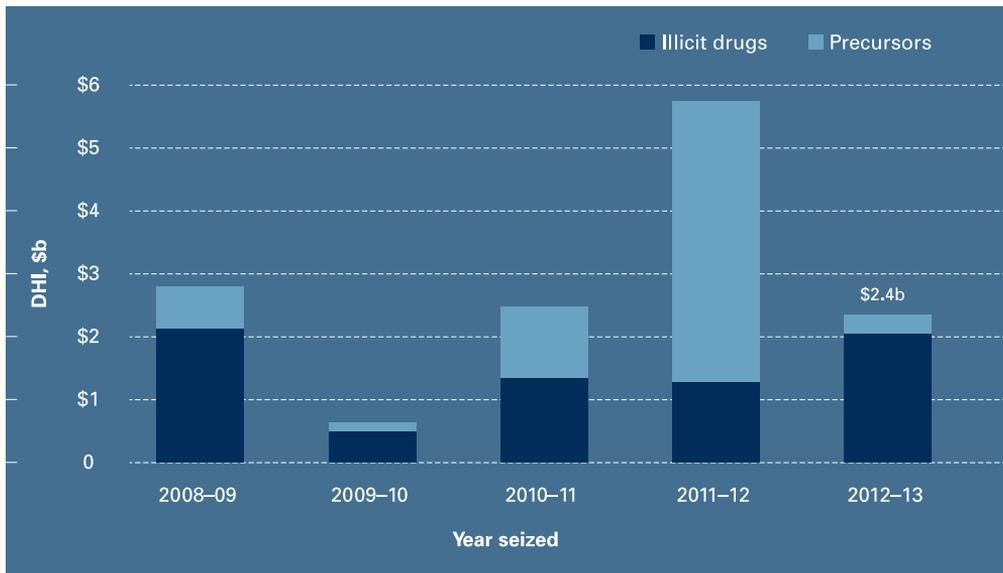
The success of the multidimensional approach of the Crime Program remains evident in the high level of overall external stakeholder satisfaction, as measured by the AFP Business Satisfaction Survey (86 per cent, KPI 18). Other indicators also reflect the continued and increasing adherence to strategies within the Organised Crime Strategic Framework such as:

- joint agency serious and organised crime investigations (KPI 19, 60 per cent)
- targeting the criminal economy (KPI 21, 32 per cent).

The success of the cooperative multi-agency approach is evident from results contained within the 2011–12 Illicit Drug Data Report (IDDR) released by the Australian Crime Commission in May 2013. Analysis of IDDR data highlights both the success and effectiveness of multi-agency approaches led by the AFP, accounting for 93 per cent (by weight) of all cocaine, 72 per cent of heroin and 70 per cent of amphetamine seizures nationally.

This success in the seizure of illicit drugs and identified precursors (Chart 5) translates into an estimated savings to the community of over \$2 billion, details of which are provided in Chapter 4.

CHART 5. TREND IN THE AFP DRUG HARM INDEX, 2013



Notes. Values are based on AFP seizures (excludes international seizures).

Variations from previously published figures are due to revisions in Drug Harm Index methodology (CPI increase and updates to seizure and purity trends, and relative harm rankings).

CHAPTER 3 PERFORMANCE OVERVIEW

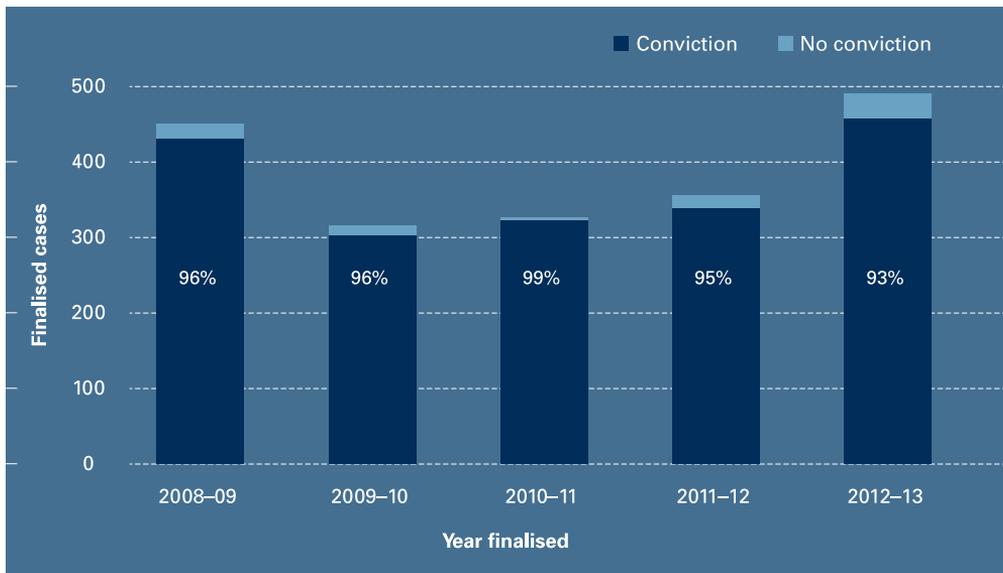
Thirty-two per cent of Crime Program investigations targeted the criminal economy either through primary or secondary financial investigations. This contributed to \$62.5 million of criminal assets being restrained (KPI 22) by the Criminal Assets Confiscation Taskforce, which exceeds the target (average of the previous five years) of \$39.2 million.

The success of both fraud and drug investigations is reflected in a positive return on investment (KPI 20). This highlights that the social benefits derived from disrupting crime (through finalised drug and economic investigations) far outweigh the costs of investigations, legal processes and detainment. Note that the estimated financial return through successful fraud investigations was \$757 million in 2012–13.

An overall conviction rate of 91 per cent was achieved among all Crime Program cases reaching court (KPI 23). This exceeded the target of 90 per cent but is marginally lower than previous years. The decline has been influenced by the complexity of a number of people-smuggling cases that have not led to a conviction.

The proportion of convictions for all AFP cases is marginally lower in 2012–13; however, the number of finalised court outcomes increased by 38 per cent during this period (490 versus 355 cases, Chart 6).

CHART 6. OUTCOMES FOR ALL AFP CASES REACHING COURT AND FINALISED IN THE PAST FIVE YEARS



Note: 'Conviction' denotes cases with at least one defendant convicted or the case is proven without conviction.

CHAPTER 3 PERFORMANCE OVERVIEW

TABLE 3. PERFORMANCE OF OPERATIONS – POLICING IN RELATION TO PBS KPIS

PROGRAM 1.3 OPERATIONS – POLICING						
Key performance indicator	2009–10	2010–11	2011–12	2012–13	Target 2012–13	Met
KPI 18. Level of external client/ stakeholder satisfaction (percentage of clients satisfied or very satisfied) <sup>1</sup>	n.a.	82%	92%	86%	80%	Yes
KPI 19. Percentage of serious and organised crime operations conducted under joint agency investigations <sup>2</sup>	n.a.	51%	58%	60%	60% <sup>3</sup>	Yes
KPI 20. Return on investment for investigation of transnational crime	n.a.	13	8	7	>1	Yes
KPI 21. Percentage of cases targeting the criminal economy <sup>4</sup>	n.a.	18%	31%	32%	25% <sup>5</sup>	Yes
KPI 22. Assets restrained <sup>6</sup>	\$19.1m	\$21.4m	\$90.9m	\$62.5m	Increase	Yes
KPI 23. Percentage of cases before court that result in conviction	96%	99%	95%	91%	90%	Yes

1. KPI 18 is based on the AFP Business Satisfaction Survey.
2. KPI 19 formerly referred to joint agency agreements. This definition better captures the level of joint operations.
3. The KPI 19 target increased from 55 per cent in 2011–12 to 60 per cent in 2012–13.
4. The KPI 21 business rule was re-evaluated in 2011–12 to capture both primary and secondary financial investigations.
5. The KPI 21 target has increased from 20 per cent in 2011–12 to 25 per cent in 2012–13.
6. The KPI 22 target reflects increased movements in value above the previous 5-year average. Previously reported assets restrained figures have been updated to reflect a consistent definition across years. The target based on previous reported figures \$44.9 million and current figures \$39.2 million has been exceeded.

CHAPTER 3 PERFORMANCE OVERVIEW

### Program 1.4 Close Operations Support

The Close Operations Support program provides specialist support to the AFP national security, international deployments and operations programs, particularly to address advancements in technology and science. It is comprised of AFP Forensic and Data Centres, High Tech Crime Operations, Intelligence, Operations Support, Legal and Proceeds of Crime Litigation.

Client satisfaction increased from 90 per cent in 2011–12 to 91 per cent in 2012–13 (KPI 24, Table 4). Strong results were posted for each of the component areas (Forensic and Data Centres 93 per cent, High Tech Crime Operations 92 per cent, Operations Support 90 per cent and Intelligence 89 per cent).

Forensic and Data Centres met its service-level targets for quality (KPI 25), timeliness (KPI 26), throughput (KPI 27) and capacity building (KPI 28).

High Tech Crime Operations exceeded its investigations targets for case prioritisation of high-impact cases (KPI 29), case throughput (KPI 30) and positive case outcomes (KPI 31). High Tech Crime Operations reported 101 high-impact cases before court (KPI 30). This is well above the target (80 cases). A 100 per cent conviction rate was achieved for cases reaching court (KPI 31). High Tech Crime Operations also exceeded its targets for increasing technology crime awareness of internal staff (KPI 32) and the school community (KPI 33).

TABLE 4. PERFORMANCE OF CLOSE OPERATIONS SUPPORT IN RELATION TO PBS KPIS

PROGRAM 1.4 CLOSE OPERATIONS SUPPORT						
Key performance indicator	2009–10	2010–11	2011–12	2012–13	Target 2012–13	Met
<b>PROGRAM LEVEL</b>						
KPI 24. Level of external client/ stakeholder satisfaction (percentage of clients satisfied or very satisfied) <sup>1</sup>	84%	84%	90%	91%	85%	Yes
<b>FORENSIC AND DATA CENTRES</b>						
KPI 25. National Association of Testing Authorities Accreditation (ISO 17025) in all relevant forensic disciplines	Current	Current	Current	Current	Maintained	Yes
KPI 26. Provision of timely technical intelligence to the AFP and partner agencies (percentage of responses within five business days)	n.a.	91%	95%	98%	90%	Yes
KPI 27. Number of forensic service requests completed	n.a.	Above lower limit	Inside limits	Above lower limit	Within 95% limits <sup>2</sup>	Yes
KPI 28. Offshore capacity-building projects (percentage of scheduled deliverables completed)	n.a.	100%	100%	100%	80%	Yes

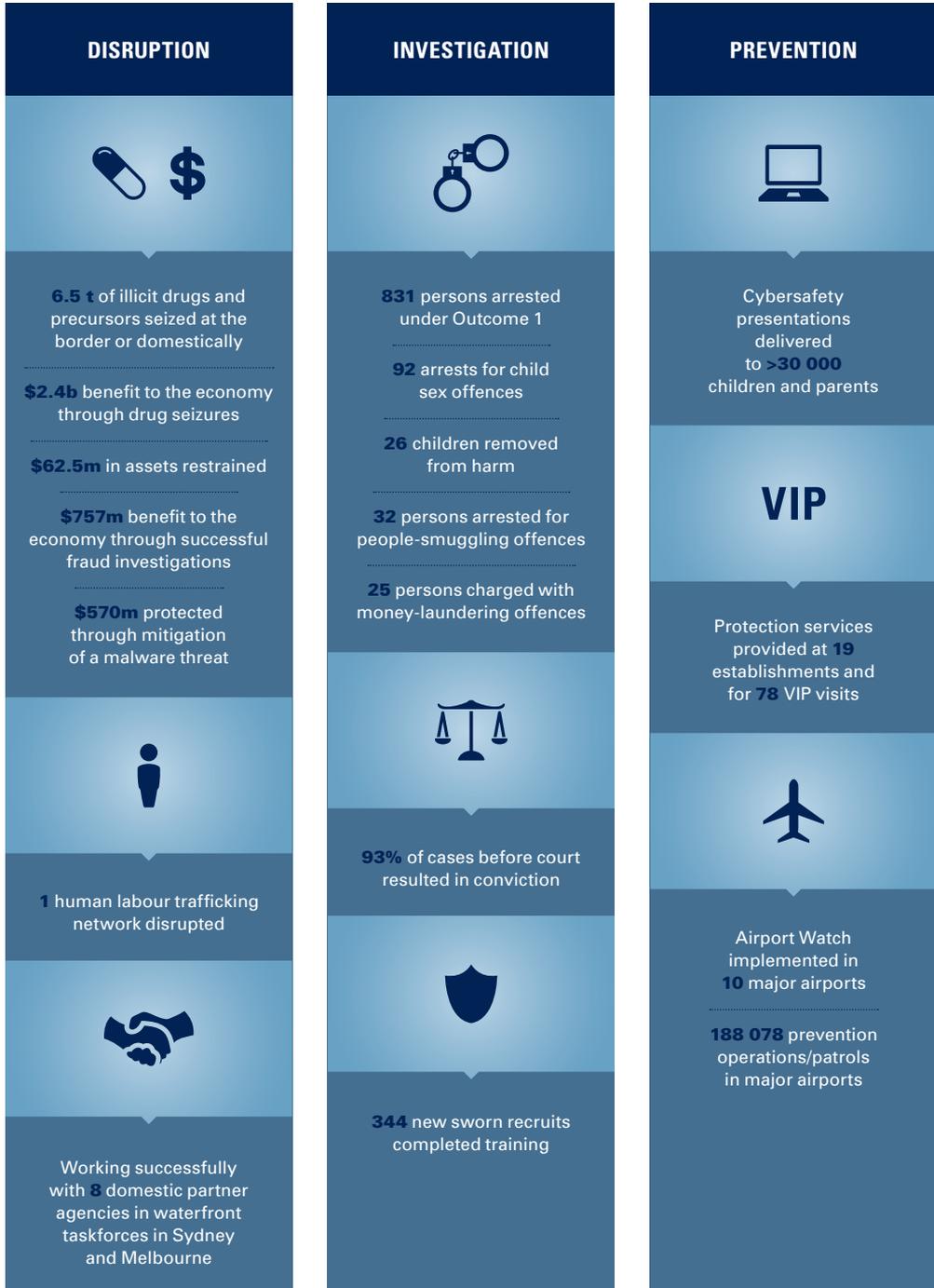
CHAPTER 3 PERFORMANCE OVERVIEW

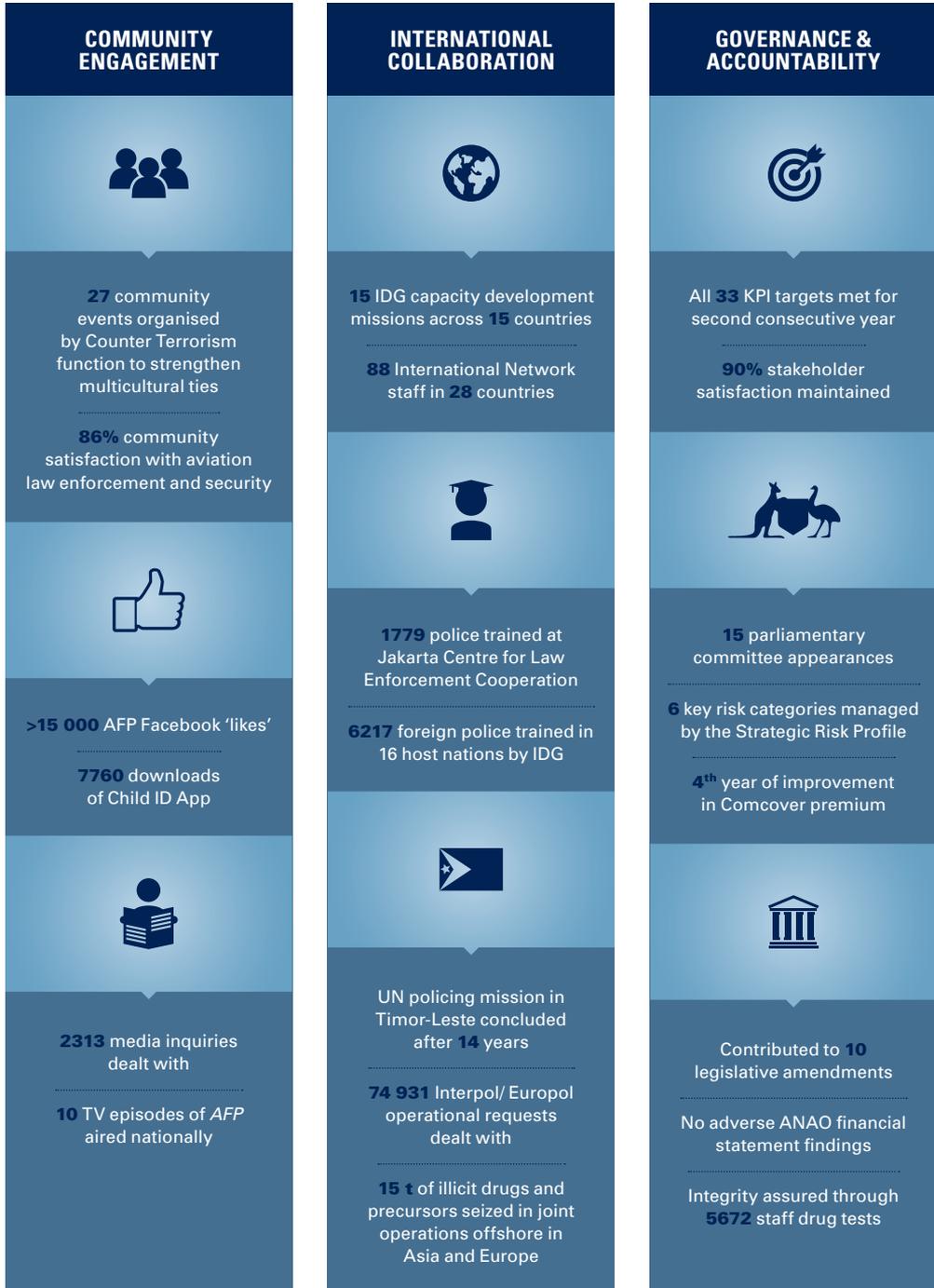
PROGRAM 1.4 CLOSE OPERATIONS SUPPORT (CONTINUED)						
Key performance indicator	2009–10	2010–11	2011–12	2012–13	Target 2012–13	Met
<b>HIGH TECH CRIME OPERATIONS</b>						
KPI 29. Investigations: percentage of time spent on high-impact to very high-impact cases	97%	95%	86%	86%	80%	Yes
KPI 30. Investigations: number of high-impact to very high-impact cases reaching court	n.a.	73	109	101	80 <sup>3</sup>	Yes
KPI 31. Investigations: percentage of cases before court that result in conviction	97%	97%	99%	100%	90%	Yes
KPI 32. Percentage of AFP personnel having completed technology-related (Tier 1) training	n.a.	64%	80%	92%	60% <sup>4</sup>	Yes
KPI 33. Increased or reinforced cybersecurity awareness (percentage of surveyed sample indicating increased awareness or reinforced awareness post-delivery of presentations)	83%	82%	86%	88%	85% <sup>5</sup>	Yes

1. KPI 24 is based on the AFP Business Satisfaction Survey. The target increased from 80 per cent in 2010–11 to 85 per cent in subsequent years.
2. The KPI 27 target is 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.
3. The KPI 30 target increased from 70 in 2011–12 to 80 in 2012–13. (This target was incorrectly reported as 703 in the previous annual report due to a typesetting error.)
4. The KPI 32 target increased from 40 per cent in 2011–12 to 60 per cent in 2012–13.
5. The KPI 33 target increased from 80 per cent in 2011–12 to 85 per cent in 2012–13.



# AFP at a glance 2012–13





## CHAPTER 3 PERFORMANCE OVERVIEW

## Outcome 2

### ACT POLICING

ACT POLICING PROVIDES A SAFE AND SECURE ENVIRONMENT THROUGH POLICING ACTIVITIES ON BEHALF OF THE AUSTRALIAN CAPITAL TERRITORY GOVERNMENT.

ACT Policing is the community policing arm of the AFP. Its role is to deliver quality policing services to create a safer and more secure community. In accordance with the Purchase Agreement, the four main outputs against which ACT Policing's performance is measured are:

1. Crime and safety management
2. Traffic law enforcement and road safety
3. Judicial operations
4. Crime prevention.

The Purchase Agreement is between the ACT Minister for Police and Emergency Services, the Commissioner of the AFP and the Chief Police Officer for the ACT. The Purchase Agreement specifies the type, level and cost of the services that the ACT Government requires from ACT Policing on an annual basis. In addition, the Minister for Police and Emergency Services issues a Ministerial Direction in which he outlines the special areas of focus for the year.

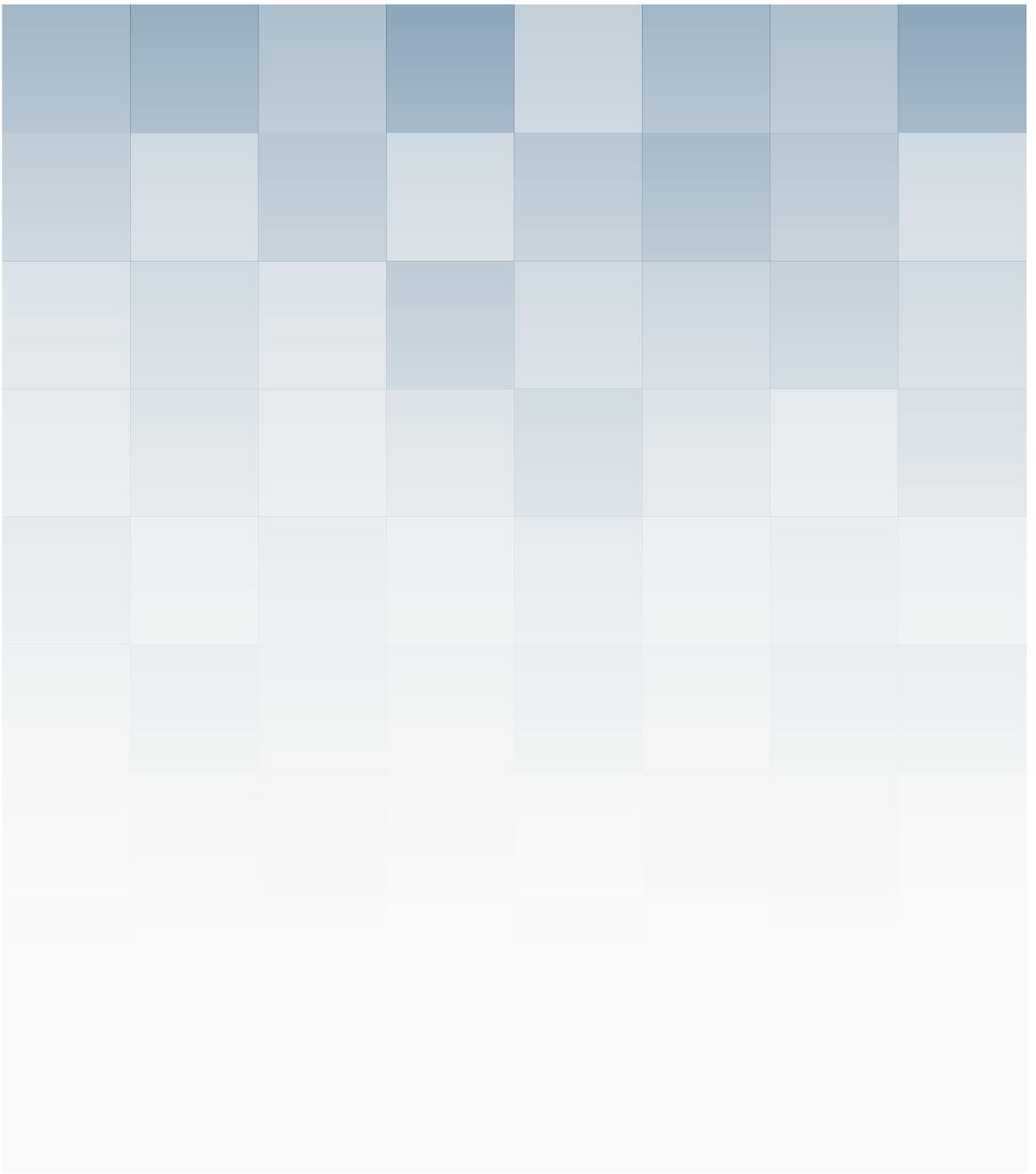
ACT Policing provides quality policing services, including community policing and the investigation of crime, in partnership with government and non-government agencies and the broader community.

More information on ACT Policing, including performance against targets can be found in the ACT Policing annual report available at [www.afp.gov.au](http://www.afp.gov.au) or through ACT Policing Media and Marketing on (02) 6264 9460 or [act-police-marketing@afp.gov.au](mailto:act-police-marketing@afp.gov.au).



AFP Commissioner Tony Negus greets Governor-General Quentin Bryce at the National Police Remembrance Day Service in Canberra in September 2012







## CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS

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## CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS

## Program 1.1 National Security – Policing

### COUNTER TERRORISM

THE COUNTER TERRORISM FUNCTION PREVENTS, DISRUPTS AND INVESTIGATES TERRORIST ACTIVITY AGAINST AUSTRALIA AND AUSTRALIAN INTERESTS BOTH DOMESTICALLY AND INTERNATIONALLY.

#### Highlights

##### Counter Terrorism:

- resolved Operation Astley, which included the arrest of one person for ‘collecting or making documents likely to facilitate terrorist acts’ in Victoria in September 2012
  - This was the result of a protracted Joint Counter Terrorism Team investigation that harnessed resources from the AFP, Victoria Police and the Australian Security Intelligence Organisation.
- provided investigative support to the Philippines National Police Anti-Kidnapping Group in its investigation of the 2011 kidnapping of an Australian citizen in southern Philippines
  - This collaborative engagement successfully resulted in the individual’s release in March 2013 following over 12 months in captivity.
- investigated and prosecuted a man for offences related to training in the use of arms or explosives or the practice of military exercises with the intention of committing an offence against section 6 of the *Crimes (Foreign Incursions and Recruitment) Act 1978*
  - The man has subsequently pleaded guilty to this charge.
- established a Counter Terrorism Liaison Officer position in Beirut, Lebanon
- implemented the AFP Countering Violent Extremism Strategy and hosted a colloquium aimed at consolidating a nationwide approach to countering violent extremism
- enhanced capacity and capability to identify, deter, prevent, disrupt and investigate terrorist activities through delivery of counter-terrorism training both domestically and internationally.

In 2012–13 the Counter Terrorism function met all key performance targets through:

- 100 per cent of counter-terrorism activities being preventive
- 96 per cent of resources being directed to high-impact and very high-impact cases
- 82 per cent of resources being devoted to operational activity and 18 per cent devoted to capacity development activity
- 94 per cent of external clients being satisfied
- 100 per cent of counter-terrorism investigations resulting in a prosecution, disruption or intelligence referral outcome.

## CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS

### Engagement to combat terrorism regionally and globally

The AFP's Counter Terrorism function remains committed to strengthening collaboration with domestic and international partners in order to safeguard Australia's national security, respond to emerging threats and prevent terrorism at its source.

#### INTERNATIONAL COOPERATION

AFP Counter Terrorism International Investigations, in collaboration with the Australian intelligence community and international partners, investigates Australian citizens who are alleged or known to be involved in terrorist activity offshore. A key focus of counter-terrorism investigations in the current operating environment is mitigating the threat posed by the increasing number of Australians who travel overseas to participate in training with terrorist groups or fight in conflict zones. Of concern are those individuals who may return to Australia with extremist views, enhanced skills and combat experience and who may encourage planning attacks against Australians and Australian interests.

##### *Counter Terrorism liaison officers*

Counter Terrorism liaison officers work with host country law enforcement counterparts to promote information exchange on counter-terrorism matters of mutual interest and emerging terrorism trends and issues. In February 2013 the AFP established the Counter Terrorism Liaison Officer position in Beirut, Lebanon. The Counter Terrorism Liaison Officer in Beirut works with law enforcement partners in Lebanon and across the Middle East on counter-terrorism investigations and capacity development initiatives. This supplements existing liaison officer positions in Washington DC, London, Jakarta and Islamabad and strengthens the AFP's collaboration on counter-terrorism matters with foreign law enforcement counterparts.

##### *Counter Terrorism Regional Cooperation Teams*

The Counter Terrorism Regional Cooperation Teams in Jakarta and Manila and the Training and Development Centre in Bangkok provide investigative, forensic and analytical support to regional partners in counter-terrorism investigations. During the reporting period, AFP Counter Terrorism co-hosted a Counter Terrorism Leaders' Forum in Thailand and a working group meeting in Indonesia. This forum brought together senior regional law enforcement representatives to enhance regional cooperation and coordination in countering transnational terrorism threats.

The AFP's Counter Terrorism function, through its international liaison officers and Regional Cooperation Teams, collaborates with international partners and other Australian Government agencies domestically and offshore to ensure a whole-of-government approach to fighting terrorism at its source. During the reporting period, the AFP contributed to an Australian whole-of-government response to the 2011 kidnapping of an Australian citizen in southern Philippines, coordinated through the Department of Foreign Affairs and Trade. The AFP provided investigative support to the Philippines National Police Anti-Kidnapping Group, the lead agency responsible for investigating the kidnapping. The individual's safe release from captivity in March 2013 was a significant outcome for the Philippines National Police and demonstrates how a cooperative relationship with Australian Government and international partners remains the best approach to countering terrorism.

## CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS

### NATIONAL COOPERATION

The AFP continues to be concerned by the increasing risk of home-grown terrorists and the 'lone actor' threat. This threat has intensified with a growth in self-radicalisation which is facilitated by new communication tools. The 2012–13 financial year was marked by international terrorist attacks in London and Boston, which highlighted not only the threat and risk that lone actors pose but also the difficulty in identifying vulnerable and at-risk lone actors prior to their committing an act. The AFP continues to engage with its counterparts to address this challenge.

#### *Joint Counter Terrorism Teams*

The AFP continues to maintain Joint Counter Terrorism Teams in each jurisdiction comprising AFP, state and territory police, Australian Security Intelligence Organisation officers and members from other relevant agencies. The teams conduct investigations to prevent, respond to and investigate terrorist threats and attacks in Australia.

In conjunction with its Commonwealth, state and territory counterparts, the Counter Terrorism function continues to devote significant resources to the investigation of persons and groups across Australia with a focus on allegations of terrorist activity and terrorist financing.

#### OPERATION KATZ

During the reporting period the AFP, in cooperation with Queensland Police and Victoria Police, investigated a number of people with respect to allegations of travelling overseas to undertake training to assist in the participation of hostile activity offshore.

One man was subsequently prosecuted for offences related to training in the use of arms or explosives or the practice of military exercises with the intention of committing an offence against section 6 of the *Crimes (Foreign Incursions and Recruitment) Act 1978*. The man has pleaded guilty to this charge.

#### OPERATION ASTLEY

Operation Astley was a Joint Counter Terrorism Team investigation that was undertaken by the AFP, Victoria Police and the Australian Security Intelligence Organisation into a group of seven Melbourne-based individuals alleged to be in possession of items and documents connected with terrorist acts. The overt action in September 2012 involved approximately 120 police officers, who executed 11 simultaneous warrants throughout Melbourne.

To date one individual has been charged in relation to this investigation. The individual was charged with four counts of 'collecting or making documents likely to facilitate terrorist acts' pursuant to section 101.5 of the *Criminal Code Act 1995* (Cth).

The resolution of Operation Astley in September 2012 highlighted the complexity of counter-terrorism investigations including collecting evidence, analysing a large volume of information and translation issues.

## CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS

### Enhancing capacity and capability

The AFP remains committed to enhancing the counter-terrorism capabilities of domestic and international law enforcement counterparts. During the reporting period, the AFP delivered counter-terrorism training to 97 members of the AFP and domestic Joint Counter Terrorism Team partners, as well as to 40 members of international law enforcement agencies in the region.

In May 2013 the AFP, in collaboration with counter-terrorism partners from the United States, United Kingdom, Canada and New Zealand, delivered the first global phase of the Leadership in Counter-Terrorism (LinCT) program. This is the first LinCT program delivered on a global platform and has replaced the previous LinCT Pacific and Atlantic programs. The program was hosted and coordinated by the Australian Institute of Police Management and is designed to build leadership capability to address strategic challenges confronting senior law enforcement and intelligence practitioners preventing and responding to the threat of terrorism.

Specialist capabilities were also a focus during the reporting period. In May 2013 the Terrorism Financing Investigations Unit held a one-week Terrorism Financing Investigations Workshop at the Jakarta Centre for Law Enforcement Cooperation. Representatives from Indonesia, Philippines, Thailand, Malaysia, United Kingdom, Canada and New Zealand participated in the workshop. The workshop raised awareness of terrorism financing and financial intelligence techniques, built capacity in the region and encouraged and built linkages between countries.

#### EXERCISE TENNEY

Exercise Tenney, a collaborative program funded by the Australia – New Zealand Counter Terrorism Committee, was undertaken throughout the year for each Joint Counter Terrorism Team. This culminated in a multijurisdictional exercise with senior executive participation from the AFP, Australian Security Intelligence Organisation and state and territory police forces, as well as the Commonwealth Director of Public Prosecutions. The exercise was developed collegiately by the AFP, Australian Security Intelligence Organisation and the Attorney-General's Department and was designed to enhance the skills of all participants.

## CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS

## Community engagement

In 2012–13 the AFP's Community Liaison Teams in Sydney and Melbourne were involved in a number of community engagement activities, including the annual Eid ul-Fitr dinners, aimed at strengthening ties with various ethnic and religious communities. During the reporting period national community liaison capability was enhanced with the establishment of a dedicated resource in Brisbane Office. The AFP contributed to the development of whole-of-government messaging to assist in building community resilience to violent extremism, which has been disseminated to key community leaders to inform dialogue with their respective communities.

In Melbourne the Community Liaison Team continued the successful Unity Cup sporting initiative in partnership with the Australian Football League and various government and private sponsors. The Unity Cup program involved football matches, workshops, camps and graduation dinners and was focused on stronger interaction between police, Muslim youth, and youth from other communities and religions.

Other events included the International Women's Day luncheons in Sydney and Melbourne, which are an important part of the Community Liaison Teams' engagement with Muslim women's groups and key female leaders. Such events provide an opportunity for the Community Liaison Teams to connect Muslim women with positive role models from the general community.



An AFP Community Liaison Team member (centre) is pictured with two community members at the United Nations International Women's Day in Sydney in March 2013. The AFP also attended events in Melbourne, Canberra, Beijing and Port Moresby.

## CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS

## AVIATION

THE AVIATION FUNCTION PREVENTS AND RESPONDS TO CRIME AT AUSTRALIA'S MAJOR AIRPORTS BY PROVIDING SWORN POLICE TO PERFORM COUNTER-TERRORIST FIRST RESPONSE AND COMMUNITY POLICING ROLES.

### Highlights

In 2012–13 Aviation:

- conducted 188 078 prevention operations, patrols and other activities to reduce the likelihood of terrorist or criminal activity occurring within the airport environment
- responded to 22 340 incidents
- responded to and appraised 3422 unattended items through its bomb appraisal officers
- arrested 392 people
- charged 35 people before the court
- summonsed 229 people
- cautioned 720 people
- made 55 deployments to regional airports
- executed 180 warrants on behalf of state and territory jurisdictions, with an additional two on behalf of New Zealand Police and two on behalf of the Australian Defence Force
- successfully completed the transition from the Unified Policing Model to the 'All-In' Model under Project Macer and Project Guild
- continued the implementation of Program Jupiter, with the completion of three new AFP operations centres and one canine operations centre.

### Airport policing

The Aviation Policing function is led by an Airport Police Commander located at each of the 10 major airports: Sydney, Melbourne, Brisbane, Canberra, Perth, Adelaide, Darwin, Hobart, Cairns and the Gold Coast. The Airport Police Commander is responsible for the coordinated command and control of aviation security and policing activities at each major airport.

Aviation members have continued to provide a national and community policing service and counter-terrorist first response at airports, as well as support to AFP Crime Operations on border-related matters. Through this policing service, Aviation members have conducted criminal investigations into aviation-specific crime, maintained a highly visible patrolling presence, responded to community policing incidents and conducted incident preparedness exercises at all major airports. In the 2012–13 financial year Airport Uniformed Operations Police arrested 362 people, resulting in 584 charges.

During the 2012–13 reporting period Aviation members worked cooperatively with state and territory police, New Zealand Police and the Australian Defence Force, executing a total of 184 arrest warrants related to state/territory matters such as attempted robbery, theft, indecent assault and breach of bail conditions.

## CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS

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

Joint Airport Investigation Teams (JAITs) continue to provide a specific airport and airstream investigations capability. The JAITs are staffed with AFP members, personnel drawn from Australian Customs and Border Protection Service and seconded state and territory police officers. JAITs proactively target serious and organised criminality and 'trusted insiders' such as aviation employees who exploit, or aim to exploit, infrastructure and security vulnerabilities at the 10 major airports.

In the 2012–13 financial year, JAITs arrested 30 people, resulting in 91 charges.

### OPERATION HAYMAN

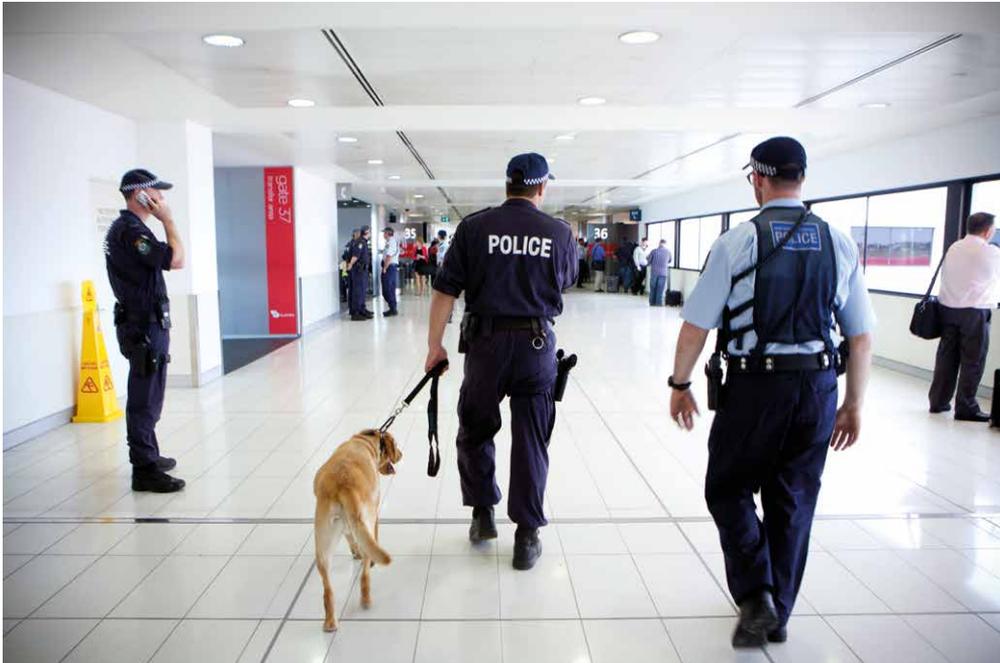
Operation Hayman, a joint investigation with the New South Wales Police Force, Australian Customs and Border Protection Service and Hong Kong Customs and Excise, commenced in February 2012. The investigation focused on alleged border-controlled drug importations by trusted insiders employed by a commercial airline at Sydney International Airport. The investigation revealed the airline trusted insider was using his position to access border-controlled drugs which were concealed by couriers within panelling on aircraft arriving from Hong Kong. The criminal syndicate used this method to import cocaine and methamphetamine. It is alleged the trusted insider would remove the concealed drugs and drive them out of the airside secure area to his personal vehicle. The investigation thus far has resulted in the arrest of two offenders, the seizure of 1 kilogram of cocaine, 5 kilograms of methamphetamine and \$1.6 million in cash. These results show the ongoing commitment of involved agencies in cooperative policing measures against organised crime activities.



### Airport Watch

Aviation implemented Airport Watch at the 10 major airports. Airport Watch is the AFP's aviation community crime prevention strategy and encourages people working or conducting business at airports to identify and report suspicious behaviour to the AFP.

CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS



Aviation members patrolling at Sydney Airport

Aviation attributed 17 712 hours towards Outcome 1 Crime Operations activity in 2012–13. The following outcomes are examples of Aviation’s effort in support of Crime Program operations in Australia:

- On 11 September 2012 a male was arrested and charged for attempting to import approximately 5 kilograms of cocaine.
- On 13 November 2012 two females were arrested and charged for attempting to import approximately 12 kilograms of methamphetamine.
- On 26 November 2012 a male was arrested and charged for attempting to import approximately 3 kilograms of cocaine.
- On 17 March 2013 two males were arrested and charged for attempting to import approximately 5 kilograms of heroin.
- On 22 May 2013 a male was arrested and charged for attempting to import approximately 5 kilograms of heroin.
- On 1 June 2013 a female was arrested and charged for attempting to import approximately 1.9 kilograms of ketamine (precursor for methamphetamine).

## CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS

### PROJECT MACER AND PROJECT GUILD

Aviation has fully transitioned to the 'All-In' Model, as outlined in the Federal Audit of Police Capabilities conducted by Mr Roger Beale AO. Projects Macer and Guild were completed two years ahead of predicted delivery with the implementation of the 'All-In' Model on 30 June 2013. The successful completion of these projects saw 93 protective service officers undergo a transition to AFP sworn officer status in this reporting period. Through this process Aviation has achieved efficiencies by consolidating administrative and operational resources.

The approach towards the delivery of these projects was dynamic and cognisant of jurisdictional requirements. Recruitment occurred both internally and externally. Aviation maintained operational capability and continually engaged with internal and external stakeholders, including industry partners, throughout the process.

### PROGRAM JUPITER

Program Jupiter continued to deliver long-term, purpose-built, high-quality AFP police facilities in support of the major airports. Three AFP aviation operations centres and one canine operations centre were completed and occupied during this reporting period:

- Darwin Canine Operations Centre
- Canberra Aviation Operations Centre
- Adelaide Aviation Operations Centre
- Brisbane Aviation Operations Centre.

Program Jupiter objectives have been delivered on time and within budget.

### AFP NATIONAL CANINE PROGRAM

The AFP National Canine Program continues to provide a highly mobile and effective screening capability over a wide variety of search areas including terminals, baggage, aircraft, vehicles and freight.

During 2012–13, the AFP National Canine teams conducted:

- 11 991 firearms and explosives detection dog searches
- 2449 currency and drug detection dog searches
- 251 firearms and explosives detection dog and 141 currency and drug detection dog external searches (which included assistance to other AFP functions and external agencies).

## CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS

## PROTECTION

THE PROTECTION FUNCTION ENSURES THAT INDIVIDUALS AND INTERESTS IDENTIFIED BY THE COMMONWEALTH TO BE AT RISK ARE KEPT SAFE FROM ACTS OF TERRORISM, CRIME AND ISSUE-MOTIVATED VIOLENCE. THIS IS ACHIEVED THROUGH INTELLIGENCE AND RISK-BASED APPROACHES IN PARTNERSHIP WITH OTHER COMMONWEALTH, STATE AND TERRITORY GOVERNMENT AGENCIES.

### Highlights

In 2012–13 Protection:

- provided rapid response and ongoing support to the Department of Immigration and Citizenship in planning, coordinating and providing air security escort services for the movement of unauthorised maritime arrivals
- participated in planning, conducting and evaluating security-related exercises, including a major exercise designed to test the response, command, control and coordination arrangements for a terrorism incident at the Australian Nuclear Science and Technology Organisation in Lucas Heights
- focused on maintaining high levels of service delivery to cost-recovery clients in terms of prevention, deterrence and response – for example, AFP protective service officers disrupted and prevented an attempt to breach security at the Australian Nuclear Science and Technology Organisation
- planned, coordinated and deployed capabilities in support of special events in Australia and overseas, including the
  - London 2012 Olympic and Paralympic Games
  - Anzac Day ceremonies in Turkey and France
- continued to participate and cooperate with Commonwealth, state and territory partner agencies to provide effective close personal protection, nationally and overseas, including for visits to Australia by:
  - His Royal Highness The Prince of Wales and The Duchess of Cornwall
  - His Holiness, the 14<sup>th</sup> Dalai Lama, Tensin Gyatso
  - President of the Republic of the Union of Myanmar, His Excellency U Thein Sein
  - President of the Philippines, His Excellency Benigno 'Noy' Aquino III
  - President of Singapore, Dr Tony Tan Keng Yam
  - Her Royal Highness Princess Bajrakitiyabha of Thailand.

## CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS

Successful planning, preparedness, response and recovery in the context of Protection's business requires a concentration of resources on the prevention of criminal acts, including issue-motivated violence and terrorism. This is supported with intelligence-led threat and risk analysis. Deterrence is achieved through the deployment of highly qualified Protection capabilities. Activities include active patrolling, close personal protection and proactive responses during security operations and incidents.

Protection also provides support to major events, and strategic and operational advice related to protective security policies and measures to key Commonwealth, state and territory agencies and international stakeholders and partners.

The delivery of protective security services occurs in a range of settings and is informed by a decision-making framework that focuses on intelligence and risk analysis, information sharing and collaborative solutions.

### OPERATION DUVAL

In September 2012 at the request of the Department of Immigration and Citizenship, the AFP led Operation Duval to provide air escort services for the movement of unauthorised maritime arrivals to designated regional processing centres. Protection undertook 37 full air escort operations and an additional 33 air escort support operations.

### OPERATION ETON

Protection has an ongoing commitment to deploy protective service officers for the provision of public order management resources on Christmas Island. Operation Eton is led by the AFP International Deployment Group to provide support to the Department of Immigration and Citizenship on Christmas Island.

## Uniform Protection

Protective service officers deliver high-visibility protective security at critical infrastructure sites and establishments that are of interest to the Commonwealth. During 2012–13 Uniform Protection services were delivered to:

- diplomatic and consular missions in Canberra, Melbourne, Perth and Sydney
- Commonwealth government establishments including:
  - Australian Parliament House
  - official residences of the Prime Minister and the Governor-General in Canberra and Sydney
  - High Court of Australia
  - Australian Embassy in Jakarta, Indonesia
  - Australian Nuclear Science and Technology Organisation
  - designated Defence establishments across Australia.

CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS



Protective service officer in front of a diplomatic consulate in Perth



Protective service officers on duty

## CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS

**EXERCISE BARYON**

Protection contributed significantly to the conduct of Exercise Baryon, a major exercise to test response, command, control and coordination arrangements in the context of a terrorist incident at the Australian Nuclear Science and Technology Organisation Lucas Heights facility. The activity was focused at the tactical, operational and strategic levels with multiple assessable exercises.

Uniform Protection provided the first response to contain the incident until handover to jurisdictional police. Protection management and specialists also participated in several discussion exercises with many other Commonwealth and state organisations. Other AFP business areas also participated in Exercise Baryon including Counter Terrorism, Legal, Media, Operations Coordination Centre and the Australian Chemical, Biological, Radiological and Nuclear Data Centre.

## Close Personal Protection

Close Personal Protection (CPP) is responsible for providing close personal protection to Australian high-office holders, the diplomatic community, visiting dignitaries, internationally protected persons and other individuals who are deemed to be at risk.

In 2012–13 Protection focused on enhancing situational awareness for its members by further developing its intelligence and risk-based approaches. The Protection Assessment Team was established to support and enhance CPP operational planning and resource decisions and to provide improved security intelligence.

During 2012–13 CPP operations were conducted in a range of settings domestically and overseas and included:

- close personal protection for 43 visits to Australia by foreign dignitaries
- support for 35 international visits overseas by Australian high-office holders and support for major events including:
  - Anzac Day commemorations in Gallipoli, Turkey, and in Villers-Bretonneux, France
  - 2012 Olympic and Paralympic Games in London
  - 10<sup>th</sup> anniversary of the Bali bombings
- coordination of protective security arrangements around the Australian Ambassador in collaboration with the Indonesian National Police at the Australian Embassy, Jakarta.

## CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS



AFP Protection members providing close personal protection to His Royal Highness The Prince of Wales during a visit to Australia in November 2012

## Special events

### LONDON 2012 OLYMPIC AND PARALYMPIC GAMES

The Special Events Planning Team provided significant operational planning in support of the London Olympic and Paralympic Games in July 2012. Planning and coordination of AFP resources was undertaken with key partners including the Australian Olympic and Paralympic Committees, the Department of Foreign Affairs and Trade and the United Kingdom Metropolitan Police.

The AFP deployed Protection and Intelligence members to the Australian High Commission Joint Agency Operations Centre in London. A Protection liaison officer was embedded within the Paralympic Team during the period of the games.

Protective security arrangements were successful and provided a strong learning foundation for future international events.

## CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS

### ANZAC COMMEMORATIVE SERVICES IN TURKEY AND FRANCE

The Special Events Planning Team prepared operational plans in support of the Anzac commemorative services in Turkey and France. Planning and liaison was conducted widely in preparation for the events. Key domestic stakeholders included the Department of Veterans' Affairs, Department of Foreign Affairs and Trade, Attorney-General's Department and the AFP's Beirut and London offices. Liaison in Turkey and France included strengthening ties with the Turkish National Police Close Protection executive, French Gendarmerie Nationale and deputy governor and mayors of the French region of the Somme. A key outcome achieved in Turkey this year was the development of closer relationships with the Turkish Jandarma, who are responsible for the security overlay of the Gallipoli region and will be a key partner for the Anzac centenary services in 2015.

### Witness protection services

The AFP 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. 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. For more information see the AFP *Witness protection annual report 2012–13*.

### Protection liaison

The Protection Liaison Team engages regularly with representatives from the offices of dignitaries, members of the diplomatic and business communities, protest groups, law enforcement partners including state and territory police, and Commonwealth agencies. Successful disruption and deterrence are reflected in Protection Liaison's contribution towards successful criminal case outcomes and referral of matters to the AFP's Crime Operations area for investigation. Protection Liaison also participates in whole-of-government security coordination committees and processes.

## CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS

## Program 1.2 International Deployments

### INTERNATIONAL DEPLOYMENT GROUP

THE INTERNATIONAL DEPLOYMENT GROUP (IDG) CONTRIBUTES TO NATIONAL SECURITY BY PROVIDING, ON BEHALF OF THE AUSTRALIAN GOVERNMENT, POLICING SUPPORT FOR ENHANCED RULE OF LAW INTERNATIONALLY. THE FUNCTION DELIVERS PROGRAMS THAT MEET THE GOVERNMENT'S AID OBJECTIVES BY IMPROVING THE CAPACITY AND EFFECTIVENESS OF POLICING, WHICH CONTRIBUTES TO REGIONAL AND INTERNATIONAL SECURITY, STABILITY AND GOVERNANCE.

#### Highlights

In 2012–13 the IDG:

- conducted 300 courses to develop the leadership and professional capabilities of 6217 police force members in 16 host nations
- transferred all police capacity development activity to key strategic roles in Kabul upon the completion of training commitments in Kandahar and Tarin Kowt in southern Afghanistan
- withdrew members of the Participating Police Force in Solomon Islands from all but two provincial police posts under the transition strategy developed with the Royal Solomon Islands Police Force (RSIPF), which reflects the increasing capacity of the RSIPF to operate independently
- finalised a strategic framework which aligns with the Annual Review of Aid Effectiveness for the delivery of police development support to developing and post-conflict nations
- realised significant efficiencies and increased operational capability through the successful amalgamation of the ACT Policing's Specialist Response and Security Team and the Operational Response Group to form the Specialist Response Group
- helped establish the Police Women's Network for the United Nations Mission in South Sudan, the success of which has led the United Nations to consider introducing a women's network into all its missions.

## CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS

## Law enforcement capacity development missions

## REGIONAL ASSISTANCE MISSION TO SOLOMON ISLANDS

The Regional Assistance Mission to Solomon Islands (RAMSI) multinational mission comprises members from most Pacific Islands Forum nations, with Australia and New Zealand contributing the majority of members. In June 2013 the IDG had 108 members deployed to the AFP-led Participating Police Force (PPF) operating under the RAMSI framework.

The PPF Transition Strategy 2011–13, developed jointly by the RSIPF and PPF, further removed the PPF from front-line policing operations. The strategic focus in the reporting period has been to promote local ownership of policing programs and build the capacity of local systems. Longer-term support continues through the provision of leadership and mentoring programs, communications and logistics support and refurbishment of local police infrastructure.

In 2012 there was a 9 per cent decrease in the Solomon Islands national crime rate and a 19 per cent funding increase for the RSIPF by the Solomon Islands Government. The PPF assisted in the revision of the Police Act 1972 (SI), which has subsequently been passed into law. The revision provides a modern legal foundation to support RSIPF operations and ensure peace, security and stability for the community.



PPF member and RSIPF member on patrol in Solomon Islands

## CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS

### AFGHANISTAN

The AFP Afghanistan mission trained, developed and mentored Afghan National Police in conjunction with Afghan and coalition efforts. AFP training activities align with the Afghan Ministry of Interior, European Police Mission and North Atlantic Treaty Organization Training Mission – Afghanistan strategies.

A senior AFP member is currently the Head of Afghan National Police Development at the International Police Coordination Board, the primary organisational body mandated to coordinate, prioritise and direct international police reform efforts in Afghanistan. Another senior AFP member heads the Commander International Security Assistance Force – Police Advisory Cell in Kabul. This role covers specialist training at the Kabul Central Training Centre and provides policing advice and expertise within the Office of the Commander International Security Assistance Force.

### PAPUA NEW GUINEA

The Papua New Guinea – Australia Policing Partnership commenced in 2008 and is currently staffed by 16 Australian Federal Police members (11 sworn, 5 unsworn), all of whom are based in Port Moresby.

Law and order and access to justice remain significant challenges in Papua New Guinea. Particular challenges for policing include differences in policing needs between urban centres and rural areas, the disproportionately high number of unemployed young males and the requirement for more effective law enforcement to underpin the Papua New Guinea liquid natural gas program, especially in the Southern Highlands.

The AFP is working with the Royal Papua New Guinea Constabulary to progress projects that will support its long-term development and reform. These projects focus on training, logistics, professional standards, governance and accountability management frameworks, and fraud and anti-corruption.

### PACIFIC POLICE DEVELOPMENT PROGRAM REGIONAL

Pacific Police Development Program Regional is an Australia-based mission providing support to the Pacific nations of Kiribati, Tuvalu, Cook Islands, Republic of Marshall Islands, Niue, Palau and the Federated States of Micronesia. This program is delivered by fly-in/fly-out advisers and is coordinated from Canberra. Pacific Police Development Program Regional continued to support common whole-of-region policing needs such as investigations and leadership training. Pacific Police Development Program Regional also supports the Pacific Police Training Advisory Group, Pacific Forensic Working Group, Pacific Islands Chiefs of Police Women's Advisory Network, Pacific Prevention of Domestic Violence Program and the Pacific Islands Forum Secretariat. Key outcomes for 2012–13 included:

- training of over 400 police members from 13 countries in investigations, leadership, core police competencies, forensics, recruit training, mentoring and coaching, English language, command, control and coordination, sexual offences first response and police intelligence
- funding and advisory support including 'train the trainer' to 26 Marshall Islands police recruits
- funding of the Pacific Police Training Advisory Group for Pacific police training specialists to develop and implement training programs 'for the Pacific, by the Pacific'
- partnering with New Zealand Police in the delivery of the Pacific Prevention of Domestic Violence Program.

## CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS

## UNMIT AND THE TIMOR-LESTE POLICE DEVELOPMENT PROGRAM

Since 1999 over 900 AFP members have served in Timor-Leste as United Nations (UN) peacekeepers. In 2006 the AFP surge capacity deployed members to Timor-Leste to assist in resolving significant social unrest and again in 2008 following the attempted assassinations of the Timor-Leste President and Prime Minister. After 14 years and five successive UN peacekeeping missions, the AFP's contribution to the UN Integrated Mission in Timor-Leste (UNMIT) ended in December 2012. The Policia Nacional de Timor-Leste (PNTL) is now certified by the UN and the Government of Timor-Leste as a fully operational and functional police service.

AFP involvement in Timor-Leste continues through the Timor-Leste Police Development Program, which commenced in 2004 and supports the continued development of the PNTL, Office of the Secretary of State for Security and Office of the Prosecutor-General. The program comprises AFP members, civilian specialists and locally employed staff. The program's priorities focus on:

- police training centre
- supervision and management
- governance
- investigational and operational capability
- gender equality
- training, system development, infrastructure and enabling tools.

During the year, the program provided training and mentoring to 934 PNTL members and other law and order officials.



Last eight AFP UNMIT members returning to Australia on 15 December 2012

## CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS

### Stabilisation operations and multinational peace support activities

#### UN PEACEKEEPING FORCE IN CYPRUS

The deployment of 15 AFP members to Cyprus to maintain the integrity of the buffer zone between the Greek and Turkish Cypriot communities was sustained during the reporting period. The contingent also supported the Mission Civil Affairs Branch's delivery of humanitarian services and undertook joint patrols with the military.

#### UN MISSION IN THE REPUBLIC OF SOUTH SUDAN

AFP members aided the coordination of bilateral and multilateral assistance programs aimed at strengthening and restructuring the South Sudan Police Service through the UN Mission in the Republic of South Sudan. AFP members developed, evaluated and conducted training in better-practice policing techniques, processes and strategies.

### Targeted domestic development operations

Fifteen AFP members in the external territories of Christmas Island, Cocos (Keeling) Islands, Norfolk Island and Jervis Bay delivered a range of policing and regulatory functions. Except in Jervis Bay, these members were supported by locally engaged special constables.

The AFP maintained a public order management response capability on Christmas Island and contributed to joint intelligence capability through monitoring and assessing threat levels and providing advice to Commonwealth stakeholders.

AFP community police on Christmas Island responded to incidents in local detention centres and undertook carriage of various coronial investigations emanating from the loss of life caused by the sinking of incoming suspected irregular entry vessels in the preceding 12 months.

The AFP strengthened search and rescue response capability for the Indian Ocean Territories through the operation of two new rigid-hull inflatable vessels.

### Training foreign police

Three pre-deployment training courses for 55 participants were undertaken. Two of these were conducted with participants from 11 Pacific nations. A trainer exchange program with the New Zealand Police continued, with three New Zealand Police officers as guest students. An AFP member also visited New Zealand to present on capacity development and another AFP member travelled to Rwanda to assist on a UN Military Observers Course.

Various training programs for external agencies including Department of Defence, Department of Foreign Affairs and Trade, AusAID, Australian Civilian Corp and Emergency Management Australia were also undertaken.

## CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS

### Measuring the impact of IDG operations

The IDG continued to develop and improve its monitoring and evaluation of overseas operations in order to better align police development assistance with AusAID better-practice advice. Procedures for collecting quarterly aid reporting from all missions are now established and are supporting the overall performance reporting to accurately inform AusAID's Annual Review of Aid Effectiveness.

The consistency of measurement between missions has been improved through the creation of standard monitoring processes. A community survey process across multiple Pacific nations was also maintained to collect a consistent dataset of public perceptions of policing and to allow for assessment of any stated improvements.

### Police Development Project

The Police Development Project has been highly successful and has resulted in the identification of a model for police development that is robust, effective and in line with international aid delivery doctrine. A new definition clearly identifies the role of police development in supporting host police agencies in post-conflict/developing nations to deliver legitimate and accountable policing to their citizens. Program sustainability is created through the systemised consideration of the operational capacity of the police, including leadership, governance and enabling services.

Compiled into a strategic framework and service delivery guide, the doctrine ensures that members operate consistently and partner agencies are familiar with the role and scope of AFP support to recipients. This doctrine also drives program design and implementation in accordance with Australian aid criteria of relevance, effectiveness, efficiency and sustainability while also considering risk, monitoring and evaluation and cross-cutting themes such as gender, anti-corruption and human rights.

### Deployable response capability

On 1 July 2012 the IDG's Operational Response Group and ACT Policing's Specialist Response and Security Team were amalgamated, becoming the Specialist Response Group (SRG). The tactical and specialist capability of the SRG, along with the IDG Mission Component of sworn and unsworn personnel, are central to the AFP's core capacity to deploy members, both domestically and internationally.

### MISSION COMPONENT

New arrangements were developed and implemented to improve the management of Mission Component members between deployments who are regionally embedded within AFP work areas undertaking domestic activities. These resources were successfully utilised to enhance capacity across a range of AFP functions including people-smuggling investigations, public order management activities on Christmas Island and air escort services for the movement of unauthorised maritime arrivals to designated regional processing centres.

## CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS

## SPECIALIST RESPONSE GROUP

The SRG comprises 26 teams of police specialists across 15 disciplines including Specialist Policing Command and Coordination, Specialist Response, Targeted Operations and Tactical Response to provide a rapidly deployable specialist policing capability locally, nationally and internationally. Specialist policing capabilities include hostage negotiators, tactical police, public order management, maritime services, canine services and search and rescue. During the reporting period the SRG:

- contributed to the safe management of detention facilities on Christmas Island
- continued deployment of a tactical policing capability in support of policing operations to RAMSI.



SRG members in training in April 2013

## CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS

## Program 1.3 Operations – Policing

### CRIME PROGRAM

THE AFP COMBATS ORGANISED CRIME NATIONALLY AND INTERNATIONALLY WITH A FOCUS ON PREVENTION AND DISRUPTION. THROUGH THE CRIME PROGRAM, THE AFP LEADS AUSTRALIA'S CAPACITY TO DETECT AND DEFEAT SERIOUS AND ORGANISED CRIME BY ENSURING THE ONGOING IMPLEMENTATION OF RESPONSE PLANS UNDER THE COMMONWEALTH ORGANISED CRIME STRATEGIC FRAMEWORK.

#### Highlights

In 2012–13 the Crime Program:

- accepted 343 new drug investigations
- seized 5661 kilograms of illicit drugs
- restrained \$62.5 million in assets under the *Proceeds of Crime Act 2002*
- arrested 20 people for their involvement in the importation of border-controlled precursors and corruption offences as part of Operation Marca
- charged 25 people with money-laundering offences and seized approximately \$14.7 million from money-laundering operations
- convicted 12 people and restrained over \$10 million as part of Project Wickenby
- arrested six people-smuggling organisers and 26 crew members
- accepted 29 new human-trafficking investigations
- made 27 arrests leading to 99 charges as a result of operational activity undertaken by the Polaris Taskforce
- through collaboration and sharing of intelligence with our partner law enforcement agencies achieved significant results in Japan, South-East Asia and the United Kingdom, including the
  - seizure of 110 kilograms of methamphetamine in Japan and the arrest of five people by the Japanese Narcotics Control Department for illicit drug importation offences
  - dismantling of an international organised crime syndicate with arrests in Australia and the United Kingdom in relation to drug offences and search warrants conducted in Spain, Belgium and the Netherlands
  - arrest of 27 people in relation to drug and proceeds of crime offences and the dismantling of a sophisticated transnational crime syndicate by working with law enforcement partners from seven South-East Asian nations.

## CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS

### Multi-agency, multidisciplinary crime teams

One of the primary objectives of the AFP is to prevent, disrupt, investigate and prosecute offenders of complex organised criminal activity including the importation and manufacture of illicit substances, money laundering and economic crime. In order to target the threat posed to Australia's national security by organised criminal enterprises, investigations focus on mitigating vulnerabilities in supply chain logistics, the airstream and transnational borders that are exploited by criminal enterprises.

The Polaris Taskforce continues to have an impact on targeting serious and organised criminal activities which impact on international sea cargo terminals and ports located across New South Wales (NSW). Through the combined efforts of the AFP and partner agencies, including the Australian Customs and Border Protection Service (Customs), NSW Police Force, Australian Crime Commission (ACC) and NSW Crime Commission, since its inception in July 2010 the Polaris Taskforce has effected 44 arrests (resulting in 196 charges) and the seizure of over 12 tonnes of illicit substances and precursor chemicals, 119 tonnes of illegal tobacco (worth about \$77 million in potential lost revenue), over \$1 million in cash and 11 firearms. The AFP also works jointly with the Australian Commission for Law Enforcement Integrity (ACLEI) to target organised crime and corruption, particularly in the waterfront and aviation environments.

The Trident Taskforce commenced operational activity in Melbourne in August 2012 and comprises members from the AFP, as well as partner agencies including Customs, ACC, Victoria Police, Australian Taxation Office (ATO) and the Australian Transaction Reports and Analysis Centre (AUSTRAC). The Trident Taskforce aims to build on the success of the Polaris Taskforce by focusing on organised crime threats in the maritime environment at Victorian seaport entries. Since its implementation, the Trident Taskforce has achieved significant operational results including the seizure of 25 kilograms of methamphetamine and 130 tonnes of illegal tobacco and has made 13 arrests.

The Fraud and Anti-Corruption business area was established in February 2013 to enhance AFP response to serious and complex fraud against the Commonwealth such as corruption, foreign bribery and complex identity crime, including the manufacture and abuse of identity credentials. The Fraud and Anti-Corruption area consists of dedicated investigations teams in AFP regional offices, including a Sydney-based Identity Security Strike Team.

Through the Fraud and Anti-Corruption business area the AFP is proactively seeking to address global corruption issues by bolstering efforts to detect and investigate these multidimensional crimes through increased intelligence, interagency liaison and investigator training. This specialised area will also address the Organisation for Economic Cooperation and Development review of Australia's response to foreign bribery allegations.

The Identity Security Strike Team investigates identity crimes in partnership with the NSW Police Force and with the assistance of the Department of Immigration and Citizenship and NSW Roads and Maritime Services. The Identity Security Strike Team targets the syndicated manufacture, distribution and use of fraudulent identity documents, as well as the compromise of personal information by organised criminal groups.

CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS

**OPERATION MARCA**

Operation Marca is a multi-agency joint taskforce comprising the AFP, ACLEI and Customs which targets corruption and organised criminal activity within Customs at Sydney International Airport.

Since June 2012 the operation has resulted in the arrest of 20 people, including four serving Customs officers and one Australian Quarantine and Inspection Service official, for their involvement in the importation of border-controlled precursors and corruption offences. In addition to the significant arrests and the dismantling of an alleged corrupt cell of Commonwealth employees operating at Sydney International Airport, Operation Marca has resulted in the execution of 28 search warrants, the seizure of 54 kilograms of pseudoephedrine and \$237 450 in cash.

Operation Marca demonstrates the success of the AFP’s commitment to working with ACLEI and partner agencies to target corruption in the organised crime environment.

**OPERATION ROSELLE**

Operation Roselle was a Joint Organised Crime Group operation involving the AFP, Customs, NSW Police Force, NSW Crime Commission and ACC. The operation resulted in the largest ever seizure of methamphetamine (ice) by Australian authorities – 585 kilograms with an estimated street value of up to \$438 million. In February 2013 three people were arrested and charged with attempting to possess a commercial quantity of unlawfully imported border-controlled drugs.

**OPERATION TERANG**

Operation Terang was a joint investigation commenced by the AFP and Customs in September 2012, resulting in the seizure of 135 kilograms of cocaine in Sydney. Five men were arrested and charged, including one Mexican and one Italian national.

**OPERATION AVERY**

Operation Avery was a joint investigation involving the AFP, Customs and ACC. The operation resulted in the seizure of 29.5 litres of liquid methamphetamine, 13 kilograms of crystal methamphetamine, \$117 000 in cash, \$50 000 in casino chips and two diamonds, and the restraint of \$145 595 in a bank account. Three men were arrested and charged.

**OPERATION PULSE**

Operation Pulse is a multi-agency investigation related to an identity crime syndicate based in Sydney. To date, this investigation has resulted in the arrest of eight people for 106 offences and the seizure of more than 15 000 false credit cards. In excess of \$1.1 million in assets have been restrained. The approximate value of the fraud prevented was \$37.5 million.

## CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS

TABLE 5. COMPARATIVE DRUG SEIZURE DATA<sup>1</sup>

Drug group reported	2011–12		2012–13	
	Seizures	Weight (kg)	Seizures	Weight (kg)
Amphetamine & ATS	908	630.5	1 428	3 275.5
Cannabis	1 626	24.8	1 462	39.9
Cocaine	597	980.2	740	1 002.2
Hallucinogen	102	12.2	96	10.9
Heroin (opioids)	257	399.6	228	507.8
MDMA	782	14.7	1 119	154.8
Pharmaceutical	67	20.6	186	74.2
Precursor	75	12 121.1	74	802.6
Sedatives	131	158.3	107	266.4
Other (identified)	515	110.6	923	324.4
Other (confirmed)	24	62.3	4	5.1
<b>Total<sup>2</sup></b>	<b>4 960</b>	<b>14 534.9</b>	<b>6 093</b>	<b>6 463.8</b>
<b>Total excluding precursors</b>	<b>4 895</b>	<b>2 413.8</b>	<b>6 033</b>	<b>5 661.2</b>

1. Figures are correct at time of publication. Recorded weights and drug types may vary from those previously reported. The table includes seizures by federal agencies (including Customs) where the drugs have been held in AFP custody. The table excludes international seizures.

2. The total number of seizures is not a sum of seizure counts for each drug group since some seizures involve multiple drug groups.

### Prevention, disruption and investigation of transnational crime

The AFP continues to show a strong commitment to fight the coordination of organised crime across national borders. A key factor in the success of preventing, investigating and prosecuting offenders of transnational crime is the close relationships with international counterparts as highlighted in the following operations.

CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS

**OPERATION HITCH**

Operation Hitch was an AFP investigation into the importation of 2.8 tonnes of the precursor chemical safrole oil from China by a Middle Eastern organised crime syndicate. As a result of intelligence provided by the AFP to the Chinese National Narcotics Control Commission, a joint investigation was commenced. The joint operation resulted in the seizure of a further 15 tonnes of safrole oil in China in February 2013. The street value of the total safrole oil seized (when converted to MDMA) is approximately \$520 million. To date, this operation has resulted in four arrests in Australia and 23 arrests in China, 16 of which were in the 2012–13 reporting period.

**OPERATION NUANCE**

Operation Nuance was an investigation which led to the dismantling of an international organised crime syndicate spanning Australia and four European countries in March 2013. Search warrants were conducted in multiple countries including Australia, United Kingdom, Spain, Belgium and the Netherlands, resulting in the seizure of 117 kilograms of MDMA base which could produce an estimated 1.37 million ecstasy tablets with a potential street value of up to \$52 million. The 18-month investigation resulted in three arrests in Australia and one in the United Kingdom.

**OPERATION SERRATA**

Operation Serrata was an investigation into the importation of heroin by an international criminal syndicate. Acting on AFP intelligence developed from two Customs passenger referrals, the investigation resulted in the seizure of 550 kilograms of illicit drugs (over 300 kilograms of methamphetamine and over 250 kilograms of heroin) in July 2012.

**OPERATION ZANELLA-AVALON**

In November 2011 Operation Zanella-Avalon resulted in the arrest of four people, the seizure of \$3.9 million in cash and 276 kilograms of cocaine imported within the hull of a small yacht. Through ongoing engagement and liaison with the United States Drug Enforcement Administration and AFP Colombia post, the Brazilian Federal Police launched an investigation into the activities of the syndicate member and successfully resolved their investigation in June 2013. The investigation conducted by the Brazilian Federal Police resulted in the arrest of a senior organised crime figure for money laundering, drug trafficking and gang operations. A further US\$10 million in cash and assets were also seized. The cooperation between the AFP, Drug Enforcement Administration, and the Brazilian Federal Police effected a complete dismantling of an organised criminal syndicate engaging in drug-trafficking and money-laundering operations throughout the Caribbean, South America, Europe and Australia.

**OPERATION PENDINE**

Operation Pendine was an AFP investigation into the importation of illicit drugs and heavy machinery by an international organised criminal syndicate. The investigation resulted in the seizure of 115 kilograms of cocaine, 235 kilograms of methamphetamine and \$150 000 in cash in November 2012. One Canadian and one United States national were arrested and charged in Sydney.

CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS

The AFP, in conjunction with partner law enforcement agencies, undertakes investigations into people-smuggling operational activities domestically and internationally in an effort to disrupt and dismantle people-smuggling syndicates and organisers.

AFP People Smuggling Strike Teams work closely with a range of domestic and foreign law enforcement partners to contribute to the collaborative approach to investigating people smuggling.

Through its specialised human-trafficking teams the AFP supports the whole-of-government approach led by the Attorney-General’s Department to combating human trafficking. These teams:

- investigate human trafficking for the purposes of sexual and/or labour exploitation, organ harvesting, forced marriage and slavery
- prosecute perpetrators of trafficking
- aid in protecting and supporting victims.

In the 2012–13 financial year the AFP’s Human Trafficking Team received 52 new referrals for assessment, with 29 accepted for investigation. This compares with 41 new human-trafficking referrals assessed and 33 accepted for investigation in the 2011–12 financial year.

OPERATION ZABA	OPERATION OVERFLOW
<p>Operation Zaba was a people-smuggling investigation which resulted in the extradition of a suspect from Malaysia in November 2012 who was subsequently charged with 25 counts against the <i>Migration Act 1958</i>. This was the first successful extradition from Malaysia for people-smuggling offences.</p>	<p>Operation Overflow was a Western Australia Police investigation into an established criminal network that identified Estonian nationals who had been deceptively recruited for labour exploitation in Western Australia. The AFP subsequently assisted the Western Australia Police with this investigation (Operation Poni). The investigation resulted in the first human-trafficking charges under the Criminal Code Act 1995 (Cth) being laid in Western Australia. The matter is currently before the courts.</p>
<p><b>OPERATION ACONITE</b></p>	
<p>Operation Aconite was a people-smuggling investigation related to an Australia-based people-smuggling suspect who allegedly assisted in facilitating the unlawful arrival of passengers from Iran and Iraq. In November 2012 the suspect was charged with one count against the <i>Migration Act 1958</i>.</p>	

CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS

### Targeting of criminal wealth and the financial base of crime

Targeting the criminal economy is crucial to understanding organised criminal activity and developing strategies to disrupt it. A key objective of the AFP is to remove the profit from crime and prevent its reinvestment in further criminal activity. Through the Criminal Assets Confiscation Taskforce, the Money Laundering Short Term teams and Project Wickenby, AFP investigations have an enhanced focus on following the money, with increased industry engagement within the banking and financial sector.

#### COMMONWEALTH CRIMINAL ASSETS CONFISCATION TASKFORCE

The Criminal Assets Confiscation Taskforce continues to provide a coordinated and integrated approach to Commonwealth criminal asset confiscation and focuses on taking the profit out of crime. The taskforce is led and hosted by the AFP and combines the expertise and resources of the AFP, ACC and ATO.

The taskforce has investigation and litigation teams in Brisbane, Sydney, Melbourne, Perth and Canberra.

The taskforce investigates and litigates conviction-based and non-conviction-based proceeds of crime matters. The taskforce employs a dynamic and integrated approach to asset confiscation and develops the most effective and appropriate strategy for each individual case. The work of the taskforce complements the Organised Crime Strategic Framework by targeting the criminal economy and assists in protecting the public finances of Australia from criminal abuse of the taxation system.

These teams also provide financial investigative support to other operational areas of the AFP.

Taskforce operations also resulted in a further \$1.3 million being restrained under the *Mutual Assistance in Criminal Matters Act 1987*.

TABLE 6. ASSETS RESTRAINED, FORFEITED<sup>1</sup>

	2008–09	2009–10	2010–11	2011–12	2012–13
Assets	\$m	\$m	\$m	\$m	\$m
Restrained <sup>2</sup>	22.1	19.1	21.4	90.9	62.5
Forfeited from restrained status <sup>3</sup>	2.8	2.1	2.5	9.6	6.4
Forfeited – not restrained <sup>3</sup>	0.2	8.0	2.1	0.4	0.3
Pecuniary penalty orders	3.7	13.1	17.2	22.8	1.8

1. Previously reported figures have been updated to reflect consistent definitions (assets restrained on behalf of other agencies and under Outcome 2 excluded).

2. Estimated recovery value.

3. Realised value after disposal of asset.

CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS

## OPERATION VOLANTE

In April 2012 Operation Volante commenced as an investigation of the activities of an international organised criminal syndicate operating across five countries involved in importing and trafficking substantial quantities of heroin and methamphetamine (ice) into and around Australia.

Operation Volante was a joint operation involving the AFP, Victoria Police, NSW Police Force, ACC and Customs. Throughout the operation, the AFP also worked with international law enforcement partners in China, Macau, Thailand, Malaysia, Vietnam, Myanmar and Hong Kong to target this syndicate.

In March 2013 the AFP and Victoria Police conducted 37 search warrants across Melbourne. A total of 27 people were arrested and charged with proceeds of crime and illicit drug offences and more than 42 kilograms of drugs were seized.

During this operation the AFP, through the Criminal Assets Confiscation Taskforce, took action under Commonwealth proceeds of crime legislation and restrained approximately \$9 million in assets, including 99 designer handbags and wallets, \$4 million in cash, residential properties valued at \$5 million, \$600 000 in casino chips, jewellery worth approximately \$1.5 million and a Lamborghini.



Lamborghini seized by the AFP during Operation Volante



Cash seized by the AFP during Operation Volante

CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS

<p><b>OPERATION PIED</b></p>		<p>The AFP restrained \$9.5 million in assets including bank accounts, four properties and a Lamborghini. This investigation is ongoing, with further restraints likely.</p>
<p><b>OPERATION FASENY</b></p>	<p>Operation Pied was an investigation into an illegal investment scheme based in the United States. The operation involved the AFP, the Federal Bureau of Investigation and the United States Internal Revenue Service Criminal Investigation Division. The investigation resulted in excess of \$12 million being forfeited as proceeds of crime.</p> <p>Operation Faseny commenced as a result of an AUSTRAC referral in relation to large quantities of cash being used to purchase bank cheques. Investigations uncovered a group which had been avoiding income tax and organising casino junkets, earning it approximately \$1 billion in commission.</p>	<p><b>OPERATION MELLUM</b></p> <p>Operation Mellum began in October 2012 when intelligence provided to the AFP led to the South Australia Police seizing 1.6 kilograms of cocaine, 1.5 kilograms of methamphetamine and 15 kilograms of iodine which had been located in a storage unit. The AFP commenced proceeds of crime action which resulted in the restraint of more than \$1.7 million in assets comprising four houses, nine motor vehicles, including a Lamborghini, and three bank accounts. Three men were arrested and charged.</p>

**MONEY LAUNDERING SHORT TERM TEAMS**

The assessment and analysis of money-laundering activity is now a major component of any AFP investigation and the AFP has dedicated money-laundering investigation teams in Sydney and Melbourne to proactively target syndicates involved in laundering illicit funds on behalf of organised crime.

The money-laundering investigation teams work with partner agencies, including the ACC, the ATO and AUSTRAC, to gain an understanding of the operations of money-laundering syndicates. Results from money-laundering operations for the 2012–13 reporting period include cash seizures of approximately \$14.7 million and 25 persons charged with money-laundering offences.

**PROJECT WICKENBY**

The AFP continues to deliver significant results toward the Project Wickenby joint-agency taskforce involving the ATO, ACC, Australian Securities and Investment Commission, Australian Government Solicitor, Commonwealth Director of Public Prosecutions and AUSTRAC. The role of the AFP in Project Wickenby includes investigating and prosecuting relevant matters referred by the ATO, enhancing the AFP’s offshore capability to investigate tax evasion schemes in target countries and enhancing its technical capability to investigate tax evasion. During the 2012–13 financial year, the AFP resourced Project Wickenby investigations with a commitment of 28 full-time equivalent employees comprising investigators, forensic accountants and investigative assistants.

## CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS

To date, investigations commenced under Project Wickenby have resulted in 52 people being charged by the AFP, including promoters, scheme participants and high-wealth individuals. These people were charged with offences ranging from fraud to money laundering. Of those charged, 20 pleaded guilty and 11 were convicted after lengthy trials. A total of \$196.5 million has been the subject of restraining orders by the AFP and its partner agencies and in excess of \$49 million in criminal proceeds has been forfeited. Additionally, the AFP directly contributed to over \$100 million in taxation assessments and penalties being raised from scheme participants.

In the 2012–13 financial year Project Wickenby managed eight trials resulting in 12 convictions. Of the 12 convicted, 10 were sentenced to terms of imprisonment ranging from 18 months to 8 years 11 months. Additional sentences from convictions remain pending. Project Wickenby investigators also charged one person with 10 counts of fraud and one count of money-laundering offences with \$8.1 million in property restrained. In total, over \$10 million was restrained by the AFP for the financial year.

The Wickenby Taskforce plays a significant role in detecting and preventing tax avoidance, evasion and crime. It works with Australian and international organisations to detect, deter and deal with breaches of Australian financial laws and regulations including international tax evasion, secrecy havens, attempts to defraud the community, money laundering and the concealment of income or assets.

### International Network

Through its International Network the AFP has developed and maintained cooperative working relationships with its Australian and foreign law enforcement partners to enhance engagement and relationships with the broader community. The AFP relies on these relationships for the referral of business and the provision and exchange of intelligence, information and assistance through shared facilities, joint operations and advice.

The AFP's International Network cooperates with other Australian Government agencies domestically and abroad to ensure a whole-of-government approach to fighting crime at its source. As at 30 June 2013 the International Network had 88 members deployed in 28 countries to broker collaboration with international law enforcement agencies to drive investigations and support bilateral or multilateral cooperation.

The International Network also assists with Australia's engagement through Interpol and Europol and continues to enhance tools, services and initiatives to facilitate exchange of law enforcement information and activities on behalf of Australian law enforcement authorities.

During 2012–13 the International Network facilitated 44 inwards and 20 outwards visits of foreign law enforcement agencies and AFP senior executive 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.

## CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS

**OPERATION WHIFFLER**

Operation Whiffler was a joint investigation involving the AFP, Japan Customs, Japanese Narcotics Control Department and the Police Narcotics Investigation Department of Vietnam. The investigation resulted in 110 kilograms of methamphetamine being seized in Japan. Five men were arrested by the Narcotics Control Department: one Japanese, one Vietnamese, one American, one Canadian and one Serbian national. After the arrests in Japan, search warrants were also conducted in Australia, resulting in the arrest of one Australian in December 2012.

**OPERATION WALCOTT**

Operation Walcott commenced as a result of a joint project involving the AFP, Customs, and United States Drug Enforcement Administration to examine identified vulnerabilities in the South Pacific. The operation resulted in the seizure of 200 kilograms of cocaine, with a value of up to \$116 million, from a grounded yacht on a Tongan island. Contributing to the successful outcome was the cooperation with the Tongan Police, Cook Islands Police, Customs and Drug Enforcement Administration.

## Regional engagement

The AFP works closely with law enforcement partners in the Pacific region to combat transnational crime by providing support through the Pacific Transnational Crime Network. This network plays an integral role across the Pacific region through enhancing the capacity of Pacific nations to combat transnational crime. This is achieved through a platform of people, partnerships and law enforcement.

The Pacific Transnational Crime Network consists of 18 Transnational Crime Units in 13 Pacific countries and the Pacific Transnational Crime Coordination Centre in Apia, Samoa. AFP Transnational Crime Unit advisers are located in the Pacific (Papua New Guinea, Tonga, Solomon Islands, Fiji and Micronesia) and Asia (Indonesia, Thailand, Vietnam and Cambodia) and focus on the delivery of capacity-building projects within the region.

Joint Transnational Crime Centres are located in Indonesia (Indonesian National Police Transnational Coordination Centre), Vietnam (Vietnam Joint Transnational Crime Centre), Cambodia (Cambodia National Police Transnational Crime Unit), Thailand (Bangkok Transnational Crime Coordination Network) and Colombia (Colombia National Police Transnational Crime Team). These centres aim to enhance law enforcement capacity and assist in the disruption of transnational crime in the region.

In March 2013 a Pacific Transnational Crime Network Fundamentals Course was held in Nadi, Fiji. The AFP trained 25 people from a range of Pacific Islands police agencies in the fundamental skills required to investigate transnational crime.

## CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS

In June 2013 a Pacific Transnational Crime Network conference was held in Brisbane. The conference was attended by representatives from 13 countries around the Pacific and was opened by the Cook Islands Police Commissioner and Chair of the Pacific Transnational Crime Network Board of Management. The conference provided AFP Pacific advisers, senior liaison officers and Pacific Transnational Crime Unit team leaders with the opportunity to discuss current issues and strategic direction for the Pacific Transnational Crime Network.

In March 2013 a formal exchange of letters occurred in Thailand between the AFP Commissioner and the Royal Thai Police Commissioner General regarding the operations of the AFP-sponsored Transnational Crime Coordination Network.

In May 2013 the AFP attended the annual Board of Management for the Vietnam–Australia Joint Transnational Crime Centre and engaged in a number of bilateral meetings which noted the unprecedented level of assistance offered by Vietnamese law enforcement during AFP Operations Vidua, Volante and Whiffler.

### KEY FORUMS

#### *Asia–Pacific Group on Money Laundering*

The AFP is co-chair of the Asia–Pacific Group on Money Laundering. The purpose of the Asia–Pacific Group on Money Laundering is to ensure the adoption, implementation and enforcement of anti–money-laundering and counter-terrorist financing standards as set out in the 40 recommendations of the Financial Action Task Force. The AFP hosts the Asia–Pacific Group Secretariat and assists it in the delivery of training and technical assistance on a needs basis.

In July 2012 more than 350 Australian and international delegates assembled in Brisbane for the 15<sup>th</sup> Asia–Pacific Group meeting. AFP Deputy Commissioner Andrew Colvin and Dr Rajan Katoch, Director of India’s Enforcement Directorate, co-chaired the meeting.

#### *Association of South-East Asian Nations Chiefs of Police conference*

In March 2013 an AFP delegation attended the 2013 Association of South-East Asian Nations (ASEAN) Chiefs of Police conference where the AFP reconfirmed its support for the joint ASEAN Senior Police Officers Course by offering a command, control and communications training workshop in partnership with the Royal Thai Police.

Since its inception in 1981, the conference has been the premier regional platform for ASEAN police chiefs and their respective delegates to discuss pertinent issues related to law enforcement and transnational crime.

#### *Interpol General Assembly*

In November 2012 AFP delegates attended the 81<sup>st</sup> Interpol General Assembly held in Rome. At the General Assembly, the AFP engaged in bilateral meetings with law enforcement partner agencies from Canada, Colombia, Hong Kong, Italy, New Zealand, Sri Lanka, the United Kingdom and the United States and entered into a memorandum of cooperation on combating transnational crime and development of police cooperation with Macedonia.

## CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS

The role of the General Assembly as Interpol's supreme body is to set its strategic priorities and major programs. Some key initiatives for the 81<sup>st</sup> General Assembly included an update on the development of the Interpol Global Complex for Innovation facility due to open in Singapore in 2014 and combating trafficking in illicit goods. Resolutions discussed by over 1100 delegates from 171 countries included a new disaster victim identification platform, cybercrime strategies, illicit trafficking in cultural property cooperation and a number of agreements with government agencies and forums to improve cooperation and information exchange.

### Capacity-building programs

The Crime Program continues to enhance the capabilities of the AFP and its domestic and international partners through capacity-building programs including training opportunities, liaison networks and infrastructure/equipment.

#### TRAINING AND FORUMS

In 2012–13 the International Network delivered:

- four Asia Regional Law Enforcement Management programs
- two Commonwealth Agencies Investigators workshops as part of its ongoing commitment to working with partner agencies to foster skills development as well as inter-agency cooperation and knowledge exchange
  - These training courses were conducted using the facilities of the Department of Human Services and the ATO and were delivered using the expertise of AFP and agency presenters.
- a two-week Human Trafficking Investigations program in Bangkok in partnership with the International Law Enforcement Academy (funded by the United States) to 48 police investigators and prosecutors from 10 South-East Asian countries
  - The program was specifically designed to raise the skills of police in preventing, detecting, investigating and prosecuting cases of human trafficking in accordance with international best practice.
- a specialised AFP Human Trafficking Investigations program for members working in human-trafficking teams, as well as police serving with interstate and international jurisdictions
  - The program provides investigators with the knowledge and skills to undertake specialist investigations in this crime type.
- a presentation by the Human Trafficking Team to a regional conference in Brunei on the links between organised crime and terrorism, specifically human trafficking financing terrorism
- a Money Laundering Investigations program in Pakistan as part of a package to enhance the capabilities of local law enforcement agencies
  - The program focused on providing training in national and international money-laundering investigations with the aim of increasing the investigative capacity of Pakistani law enforcement agencies while enhancing the AFP's offshore investigative and intelligence capabilities. The program was attended by 24 participants from a range of Pakistani institutions involved in financial crime and money-laundering investigations, including provincial and federal law enforcement and officers from Pakistan's State Bank and the Securities and Exchange Commission.

## CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS

- a judicial colloquium to 13 judges, eight prosecutors and four Pakistani police officers in Islamabad in partnership with Pakistani, United Kingdom and United States experts
  - The colloquium is a training program endorsed by the Chief of the Supreme Court in Pakistan which focused on the interpretation of novel areas of evidence and forensic management within the trial process. The training was designed to ensure participants develop the necessary tools to deliver effective justice in an evolving criminal justice system.
- a Financial Investigations Awareness workshop in Suva to 30 representatives from Fiji, Vanuatu, Cook Islands, Tonga, Samoa and Papua New Guinea law enforcement agencies
  - The workshop's aim was to increase the investigative capacity of regional law enforcement while enhancing the AFP's offshore relationships.

## INFRASTRUCTURE AND EQUIPMENT

In 2012–13 the International Network provided:

- specialist forensic equipment costing \$1 million and support systems (national criminal database, building refurbishment and nine digital labs) to law enforcement agencies in Pakistan
- Cyber Crime Investigation Centre Satellite offices in Bali, Medan and Jakarta, Indonesia
- 12 crime scene kits to East African countries (Djibouti, Sudan, South Sudan, Somalia, Ethiopia, Comoros, Seychelles, Kenya, Uganda, Rwanda, Burundi, Tanzania and Malawi) and the AFP-sponsored African Society of Forensic Medicine in South Africa.

## Contribution to intelligence

In 2012–13 the AFP Crime Operations Intelligence team worked closely with Australian Government departments and foreign law enforcement agencies to target domestic and offshore maritime people-smuggling activities. These relationships have proved critical in identifying, targeting and investigating maritime people-smuggling agents, facilitators and organisers on a domestic and international level.

CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS

OPERATION TEXSEL	JOINT CROSS BORDER PATROLS
<p>The AFP Crime Operations Intelligence team contributed to a whole-of-government investigation into an Australian citizen and alleged maritime people-smuggling organiser responsible for the unauthorised entry of approximately 21 suspected irregular entry vessels to Australia. As a result of strong collaboration between national and international law enforcement agencies, the organiser was arrested in Dubai in December 2012, extradited to Australia in April 2013 and charged with offences under the <i>Migration Act 1958</i>. This was the first time a person was extradited to Australia from the United Arab Emirates for any offence.</p>	<p>AFP members from Crime Operations (Thursday Island) supported Customs-led Joint Cross Border Patrols with Papua New Guinea in December 2012 and March 2013. The Joint Cross Border Patrols enhance the capacity of the AFP and its international partners in Papua New Guinea, including the Royal Papua New Guinea Constabulary and Papua New Guinea Customs in both border protection operations and international intelligence target development.</p>
<p><b>OPERATION CROWEA</b></p> <p>Crime Operations Intelligence provided significant support to the Indonesian National Police through the AFP’s Jakarta Post in relation to the organisers of a vessel that capsized in Australian waters in June 2012, resulting in the deaths of almost 100 people. In June 2012 with the assistance of the AFP, the Indonesian National Police arrested the primary organiser. In September 2012 two primary facilitators were arrested in Pakistan and Malaysia due to ongoing cooperation with the Royal Malaysia Police and the Pakistan Police Service through the respective AFP posts.</p>	

## CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS

## Program 1.4 Close Operations Support

### OPERATIONS SUPPORT

THE OPERATIONS SUPPORT FUNCTION PROVIDES CENTRALISED COORDINATION OF OPERATIONS, INCLUDING RESPONSES TO CRISES. THE FUNCTION ALSO MANAGES CORPORATE COMMUNICATIONS AND THE AFP'S SECURITY FRAMEWORK, AS WELL AS OVERSEEING THE DEVELOPMENT OF SYSTEMS TO SUPPORT OPERATIONAL CAPABILITIES.

#### Highlights

In 2012–13 Operations Support:

- entered a formal deed of standing offer with Elbit Systems Australia for the acquisition of an investigations, intelligence and incident management system
- launched the AFP Facebook page
- implemented the new protective markings regime across the AFP and, in doing so, complied with the deadline set by the Attorney-General's Department.

#### AFP Operations Coordination Centre

The AFP Operations Coordination Centre (AOCC) is the primary point of contact for partner Australian Government agencies, state, territory and international police services and members of the public. The AOCC Watchfloor provides a 24/7 capability for centralised monitoring, initial response, coordination and communications for AFP national and international operations including:

- facilitation of Interpol and Europol requests
- initial management of family law recovery orders and family law arrest warrants
- management of the watch lists for the AFP, including watch lists for state and territory police services and Commonwealth and state authorities
- initial management of the National Child Offender System (formerly Australian National Child Offender Register) alerts
- management of AFP National Property and Exhibits
- oversight of the AFP Family Investigative Liaison Program
- provision of the AFP national radio communications network
- management of AFP Special Member Registry
- provision of specialised internal advice and quality assurance for AFP controlled operations
- receipt and evaluation of investigation referrals from the public, client agencies and law enforcement partners.

## CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS

In 2012–13 the AFP Operations Coordination Centre processed operational requests comprising:

- 74 931 Interpol/Europol communications (including Interpol search requests)
- 492 family law recovery orders and arrest warrants
- 2227 National Security Hotline Reports
- 7012 Information Reports.

AOCC also supports the coordination of AFP crisis and emergency management responses to incidents and the AFP command, control and coordination of select complex operations and planned major events. The AFP, through the AOCC Incident Coordination Centre, works with government and law enforcement partners during whole-of-government response and consequence management operations.

### Corporate communications

In the 2012–13 reporting period, the National Media Team oversaw a large number of media activities, including:

- 2313 public media inquiries
- 788 sets of talking points for AFP spokespersons
- 164 media releases
- 31 media conferences.

National Media launched the AFP Facebook page on 11 February 2013. This platform is used to engage the Australian community and raise awareness of AFP activities. The AFP posts media articles and marketing campaigns on its Facebook page, with a view to steering visitors to the AFP website. By 30 June 2013 the AFP achieved the milestone of 15 000 `likes`.

The National Marketing Team develops and delivers a range of internal and external communication initiatives on behalf of functional areas. Key community awareness campaigns over 2012–13 included:

- National Missing Persons Week
- International Missing Children's Day
- Identity Fraud Awareness Week
- Australia-wide ThinkUKnow Cyber Safety events
- National Police Remembrance Day.

The Marketing Team also contributed to the development and delivery of the AFP 2013 National Recruitment Campaign, which was designed to attract people seeking a career in the AFP either as a federal agent, ACT community police officer or protective service officer.

The second television series of *AFP*, produced by Zapruder's Other Films, commenced airing on the Nine Network in October 2012. The series comprised 10 episodes and attracted viewing audiences of up to 700 000.

The Online Services team is responsible for the content of the AFP's internal and external websites, as well as creation of visual content for use in communication strategies.

## CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS

### Security

The Security team enhances the AFP's security culture through the implementation of the Commonwealth Protective Security Policy Framework, which enables the conduct of AFP operations in a secure environment. To achieve this, the team:

- ensures the security of AFP personnel, assets and information
- provides risk-reduction strategies for both internal and external threats to security
- continues to improve the security reporting regime to identify security trends and to better enable an efficient and effective response to support AFP operations
- continues to enhance partner agency confidence in AFP security practices.

In 2012–13 Security:

- implemented the Protective Security Policy Framework by aligning physical, personnel, information and governance security strategies to contribute to a more secure government – the AFP will report a high degree of compliance, meeting 90 per cent of the mandatory requirements and having a plan in place to address the remaining requirements
- implemented an automated email classification program that assisted with ensuring the appropriate classification and distribution of emails
- supported the commissioning of five state-of-the-art secure facilities for the Aviation security program at major airports through security certification support to Program Jupiter.

### Spectrum and strategic programs

The Spectrum Program is responsible for the development of next-generation operational systems and processes, including the delivery of major system components to support operational capabilities. Formal contract negotiations commenced on November 2012 and a deed of standing offer was signed in June 2013 with Elbit Systems of Australia for the acquisition of a new investigations, intelligence and incident management system.

CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS



The National Security Capability Development Team manages the AFP’s secure information management strategies and delivers capabilities to enhance the secret and top secret environments.

In support of the National Security Reclassification Project, Security continues to implement the new protective marking regime in the AFP and review governance instruments and policy and procedural documentation to ensure compliance with the Protective Security Policy Framework. The project is also responsible for the accreditation of AFPNet in accordance with the Protective Security Policy Framework requirements. The first phase of this multiphase project was completed in June 2013.

The Portfolio Management Office administers the AFP’s project, program and portfolio management capability. During 2013 the AFP continued work to enhance outcomes identified during the Portfolio, Program and Project Management Maturity Model Assessment conducted in 2012. This second assessment found an improvement in the maturity of portfolio, program and project management from the initial assessment in 2010.

## CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS

## INTELLIGENCE

THE INTELLIGENCE FUNCTION PROVIDES HIGH-QUALITY, TARGETED AND REAL-TIME INTELLIGENCE SERVICES TO ALL LEVELS WITHIN THE AFP THROUGH THE ONGOING ALIGNMENT OF RESOURCES WITH OPERATIONAL AND CORPORATE PRIORITIES, INCLUDING CO-LOCATION WITH INVESTIGATIVE TEAMS, COVERT SERVICES AND MAINTENANCE OF MUTUALLY BENEFICIAL RELATIONSHIPS WITH THE AUSTRALIAN AND INTERNATIONAL INTELLIGENCE COMMUNITIES.

### Highlights

In 2012–13 the Intelligence function either generated or contributed to the operations of the AFP Crime Program, Counter Terrorism, Aviation and High Tech Crime functions. Intelligence also contributed to joint national operations and shared intelligence with international law enforcement partners. Examples are:

- **Operation Whiffler**, an intelligence-generated investigation into a transnational organised crime syndicate suspected of large-scale imports of methamphetamine into Australia, resulting in the arrest of five people and seizure of 110 kilograms of methamphetamine in Japan, as well as the arrest of the Australian facilitator
- **Operation Conqueror**, a joint operation across Australia targeting online child sexual exploitation offenders – to date there have been 25 arrests
- **Operation Zanella-Avalon**, a national priority operation focused on the activities of a global money-laundering syndicate providing services to many of the world's most influential organised crime groups
- **Operation Alastria**, an investigation into attacks against gov.au sites, resulting in the arrest of one person of interest
- **Operation Oxnam**, an intelligence-generated investigation into a Canadian syndicate, resulting in the recovery of 45.5 kilograms of amphetamine and 5.2 kilograms of cocaine – the intelligence generated by the AFP assisted Canadian authorities to investigate the syndicate's operations in Canada.

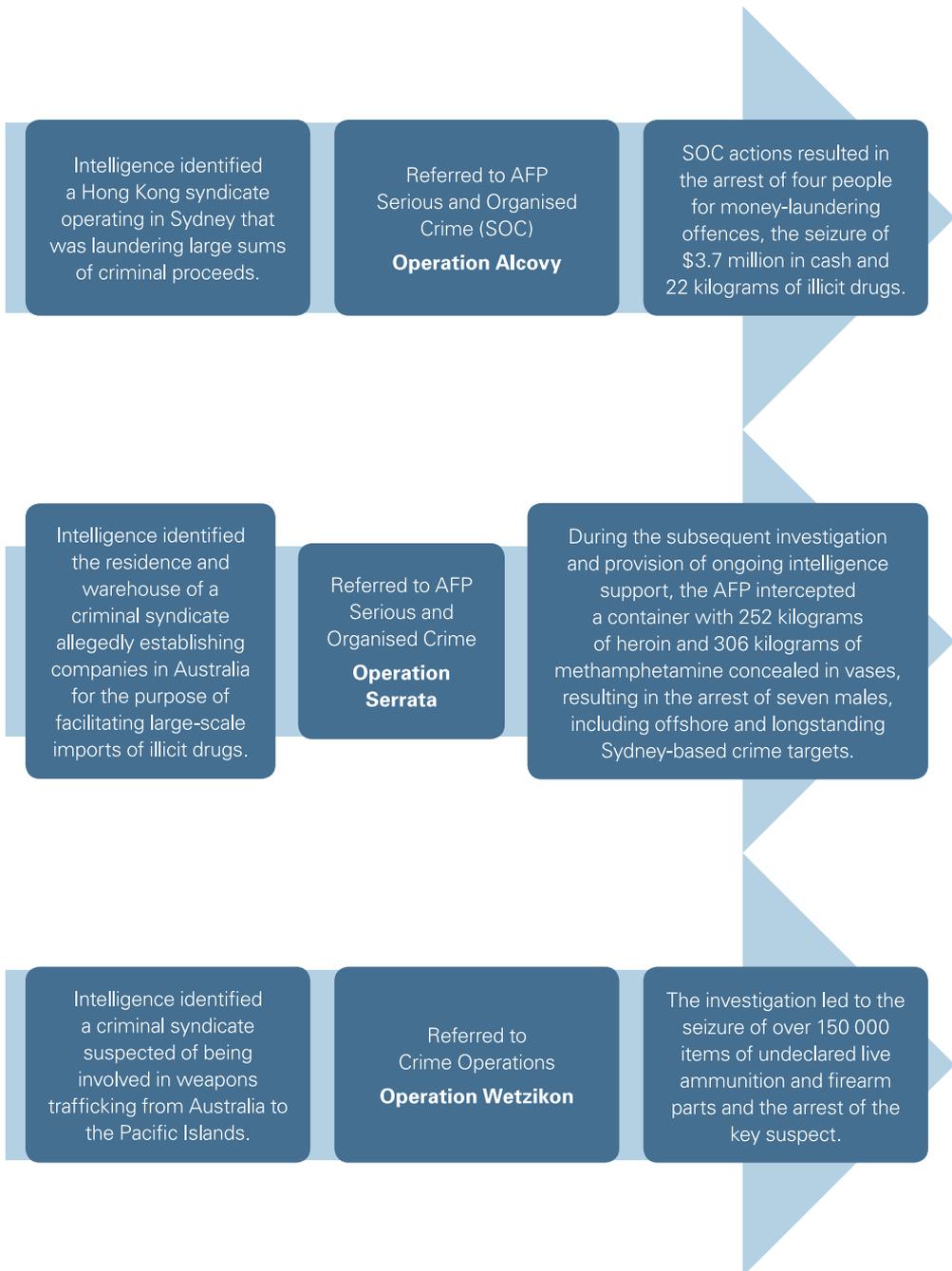
### Operational support

#### WORKING WITH AFP INVESTIGATORS

To enhance operational outcomes, the AFP has Intelligence staff co-located with investigators within Serious and Organised Crime, High Tech Crime Operations, Counter Terrorism, People Smuggling and Aviation teams at both AFP Headquarters and across regional offices and taskforces. Intelligence staff are also co-located with the International Deployment Group at Majura and have been deployed to Christmas Island in support of Crime Program activities.

CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS

EXAMPLES OF INVESTIGATIONS GENERATED BY INTELLIGENCE, 2012–13



CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS

TABLE 7. INTELLIGENCE SUPPORT CASES, BY CRIME TYPE, 2012–13

CRIME TYPE	NUMBER OF INTELLIGENCE SUPPORT CASES
Child sex offences	27
Drugs	215
Human trafficking	10
Money laundering	46
People smuggling	31
Serious technology-enabled crime	11
Terrorism	37
Others	36
<b>Total</b>	<b>413</b>

WORKING WITH AUSTRALIAN STATE AND FEDERAL AGENCIES

Intelligence works collaboratively with both state and federal agencies through a range of mechanisms including outposting of staff, co-location and secondments.

During the reporting period Intelligence outposted 13 staff across a range of agencies including the Australian Crime Commission (ACC), Attorney-General’s Department, Defence Signals Directorate, Australian Defence Force, Australian Customs and Border Protection Service, and Australian Security Intelligence Organisation (ASIO).

Outposting arrangements include the multi-agency Financial Intelligence Assessment Team, hosted within the ACC, to which the AFP can refer specific matters for assessment in addition to being the recipient of referrals and intelligence assessments. They also include the Counter Terrorism Control Centre, Leads Branch and National Threat Assessment Centre within ASIO in addition to support provided to existing multi-agency Joint Counter Terrorism Teams located in Brisbane, Sydney, Melbourne, Perth and Adelaide.

Intelligence staff were also co-located with other agencies including in the:

- **Polaris, Trident and Yelverton taskforces**, which were established in Sydney, Melbourne and Perth respectively to detect, disrupt and defeat serious and organised crime in the Australian maritime sector
- **Defence Abuse Response Taskforce**, which was established on 26 November 2012 within the Attorney-General’s Department in response to the outcomes of the DLA Piper review into sexual and other abuse within the Australian Defence Force
- **Joint Organised Crime Task Force**, which was established to target organised crime syndicates impacting on Victoria.

## CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS

### OPERATION DIAMONDBACK

In August 2012 the Joint Organised Crime Task Force (JOCTF) disrupted an international drug syndicate in Melbourne, seizing 74.4 kilograms of pseudoephedrine and 76.3 kilograms of ephedrine, which have the potential to manufacture 120 kilograms of methamphetamine with a street value of up to \$100 million.

The JOCTF charged five Canadian nationals with serious drug offences, including pre-trafficking commercial quantities of a controlled precursor and possessing equipment for the commercial manufacture of a controlled drug. Intelligence generated by the AFP has assisted Canadian and Indian authorities to investigate the syndicate's operations overseas.

Multilateral and whole-of-government operations were also supported by AFP Intelligence's hosting of nine seconded staff from the Australian Customs and Border Protection Service, AUSTRAC, Australian Crime Commission, Tasmania Police, Queensland Police, South Australia Police and NSW Police Force.

#### *Joint Airport Intelligence Groups*

The Joint Airport Intelligence Groups (JAIGs), which are managed by AFP Intelligence, comprise staff from a number of government agencies, including state and territory police services, who work together on operations in the aviation environment. This arrangement enhances information and intelligence sharing.

### DISRUPTION OF CRIMINAL SYNDICATE BY THE JAIG

The JAIG provided ongoing intelligence support to an investigation that began in November 2012, with Melbourne Airport Uniformed Operations Police (AUOP) interviewing two men with outstanding warrants for drug offences.

As a result of AUOP, Joint Airport Investigation Team, JAIG and Victoria Police cooperation, this investigation uncovered, identified and disrupted a syndicate involved in the production of fake identities, drug importation and manufacture and trafficking of drugs between Victoria and Tasmania.

#### *Australian Gangs Intelligence Coordination Centre*

The Australian Gangs Intelligence Coordination Centre (AGICC) is part of the National Anti-Gangs Taskforce, announced by Prime Minister Gillard on 3 March 2013. The AFP-led AGICC is a tactical intelligence capability tasked to develop a comprehensive national picture of gang activity to direct preventive and operational activity. It has 13 full-time staff from AFP Intelligence, AFP High Tech Crime and other government agencies. Although AGICC will formally commence on 1 July 2013, it has already identified intelligence targeting opportunities and commenced intelligence support of operations.

### WORKING WITH INTERNATIONAL PARTNERS

Intelligence supports the Regional Cooperation Teams, which work with law enforcement and security services in Thailand, Indonesia and the Philippines. The Intelligence function provides regular support to the AFP International Network and its overseas counterparts at post, both in the ongoing exchange of intelligence and provision of intelligence-related training.

CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS

OPERATION GENTIAN	OPERATION ELDRICK
<p>AFP Intelligence instigated inquiries into an Australian citizen and maritime people-smuggling organiser responsible for the unauthorised entry of approximately five suspected irregular entry vessels into Australia. Intelligence provided significant support to a concurrent Indonesian National Police investigation through the AFP’s Jakarta Post, resulting in the arrest of the organiser in Indonesia in September 2012.</p>	<p>AFP Intelligence generated Operation Eldrick, alleging that an international syndicate was involved in multiple commercial importations of illicit drugs concealed in heavy machinery into Australia through numerous shelf companies in countries throughout Europe and Asia.</p> <p>This operation led to AFP liaison with Dutch and German authorities, resulting in:</p> <ul style="list-style-type: none"> <li>▪ the AFP identifying an Australia-based individual in regular contact with the principal of a Dutch investigation into a syndicate involved in the worldwide importation and distribution of illicit drugs</li> <li>▪ the Dutch authorities arresting two principals of the syndicate and almost 20 associates for alleged involvement in drug trafficking and money laundering</li> <li>▪ the German federal police arresting in 2013 the syndicate principal identified by the AFP – this person was a long-term suspect in two major AFP investigations and will now be prosecuted under German law.</li> </ul>
<p><b>THE FBI THANKS AFP INTELLIGENCE</b></p> <p>The Federal Bureau of Investigation (FBI) presented certificates to AFP Intelligence for its:</p> <ul style="list-style-type: none"> <li>▪ work on a complex operation of national significance to the FBI and United States Drug Enforcement Administration</li> <li>▪ location of a Canadian citizen on the FBI’s top-ten target list on a tourist visa under an assumed identity.</li> </ul>	<p>This is a successful outcome for the AFP’s international engagement strategy to combat organised crime.</p>

## CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS

The AFP also provides intelligence that contributes to the operational outcomes of foreign law enforcement partners.

In 2012–13 the AFP and international law enforcement agencies continued to share intelligence to combat global crime. For example:

- The AFP signed a memorandum of understanding with the United States Organized Crime Drug Enforcement Task Force Fusion Center to contribute resources and information to disrupt drug trafficking and international criminal organisations.
- The exchange of information between Europol, the AFP and the Australian Customs and Border Protection Service resulted in intelligence and targeting opportunities that have assisted several Australian and foreign law enforcement and border agencies to combat the trafficking of cocaine from South America by a transnational organised crime group.
- The Joint AFP and New Zealand Police Pacific Intelligence Collection Strategy was incorporated into wider intelligence collection and communication strategies, with Pacific law enforcement stakeholders now forming part of the network.

### Strategic support

#### PARTICIPATION IN NATIONAL INTELLIGENCE COMMITTEES

Throughout 2012–13 the Intelligence function enhanced already strong relationships with National Intelligence Community (NIC) agencies through its participation in the National Intelligence Coordination Committee, the National Intelligence Collection Management Committee and the NIC Training Secretariat. The AFP also developed and contributed to several intelligence requirements and evaluation papers related to national intelligence priorities.

#### JOINT ANALYST GROUPS

Intelligence staff work with state and territory police in the multijurisdictional Joint Analyst Groups, which meet monthly to discuss projects set by the Joint Management Group.

Victoria recently established a permanent Joint Analyst Group to probe serious and organised crime. The group produced the *2012 Victorian serious and organised crime environmental scan*, which identifies key trends and emerging issues in Victoria to support the decision making of the Victorian Joint Management Group and law enforcement and regulatory agencies operating in Victoria.

#### PARTICIPATION IN INTERNATIONAL FORUMS

##### *Criminal Intelligence Advisory Group*

AFP National Manager Intelligence is a member of the Criminal Intelligence Advisory Group (CIAG), which consists of Australian, Canadian, New Zealand, United Kingdom and United States heads of intelligence. CIAG addresses global criminal threats such as people smuggling and outlaw motorcycle gangs and enhances information sharing between agencies.

## CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS

**CIAG INTELLIGENCE TRAINING**

The AFP, in collaboration with Charles Sturt University and the Australian Crime Commission, delivered the CIAG National Strategic Intelligence Course from 10 to 21 September 2012 in Virginia, United States. Participants were given an advanced understanding of contemporary strategic intelligence research methods, analytical tools, project management and performance evaluation.

*Interpol*

In June 2013 AFP Intelligence participated in the fourth Operation Ice Trail Interpol working group in Kazakhstan. The group focused on methamphetamine trafficking from the Middle East into the Asia–Pacific region. This forum provided a unique opportunity for the AFP to engage with police and border authorities from a number of Central Asian countries in addition to representatives from South-East Asia, the Middle East, United States, United Nations Office on Drugs and Crime and Interpol.

*Covert policing*

The AFP participates in the International Working Group meetings for heads of covert policing agencies and the International Business Secretariat meetings for backstopping personnel. The AFP is the convenor and current chair of the Australasian Police Undercover Group.

*Transnational Crime Assessment workshops – Indonesia and Thailand*

In February 2013 the AFP and the Indonesian National Police conducted a workshop in Jakarta, Indonesia, to develop the annual Indonesian Transnational Crime Assessment report. Topics ranged from high-priority crimes such as people smuggling and terrorism through to key enabling offences such as money laundering, cybercrime and corruption.

The AFP and Royal Thai Police conducted a similar workshop in Thailand in February 2013 to develop the Thai Transnational Crime Assessment.

**PUBLICATIONS***Intelligence reports*

In 2012–13 the Intelligence function produced 1484 intelligence reports in support of AFP operations and strategic decision making; 1081 of these were disseminated to national and international partners.

*Annual intelligence assessment 2013*

The *Annual intelligence assessment 2013* examines the criminal and security environments from a strategic perspective to identify key trends, emerging issues and resultant implications for the AFP. The principal client for this assessment is the AFP Strategic Leaders' Group.

## CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS

## FORENSIC AND DATA CENTRES

THE FORENSIC AND DATA CENTRES (FDC) FUNCTION PROVIDES FORENSIC SCIENCE AND TECHNICAL INTELLIGENCE SERVICES TO THE AFP AND ITS NATIONAL AND INTERNATIONAL PARTNERS. IT ALSO CONTRIBUTES TO INTERNATIONAL FORENSIC CAPACITY BUILDING THROUGH COLLABORATION WITH DOMESTIC AND INTERNATIONAL COUNTERPARTS AND ACADEMIA.

### Highlights

In 2012–13 FDC:

- met or exceeded all Portfolio Budget Statements key performance indicator targets for 2012–13, including:
  - obtaining 93 per cent satisfaction and no dissatisfied clients in the results of the AFP Business Satisfaction Survey, which exceeded the 85 per cent target
  - maintaining National Association of Testing Authorities Australia accreditation under ISO/IEC 17025 across all currently accredited forensic fields
  - providing 98 per cent of technical intelligence responses within five business days, exceeding the 95 per cent target
  - completing general service requests, exceeding agreed target levels
  - completing 100 per cent of all offshore capacity-building projects.
- successfully achieved, through the Forensics Capability Program, parliamentary approval via the Public Works Committee to progress the new forensic facility
  - The new modern forensic science and technical intelligence facility will enable AFP to maintain, improve and expand its forensic business capability.
  - It will provide optimum collaboration of forensic departments to significantly improve work practices, process streaming and efficient functional delivery.
- officially launched the National Rapid Lab initiative in March 2013
  - This facility streamlines the prioritisation and examination of forensic cases, particularly related to illicit drugs entering Australia through the postal system.

In 2012–13 FDC continued to provide timely operationally relevant intelligence products, technical advice and support for ongoing AFP investigations to key internal and external stakeholders.

### Operational support

Principal FDC operational client functions continue to be ACT Policing, Crime Program and Counter Terrorism and demand for FDC service continues to trend upwards.

FDC and ACT Policing initiated a combined response to crime scenes. This partnership provides a victim-first approach that combines general duties and crime scene members to jointly respond to incidents such as burglaries and theft in the ACT.

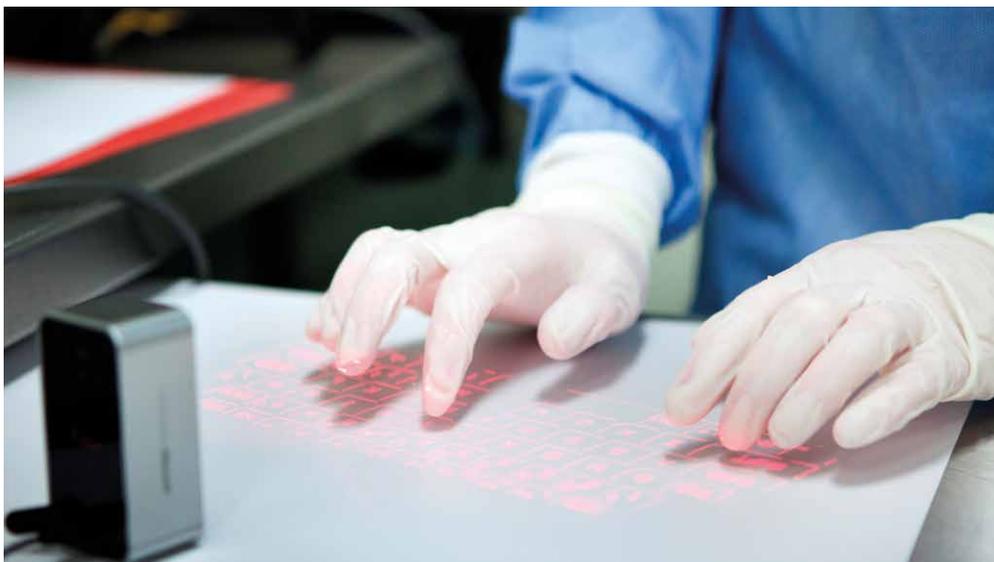
## CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS

The ACT Rapid Laboratory and the newly established Sydney Rapid Laboratory are used to triage forensic evidence and expedite analysis of items for both ACT Policing and national operations. The implementation of gas chromatograph mass spectrometry in the Sydney Office has further assisted Sydney Crime Scene Investigations to rapidly screen for illicit drugs.

### Forensic intelligence

Forensic intelligence capability was implemented in Canberra and Sydney and operational results increasingly demonstrated the value of exploiting forensic information holdings for intelligence, as well as for evidential purposes. The AFP is now driving a national initiative in partnership with the National Institute of Forensic Science through the Australia New Zealand Policing Advisory Agency to expand the use of forensic intelligence across all jurisdictions.

Increased functionality built into the Australian Bomb Data Centre database and recent incidents such as the Boston Marathon bombing have significantly increased intelligence and advice requests for the data centres. The Australian Illicit Drug Data Centre and Attorney-General's Department are reviewing possible cooperation on the development of a Drug Monitoring System for novel psychoactive substances and the integration of the National Illicit Tablet Logo Database.



A Forensic and Data Centres member demonstrates the use of technology aimed at minimising the risk of cross-contamination through handling of common objects such as computer keyboards.

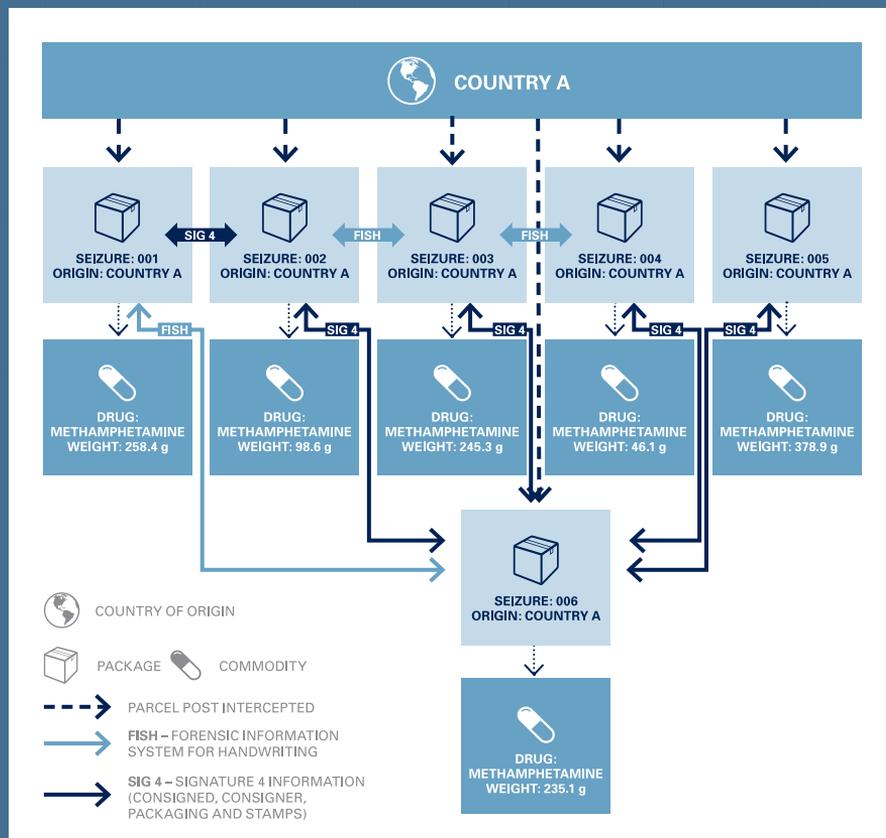
CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS

ENHANCED NATIONAL CAPABILITY TO FIGHT DRUG IMPORTATION

The FDC National Forensic Rapid Lab, in conjunction with AFP and Australian Customs and Border Protection Service Intelligence, is enhancing the national capability to identify the origin of internationally dispatched drug packages coming to Australia. The packages (which have been found to contain either methamphetamine or pseudoephedrine) are sent using mail couriers to multiple addresses and persons in Australia. Though each case consists of relatively small consignments, the syndicate is believed to have imported several hundred kilograms of controlled drugs and precursors using this method.

The map below summarises how the AFP and Australian Customs and Border Protection Service have successfully identified linkages between various seizures. Seizures from 'Country A' have been the subject of analysis on the basis of consignee, consignor, packaging and stamps (Signature 4 Information) and the Forensic Information System for Handwriting (FISH). This has resulted in a range of previously unrelated seizures being successfully linked in support of both ongoing investigations and interdiction efforts.

International drug map



## CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS

### Technical advancement

FDC biometric capabilities such as fingerprints, DNA and facial identification have enhanced international exchange opportunities through broadening bilateral international fingerprint exchange, connecting to the Interpol DNA gateway and commencing the inclusion of foreign DNA profiles in Australia's national database. These efforts have led to operational successes including links identified to Interpol and other serious investigations.

Cutting-edge search technologies are providing invaluable assistance for current and ongoing AFP and partner agency investigations. Forensic artists are also using age-progression face-imaging methodologies to create 'aged' images of long-term missing persons, based on interviews with family members.

With the increasing prevalence of internet Cloud-based data storage, Digital Forensics focused on the development and refinement of processes for ensuring the successful identification and preservation of remotely accessible data during search warrants. Digital Forensics is also actively involved in the identification and development of more automated means to intelligently analyse and interpret large datasets that are increasingly being seized through AFP investigations.

### Capability building

FDC has significantly contributed to AFP and law enforcement research and policy matters during 2012–13 by taking a leading role in national and international forums in providing advice on:

- biometrics, including the Commonwealth and National Biometric Interoperability Frameworks, DNA kinship matching, introduction of nationally consistent familial searching, DNA statistical interpretation, facial recognition and fingerprints policy
- firearms, including the introduction of Australian Ballistic Information Network, National Policing Senior Officers Group and CrimTrac national firearms identification
- capacity development and training to Africa, India, China, South-East Asia, Myanmar and Lebanon
- digital forensic training to the Cyber Crime Investigation Centre in Jakarta, Indonesia
- research on new human and material provenancing capability, including environmental profiling to support the disruption and investigation of major crime.

The Enhancing Australia's Law Enforcement Engagement with Pakistan (Forensic Component) Project was successfully completed in June 2013. A total of 194 Pakistani police and government officials from 20 different agencies participated in training, forums and professional development activities. The new strategic partnerships and established capability will be maintained through the provision of an ongoing sustainability program.

## CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS

## HIGH TECH CRIME OPERATIONS

HIGH TECH CRIME OPERATIONS (HTCO) COMBATS THE THREATS OF CYBERCRIME DIRECTLY THROUGH DISRUPTION, MITIGATION AND PROSECUTION AND SUPPORTS THE BROADER AFP THROUGH ITS TECHNICAL CAPABILITIES.

### Highlights

In 2012–13 HTCO:

- mitigated the threat posed by a targeted Citadel malware campaign, resulting in \$570 million of at-risk funds being protected and the identification of perpetrators operating out of Russia
- employed proactive and technical capabilities in the identification and prosecution of suspects sharing child exploitation images via peer-to-peer platforms
- countered the threat from child sex exploitation online and in travel and tourism, resulting in 92 offenders being arrested/summonsed for in excess of 204 child sex offence charges
- expanded the ThinkUKnow cybersafety program partnership to include the Northern Territory Police
- appeared before several parliamentary committees, including the Joint Select Committee on Cyber-Safety – Cyber-Safety for Senior Australians, Parliamentary Joint Committee on Law Enforcement’s Inquiry into the spectrum for public safety mobile broadband and the Parliamentary Joint Committee on Intelligence and Security’s Inquiry into potential reforms of the national security legislation
- complied with the *Telecommunications (Interceptions and Access) Act 1979* and *Surveillance Devices Act 2004* in relation to record keeping and reporting.

HTCO delivers two capabilities in support of AFP operations: Cyber Crime Operations (investigations and strategic initiatives) and High Tech Collections and Capabilities (technical and physical surveillance).

Cyber Crime Operations provides responses to cybercrime, as well as prevention strategies focusing on safety and awareness. High Tech Collections and Capabilities provides centrally coordinated technical and physical surveillance and monitoring capabilities that contribute to all AFP domestic and international policing functions.

### Operations

In close collaboration with government and private sectors, the Cyber Crime Operations teams investigate significant criminal acts which may compromise computer systems relied upon by the Australian critical infrastructure community and/or information systems of national and international significance, or exploit the integrity and safety of children.

CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS

**OPERATION CONQUEROR**

Operation Conqueror began in January 2013 when the AFP identified a number of persons using a peer-to-peer file-sharing network to share images depicting children, including infants, being sexually abused.

To date, a total of 25 arrests have been made and 40 search warrants have been executed. A number of those arrested have been sentenced to periods of imprisonment and other prosecutions are ongoing.

Offences included producing, accessing, transmitting and making available child exploitation material contrary to the provisions of section 474 of the *Criminal Code Act 1995*. These offences carry sentences of up to 15 years imprisonment. Sexual assault and possession of child exploitation material charges relevant to applicable state legislation were also laid.

**OPERATION LARRABEE**

In February 2013 a juvenile who is allegedly a member of an issue-motivated hacking collective referred to as ‘Anonymous’ was charged with 19 cyber-related offences. The juvenile is alleged to have participated in a hacking event on 5 November 2012 in which it is alleged that he modified and defaced a number of Australia-based websites.

The harm allegedly caused by this hacker extended beyond the immediate victims. It had the potential to cause irreversible damage to Australian website hosting providers which were also affected by the compromise. These matters can have implications for consumers’ confidence in the safety of their information online.

**OPERATION SAXTON**

Operation Saxton mitigated the threat posed by a targeted Citadel malware campaign, resulting in \$570 million of at-risk funds being protected and the identification of perpetrators operating out of Russia. The AFP is continuing to liaise extensively with international partners and has provided actionable intelligence to these agencies.

**OPERATION CAPPELLA**

Operation Cappella was an investigation into a male suspected of online child exploitation and unauthorised access to computers with the intent to procure persons under 16 to perform sexual acts.

The investigation revealed that the alleged offender utilised sophisticated social-engineering techniques to deploy malware and compromise and obtain access to the computer owned by a young female through the deployment of a remote administrator tool. This program was sent to the young female under the guise of its being one that would add more friends to her social networking account.

The offender was convicted and the sentence is due to be handed down on 5 August 2013.

**INTERNATIONAL OPERATIONS**

The AFP has directly contributed through joint arrangements with international law enforcement to the arrest of 14 suspects in three foreign countries for offences related to the sexual exploitation of children and the production and supply of child exploitation material. These matters have also resulted in a minimum of 26 child victims being removed from harm in those three countries. Further investigations are ongoing in respect of these matters.

## CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS

## National and international collaboration

All of HTCO's Portfolio Budget Statements key performance indicators were met in 2012–13 and are tracking well against business plan goals. Many of these achievements have been the result of the strong and effective collaborative relationships developed and fostered with national and international law enforcement agencies, industry, government and non-government organisations and academia.

For example, HTCO was the Chair of the Virtual Global Taskforce (VGT), which is an international collaboration of 12 law enforcement agencies and 11 private industry partners working together to help protect children from online abuse and related contact offending. In December 2012 the Chair was handed over to United States Immigration and Customs Enforcement.

In December 2012 the VGT held the 5th biennial conference, International collaboration: An enabler for prevention, in Abu Dhabi, United Arab Emirates. At the conclusion of the conference, the VGT announced three new strategic initiatives:

- To enhance the global capacity of law enforcement around the world to fight the online exploitation of children by:
  - influencing worldwide legislators, industry and others to improve the protections for children
  - supporting countries in developing their own strategies and delivering standardised training and technological solutions
  - anticipating global trends and developing effective mitigation for new risks
- To increase and enhance engagement with existing partners and engaging new partners from both law enforcement and non-law enforcement sectors who can make a significant contribution to the work of the VGT and help target the VGT's engagement towards growing and emerging threats towards children
- To develop a global approach towards the issue of travelling child sex offenders to ensure a coordinated and effective response strategy by taking a victim-centred approach to prevention and protection.

HTCO leverages off the relationships it has developed with academia. In October 2010 HTCO engaged the Centre for Excellence in Policing and Security, Griffith University, to assess the merits of developing a risk-based prioritisation model to assist with the triage of incoming referrals.

The prioritisation model was implemented on 1 July 2012 and consists of a series of questions to be answered and assessments made about each referral. Each response receives a different score based on the research undertaken for the model. Once the overall score reaches a certain numeric value it generates a risk rating. This then dictates the appropriate referral response.

### OPERATION LINO

Operation Lino was an AFP and Romanian National Police investigation into a targeted attack against Australian retail chains to illegally acquire credit card information. Through international collaboration with the United States Secret Service and the Romanian National Police, the syndicate in its entirety was identified, exposed and dismantled in November 2012.

This investigation mitigated the exposure of US\$2.5 billion globally, of which A\$750 million involved Australian credit card exposure. Of the exposed Australian credit cards, 30 000 were fraudulently used, resulting in the loss of A\$30 million. This investigation resulted in the international arrests of seven people. The prosecutions in these matters are ongoing.

The Romanian offences included unauthorised transfer, modification and interception of data, engaging in fraudulent financial transfers and creating an organised criminal group.

## CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS

### Prevention through education

HTCO has worked with non-law enforcement and non-government organisations to combat child sexual exploitation online and in travel and tourism through:

- supporting the launch of the Partnerspeak support network for those affected by online child sexual exploitation
- presenting training, information sessions and events to raise awareness
- providing assistance to AusAID in the development of the revised AusAID Child Protection Policy including a presentation on the role of the AFP's Child Protection Operations
- hosting a Child Sexual Exploitation in Travel and Tourism Symposium, attended by Pacific country law enforcement and NGOs, with the aim of improving ongoing NGO and law enforcement collaboration to prevent the sexual exploitation of children and encouraging the prosecution of offenders by relevant jurisdictions.

HTCO has a strong prevention and awareness-raising focus on educating the Australian community on cybersafety and security as well as on reducing the incidence and impact of missing persons in Australia.

Significant cybercrime prevention and awareness-raising achievements include delivery of:

- 230 Friends and Followers 101 cybersafety presentations to 25 224 primary and secondary school students
- 263 ThinkUKnow presentations to over 8640 parents, carers and teachers
- 69 Social Media and Reputation Management sessions to 3636 people from the National Rugby League, Swimming Australia, the Australian Defence Force and multiple sporting codes through the Australian Institute of Sport, as well as AFP recruits
- 63 cybersafety sessions to 9726 children and young people and 15 sessions to 515 community members as part of the Cyber Safety Pasifika project.

On 30 July 2012 National Missing Persons Week 2012 was launched in partnership with the New South Wales Police Force. The event aimed to raise awareness of youth, a group at risk of going missing, with a call to 'Take the time to let someone know'. The campaign encouraged young people to let someone know where they are or where they are going and whether they are running late or taking some time out.

### Collections and capabilities

HTCO contributes to AFP operations by providing technical and physical surveillance support, as well as developing and deploying enhanced technical capabilities to the whole of the AFP. This includes the provision of a secure radio network service for AFP operations.

The portfolio also provides monitoring, record-keeping and report services for technical deployments. For example, the AFP was assessed by the Commonwealth Ombudsman as compliant with the *Telecommunications (Interceptions and Access) Act 1979* for telecommunications interception and described as having good process with regards to its procedures for handling stored communications.

Similarly, the AFP's surveillance device records were assessed as compliant with the record-keeping requirements of the *Surveillance Devices Act 2004*.

CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS

# LAUNCH OF THE AUSTRALIAN POLICE CHILD ID APPLICATION

The AFP launched a new smartphone application that will help Australian parents provide information to police in an attempt to locate their children if they go missing.

The Australian Police Child ID App was adapted from the Child ID App of the Federal Bureau of Investigation (FBI) in the United States and launched at the American Embassy in Canberra on 28 November 2012. This collaborative effort saw the AFP create a tool to assist parents and guardians more easily collect, store and send important information about their children to authorities via their mobile phones in the event of a disappearance or abduction.

The AFP works closely with its partner agencies such as the FBI both domestically and internationally in this area to bring children home safely.

The smartphone app can be downloaded at no cost from the Apple Store or Google Play. The app also includes safety advice, checklists for parents and emergency contact phone numbers for quick and efficient access.

As at 30 June 2013 the app had been downloaded 7760 times.



AFP Commissioner Tony Negus joins United States Ambassador to Australia Jeffrey L. Bleich outside the American Embassy for the launch of Australian Police Child ID App. Also in attendance are the AFP executive and AFP National Missing Persons Team members.



## CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS

## PROCEEDS OF CRIME LITIGATION

PROCEEDS OF CRIME LITIGATION CONTRIBUTES TO THE AFP-LED MULTI-AGENCY COMMONWEALTH CRIMINAL ASSETS CONFISCATION TASKFORCE OUTCOME OF DISRUPTING AND DETERRING SERIOUS AND ORGANISED CRIME BY TAKING THE PROFIT OUT OF CRIME.

### Highlights

In 2012–13 the Proceeds of Crime Litigation function:

- was fully implemented within the AFP with the successful recruitment of specialised litigators and support staff across the country
- commenced litigation of more than 145 matters across the country and took conduct of 57 matters from the Commonwealth Director of Public Prosecutions, including the restraint of \$62.5 million of assets
- actively contributed and developed key policies, including the AFP Proceeds of Crime Litigation Settlement Policy.

Proceeds of Crime Litigation is an operational legal function tasked with the conduct of proceeds of crime litigation under the *Proceeds of Crime Act 2002*, the *Mutual Assistance in Criminal Matters Act 1987*, the *International Criminal Court Act 2002* and the *International War Crimes Tribunals Act 1995*. The function also provides legal advice concerning all matters related to proceeds of crime under these and other laws.

The function is made up of 36 specialised litigators and support staff across the country with offices in Canberra, Melbourne, Perth, Sydney and Brisbane. The litigators provide early and strategic high-quality advice on asset confiscation to the investigative arm of the Criminal Assets Confiscation Taskforce, as well as independent proceeds of crime litigation services to the Commonwealth.

### SIGNIFICANT CASES

Proceeds of Crime Litigation ensures that the *Proceeds of Crime Act 2002* is enforced by commencing and conducting Proceeds of Crime Act action in the courts. Examples of proceeds of crime litigation related to significant drugs and money-laundering cases are:

- Operation Fasanya, which resulted in approximately \$9.5 million in assets restrained under Commonwealth proceeds of crime legislation
- Operation Volante, which resulted in approximately \$9 million in assets restrained under Commonwealth proceeds of crime legislation.

#### CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS

The function is actively building strong stakeholder relationships which assist in the development of legislative and policy reform through, for example, regular liaison meetings and the development of memorandums of understanding.

All litigators within the program hold practising certificates and operate under the AFP Legal Services Charter of Independence and Ethical Responsibilities and model litigant obligations when providing legal advice and conducting litigation. The function delivers training courses to our litigators to ensure consistent and best practice principles are being adopted and developed across the country.

The function's overall performance is measured against the AFP key performance indicator which is defined as an increase in value in assets restrained above the previous five-year average. Together with the Criminal Assets Confiscation Taskforce, Proceeds of Crime Litigation exceeded this key performance indicator.

## CHAPTER 4 OUTCOME 1 PERFORMANCE DETAILS

## LEGAL

AFP LEGAL DELIVERS SPECIALIST INDEPENDENT LEGAL SERVICES ACROSS THE WHOLE OF THE AFP.

### Highlights

In 2012–13 AFP Legal:

- provided legal advice on approximately 2700 matters
- implemented the Model Brief to help investigators prepare briefs of evidence that comply with Commonwealth Director of Public Prosecutions and jurisdictional legislative requirements.

During 2012–13 AFP Legal provided advice and assistance in support of counter-terrorism and people-smuggling investigations, AFP airport policing and other crime areas of key Commonwealth concern, employment and industrial relations matters, litigation matters, information disclosure, AFP governance issues and AFP commercial interests and contracts.

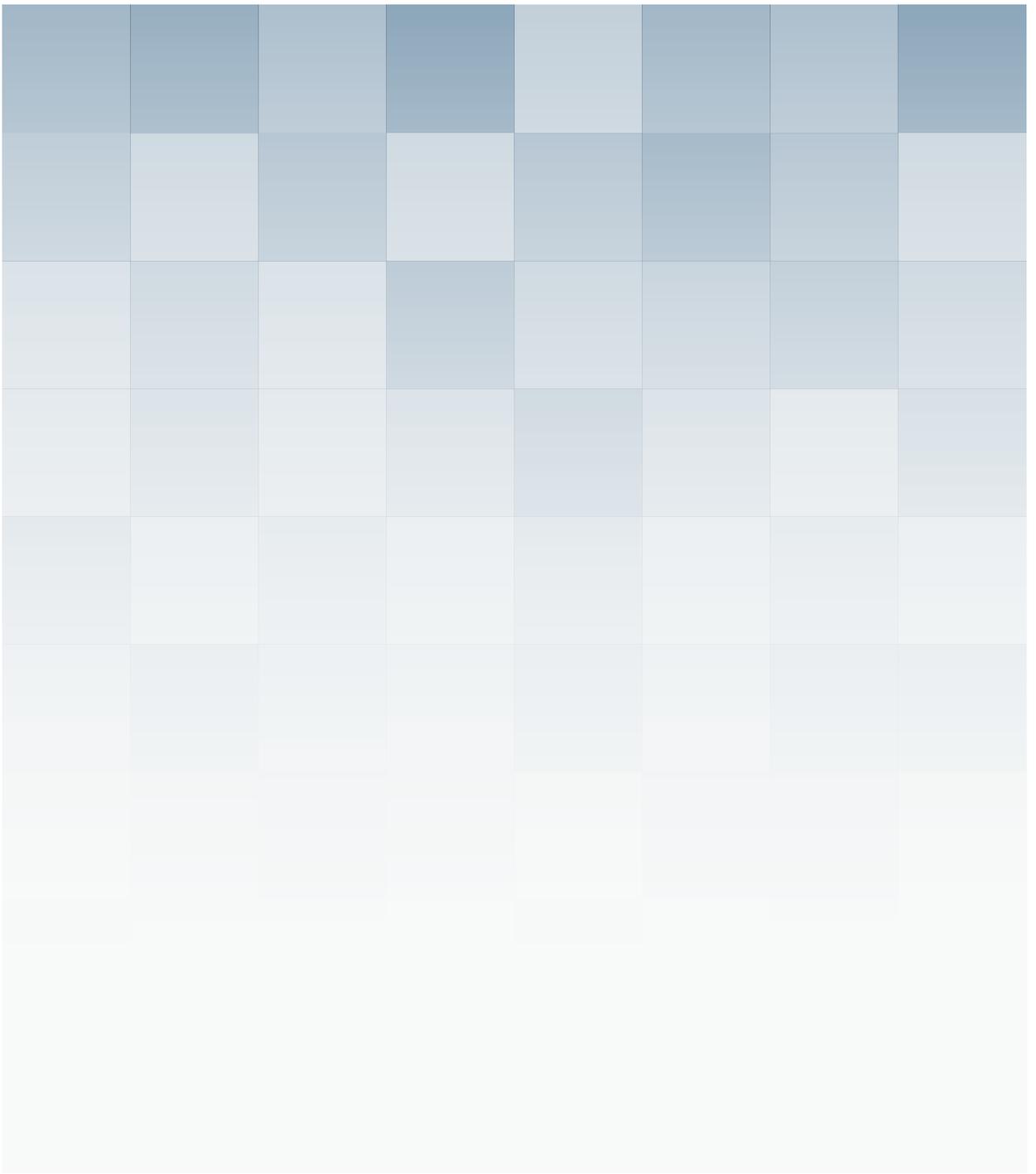
Legal also assisted the AFP Learning and Development function by providing subject matter experts for various AFP training and development courses and conferences.

Legal developed the Model Brief to support investigators preparing briefs of evidence for prosecutions. The Model Brief conforms to the Commonwealth Director of Public Prosecutions (CDPP) Brief Preparation Guidelines and the legislative requirements of each jurisdiction. The AFP Model Brief raises the standard of AFP briefs and is designed to achieve organisational consistency and quality in both the form and content of briefs of evidence provided to the CDPP.

Legal was responsible for the delivery of the final memorandum of understanding (MOU) between the AFP and the CDPP for signature by the Commissioner. This MOU clarifies the areas of responsibility between the AFP and CDPP.

Legal assisted with the management of disclosure with regard to significant operational prosecutions and serious criminal offences, including in relation to Operation Rune and Operation Vidua.

Legal provided advice and assistance to the Spectrum Program and was an integral part of the team negotiating the recent signing of the contract with Elbit Systems of Australia.





## CHAPTER 5 GOVERNANCE AND ACCOUNTABILITY

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## CHAPTER 5 GOVERNANCE AND ACCOUNTABILITY

AFP GOVERNANCE AND ACCOUNTABILITY FUNCTIONS ENABLE OPERATIONAL DELIVERABLES THROUGH THE PROVISION OF FINANCIAL MANAGEMENT AND GOVERNANCE FRAMEWORKS, HUMAN RESOURCES AND PROFESSIONAL DEVELOPMENT, SUPPORT TO THE PARLIAMENT AND MANAGEMENT OF EXTERNAL ACCOUNTABILITY OBLIGATIONS.

### Highlights

In 2012–13 governance and accountability functions:

- continued to reduce externally reportable compliance breaches, with a 9 per cent reduction since 2011–12
- developed the AFP Strategic Workforce Plan 2013–15
- received an award recognising the AFP as the highest-ranked public sector organisation for the provision of support provided to gay, lesbian, bisexual, transgender and intersex members
- achieved more timely resolution of serious complaints, with sixfold reduction in category 3 complaints open for over 365 days
- launched the AFP Strategic Plan 2012–15
- coordinated 20 submissions to parliamentary inquiries and 15 appearances before parliamentary committees in support of AFP outcomes
- achieved an improvement in Comcover Risk Management Benchmarking Survey results for the fourth consecutive year.

## FINANCE AND COMMERCIAL

FINANCE AND COMMERCIAL DELIVERS A RANGE OF FINANCIAL, PROPERTY, ASSET MANAGEMENT AND OTHER SUPPORT SERVICES THAT ENABLE AFP OPERATIONAL OUTCOMES.

During the reporting period Finance and Commercial continued to enhance service delivery to the public and internally, including improving the efficiency of operations through:

- introducing a simplified, online criminal history check application process
- enhancing corporate system functionality including human resource, contract, inventory and asset management
- promoting stronger financial management and governance arrangements
- maintaining a strong control framework.

Three new aviation security police accommodation facilities were completed and became operational in Adelaide, Brisbane and Canberra. The AFP also progressed planning and approval for a new forensic facility at Majura, ACT, with the Parliamentary Standing Committee on Public Works granting approval in March 2013.

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National Manager Forensic and Data Centres Julian Slater and Chief Financial Officer Peter Gunning speaking to Public Works Committee members at the proposed site of the Majura forensic facility

## Financial performance

The AFP's \$1282 million departmental operating income for 2012–13 was comprised of \$978 million in government appropriation, \$146 million from the ACT Government for policing services and \$158 million in other externally generated revenue. In addition, the AFP received \$25 million in government appropriation for capital expenditure and \$11 million as an equity injection as part of new initiatives. The AFP also administered \$17 million in expenses on behalf of the government in 2012–13.

In the 2012–13 financial year the AFP reported a departmental operating deficit of \$88 million. Excluding the impact of unfunded depreciation of \$102 million and a move in the value of employee entitlements, the AFP recorded a small deficit for the year of \$2.5 million. The net result was achieved in the context of a successful year in which the AFP has met all its performance targets and delivered effectively for the government on international deployments and aid responsibilities.

Audited financial statements showing the AFP's financial position appear in Chapter 6 of this report.

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## Procurement and contracts management

In 2012–13 the AFP conducted a number of major tender processes including mechanical, electrical, fire and emergency/exit lighting services, workforce drug testing, cleaning services, first aid training and related supplies, and the construction of the new AFP forensics facility at Majura.

The AFP continued to participate in Department of Finance and Deregulation coordinated whole-of-government procurement activities in areas such as:

- travel services including AOT Group for accommodation
- Diners/Mastercard for credit card services
- SG Fleet Australia Pty Ltd for fleet management.

The AFP continues to enhance relationships with our procurement partners through the Australia New Zealand Policing Advisory Agency, Senior Procurement Officials Reference Group and Commonwealth Contract Management Working Group.

Information on the value of contracts, including consultancies, is available at <https://www.tenders.gov.au/>. The AFP regularly reviews and updates its annual procurement plan and also publishes the *Senate order on departmental and agency contracts* on its website. In 2012–13 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.

TABLE 8. EXPENDITURE ON CONSULTANTS, 2009–10 TO 2012–13

	2009–10	2010–11	2011–12	2012–13
New contracts let	63	46	46	41
Total expenditure (new and ongoing contracts)	\$4 994 551	\$2 719 077	\$3 414 754	\$3 415 817

### CONSULTANCIES

During 2012–13 the AFP entered into 41 new consultancy contracts. The total actual expenditure on new consultancy contracts in 2012–13 was \$2 739 519. In addition 13 ongoing consultancy contracts were active in 2012–13, involving a total actual expenditure of \$676 298. Information on the value of individual contracts and consultancies is available on the AusTender website.

Prior to engaging consultants, the AFP takes into account the skills and resources required for the task, the skills available internally and the cost-effectiveness of engaging external expertise. The decision to engage a consultant is made in accordance with the *Financial Management and Accountability Act 1997* and related regulations including the Commonwealth Procurement Rules and relevant internal policies.

### EXEMPT CONTRACTS

During 2012–13 the AFP did not publish on AusTender the details of 129 contracts with a total value of \$31 328 941 because the details would disclose exempt matters under the *Freedom of Information Act 1982*.

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## INFORMATION AND COMMUNICATIONS TECHNOLOGY

INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT) MANAGES THE AFP INFORMATION TECHNOLOGY AND COMMUNICATIONS INFRASTRUCTURE IN ADDITION TO DELIVERING TECHNICAL AND BUSINESS PROCESS SOLUTIONS.

During the reporting period ICT continued to build on its delivery model of Plan, Build, Run and Governance. This year ICT had a focus on governance and a number of initiatives were implemented.

The Business Change Advisory Board was established to assess and prioritise changes to AFP systems in line with operational requirements and activities.

The ICT Stakeholder Relationship Program was launched and an ICT stakeholder relationship officer assigned to each AFP function. The program was developed to assist the AFP understand ICT's operating model and frameworks and to enable more strategic engagement with ICT.

ICT is implementing the Secure Mobile Solution for iPhones, iPads and iPad Minis. This solution supports operational outcomes and promotes efficiency through the provision of secure mobile access to emails, contacts and calendars. Further exploration of technology includes a fully integrated applications platform suitable for mobile devices such as tablets.

As part of the whole-of-government Internet Gateway Reduction Program, the AFP as a lead agency successfully negotiated a contract on behalf of a number of government agencies.

ICT is showing leadership in the international community by hosting a secure collaboration portal accessible via any internet connection.

ICT also supported:

- Proceeds of Crime Litigation by introducing new applications and access to AFP ICT infrastructure
- the new Canberra, Brisbane and Adelaide aviation facilities by implementing ICT capability.

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# HUMAN RESOURCES

THE HUMAN RESOURCES FUNCTION DELIVERS CONTEMPORARY PEOPLE SOLUTIONS, SUPPORT AND POLICIES THAT UNDERPIN AFP OUTCOMES.

## Strategic workforce planning

During 2012 the AFP drafted its second strategic workforce plan covering the period 2013–15. The 2013–15 plan built on the success of the 2010–12 plan through closely engaging business areas and addressing specific workforce planning issues, developing individual functional workforce plans to inform development of the AFP's overarching three-year workforce plan and building stronger links to integrate workforce planning with resource and business planning.

The development of the 2013–15 plan involved a comprehensive consultation process which has resulted in a document that lays solid foundations for workforce management over the next three years. The plan is based on a detailed analysis of the AFP's key organisational priorities and external and internal environments and identifies the key workforce characteristics required to deliver the organisation's strategic priorities.

## Industrial relations

The establishment of the AFP Enterprise Agreement 2012–16 and the AFP Executive Level Enterprise Agreement 2011 both continue to manage the employment relationship between the AFP and its appointees based on contemporary needs of employees and the organisation.

The Enterprise Agreement provides terms and conditions for employees classified between Band 1 and Band 8, and the Executive Level Enterprise Agreement supports the framework for our executive-level employees. Both industrial instruments place the AFP in a strong position to build upon organisational success and realise further efficiencies and productivities in managing its workforce.

These employment instruments have been designed to add value to daily operational requirements and continue to align with the strategic direction of the AFP.

## Social inclusion

The AFP has a proud record of achievement in and commitment to diversity, underpinned by the AFP Diversity Plan 2012–15. This commitment is further enhanced by the inaugural AFP Disability Action Plan 2012–14, which provides equal employment opportunities. The disability plan improves the organisation's ability to attract, recruit, develop and retain people with disability.

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## PRIDE IN DIVERSITY AWARD

In May 2013 the AFP received an award in recognition of the support provided to gay, lesbian, bisexual, transgender and intersex (GLBTI) staff members. The awards were determined using the Australian Workplace Equality Index, an annual survey provided by Pride in Diversity that evaluates

and benchmarks GLBTI inclusiveness in Australian workplaces. Since the survey's inception in 2010, there has been a 65 per cent increase in the number of organisations participating. The AFP achieved the award as the highest-placed public sector organisation for GLBTI inclusiveness.



AFP members at the Australian Workplace Equality Index awards in May 2013

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There is a similar strong commitment to promoting the organisation as an employer of choice to the Aboriginal and Torres Strait Islander (A&TSI) communities. The AFP continues to work towards meeting the employment target established by the Council of Australian Governments National Partnership Agreement on Indigenous Economic Participation, which aims to increase our A&TSI workforce to 2.7 per cent by 2015. Currently, 1.2 per cent of the AFP workforce self-identifies as A&TSI. The AFP has continued to develop a range of entry-level pathways including:

- a specific unsworn traineeship program targeting base-level recruitment and school-based apprenticeships
- increased cadet and graduate opportunities
- the Band 5 secondment program which provides an opportunity for highly skilled A&TSI applicants with proven employment histories to gain exposure to the AFP.

During 2012–13 a total of 29 new A&TSI appointments were made.



Some of the AFP graduates with the Graduate Program Team Leader (front centre) in February 2013 upon completion of the one-year program

### CHANGES TO DISABILITY REPORTING IN ANNUAL REPORTS

Since 1994 Commonwealth departments and agencies have reported on their performance as policy adviser, purchaser, employer, regulator and provider under the Commonwealth Disability Strategy. In 2007–08 reporting on the employer role was transferred to the Australian Public Service Commission's *State of the Service report* and the *Australian Public Service statistical bulletin*. These reports are available at [www.apsc.gov.au](http://www.apsc.gov.au). Since 2010–11 departments and agencies have no longer been required to report on these functions.

The Commonwealth Disability Strategy has been overtaken by the new National Disability Strategy 2010–20, which sets out a 10-year national policy framework to improve the lives of people with a disability, promote participation and create a more inclusive society. A high-level two-yearly report will track progress against each of the six outcome areas of the strategy and present a picture of how people with disability are faring. The first of these reports will be available in 2014 at [www.fahcsia.gov.au](http://www.fahcsia.gov.au).

The Social Inclusion Measurement and Reporting Strategy agreed by the government in December 2009 will also include some reporting on disability matters in its regular *How Australia is faring* report and, if appropriate, in strategic change indicators in agency annual reports. More detail on social inclusion matters can be found at [www.socialinclusion.gov.au](http://www.socialinclusion.gov.au).

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### Work health and safety

The AFP Leadership Philosophy acknowledges that 'AFP employees can exercise leadership in the organisation and in the community by ensuring the health and wellbeing of self and others'. Health Services is committed to supporting the health and wellbeing of all AFP employees to build a stronger, healthier and more resilient workforce.

Health Services delivers a multidisciplinary approach to supporting all AFP employees with an emphasis on education and prevention in line with the AFP Strategic Plan, Risk Management Framework and AFP Workforce Plan 2013–15. The combining of professional medical and wellbeing expertise enables the AFP to actively support the health and safety of our employees and meet its duty of care under the *Work Health and Safety Act 2011*.

Health Services strives to increase productivity, health and wellbeing of AFP staff through:

- preventing and reducing the number and severity of injuries and illnesses and associated costs
- educating and promoting working health, wellbeing and capacity to work
- fostering innovation, quality and efficiency through continuous improvement.

The Work Health Safety and Rehabilitation Team implemented the *National guideline on AFP health and safety management arrangements*. This guideline facilitates the continuous improvement of health and safety management systems and helps to reduce the risk and incidence of workplace injury and illness.

AFP work groups (established under the *Work Health and Safety Act 2011*) have been restructured into 15 groups according to geographic location and specific functions. Previously there were 51 working groups. This provides greater flexibility and compliance for coverage of AFP work areas.

Key areas of development were:

- revision of the Work Health Safety and Rehabilitation Management System
- external auditing of AFP Health and Management Systems
- implementation of the recommendations from the Comcare Rehabilitation Management Systems pilot audit to prepare the AFP for future external audits.

### LEGISLATIVE REPORTING REQUIREMENTS

During the 2012–13 reporting period the AFP notified Comcare of 29 incidents under section 38 of the *Work Health and Safety Act 2011*. The AFP received one provisional improvement notice. There were no formal investigations by Comcare. No notices were issued pursuant to Part 10 of the *Work Health and Safety Act 2011*. Early intervention injury management has been provided for 156 cases.

The AFP Comcare premium rate for 2013–14 has been set at 3.8 per cent of payroll, which reflects an improvement in performance as the rate was 4.5 per cent in the previous financial year.

### Professional development

During the past 12 months, 344 police officers and 25 protective service officers completed recruit training. A further 173 police recruits commenced training and were still undertaking training as at 30 June 2013. In excess of 1090 AFP members received in-service training in the investigation of serious, organised and complex crime in line with the strategic principle of reinvigoration of investigations. Over 75 members received intelligence training, 900 members received specific investigative training and 65 members attained their

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Advanced Diploma of Public Safety in Police Investigations qualification. As a result of the development of the *Investigations doctrine* launched in June 2013, Investigations and Specialist Training redesigned and delivered a Detective Training Program comprising three stages.



In mid-2013 the AFP hosted nine concurrent Federal Police Development programs involving 209 recruits, representing one of the largest gatherings of recruits in the history of the AFP.

Language training was delivered to 145 members; 191 members received culture-based training; 220 members were trained in PROMIS (the AFP's primary corporate system for recording investigations and operational information); 425 members attended effective internet skills workshops and 282 members attended writing skills workshops. The Leadership and Management Training Team delivered two domestic Management of Serious Crime courses and 21 Leadership on the Frontline workshops around Australia. In line with the AFP's Leadership Philosophy, these workshops aim to support AFP team leaders in the ongoing development of leadership for self, team and organisation.

### JAKARTA CENTRE FOR LAW ENFORCEMENT COOPERATION

During the financial year the Jakarta Centre for Law Enforcement Cooperation trained 1779 participants in 72 programs in the areas of investigations, management, forensic services and intelligence. Of the participants, 18 per cent were female and 15 per cent were international (non-Indonesian) drawn mostly from ASEAN countries. The total number of participants from July 2004 to 30 June 2013 is 13 715.

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### POLICY AND GOVERNANCE

POLICY AND GOVERNANCE ENSURES THAT THE AFP'S ROLE AS CHIEF SOURCE OF ADVICE TO GOVERNMENT, PARLIAMENT AND PARTNER AGENCIES ON POLICING ISSUES IS COORDINATED, ACCURATE, RELEVANT AND TIMELY. THE FUNCTION ALSO SUPPORTS THE DELIVERY OF AFP OUTCOMES THROUGH THE MANAGEMENT OF EXTERNAL REPORTING AND ACCOUNTABILITY OBLIGATIONS, PERFORMANCE AND ASSURANCE FRAMEWORKS AND SERVICES.

#### External budget and national security

During 2012–13 Policy and Governance supported the AFP's engagement in whole-of-government decision-making processes, including the annual budget process, the National Security Committee of Cabinet and the Secretaries' Committee on National Security, by:

- contributing to strategic initiatives including the National Anti-Gangs Taskforce, Customs reform and crime at the border deliberations
- contributing to whole-of-government country strategies for Australia in the Asian Century White Paper
- contributing to the development of the National Security Strategy
- coordinating and informing the AFP's support to Australia's membership of the United Nations Security Council
- leading the AFP's contribution towards the National Security Capability and Risk Assessment process.

#### Law enforcement liaison

Policy and Governance enabled strategic AFP engagement with law enforcement partners through supporting the Commissioner's membership of:

- Australia New Zealand Policing Advisory Agency Board of Management
- Australia New Zealand Police Commissioners Forum
- CrimTrac Board of Management
- Australian Crime Commission Board
- National Policing Senior Officers Group
- Standing Council on Police and Emergency Management
- Heads of Commonwealth Operational Law Enforcement Agencies.

#### Strategic policy and governance

Policy and Governance contributed to internal strategy, governance and accountability through:

- support to Australian National Audit Office audits and delivery of the AFP Internal Audit Program
- development and launch of the AFP Strategic Plan 2012–15
- revision of the AFP's International Engagement Strategy 2013–15, support to the AFP International Policy Coordination Group and the AFP's wider engagement with international law enforcement partners and Australian agencies

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- delivery of AFP compliance obligations under the *Privacy Act 1988* and *Archives Act 1983*
- publishing information to the public on the AFP website in relation to the *Freedom of Information Amendment (Reform) Act 2010* requirements. The AFP's Information Publication Scheme webpage can be viewed at <http://www.afp.gov.au/about-the-afp/information-publication-scheme.aspx>.<sup>1</sup>

### Parliamentary and ministerial support

Policy and Governance also supported parliament through the Minister for Home Affairs and Justice by:

- coordinating ministerial briefings, correspondence and questions on notice in support of parliamentary committees, question time and senate estimates hearings
- coordinating the preparation of 20 submissions to parliamentary inquiries and 15 appearances before parliamentary committees including:
  - Joint Committee on Law Enforcement inquiries into gathering and use of criminal intelligence, the AFP's 2011–12 annual report and Commonwealth unexplained wealth legislation and arrangements
  - Joint Committee on the Australian Commission for Law Enforcement Integrity inquiry into overseas Commonwealth law enforcement operations and inquiry into integrity testing
  - Joint Standing Committee on Foreign Affairs, Defence and Trade inquiries into: the importance of the Indian Ocean Rim for Australia's foreign, trade and defence policy; Australia's relationship with Timor-Leste; the administration, management and objectives of Australia's overseas development program in Afghanistan; Australia's Overseas Representation
  - Joint Select Committee on Cyber Safety inquiry into cyber safety for senior Australians
  - Joint Standing Committee on the National Capital and External Territories inquiry into the allocation of land to diplomatic missions in the Australian Capital Territory
  - Standing Committee on Social Policy and Legal Affairs inquiry into the arrangements surrounding crimes committed at sea
  - Joint Committee on Corporations and Financial Services inquiry into the collapse of Trio Capital
  - Senate Standing Committees on Legal and Constitutional Affairs Legislation Committee inquiry into the Crimes Amendment (Fairness for Minors) Bill 2011
  - Joint Select Committee on Gambling Reform inquiry into interactive and online gambling and gambling advertising.

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<sup>1</sup> Agencies subject to the *Freedom of Information Act 1982* (FOI 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 FOI Act and has replaced the former requirement to publish a section 8 statement in an annual report. Each agency must display on its website a plan showing what information it publishes in accordance with the IPS requirements.

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## Legislative program and parliamentary oversight

Policy and Governance supported the government's legislative program and parliament's oversight of counter-terrorism legislation by:

- engaging with the Independent National Security Legislation Monitor
- enabling the AFP's contributions to legislative amendments including:
  - *Crimes Legislation Amendment (Slavery, Slavery-like Conditions and People Trafficking) Act 2013*
  - *Cybercrime Legislation Amendment Act 2012*
  - *Maritime Powers Act 2012*
  - Privacy Amendment (Privacy Alerts) Bill 2013
  - *Social Security Amendment (Supporting Australian Victims of Terrorism Overseas) Act 2013*
  - *Public Governance, Performance and Accountability Act 2013*
  - *Crimes Legislation Amendment (Serious Drugs, Identity Crime and Other Measures) Act 2012*
  - *Law Enforcement Integrity Legislation Amendment Act 2012*
  - *Crimes Legislation Amendment (Law Enforcement Integrity, Vulnerable Witness Protection and Other Measures) Act 2013*
  - Crimes Legislation Amendment (Organised Crime and Other Measures) Bill 2013
  - Public Interest Disclosure Bill 2013.

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# CORPORATE GOVERNANCE

## Key committees framework

The AFP key committees framework sets out the agency's key decision-making forums and outlines their primary and specific responsibilities, membership, meeting frequency and accountabilities.

### STRATEGIC COMMITTEES

The strategic committees address issues that correspond to the specific responsibilities of the AFP's peak advisory committee, the Strategic Leaders' Group, and are expected to provide regular and strategic information to the Strategic Leaders' Group. The strategic committees are:

- Finance Committee and its subcommittee, the Performance and Budget Monitoring Committee
- Quarterly Strategic Human Resource Forum
- Audit Committee
- Security Committee
- Remuneration Committee
- Strategic Investment Committee
- International Policy Coordination Group
- Research Committee
- Board of Studies
- National Managers' Forum.

### OPERATIONAL COMMITTEES

The operational committees were established to facilitate senior managers' operational awareness and prioritisation across the organisation without an emphasis on the priorities of any one function. The operational committees are:

- Witness Protection Committee
- AFP Operations Committee
- Weekly Operations Committee
- Operational Safety Committee.

### GOVERNANCE COMMITTEES

The governance committees ensure cross-function interactions in respect of key corporate matters:

- National Work Health and Safety Committee
- National Awards and Recognition Committee.

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### Discretionary grants

Information on grants awarded by the AFP during the period 1 July 2012 to 30 June 2013 is available at [www.afp.gov.au/about-the-afp/accountability-requirements/grants](http://www.afp.gov.au/about-the-afp/accountability-requirements/grants).

### Risk management and insurance

As an operational law enforcement agency, the AFP embraces risk management as an integral part of its business. The AFP's risk management framework is aligned with international standards and the Comcover *Better practice guide*. Risk management is embedded within AFP business planning, operations, procurement and contract management, and project management. Risk management also features in the AFP leadership philosophy and is actively considered in internal resource allocation and investment priorities.

During 2012–13 the AFP's risk management governance was further strengthened with:

- enterprise-level risks and treatment actions being reviewed by the AFP Strategic Leaders' Group through the AFP Strategic Risk Profile
- guidance materials refined to enable further integration of risk management into business processes
- awareness raising of the importance of risk management and need for a consistent approach to communicating and reporting on risk.

As an outcome of efforts to strengthen risk management, the AFP improved its results in the annual Comcover Risk Management Benchmarking Survey. This survey encourages agencies to adopt a best-practice approach to managing risk. The AFP achieved an overall score of 7.6 out of 10 in 2013, up from 7.4 in 2012, 6.5 in 2011 and 5.7 in 2010.

Comcover insurance is a key component of the AFP's risk mitigation strategies for managing financial risk, and the Comcover survey results contributed to the AFP receiving a 7.44 per cent discount on its 2013–14 Comcover insurance premium. This represented a significant increase on the 2012–13 discount of 4.75 per cent.

The AFP also has business continuity plans in place for each of its key sites across Australia. Exercising of business continuity plans 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.

During 2012–13 the Business Continuity Management Improvement Project was undertaken to address several recommendations from an internal audit of the AFP's business continuity management. The project has delivered stronger governance and processes including a new national guideline, a user guide and the establishment of the Senior Business Continuity Coordination Team. The project aims to ensure AFP operations are safeguarded by a more robust and consistent approach to business continuity management. Further improvements will be undertaken in 2013–14.

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### Fraud Control and Anti-Corruption Plan

The AFP is committed to managing fraud and corruption risks as part of its everyday business and promotes a culture of ethical conduct and behaviour. The AFP's Fraud Control and Anti-Corruption Plan and policy statement apply to all appointees, contractors and service providers and are consistent with the AFP's professional standards framework.

Fraud and corruption risks are reviewed regularly and progress on the implementation of the current plan is monitored by the Strategic Leaders' Group and the Audit Committee as part of their respective oversight and assurance roles. In accordance with the new *Commonwealth fraud control guidelines 2011* requirement, in March 2013 the Commissioner provided a report to the Minister for Home Affairs and Justice on the AFP's fraud and corruption risk and control measures for the 2012 calendar year.

Overall the AFP is progressing well on implementation of its Fraud Control and Anti-Corruption Plan to further strengthen existing fraud and corruption risk controls, particularly in risk prevention and awareness-raising activities.

In 2012–13 an internal audit was undertaken to assess the robustness of the AFP's fraud and corruption risk controls (for example, security vetting). The audit recommendations will inform development of the next Fraud Control and Anti-Corruption Plan for 2014 and 2015. More information on the AFP's professional standards framework and performance in control of fraud and corruption risk can be found under external scrutiny in this report.

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# EXTERNAL SCRUTINY

## Judicial decisions and decisions of administrative tribunals

During 2012–13 there were no judicial decisions or decisions of administrative tribunals that have had, or may have, a significant impact on the AFP.

## Commonwealth and Law Enforcement Ombudsman reports

### 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. In November 2012 the Commonwealth Ombudsman tabled his report to parliament covering his work and activities during the period 2011–12.

During 2012–13 the Commonwealth Ombudsman conducted his ninth review of the AFP's administration of Part V of the *Australian Federal Police Act 1979*. The review was conducted in two parts, covering two different time periods. Part 1 covered complaints closed during the period 1 July 2012 to 31 October 2012. Part 2 covered complaints closed during the period 1 November 2012 to 28 February 2013. The finalised report had not been received by the end of this reporting period.

## Complaint management

Part V of the *Australian Federal Police Act 1979* defines the categories of conduct. Category 1 is the least serious category and predominantly relates to customer service issues. Category 2 is minor misconduct and Category 3 is serious misconduct. Corruption issues are referred to the Australian Commission for Law Enforcement Integrity (ACLEI).

The AFP is committed to ensuring complaints are resolved in a timely manner and has continued to focus on initiatives aimed at reducing any backlog. These initiatives have again resulted in the reduction of cases, with 258 category 3 complaints outstanding for 2011–12 reduced to 167 in 2012–13. The number of new complaints received by the AFP was relatively consistent with the previous reporting period, with 233 category 3 matters received in 2012–13 compared with 223 in 2011–12.

The number of category 1 and 2 complaints recorded for 2012–13 was slightly reduced, with 358 received in the period compared with 390 in 2011–12. See Appendix A for further statistics.

Timeliness in resolving complaints is another key performance area the AFP has focused on during the reporting period. At 30 June 2012 the AFP had 152 category 3 complaints open for more than 365 days. In contrast, at 30 June 2013 there were 25 category 3 complaints open for over 365 days, a sixfold decrease. The average run time for category 3 complaints finalised during the reporting period was 82 days.

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### 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 the current financial year, the Commonwealth Ombudsman's office and the AFP reviewed the Categories of Conduct Determination 2006. The revised instrument will be considered by the Commissioner and the Commonwealth Ombudsman in the coming period and it is anticipated that a new determination will be signed.

### Strengthening professional standards

AFP Professional Standards continues to focus on the four tiers of the AFP Integrity Framework: Prevention, Detection, Response and Continuous Improvement. Strong relationships within the organisation, across all functions and decision-making forums and with external stakeholders have significantly enhanced this year's outcomes.

Integrity and corruption resilience has been built through productive partnerships and promoting workplace awareness. The AFP continues to collaborate with agencies under the jurisdiction of ACLEI in developing their integrity frameworks. The collaboration principally involves information exchange on elements of the AFP's Integrity Framework such as recruitment gateways, Confidant Network and mandatory reporting, together with issues such as conflict of interest, secondary employment, drug testing and education and awareness strategies.

This information sharing reflects the effective relationships established via the ACLEI-led Community of Practice on Corruption Prevention. ACLEI representatives have presented on a range of AFP training programs including an integrity debate by recruits at the conclusion of their recruit training program.

In December 2012 the Law Enforcement Integrity Legislation Amendment Bill 2012 was enacted, providing a legislative framework for a new integrity-testing regime. The AFP is building capacity and capability to support a testing regime with an initial focus on further developing established relationships with other state jurisdictions' professional standards regimes via the Australia New Zealand Policing Advisory Agency. Integrity testing will be conducted if the appropriate circumstances arise.

During the year, awareness-raising programs on ethical decision making and integrity risk management were workshopped with a range of appointees with a focus on recruits and front-line leaders. Experienced professional standards mentors worked closely with recruit classes as an additional reference point for those who may experience integrity dilemmas. This approach was reinforced through other awareness-raising opportunities including professional standards messages built as computer screensavers, intranet case studies and a communication strategy highlighting important integrity-reporting obligations.

Professional Standards has been actively involved in applying the character standards to applicants for employment with the AFP, ensuring assessment is carried out in a consistent, fair and transparent manner. This contributes to satisfying community expectations that all AFP appointees meet the highest level of integrity. The guidelines define minimum AFP character standards for prospective applicants across all AFP roles and responsibilities.

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### Auditor-General reports

During the reporting period the Australian National Audit Office (ANAO) audited the:

- AFP's financial statements
- performance measures related to the AFP's community policing contract with the Australian Capital Territory (ACT) Government.

In 2012–13 the AFP was the primary subject of one ANAO performance audit report tabled in parliament by the Auditor-General:

- No 13 – Provision of Policing Services to the ACT.

The AFP was also an active participant in cross-agency audit reports that were tabled:

- No 47 – AUSTRAC's Administration of its Financial Intelligence (stakeholder only).

At 30 June 2013 the ANAO was undertaking an AFP-specific audit, Policing of Australia's Airports. This report is expected to be tabled in parliament in 2013–14. The AFP is also an active participant in the following cross-agency audits that are still in progress:

- Key Performance Indicators Pilot Study Phase 2
- Indigenous Employment in Australian Government Agencies
- Management of the Central Movement Alert List System (stakeholder only).

#### AUDIT REPORT NO 13

The ANAO undertook a performance audit of the provision of policing services to the ACT, tabling its report in parliament on 18 December 2012.

The ANAO assessed that the AFP is effectively managing the delivery of policing services to the ACT and that the purchaser–provider relationship between ACT Policing and the ACT Government is mature and operating well. The audit found the AFP is delivering the level and type of community policing services agreed with the ACT Government and is consistently meeting the majority of its performance targets. It also found that ACT Policing has sound governance and management processes for strategic planning and risk management, operational guidance and training for its officers.

The ANAO made two recommendations, which were both agreed to by the AFP. The first related to documenting the approach taken to calculate the price of providing policing services and agreeing on a cost base for enabling services with the ACT Government. The second recommendation related to complaints against police and how these are reported to the ACT Government.

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## ECOLOGICAL SUSTAINABILITY DEVELOPMENT AND ENVIRONMENTAL PERFORMANCE

Within targets of the Australian Government ICT Sustainability Plan 2010–15, the AFP has achieved:

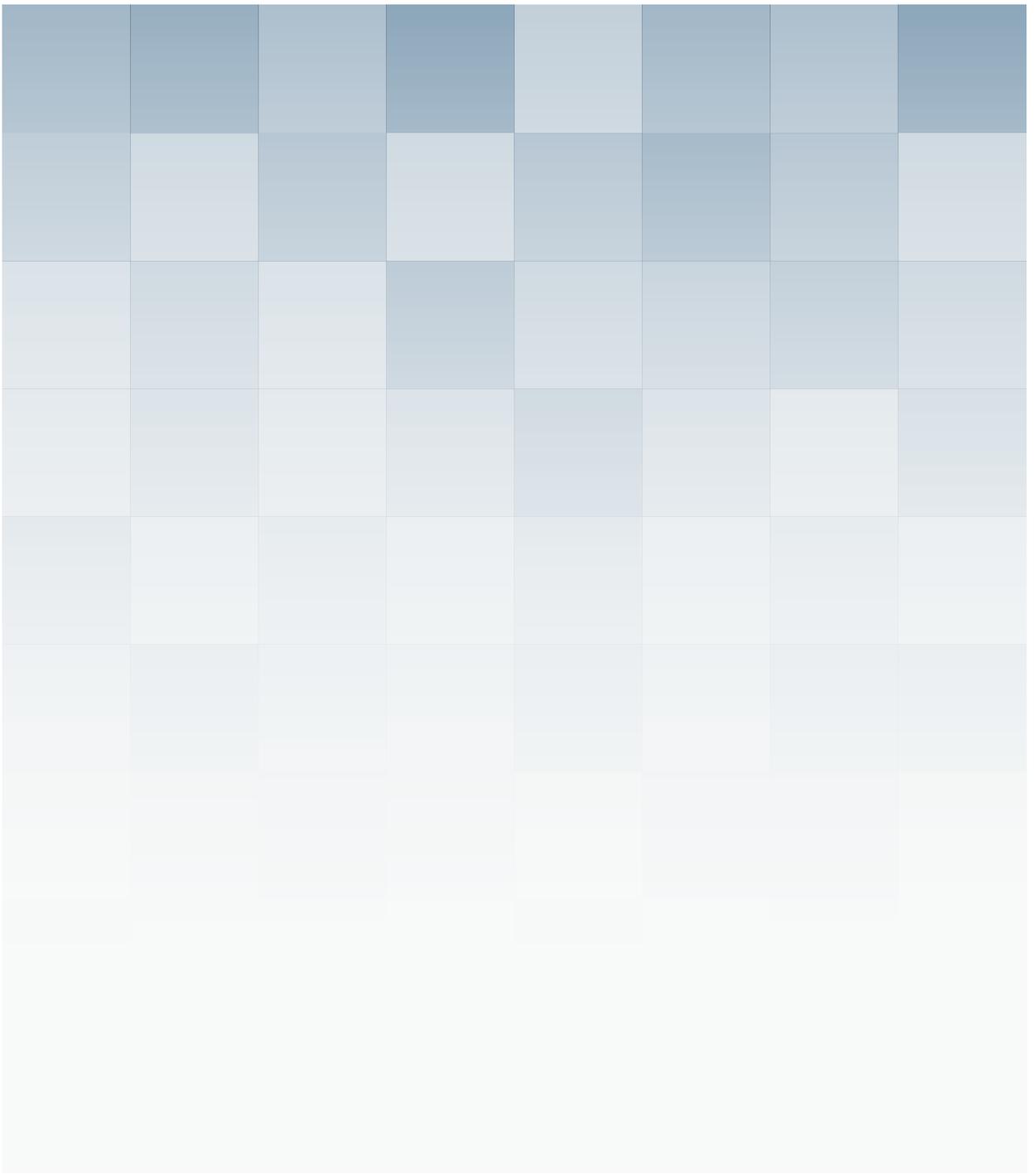
- power and cooling efficiencies at the AFP Data Centre, resulting in cost savings and power usage efficiency
- ongoing consolidation and virtualisation of ICT equipment, reducing physical footprint, costs and power usage.

A range of enhanced ecologically sustainable development targets were implemented for infrastructure projects including the National Australian Built Environment Rating System and the principles of the Green Star Rating Scheme to promote the use of environmentally efficient design, sustainable materials and recyclable products.

Other initiatives included:

- waste management systems that include segregation of waste into recyclable, organic and waste-to-landfill
- energy-efficient lighting and lighting control systems
- water conservation technology and harvesting rainwater.







## CHAPTER 6 FINANCIAL STATEMENTS

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## INDEPENDENT AUDITOR'S REPORT

### To the Minister for Home Affairs

I have audited the accompanying financial statements of the Australian Federal Police for the year ended 30 June 2013, 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; Administered Schedule of Comprehensive Income; Administered Schedule of Assets and Liabilities; Administered Reconciliation Schedule; Administered Cash Flow Statement; Schedule of Administered Commitments and Notes to and forming part of the financial statements 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 is necessary to enable the preparation of the financial statements that give a true and fair view and 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 have 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.

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 2013 and of its financial performance and cash flows for the year then ended.

Australian National Audit Office



Kristian Gage  
Audit Principal

Delegate of the Auditor-General

Canberra

6 September 2013

# **Australian Federal Police**

## **Financial Statements for the Year Ended 30 June 2013**

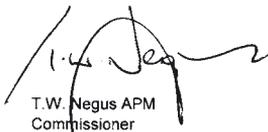
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**AUSTRALIAN FEDERAL POLICE**  
**STATEMENT BY THE COMMISSIONER AND CHIEF FINANCIAL OFFICER**

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In our opinion, the attached financial statements for the year ended 30 June 2013 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: 6 September 2013



P. Gunning  
Chief Financial Officer  
Date: 6<sup>th</sup> September 2013

**AUSTRALIAN FEDERAL POLICE**  
**STATEMENT OF COMPREHENSIVE INCOME**  
*for the year ended 30 June 2013*

	Notes	2013 \$'000	2012 \$'000
<b>EXPENSES</b>			
Employee benefits	3A	827,854	874,376
Supplier	3B	431,793	439,124
Depreciation and amortisation	3C	102,349	90,942
Finance costs	3D	426	373
Write-down and impairment of assets	3E	826	5,502
Grants	3F	6,409	-
Other expenses	3G	292	127
<b>Total expenses</b>		<b>1,369,949</b>	<b>1,410,444</b>
<b>LESS:</b>			
<b>OWN-SOURCE INCOME</b>			
<b>Own-source revenue</b>			
Sale of goods and rendering of services	4A	293,192	277,555
Rental income	4B	2,793	2,072
Other revenue	4C	2,196	1,264
<b>Total own-source revenue</b>		<b>298,181</b>	<b>280,891</b>
<b>Gains</b>			
Sale of assets	4D	32	338
Resources received free of charge	4E	5,640	5,640
<b>Total gains</b>		<b>5,672</b>	<b>5,978</b>
<b>Total own-source income</b>		<b>303,853</b>	<b>286,869</b>
<b>Net cost of services</b>		<b>(1,066,096)</b>	<b>(1,123,575)</b>
Revenue from Government	4F	978,241	1,002,119
<b>Deficit attributable to the Australian Government</b>		<b>(87,855)</b>	<b>(121,456)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items not subject to subsequent reclassification to profit or loss</b>			
Changes in asset revaluation surplus		531	5,716
<b>Total other comprehensive income</b>		<b>531</b>	<b>5,716</b>
<b>Total comprehensive loss attributable to the Australian Government</b>	28	<b>(87,324)</b>	<b>(115,740)</b>

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

**AUSTRALIAN FEDERAL POLICE  
BALANCE SHEET**
*as at 30 June 2013*

	Notes	2013 \$'000	2012 \$'000
<b>ASSETS</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	5A	8,075	10,167
Trade and other receivables	5B	405,396	445,676
Other financial assets	5C	<u>6,758</u>	<u>8,393</u>
<b>Total financial assets</b>		<u>420,229</u>	<u>464,236</u>
<b>Non-Financial Assets</b>			
Land and buildings	6A,C	256,213	254,483
Property, plant and equipment	6B,C	116,447	141,455
Intangibles	6D,E	54,273	48,330
Inventories	6F	7,194	7,505
Other non-financial assets	6G	<u>18,949</u>	<u>12,717</u>
<b>Total non-financial assets</b>		<u>453,076</u>	<u>464,490</u>
<b>Total assets</b>		<u>873,305</u>	<u>928,726</u>
<b>LIABILITIES</b>			
<b>Payables</b>			
Suppliers	7A	97,546	92,563
Other payables	7B	<u>36,220</u>	<u>39,373</u>
<b>Total payables</b>		<u>133,766</u>	<u>131,936</u>
<b>Provisions</b>			
Employee provisions	8A	261,352	266,036
Other provisions	8B	<u>13,740</u>	<u>14,970</u>
<b>Total provisions</b>		<u>275,092</u>	<u>281,006</u>
<b>Total liabilities</b>		<u>408,858</u>	<u>412,942</u>
<b>Net assets</b>		<u>464,447</u>	<u>515,784</u>
<b>EQUITY</b>			
Contributed equity		741,695	705,708
Reserves		41,118	40,587
Accumulated deficit		<u>(318,366)</u>	<u>(230,511)</u>
<b>Total equity</b>		<u>464,447</u>	<u>515,784</u>

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

**AUSTRALIAN FEDERAL POLICE**  
**STATEMENT OF CHANGES IN EQUITY**  
*for the year ended 30 June 2013*

	Retained earnings		Asset revaluation surplus		Contributed equity/capital		Total equity	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>Opening balance</b>								
Balance carried forward from previous period	(230,511)	(109,055)	40,587	34,871	705,708	650,434	515,784	576,250
<b>Adjusted opening balance</b>	<b>(230,511)</b>	<b>(109,055)</b>	<b>40,587</b>	<b>34,871</b>	<b>705,708</b>	<b>650,434</b>	<b>515,784</b>	<b>576,250</b>
<b>Comprehensive income</b>								
Other comprehensive income	-	-	531	5,716	-	-	531	5,716
Deficit for the period	(87,855)	(121,456)	-	-	-	-	(87,855)	(121,456)
<b>Total comprehensive income</b>	<b>(87,855)</b>	<b>(121,456)</b>	<b>531</b>	<b>5,716</b>	<b>-</b>	<b>-</b>	<b>(87,324)</b>	<b>(115,740)</b>
<b>Transactions with owners</b>								
<b>Distributions to owners</b>								
Return of capital:								
Returns of contributed equity <sup>1</sup>	-	-	-	-	(1,300)	(6,563)	(1,300)	(6,563)
<b>Contributions by owners</b>								
Equity injection - Appropriations	-	-	-	-	11,973	8,139	11,973	8,139
Departmental capital budget	-	-	-	-	25,314	53,698	25,314	53,698
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35,987</b>	<b>55,274</b>	<b>35,987</b>	<b>55,274</b>
<b>Closing balance attributable to the Australian Government</b>	<b>(318,366)</b>	<b>(230,511)</b>	<b>41,118</b>	<b>40,587</b>	<b>741,695</b>	<b>705,708</b>	<b>464,447</b>	<b>515,784</b>

<sup>1</sup> Equity appropriations were reduced during 2012-13 by \$1,000m for Appropriations Act (No. 2) 2012-13 and \$0.300m for Appropriations Act (No. 2) 2009-10 as a result of Government decisions (2011-12 \$6.563m).

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

**AUSTRALIAN FEDERAL POLICE  
CASH FLOW STATEMENT**  
*for the year ended 30 June 2013*

	Notes	2013 \$'000	2012 \$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Appropriations		1,305,897	1,251,538
Sales of goods and rendering of services		283,567	306,341
Net GST received		34,017	31,985
<b>Total cash received</b>		<u>1,623,481</u>	<u>1,589,864</u>
<b>Cash used</b>			
Employees		830,871	836,403
Suppliers		485,017	458,065
Section 31 receipts transferred to OPA		298,385	307,468
Grant payments		3,976	-
<b>Total cash used</b>		<u>1,618,249</u>	<u>1,601,936</u>
<b>Net cash from (used by) operating activities</b>	9	<u>5,232</u>	<u>(12,072)</u>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sales of property, plant and equipment		789	426
<b>Total cash received</b>		<u>789</u>	<u>426</u>
<b>Cash used</b>			
Purchase of property, plant and equipment		29,014	49,147
Purchase of land and buildings		34,883	32,028
Purchase of intangibles		7,170	16,229
<b>Total cash used</b>		<u>71,067</u>	<u>97,404</u>
<b>Net cash used by investing activities</b>		<u>(70,278)</u>	<u>(96,978)</u>
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Contributed equity		53,962	50,266
Departmental capital budget funding		8,992	50,237
<b>Total cash received</b>		<u>62,954</u>	<u>100,503</u>
<b>Net cash from financing activities</b>		<u>62,954</u>	<u>100,503</u>
<b>Net decrease in cash held</b>		<u>(2,092)</u>	<u>(8,547)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>10,167</u>	<u>18,714</u>
<b>Cash and cash equivalents at the end of the reporting period</b>	5A	<u>8,075</u>	<u>10,167</u>

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

**AUSTRALIAN FEDERAL POLICE  
SCHEDULE OF COMMITMENTS**

*as at 30 June 2013*

	2013	2012
BY TYPE	\$'000	\$'000
<b>Commitments receivable</b>		
Sublease rental income <sup>1</sup>	(15,150)	(13,994)
Net GST recoverable on commitments	(64,705)	(69,075)
<b>Total commitments receivable</b>	<u>(79,855)</u>	<u>(83,069)</u>
<b>Commitments payable</b>		
<b>Capital commitments<sup>2</sup></b>		
Land and buildings	7,657	6,024
Property, plant and equipment	210	2,550
Intangibles	398	669
<b>Total capital commitments</b>	<u>8,265</u>	<u>9,243</u>
<b>Other commitments</b>		
Operating leases <sup>3</sup>	703,545	733,117
Other <sup>4</sup>	72,868	57,975
<b>Total other commitments</b>	<u>776,413</u>	<u>791,092</u>
<b>Net commitments by type</b>	<u>704,823</u>	<u>717,266</u>
<b>BY MATURITY</b>		
<b>Commitments receivable</b>		
<b>Operating lease income</b>		
One year or less	(1,178)	(971)
From one to five years	(4,991)	(4,118)
Over five years	(8,981)	(8,905)
<b>Total operating lease income</b>	<u>(15,150)</u>	<u>(13,994)</u>
<b>Other commitments receivable</b>		
One year or less	(9,568)	(10,757)
From one to five years	(22,365)	(24,578)
Over five years	(32,772)	(33,740)
<b>Total other commitments receivable</b>	<u>(64,705)</u>	<u>(69,075)</u>
<b>Commitments payable</b>		
<b>Capital commitments</b>		
One year or less	7,742	8,845
From one to five years	523	398
<b>Total capital commitments</b>	<u>8,265</u>	<u>9,243</u>
<b>Operating lease commitments</b>		
One year or less	82,839	84,564
From one to five years	250,936	267,248
Over five years	369,770	381,305
<b>Total operating lease commitments</b>	<u>703,545</u>	<u>733,117</u>
<b>Other Commitments</b>		
One year or less	66,094	44,960
From one to five years	6,744	12,975
Over five years	30	40
<b>Total other commitments</b>	<u>72,868</u>	<u>57,975</u>
<b>Net commitments by maturity</b>	<u>704,823</u>	<u>717,266</u>

Note: Commitments are GST inclusive where relevant.

**AUSTRALIAN FEDERAL POLICE**  
**SCHEDULE OF COMMITMENTS (continued)**  
*as at 30 June 2013*

Nature of Commitments Receivable	General description of commitment
<sup>1</sup> Sub lease rental income	AFP leases office accommodation (as the lessor). Lease revenues increase annually in accordance with the relevant lease agreement which is either fixed rate or CPI. AFP can renew agreements upon negotiation.

Nature of Capital Commitments	General description of commitment
<sup>2</sup> Capital commitments	Capital commitments consist of purchases of equipment, leasehold fit out and buildings currently under construction or where a valid contract has been signed.

Nature of Other Commitments	General description of commitment
<sup>3</sup> Operating lease commitments	Property lease payments increase annually in accordance with the relevant lease agreement which is either fixed rate or CPI. The majority of AFP's lease commitments are in their initial term. AFP can renew agreements at their option. Includes non-cancellable leases for motor vehicles.
<sup>4</sup> Other commitments	Contracts for the purchase of a variety of goods and services including logistics support for overseas deployments and non-cancellable contracts for computer and other equipment. No contingent rentals exist.

This schedule should be read in conjunction with the accompanying notes.

**AUSTRALIAN FEDERAL POLICE**  
**SCHEDULE OF CONTINGENCIES**  
*as at 30 June 2013*

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	<b>2013</b>	2012
	<b>\$'000</b>	\$'000
<b>Contingent assets</b>		
Claims for damages or costs	-	79
<b>Total contingent assets</b>	<u>-</u>	<u>79</u>
<b>Contingent liabilities</b>		
Claims for damages or costs	-	470
<b>Total contingent liabilities</b>	<u>-</u>	<u>470</u>
<b>Net contingent liabilities</b>	<u>-</u>	<u>(391)</u>

Details of each class of contingent liabilities and contingent assets listed above are disclosed in Note 10, along with information on significant remote contingencies and contingencies that cannot be quantified.

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

**AUSTRALIAN FEDERAL POLICE****Administered Schedule of Comprehensive Income***for the year ended 30 June 2013*

	<b>Notes</b>	<b>2013</b> <b>\$'000</b>	2012 \$'000
<b>EXPENSES</b>			
Suppliers	15A	<b>16,781</b>	43,964
Write-down and impairment of assets	15B	<b>84</b>	172
<b>Total expenses administered on behalf of Government</b>		<b><u>16,865</u></b>	<u>44,136</u>
<b>LESS:</b>			
<b>OWN-SOURCE INCOME</b>			
<b>Non-taxation revenue</b>			
Fees and fines	16A	<b>1,211</b>	198
Other	16B	<b>503</b>	-
<b>Total own-source income administered on behalf of Government</b>		<b><u>1,714</u></b>	<u>198</u>
<b>Net cost of services</b>		<b><u>15,151</u></b>	<u>43,938</u>
<b>Total comprehensive loss</b>		<b><u>(15,151)</u></b>	<u>(43,938)</u>

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

<b>AUSTRALIAN FEDERAL POLICE</b>			
<b>Administered Schedule of Assets and Liabilities</b>			
<i>as at 30 June 2013</i>			
	<b>Notes</b>	<b>2013 \$'000</b>	<b>2012 \$'000</b>
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	17A	<b>530</b>	341
Trade and other receivables	17B	<b>132</b>	79
<b>Total financial assets</b>		<b>662</b>	420
<b>Total assets administered on behalf of Government</b>		<b>662</b>	420
<b>LIABILITIES</b>			
<b>Payables</b>			
Suppliers	18A	<b>1,060</b>	1,180
<b>Total payables</b>		<b>1,060</b>	1,180
<b>Total liabilities administered on behalf of Government</b>		<b>1,060</b>	1,180
<b>Net liabilities</b>		<b>(398)</b>	(760)

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

**AUSTRALIAN FEDERAL POLICE**  
**Administered Reconciliation Schedule**  
*for the year ended 30 June 2013*

	<b>2013</b>	2012
	<b>\$'000</b>	\$'000
<b>Opening net administered liabilities as at 1 July</b>	<b>(760)</b>	(2,728)
Surplus (deficit) items:		
Plus: Administered income	<b>1,714</b>	198
Less: Administered expenses	<b>(16,865)</b>	(44,136)
Administered transfers to/from Australian Government:		
Appropriation transfers from OPA:		
Annual appropriations for administered expenses	<b>17,998</b>	48,114
Transfers to OPA	<b>(2,485)</b>	(2,283)
Transfer of net assets from Commonwealth Director of Public Prosecution	<b>-</b>	75
<b>Closing net administered liabilities as at 30 June</b>	<b>(398)</b>	(760)

**AUSTRALIAN FEDERAL POLICE**  
**Administered Cash Flow Statement**  
*for the year ended 30 June 2013*

	Notes	2013 \$'000	2012 \$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Fees and fines		1,569	31
Net GST received		127	789
<b>Total cash received</b>		<u>1,696</u>	<u>820</u>
<b>Cash used</b>			
Suppliers		17,020	47,418
<b>Total cash used</b>		<u>17,020</u>	<u>47,418</u>
<b>Net cash flows used by operating activities</b>		<u>(15,324)</u>	<u>(46,598)</u>
<b>Net decrease in Cash Held</b>		<u>(15,324)</u>	<u>(46,598)</u>
Cash and cash equivalents at the beginning of the reporting period		341	1,108
Cash from OPA for:			
- Appropriations		17,998	48,114
		<u>17,998</u>	<u>48,114</u>
Cash to OPA for:			
- Cash received		(1,698)	(820)
- Appropriations		(787)	(1,463)
		<u>(2,485)</u>	<u>(2,283)</u>
<b>Cash and cash equivalents at the end of the reporting period</b>	19	<u>530</u>	<u>341</u>

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

**AUSTRALIAN FEDERAL POLICE**  
**Schedule of Administered Commitments**

*as at 30 June 2013*

	2013 \$'000	2012 \$'000
<b>BY TYPE</b>		
<b>Commitments receivable</b>		
Net GST recoverable on commitments	-	(96)
<b>Total commitments receivable</b>	<u>-</u>	<u>(96)</u>
<b>Commitments payable</b>		
<b>Other commitments</b>		
Other commitments	-	1,369
<b>Total other commitments</b>	<u>-</u>	<u>1,369</u>
<b>Net commitments by type</b>	<u>-</u>	<u>1,273</u>
<b>BY MATURITY</b>		
<b>Commitments receivable</b>		
<b>Other commitments receivable</b>		
One year or less	-	(96)
<b>Total commitments receivable</b>	<u>-</u>	<u>(96)</u>
<b>Commitments payable</b>		
<b>Other commitments</b>		
One year or less	-	1,369
<b>Total commitments payable</b>	<u>-</u>	<u>1,369</u>
<b>Net commitments by maturity</b>	<u>-</u>	<u>1,273</u>

Note: Commitments are GST inclusive where relevant.

The AFP had no administered commitments in 2013. The nature of key other commitments as at 30 June 2012 that have been fulfilled were AFP contributions to Save the Children Australia, for children and youth in conflict with the law and services and equipment to support the Royal Solomon Islands Police Forces (RSIPF).

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

**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. It is a not-for-profit 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 continued funding 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

**1.2 Basis of Preparation of the Financial Statements**

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

The financial statements have been prepared in accordance with:

- Finance Minister's Orders (FMO's) for reporting periods ended on or after 1 July 2012; 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.

## 1.2 Basis of Preparation of the Financial Statements (continued)

Unless an alternative treatment is specifically required by an accounting standard or the FMO's, 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.

The Australian Government continues to have regard to developments in case law, including the High Court's most recent decision on Commonwealth expenditure in *Williams v Commonwealth* (2012) 288 ALR 410, as they contribute to the larger body of law relevant to the development of Commonwealth programs. In accordance with its general practice, the Government will continue to monitor and assess risk and decide on any appropriate actions to respond to risks of expenditure not being consistent with constitutional or other legal requirements.

Administered revenues, expenses, assets, liabilities and cash flows reported in the administered schedules 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 1.22.

## 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. For leasehold improvement the AFP has adopted depreciation replacement cost as its valuation basis as there is no active market for these items.
- 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. The AFP engaged an actuary in 2012-13 to update this estimate.

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.

## 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 AFP 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 the 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 appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government 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.

## 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, unless received from another Government entity as a consequence of a restructuring of administrative arrangements.

### **Sale of Assets**

Gains from disposal of assets are recognised when control of the asset has passed to the buyer.

## 1.7 Grants

Grants are recognised to the extent that (i) the services required to be performed by the grantee have been performed or (ii) the grant eligibility criteria have been satisfied, but payments due have not been made. A commitment is recorded when the Government enters into an agreement to make these grants but services have not been performed or criteria satisfied.

The new Commonwealth Grant Guidelines became effective 1 June 2013. The definition of grants was expanded to include gifts of cash.

## 1.8 Transactions with the Government as Owner

### Equity Injections

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets (DCBs) are recognised directly in contributed equity in that year.

## 1.9 Employee Benefits

Liabilities for 'short-term employee benefits' (as defined in AASB 119 *Employee Benefits*) and termination benefits due within twelve months of the end of the 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 be applied 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 determined by reference to the work of an actuary as at 30 June 2013. The estimate of the present liability takes into account expected salary growth through promotion, 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

The AFP's staff are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap), or a nominated superannuation fund. The CSS and PSS are defined benefit schemes for the Australian Government. All other superannuation funds are defined contribution schemes.

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 in the Department of Finance and Deregulation's administered schedules and notes.

The AFP makes employer contributions to the employees' superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. 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 final fortnight of the year.

## 1.10 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.

Where 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. 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 2013 (2012: nil).

### 1.11 Borrowing Costs

All borrowing costs are expensed as incurred.

### 1.12 Cash and Cash Equivalents

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, 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 change in value, cash held by outsiders and cash in special accounts.

### 1.13 Financial Assets

The AFP classifies its financial assets as 'loans and receivables'. The classification 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 impairment 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.

### 1.14 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. These liabilities 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.

**1.15 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.

**1.16 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 the 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’s accounts immediately prior to the restructuring.

**1.17 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
Other 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 depend 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.

### 1.18 Property, Plant and Equipment (continued)

#### Depreciation

Depreciable property, plant and equipment 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:

	2013	2012
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
Other property, plant and equipment	3 to 10 years	3 to 10 years

#### Impairment

All assets are assessed for impairment annually. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the AFP were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

#### 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.

### 1.19 Intangibles

The AFP's intangibles comprise of 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 1 to 15 years (2012: 1 to 15 years).

All software assets were assessed for indications of impairment as at 30 June 2013.

### 1.20 Inventories

Inventories held for distribution are valued at cost, adjusted for any loss of service potential.

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 includes uniforms and goods held for distribution.

### 1.21 Taxation

The AFP is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses assets and liabilities 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.

### **1.22 Reporting of Administered Activities**

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the administered schedules 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 Account**

Revenue collected by the 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 the 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 administered cash flow statement and in the administered reconciliation schedule.

#### **Revenue**

All administered revenues are revenues relating to ordinary activities performed by the AFP on behalf of the Australian Government. As such, administered appropriations are not revenues of the individual entity that oversees distribution or expenditure of the funds as directed.

The AFP recognises revenue from fees and fines when these become payable as determined by the courts and the relevant jurisdiction notifies the AFP.

#### **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 the Schedule of Comprehensive Income.

#### **Impairment Allowance**

The AFP recognises impairment relating to the probability of recovering fees and fines by reference to an actuarial assessment prepared for the AFP as at 30 June 2013.

#### **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. The AFP did not have any administered contingent liabilities or contingent assets in 2013 (2012: nil).

### **1.23 Accounting for the Australian Institute of Police Management**

The purpose of the Australian Institute of Police Management (AIPM) is to provide 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 comprised 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 Entities and Trust Moneys Account', in addition to being consolidated within the AFP financial statements. As a special account, AIPM funds can only be used for the purpose specified.

#### 1.24 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 2013 and reports on its performance for the members of the APG.

The APG operates within the corporate governance framework of the AFP and 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, 'Services for Other Entities and Trust Moneys Account', in addition to being consolidated within the AFP financial statements. As a special account, APG funds can only be used for the purpose specified.

#### 1.25 Departmental Restructuring and Transfers

The AFP received \$1.750m in appropriation funding as a result of a Section 32 transfer during 2012-13. The funding was associated with the transfer of responsibility for the litigation/function under the *Proceeds of Crime Act 2002* from the Commonwealth Director of Public Prosecutions (CDPP) to AFP. The AFP was responsible for this function for the full reporting period and therefore incurred all expenses during the year. No assets or liabilities were transferred to the AFP associated with the transfer of the function.

#### Note 2: Events After the Reporting Period

The *Statute Stocktake (Appropriation Bill 2013)* seeks to repeal all annual Appropriation Acts from 1 July 1999 to 30 June 2010. The Bill received Royal Assent on 1 July 2013 and therefore the effect of this Act was not reflected in the 2012-13 Financial Statements. Unspent balances in AFP appropriations impacted by this Act total \$102.500m. The AFP will be seeking to be re-appropriated to deliver approved projects.

## Notes to and forming part of the financial statements

	2013 \$'000	2012 \$'000
<b>Note 3: Expenses</b>		
<b><u>Note 3A: Employee Benefits</u></b>		
Wages and salaries	585,907	580,020
Superannuation:		
Defined contribution plans	36,054	33,391
Defined benefit plans	94,163	99,878
Leave and other entitlements	100,055	144,789
Separation and redundancies	2,733	10,920
Other employee expenses	8,942	5,378
<b>Total employee benefits</b>	<b>827,854</b>	<b>874,376</b>
<b><u>Note 3B: Supplier</u></b>		
<b>Goods and services</b>		
Communications and IT	35,933	35,668
Consultants and contractors	42,132	43,374
General and office	22,958	23,105
Travel	65,279	62,281
Staff and recruitment	47,085	45,049
Vehicle expenses	6,939	6,412
Postage and freight	6,262	6,571
Operational	45,899	55,055
Training	16,657	16,226
Building and accommodation	27,745	27,083
<b>Total goods and services</b>	<b>316,889</b>	<b>320,824</b>
<b>Goods and services are made up of:</b>		
Provision of goods - external parties	39,680	47,896
Rendering of services - related entities	27,827	33,498
Rendering of services - external parties	249,382	239,430
<b>Total goods and services</b>	<b>316,889</b>	<b>320,824</b>
<b>Other supplier expenses</b>		
<b>Operating lease rentals - external parties:</b>		
Minimum lease payments	90,640	91,551
Contingent rentals	590	3,510
Other supplier expenses	213	282
Workers compensation expenses	23,461	22,957
<b>Total other supplier expenses</b>	<b>114,904</b>	<b>118,300</b>
<b>Total supplier expenses</b>	<b>431,793</b>	<b>439,124</b>

## Notes to and forming part of the financial statements

	2013	2012
	\$'000	\$'000
<b>Note 3C: Depreciation and Amortisation</b>		
<b>Depreciation:</b>		
Property, plant and equipment	52,280	52,858
Leasehold improvements	33,050	23,910
Buildings	2,784	2,945
<b>Total depreciation</b>	<b>88,114</b>	<b>79,713</b>
<b>Amortisation:</b>		
Intangibles	14,235	11,229
<b>Total amortisation</b>	<b>14,235</b>	<b>11,229</b>
<b>Total depreciation and amortisation</b>	<b>102,349</b>	<b>90,942</b>
<b>Note 3D: Finance Costs</b>		
Unwinding of discount	426	373
<b>Total finance costs</b>	<b>426</b>	<b>373</b>
<b>Note 3E: Write-Down and Impairment of Assets</b>		
<b>Asset write-downs and impairments from:</b>		
Impairment from trade and other receivables	71	15
Write-down and impairment of buildings	32	857
Write-down and impairment of property, plant and equipment	415	733
Write-down and impairment of intangibles	308	3,897
<b>Total write-down and impairment of assets</b>	<b>826</b>	<b>5,502</b>
<b>Note 3F: Grants</b>		
Non-profit organisations	18	-
Overseas crime prevention organisations	6,391	-
<b>Total grants</b>	<b>6,409</b>	<b>-</b>
<b>Note 3G: Other Expenses</b>		
Other	-	2
Settlement of litigation	292	125
<b>Total other expenses</b>	<b>292</b>	<b>127</b>

**Notes to and forming part of the financial statements**

	2013 \$'000	2012 \$'000
<b>Note 4: Income</b>		
<b>OWN-SOURCE REVENUE</b>		
<b>Note 4A: Sale of Goods and Rendering of Services</b>		
Provision of goods - related entities	2	-
Provision of goods - external parties	3	3
Rendering of services - related entities	121,551	99,531
Rendering of services - external parties	171,636	178,021
<b>Total sale of goods and rendering of services</b>	<b>293,192</b>	<b>277,555</b>
<b>Note 4B: Rental Income</b>		
<b>Operating lease:</b>		
Sublease	2,793	2,072
<b>Total rental income</b>	<b>2,793</b>	<b>2,072</b>
<b>Note 4C: Other Revenue</b>		
Reduction in provisions	902	261
Asset recognition	1,014	493
Other	280	510
<b>Total other revenue</b>	<b>2,196</b>	<b>1,264</b>
<b>GAINS</b>		
<b>Note 4D: Sale of Assets</b>		
<b>Property, plant and equipment:</b>		
Proceeds from sale	789	426
Carrying value of assets sold	(757)	(88)
<b>Total gains from sale of assets</b>	<b>32</b>	<b>338</b>
<b>Note 4E: Resources Received Free of Charge</b>		
ANAO audit services	330	330
ACT Government provision of police stations	5,310	5,310
<b>Total resources received free of charge</b>	<b>5,640</b>	<b>5,640</b>
<b>REVENUE FROM GOVERNMENT</b>		
<b>Note 4F: Revenue from Government</b>		
<b>Appropriations:</b>		
Departmental appropriations	978,241	1,002,119
<b>Total revenue from Government</b>	<b>978,241</b>	<b>1,002,119</b>

## Notes to and forming part of the financial statements

	2013 \$'000	2012 \$'000
<b>Note 5: Financial Assets</b>		
<b>Note 5A: Cash and Cash Equivalents</b>		
Special Accounts	2,482	2,359
Cash on hand	120	163
Cash at bank	5,473	7,645
<b>Total cash and cash equivalents</b>	<b>8,075</b>	<b>10,167</b>
<b>Note 5B: Trade and Other Receivables</b>		
<b>Good and Services:</b>		
Goods and services - related entities	18,543	6,527
Goods and services - external parties	2,602	2,927
<b>Total receivables for goods and services</b>	<b>21,145</b>	<b>9,454</b>
<b>Appropriations receivable:</b>		
For existing programs	218,300	246,571
For Special Accounts	2,500	3,500
For capital projects	147,955	174,923
<b>Total appropriations receivable</b>	<b>368,755</b>	<b>424,994</b>
<b>Other receivables:</b>		
GST receivable from the Australian Taxation Office	4,754	4,326
Comcare	6,318	6,581
Other	4,930	756
<b>Total other receivables</b>	<b>16,002</b>	<b>11,663</b>
<b>Total trade and other receivables (gross)</b>	<b>405,902</b>	<b>446,111</b>
<b>Less impairment allowance account:</b>		
Goods and services	(506)	(435)
<b>Total impairment allowance account</b>	<b>(506)</b>	<b>(435)</b>
<b>Total trade and other receivables (net)</b>	<b>405,396</b>	<b>445,676</b>
<b>Receivables are aged as follows:</b>		
Not overdue	392,058	443,274
Overdue by:		
1 to 30 days	5,818	573
31 to 60 days	1,497	433
61 to 90 days	1,092	189
More than 90 days	5,437	1,642
<b>Total receivables (gross)</b>	<b>405,902</b>	<b>446,111</b>

All receivables are expected to be recovered in no more than 12 months. Credit terms for goods and services were 30 days (2012: 30 days).

**Notes to and forming part of the financial statements**

	2013	2012
	\$'000	\$'000

**Note 5B: Trade and Other Receivables (continued)**

The impairment allowance account is aged as follows:

Overdue by:		
More than 90 days	506	435
<b>Total impairment allowance account</b>	<b>506</b>	<b>435</b>

**Reconciliation of the Impairment Allowance Account:**

**Movements in relation to 2013**

	Goods and services \$'000	Total \$'000
<b>Opening balance</b>	435	435
Increase recognised in net deficit	71	71
<b>Closing balance</b>	<b>506</b>	<b>506</b>

Movements in relation to 2012

	Goods and services \$'000	Total \$'000
<b>Opening balance</b>	419	419
Increase recognised in net deficit	16	16
<b>Closing balance</b>	<b>435</b>	<b>435</b>

	2013	2012
	\$'000	\$'000

**Note 5C: Other Financial Assets**

Accrued revenue	6,758	8,393
<b>Total other financial assets</b>	<b>6,758</b>	<b>8,393</b>

All accrued revenue recognised is expected to be recovered in no more than 12 months.

## Notes to and forming part of the financial statements

	2013 \$'000	2012 \$'000
<b>Note 6: Non-Financial Assets</b>		
<b><u>Note 6A: Land and Buildings</u></b>		
<b>Land:</b>		
Land at fair value	1,485	1,485
<b>Total land</b>	<b>1,485</b>	<b>1,485</b>
<b>Buildings on freehold land:</b>		
Fair value	22,897	23,584
Accumulated depreciation	(2,055)	(1,364)
<b>Total buildings on freehold land</b>	<b>20,842</b>	<b>22,220</b>
<b>Buildings on leasehold land:</b>		
Fair value	25,821	23,019
Accumulated depreciation	(3,651)	(1,559)
Work in progress	6,488	-
<b>Total buildings on leasehold land</b>	<b>28,658</b>	<b>21,460</b>
<b>Leasehold improvements:</b>		
Fair value	242,845	217,665
Accumulated depreciation	(49,268)	(18,790)
Work in progress	11,651	10,443
<b>Total leasehold improvements</b>	<b>205,228</b>	<b>209,318</b>
<b>Total land and buildings</b>	<b>256,213</b>	<b>254,483</b>

No indicators of impairment were found for land and buildings as at 30 June 2013. Where land and buildings were no longer used by the AFP, these have been written down during the financial year. These are described in Note 6C as "Write-down and impairment recognised in the operating result".

No land or buildings are held for sale as at 30 June 2013.

### **Note 6B: Property, Plant and Equipment**

<b>Other property, plant and equipment:</b>		
Fair value	212,412	183,348
Accumulated depreciation	(101,007)	(50,427)
Work in progress	5,042	8,534
<b>Total property, plant and equipment</b>	<b>116,447</b>	<b>141,455</b>

No indicators of impairment were found for property, plant and equipment as at 30 June 2013. Where property, plant and equipment were no longer used by the AFP, these have been written down during the financial year. These are described in Note 6C as "Write-down and impairment recognised in the operating result".

No property, plant and equipment are held for sale as at 30 June 2013.

### **Revaluation of non-financial assets**

All revaluations were conducted in accordance with the revaluation policy stated at Note 1.17. All valuations were conducted by registered and independent valuers. The AFP conducted a revaluation of its assets on 30 June 2011. On 30 June 2012 the AFP reassessed its make good liability associated with leasehold fit out concluding the rolling revaluation of this class.

No valuation adjustments were made for land, buildings on freehold land and buildings on leasehold land in 2013 (2012: nil). No valuation adjustments were made for leasehold improvements in 2013 (2012: \$12.477m increment).

No valuation adjustments were made for property, plant and equipment in 2013 (2012: \$0.133m increment).

**Notes to and forming part of the financial statements**
**Note 6C: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment 2013**

	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
<b>As at 1 July 2012</b>							
Gross book value	1,485	23,584	23,019	228,108	276,196	191,882	468,078
Accumulated depreciation and impairment	-	(1,364)	(1,559)	(18,790)	(21,713)	(50,427)	(72,140)
<b>Net book value 1 July 2012</b>	<b>1,485</b>	<b>22,220</b>	<b>21,460</b>	<b>209,318</b>	<b>254,483</b>	<b>141,455</b>	<b>395,938</b>
<b>Additions:</b>							
By purchase	-	8	6,164	28,981	35,153	28,186	63,339
Assets not previously recognised	-	-	-	-	-	1,003	1,003
By other	-	-	-	653	653	35	688
Write-down and impairment recognised in the operating result	-	-	-	(32)	(32)	(415)	(447)
Depreciation expense	-	(1,230)	(1,554)	(33,050)	(35,834)	(52,280)	(88,114)
Reclassifications	-	(156)	2,588	(576)	1,856	(744)	1,112
<b>Disposals:</b>							
Sales	-	-	-	-	-	(757)	(757)
Other	-	-	-	(66)	(66)	(36)	(102)
<b>Net book value 30 June 2013</b>	<b>1,485</b>	<b>20,842</b>	<b>28,658</b>	<b>205,228</b>	<b>256,213</b>	<b>116,447</b>	<b>372,660</b>
<b>Net book value as of 30 June 2013 represented by:</b>							
Gross book value	1,485	22,897	32,309	254,496	311,187	217,454	528,641
Accumulated depreciation and impairment	-	(2,055)	(3,651)	(49,268)	(54,974)	(101,007)	(155,981)
<b>Net book value 30 June 2013</b>	<b>1,485</b>	<b>20,842</b>	<b>28,658</b>	<b>205,228</b>	<b>256,213</b>	<b>116,447</b>	<b>372,660</b>

**Notes to and forming part of the financial statements**

**Note 6C (Continued): Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment 2012**

	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
<b>As at 1 July 2011</b>							
Gross book value	1,485	3,865	22,156	205,152	232,658	149,014	381,672
<b>Net book value 1 July 2011</b>	1,485	3,865	22,156	205,152	232,658	149,014	381,672
Additions:							
By purchase	-	-	1,343	29,894	31,237	50,033	81,270
Assets not previously recognised	-	-	-	-	-	493	493
Revaluations and impairments recognised in other comprehensive	-	-	-	12,477	12,477	133	12,610
Write-down and impairment recognised in the operating result	-	(21)	-	(836)	(857)	(733)	(1,590)
Depreciation expense	-	(1,386)	(1,559)	(23,910)	(26,855)	(52,858)	(79,713)
Other movements	-	-	-	-	-	2	2
Reclassifications	-	19,762	(480)	(13,459)	5,823	(4,541)	1,282
Disposals:							
Sales	-	-	-	-	-	(88)	(88)
<b>Net book value 30 June 2012</b>	1,485	22,220	21,460	209,318	254,483	141,455	395,938
<b>Net book value as of 30 June 2012 represented by:</b>							
Gross book value	1,485	23,584	23,019	228,108	276,196	191,882	468,078
Accumulated depreciation and impairment	-	(1,364)	(1,559)	(18,790)	(21,713)	(50,427)	(72,140)
<b>Net book value 30 June 2012</b>	1,485	22,220	21,460	209,318	254,483	141,455	395,938

## Notes to and forming part of the financial statements

	2013 \$'000	2012 \$'000
<b>Note 6D: Intangibles</b>		
<b>Computer software:</b>		
Internally developed - in progress	17,635	5,361
Internally developed - in use	72,965	63,686
Purchased	37,645	40,494
Accumulated amortisation	<u>(73,972)</u>	<u>(61,211)</u>
<b>Total computer software</b>	<u>54,273</u>	<u>48,330</u>
<b>Total intangibles</b>	<u>54,273</u>	<u>48,330</u>

No indicators of impairment were found for intangible assets as at 30 June 2013. Where intangibles were no longer used by the AFP, these have been written down during the financial year. These are described in Note 6E as "Write-down and impairment recognised in the operating result".

No intangibles are held for sale as at 30 June 2013.

## Notes to and forming part of the financial statements

## Note 6E: Reconciliation of the Opening and Closing Balances of Intangibles 2013

	Computer software internally developed \$'000	Computer software purchased \$'000	Total \$'000
<b>As at 1 July 2012</b>			
Gross book value	69,047	40,494	109,541
Accumulated amortisation and impairment	(40,634)	(20,577)	(61,211)
<b>Net book value 1 July 2012</b>	<b>28,413</b>	<b>19,917</b>	<b>48,330</b>
Additions:			
By purchase or internally developed	18,004	3,583	21,587
Intangibles not previously recognised	-	11	11
By other	-	34	34
Amortisation	(8,647)	(5,588)	(14,235)
Reclassifications	2,930	(4,042)	(1,112)
Write-down and impairment recognised in the operating result	(295)	(13)	(308)
Disposals:			
Other	-	(34)	(34)
<b>Net book value 30 June 2013</b>	<b>40,405</b>	<b>13,868</b>	<b>54,273</b>
<b>Net book value as of 30 June 2013 represented by:</b>			
Gross book value	90,600	37,645	128,245
Accumulated amortisation and impairment	(50,195)	(23,777)	(73,972)
<b>Net book value 30 June 2013</b>	<b>40,405</b>	<b>13,868</b>	<b>54,273</b>

**Notes to and forming part of the financial statements**

**Note 6E (Continued): Reconciliation of the Opening and Closing Balances of Intangibles 2012**

	Computer software internally developed \$'000	Computer software purchased \$'000	Total \$'000
<b>As at 1 July 2011</b>			
Gross book value	74,821	27,445	102,266
Accumulated amortisation and impairment	(36,874)	(16,566)	(53,440)
<b>Net book value 1 July 2011</b>	<b>37,947</b>	<b>10,879</b>	<b>48,826</b>
Additions:			
By purchase or internally developed	10,836	5,076	15,912
Amortisation	(6,186)	(5,043)	(11,229)
Reclassifications	(10,634)	9,352	(1,282)
Write-down and impairment recognised in the operating result	(3,550)	(347)	(3,897)
<b>Net book value 30 June 2012</b>	<b>28,413</b>	<b>19,917</b>	<b>48,330</b>
<b>Net book value as of 30 June 2012 represented by:</b>			
Gross book value	69,047	40,494	109,541
Accumulated amortisation and impairment	(40,634)	(20,577)	(61,211)
<b>Net book value 30 June 2012</b>	<b>28,413</b>	<b>19,917</b>	<b>48,330</b>

### Notes to and forming part of the financial statements

	2013 \$'000	2012 \$'000
<b>Note 6F: Inventories</b>		
Inventories held for distribution	7,194	7,505
<b>Total inventories</b>	<u>7,194</u>	<u>7,505</u>

During 2012-13 \$6.054m of inventory held for distribution was recognised as an expense (2012: \$6.015m).

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	18,949	12,717
<b>Total other non-financial assets</b>	<u>18,949</u>	<u>12,717</u>
<b>Total other non-financial assets - are expected to be recovered in:</b>		
No more than 12 months	16,542	12,394
More than 12 months	2,407	323
<b>Total other non-financial assets</b>	<u>18,949</u>	<u>12,717</u>

No indicators of impairment were found for other non-financial assets.

## Notes to and forming part of the financial statements

	2013 \$'000	2012 \$'000
<b>Note 7: Payables</b>		
<b>Note 7A: Suppliers</b>		
Trade creditors and accruals	80,368	77,480
Operating lease rentals	17,178	15,083
<b>Total supplier payables</b>	<b>97,546</b>	<b>92,563</b>
<b>Supplier payables expected to be settled within 12 months:</b>		
Related entities	7,126	5,775
External parties	79,301	75,790
<b>Total</b>	<b>86,427</b>	<b>81,565</b>
<b>Supplier payables expected to be settled in greater than 12 months:</b>		
External parties	11,119	10,998
<b>Total</b>	<b>11,119</b>	<b>10,998</b>
<b>Total supplier payables</b>	<b>97,546</b>	<b>92,563</b>

Settlement is usually made within 30 days.

### **Note 7B: Other Payables**

Prepayments received/unearned income	7,255	11,784
Wages and salaries	24,844	20,589
Other payables	33	269
Superannuation	3,676	3,556
Separations and redundancies	412	3,175
<b>Total other payables</b>	<b>36,220</b>	<b>39,373</b>

All other payables are expected to be settled within 12 months.

## Notes to and forming part of the financial statements

	2013	2012
	\$'000	\$'000

### Note 8: Provisions

#### Note 8A: Employee Provisions

Leave	261,173	265,857
Other	179	179
<b>Total employee provisions</b>	<b>261,352</b>	<b>266,036</b>

#### Employee provisions are expected to be settled in:

No more than 12 months	71,942	73,391
More than 12 months	189,410	192,645
<b>Total employee provisions</b>	<b>261,352</b>	<b>266,036</b>

#### Note 8B: Other Provisions

Provision for restoration obligations	13,740	14,970
<b>Total other provisions</b>	<b>13,740</b>	<b>14,970</b>

#### Other provisions are expected to be settled in:

No more than 12 months	2,023	3,105
More than 12 months	11,717	11,865
<b>Total other provisions</b>	<b>13,740</b>	<b>14,970</b>

	Provision for Restoration Obligations	Total
	\$'000	\$'000
<b>Carrying amount 1 July 2012</b>	<b>14,970</b>	<b>14,970</b>
Additional provisions made	653	653
Amounts used	(876)	(876)
Provisions not realised	(902)	(902)
Revaluation	(531)	(531)
Unwinding of discount	426	426
<b>Closing balance 30 June 2013</b>	<b>13,740</b>	<b>13,740</b>

In June 2012 an independent valuer, the Australian Valuation Office, conducted a revaluation of make good liability associated with leasehold fit out concluding the rolling revaluation of this class. An increment of \$6.897m was debited to the asset revaluation reserve. In June 2013 the AFP updated the value of the provision for make good liability for changes in the bond rate and CPI. A decrement of \$0.531m was credited to the asset revaluation reserve.

The AFP currently has 39 (2012: 46) 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.

**Notes to and forming part of the financial statements**

	2013	2012
	\$'000	\$'000
<b>Note 9: Cash Flow Reconciliation</b>		
<b>Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement</b>		
<b>Cash and cash equivalents as per:</b>		
Cash flow statement	8,075	10,167
Balance sheet	8,075	10,167
<b>Difference</b>	<u>-</u>	<u>-</u>
<b>Reconciliation of net cost of services to net cash from operating activities:</b>		
Net cost of services	(1,066,096)	(1,123,575)
Add revenue from Government	978,241	1,002,119
<b>Adjustment for non-cash items</b>		
Depreciation / amortisation	102,349	90,942
Net write down of non-financial assets	826	5,487
Gain on disposal of assets	(32)	(338)
Asset recognition	(1,014)	(493)
Movement in capital accruals recognised in payables	(13,862)	223
Restoration provision movements recognised in equity	531	(6,897)
Make good provision recognised through income statement	(653)	-
<b>Changes in assets / liabilities</b>		
Decrease / (increase) in net receivables	13,312	(48,191)
Decrease in inventories	311	1,242
(Increase) in prepayments	(6,232)	(1,223)
Decrease in accrued revenue	1,635	2,068
(Decrease) / increase in employee provisions	(4,684)	37,652
Increase in supplier payables	4,983	20,441
(Decrease) / increase in other payables	(3,153)	1,959
(Decrease) / increase in other provisions	(1,230)	6,512
<b>Net cash from (used by) operating activities</b>	<u>5,232</u>	<u>(12,072)</u>

## Notes to and forming part of the financial statements

### Note 10: Contingent Assets and Liabilities

	Claims for damages or costs		Total	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>Contingent assets</b>				
Balance from previous period	79	1,251	79	1,251
New	-	79	-	79
Re-measurement	(17)	(101)	(17)	(101)
Assets recognised	(62)	(1,150)	(62)	(1,150)
<b>Total contingent assets</b>	-	79	-	79
<b>Contingent liabilities</b>				
Balance from previous period	470	6,187	470	6,187
New	-	20	-	20
Re-measurement	(186)	(4,307)	(186)	(4,307)
Liabilities recognised	(284)	(1,430)	(284)	(1,430)
<b>Total contingent liabilities</b>	-	470	-	470
<b>Net contingent assets (liabilities)</b>	-	(391)	-	(391)

#### Quantifiable Contingencies

The Schedule of Contingencies reports contingent liabilities and assets in respect of claims for damages and costs of nil (2012: \$0.470m) and nil (2012: \$0.079m) respectively. The amount represents an estimate of the AFP's asset or liability based on precedent cases.

#### Unquantifiable Contingencies

If a matter prosecuted by the AFP is defended successfully, the court may order that the AFP meet certain costs incurred by the defence.

If a matter is being litigated by the AFP and assets are restrained under the *Proceeds of Crime Act 1987* or the *Proceeds of Crime Act 2002*, the AFP gives an undertaking against potential damages caused to the person(s) whose assets have been restrained. If the proceeds of crime action is unsuccessful, damages may be awarded against the AFP. In addition cost orders may be made against the AFP if a proceeds of crime action is unsuccessful. Costs so awarded are met from the AFP or client organisations annual appropriations. Damages may be covered by ComCover where ComCover assesses that the liability is covered by the AFP's insurance policy.

Although costs and damages may be awarded against the AFP from time to time, the AFP is unable to declare an estimate of liabilities not recognised nor undertakings due to the uncertainty of the outcome of matters, but more particularly, due to the sensitivity of the information related to matters still before the courts.

**Notes to and forming part of the financial statements**

**Note 11: Senior Executive Remuneration**

**Note 11A: Senior Executive Remuneration Expense for the Reporting Period**

	2013	2012
	\$	\$
<b>Short-term employee benefits:</b>		
Salary	13,022,108	12,692,217
Annual leave accrued	1,466,956	1,353,575
Performance bonus	1,009,922	888,689
Transfer costs	278,836	299,745
Fringe Benefits Tax	273,875	330,075
Motor vehicle allowances	1,781,230	1,774,830
Other allowances	1,662,242	1,521,823
<b>Total short-term employee benefits</b>	<b>19,495,169</b>	<b>18,860,954</b>
<b>Post-employment benefits</b>		
Superannuation	4,259,730	4,497,120
<b>Total post-employment benefits</b>	<b>4,259,730</b>	<b>4,497,120</b>
<b>Other long-term benefits</b>		
Long-service leave	691,430	675,024
<b>Total other long-term benefits</b>	<b>691,430</b>	<b>675,024</b>
<b>Termination benefits</b>	<b>223,867</b>	<b>358,353</b>
<b>Total employment benefits</b>	<b>24,670,196</b>	<b>24,391,451</b>

**Notes:**

1. Note 11A was prepared on an accrual basis (so the performance bonus expenses disclosed above differs from the cash 'Bonus Paid' in Note 11B).

2. 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 \$180,000.

3. Other allowances include parking, spouse travel, health and fitness, financial advice and overseas allowances.

4. The 2011-12 comparative employment benefits total has decreased by \$237,428 from the figure reported in 2011-12 due to a change in the reporting requirements.



## Notes to and forming part of the financial statements

### Note 11B: Average Annual Reportable Remuneration Paid to Substantive Senior Executives During the Reporting Period (continued)

#### Notes:

<sup>1</sup> This table reports substantive senior executives who received remuneration during the reporting period. Each row is an averaged figure based on headcount for individuals in the band.

<sup>2</sup> 'Reportable salary' includes the following:

- a) gross payments (less any bonuses paid, which are separated out and disclosed in the 'bonus paid' column);
- b) reportable fringe benefits (at the net amount prior to 'grossing up' to account for tax benefits);
- c) exempt foreign employment income; and
- d) any salary sacrificed amounts.

<sup>3</sup> The 'contributed superannuation' amount is the average actual superannuation contributions made on behalf of senior executives in that reportable remuneration band during the reporting period. Salary sacrificed superannuation amounts are reported in 'reportable salary'.

<sup>4</sup> 'Bonus paid' represents average actual bonuses paid during the reporting period in that reportable remuneration band. The 'bonus paid' within a particular band may vary between financial years due to various factors such as individuals commencing with or leaving the AFP during the financial year.

<sup>5</sup> Various salary sacrifice arrangements were available to senior executives including superannuation, motor vehicle and expense payment fringe benefits. Salary sacrifice benefits are reported in the 'reportable salary' column.

**Notes to and forming part of the financial statements**

**Note 11C: Average Reportable Remuneration Paid to Other Highly Paid Staff during the Reporting Period**

	2013				
Average annual reportable remuneration <sup>1</sup>	Staff No.	Reportable salary <sup>2</sup> \$	Contributed superannuation <sup>3</sup> \$	Bonus paid <sup>4</sup> \$	Total \$
<b>Total remuneration (including part-time arrangements):</b>					
\$180,000 to \$209,999	191	161,862	33,583	-	195,445
\$210,000 to \$239,999	84	180,756	38,632	17	219,405
\$240,000 to \$269,999	26	222,022	30,481	-	252,503
\$270,000 to \$299,999	11	246,390	40,700	-	287,090
\$300,000 to \$329,999	5	267,896	41,167	-	309,063
\$330,000 to \$359,999	7	302,793	41,488	-	344,281
\$360,000 to \$389,999	6	301,407	75,149	-	376,556
\$480,000 to \$509,999	1	451,813	44,675	-	496,488
<b>Total</b>	<b>331</b>				
<b>Average annual reportable remuneration<sup>1</sup></b>					
<b>Total remuneration (including part-time arrangements):</b>					
\$180,000 to \$209,999	211	155,555	36,466	47	192,068
\$210,000 to \$239,999	89	176,052	45,450	56	221,558
\$240,000 to \$269,999	13	188,162	64,971	-	253,133
\$270,000 to \$299,999	14	246,938	35,463	-	282,401
\$300,000 to \$329,999	11	267,980	46,853	525	315,358
\$330,000 to \$359,999	6	297,125	53,964	-	351,089
\$360,000 to \$389,999	2	308,071	59,919	-	367,990
\$390,000 to \$419,999	1	354,802	52,851	-	407,653
\$420,000 to \$449,999	1	380,291	41,656	-	421,947
<b>Total</b>	<b>348</b>				

## Notes to and forming part of the financial statements

### Note 11C: Other Highly Paid Staff (continued)

#### Notes:

- <sup>1</sup> This table reports staff:
- a) who were employed by the AFP during the reporting period;
  - b) whose reportable remuneration was \$180,000 or more for the financial period; and
  - c) who were not required to be disclosed in Tables A or B.
- Each row is an averaged figure based on headcount for individuals in the band.
- <sup>2</sup> 'Reportable salary' includes the following:
- a) gross payments (less any bonuses paid, which are separated out and disclosed in the 'bonus paid' column);
  - b) reportable fringe benefits (at the net amount prior to 'grossing up' to account for tax benefits);
  - c) exempt foreign employment income; and
  - d) any salary sacrificed amounts.
- <sup>3</sup> The 'contributed superannuation' amount is the average actual superannuation contributions made on behalf of staff in that reportable remuneration band during the reporting period. Salary sacrificed superannuation amounts are reported in 'reportable salary'.
- <sup>4</sup> 'Bonus paid' represents average actual bonuses paid during the reporting period in that reportable remuneration band. The 'bonus paid' within a particular band may vary between financial years due to various factors such as individuals commencing with or leaving the AFP during the financial year.
- <sup>5</sup> Various salary sacrifice arrangements were available to other highly paid staff including superannuation, motor vehicle and expense payment fringe benefits. Salary sacrifice benefits are reported in the 'reportable salary' column.

## Notes to and forming part of the financial statements

	2013 \$'000	2012 \$'000
<b>Note 12: Remuneration of Auditors</b>		
Financial statement audit services were provided free of charge to the AFP by the Australian National Audit Office (ANAO).		
<b>Fair value of the services provided</b>		
Financial statement audit services <sup>1</sup>	<u>330</u>	<u>330</u>
<b>Total</b>	<u>330</u>	<u>330</u>
<b>Additional audit services provided:</b>		
ACT Policing <sup>1</sup>	68	68
Australian Institute of Police Management <sup>1</sup>	46	44
Asia/Pacific Group on Money Laundering <sup>2</sup>	<u>10</u>	<u>10</u>
<b>Total</b>	<u>124</u>	<u>122</u>

No other services were provided by the auditors of the financial statements.

<sup>1</sup> The ANAO has retained Moore Stephens to assist with these assignments.

<sup>2</sup> This audit is performed directly by Moore Stephens.

## Notes to and forming part of the financial statements

	2013 \$'000	2012 \$'000
<b>Note 13: Financial Instruments</b>		
<b><u>Note 13A: Categories of Financial Instruments</u></b>		
<b>Financial Assets</b>		
<b>Loans and receivables:</b>		
Cash and cash equivalents	8,075	10,167
Trade receivables	20,639	9,019
Other receivables	11,248	7,337
Accrued revenue	6,758	8,393
<b>Total</b>	<u>46,720</u>	<u>34,916</u>
<b>Carrying amount of financial assets</b>	<u>46,720</u>	<u>34,916</u>
<b>Financial Liabilities</b>		
<b>At amortised cost:</b>		
Trade creditors	97,546	92,563
Other payables	33	269
<b>Total</b>	<u>97,579</u>	<u>92,832</u>
<b>Carrying amount of financial liabilities</b>	<u>97,579</u>	<u>92,832</u>
<b><u>Note 13B: Net Income and Expense from Financial Assets</u></b>		
<b>Loans and receivables</b>		
Impairment	(71)	(15)
<b>Net loss loans and receivables</b>	<u>(71)</u>	<u>(15)</u>
<b>Net loss from financial assets</b>	<u>(71)</u>	<u>(15)</u>

The net expense from financial assets not at fair value through profit and loss is \$71,038 (2012: \$15,339).

### **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 \$505,661 (2012: \$434,623).

The following table illustrates the AFP's gross exposure to credit risk, excluding any collateral or credit enhancements.

	2013 \$'000	2012 \$'000
<b>Financial assets</b>		
Trade receivables	21,145	9,454
Other receivables	11,248	7,337
<b>Total</b>	<b>32,393</b>	<b>16,791</b>

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 2013 \$'000	Not past due nor impaired 2012 \$'000	Past due or impaired 2013 \$'000	Past due or impaired 2012 \$'000
Trade receivables	18,549	13,954	13,844	2,837
<b>Total</b>	<b>18,549</b>	<b>13,954</b>	<b>13,844</b>	<b>2,837</b>

The AFP assessed \$505,661 (2012: \$434,623) 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 2013

	1 to 30 days \$'000	31 to 60 days \$'000	61 to 90 Total \$'000	90+ days \$'000	Total \$'000
Trade receivables	5,818	1,497	1,092	4,931	13,338
<b>Total</b>	<b>5,818</b>	<b>1,497</b>	<b>1,092</b>	<b>4,931</b>	<b>13,338</b>

### Ageing of financial assets that were past due but not impaired for 2012

	1 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
Trade receivables	573	433	189	1,207	2,402
<b>Total</b>	<b>573</b>	<b>433</b>	<b>189</b>	<b>1,207</b>	<b>2,402</b>

## 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 2013

	On demand \$'000	within 1 year \$'000	1 to 2 years \$'000	Total \$'000
Trade creditors	-	86,427	11,119	97,546
Other payables	-	33	-	33
<b>Total</b>	-	<b>86,460</b>	<b>11,119</b>	<b>97,579</b>

#### Maturities for non-derivative financial liabilities 2012

	On demand \$'000	within 1 year \$'000	1 to 2 years \$'000	Total \$'000
Trade creditors	-	81,565	10,998	92,563
Other payables	-	269	-	269
<b>Total</b>	-	<b>81,834</b>	<b>10,998</b>	<b>92,832</b>

The AFP had no derivative financial liabilities in either 2013 or 2012.

## 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 Dollars, Indonesian Rupiah, Euro, Papua New Guinea Kina, Solomon Islands Dollars and Vanuatu Vatu.

The following table details the effect on the profit and equity as at 30 June from 15.7 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 and Deregulation's calculated average of the five main currencies the Commonwealth is exposed to, being USD, EUR, GBR, JPY, SBD and NZD.

#### **Sensitivity analysis of the risk that the AFP is exposed to for 2013**

	Risk variable	Change in risk variable %	Effect on	
			Profit and loss \$'000	Equity \$'000
Currency risk	Exposed currency	15.70	137	137

#### **Sensitivity analysis of the risk that the AFP is exposed to for 2012**

	Risk variable	Change in risk variable %	Effect on	
			Profit and loss \$'000	Equity \$'000
Currency risk	Exposed currency	15.00	243	243

## Notes to and forming part of the financial statements

	Notes	2013 \$'000	2012 \$'000
<b>Note 14: Financial Asset Reconciliation</b>			
<b><u>Financial assets</u></b>			
<b>Total financial assets as per balance sheet</b>		<b>420,229</b>	464,236
Less non-financial instrument components			
Appropriation receivable	5B	<b>368,755</b>	424,994
GST Receivable from ATO	5B	<b>4,754</b>	4,326
Total non-financial instrument components		<u><b>373,509</b></u>	<u>429,320</u>
<b>Total financial assets as per financial instrument note</b>		<u><b>46,720</b></u>	<u>34,916</u>

**Notes to and forming part of the financial statements**

	2013	2012
	\$'000	\$'000
<b>Note 15: Administered - Expenses</b>		
<b>EXPENSES</b>		
<b>Note 15A: Suppliers</b>		
<b>Goods and services</b>		
Communications and IT	340	145
Consultants and contractors	998	4,664
Contributions to common police services	-	910
General and office	1,176	2,983
Operational expenses	436	477
Infrastructure for other jurisdictions	7,447	7,467
Police equipment	16	293
Police equipment for other jurisdictions	4,693	18,370
Rent and accommodation	12	1,824
Training	1,123	4,343
Travel	540	2,488
<b>Total goods and services</b>	<b>16,781</b>	<b>43,964</b>
<b>Goods and services are made up of:</b>		
Provision of goods - external parties	13,141	23,276
Rendering of services - related entities	336	1,136
Rendering of services - external parties	3,304	19,552
<b>Total goods and services</b>	<b>16,781</b>	<b>43,964</b>
<b>Note 15B: Write-Down and Impairment of Assets</b>		
<b>Asset write-downs and impairments from:</b>		
Impairment of trade and other receivables	84	172
<b>Total write-down and impairment of assets</b>	<b>84</b>	<b>172</b>
<b>Note 16: Administered - Income</b>		
<b>OWN-SOURCE REVENUE</b>		
<b>Note 16A: Fees and Fines</b>		
Court fees, fines and penalties	1,211	198
<b>Total fines</b>	<b>1,211</b>	<b>198</b>
<b>Note 16B: Other Income</b>		
Other	503	-
<b>Total other income</b>	<b>503</b>	<b>-</b>

**Notes to and forming part of the financial statements**

	2013 \$'000	2012 \$'000
<b>Note 17: Administered - Financial Assets</b>		
<b>Note 17A: Cash and Cash Equivalents</b>		
Cash on hand or on deposits	530	341
<b>Total cash and cash equivalents</b>	<b>530</b>	<b>341</b>
<b>Note 17B: Trade and Other Receivables</b>		
<b>Other receivables:</b>		
GST receivable from Australian Taxation Office	40	13
Court fees, fines and penalties	1,034	924
<b>Total other receivables</b>	<b>1,074</b>	<b>937</b>
<b>Total trade and other receivables (gross)</b>	<b>1,074</b>	<b>937</b>
<b>Less: impairment allowance account:</b>		
Court fees, fines and penalties	(942)	(858)
<b>Total impairment allowance account</b>	<b>(942)</b>	<b>(858)</b>
<b>Total trade and other receivables (net)</b>	<b>132</b>	<b>79</b>
<b>Receivables are aged as follows:</b>		
Not overdue	40	13
Overdue by:		
31 to 60 days	16	24
61 to 90 days	7	22
More than 90 days	1,011	878
<b>Total receivables (gross)</b>	<b>1,074</b>	<b>937</b>
<b>The impairment allowance account is aged as follows:</b>		
Overdue by:		
31 to 60 days	(5)	(10)
61 to 90 days	(7)	(14)
More than 90 days	(930)	(834)
<b>Total impairment allowance account</b>	<b>(942)</b>	<b>(858)</b>
All receivables are expected to be recovered in no more than 12 months.		
Credit terms for goods and services were within 30 days (2012: 30 days).		
<b>Reconciliation of the Impairment Allowance Account:</b>		
<b>Movements in relation to 2013</b>		
	<b>Goods and services \$'000</b>	<b>Total \$'000</b>
<b>Opening balance</b>	<b>858</b>	<b>858</b>
Increase recognised in net surplus	84	84
<b>Closing balance</b>	<b>942</b>	<b>942</b>
<b>Movements in relation to 2012</b>		
	<b>Goods and services \$'000</b>	<b>Total \$'000</b>
Opening balance		
Increase recognised in net surplus	172	172
Increase recognised in contributed equity	686	686
Closing balance	858	858

**Notes to and forming part of the financial statements**

	2013 \$'000	2012 \$'000
<b>Note 18: Administered - Payables</b>		
<b>Note 18A: Suppliers</b>		
Trade creditors and accruals	1,060	1,180
<b>Total suppliers</b>	<b>1,060</b>	<b>1,180</b>
<b>Supplier payables expected to be settled within 12 months:</b>		
External parties	1,060	1,180
<b>Total</b>	<b>1,060</b>	<b>1,180</b>
Settlement was usually made within 30 days.		
<b>Note 19: Administered - Cash flow Reconciliation</b>		
<b>Reconciliation of cash and cash equivalents as per Administered Schedule of Assets and Liabilities to Administered Cash Flow</b>		
<b>Cash and cash equivalents as per:</b>		
Administered cash flow statement	530	341
Administered schedule of assets and liabilities	530	341
<b>Difference</b>	<b>-</b>	<b>-</b>
<b>Reconciliation of net cost of services to net cash from operating activities:</b>		
Net cost of services	(15,151)	(43,938)
<b>Adjustment for non-cash items</b>		
Net assets gained from CDPF	-	75
<b>Changes in assets/liabilities</b>		
(Increase) in net receivables	(53)	(7)
Decrease in prepayments	-	12
(Decrease) in supplier payables	(120)	(2,740)
<b>Net cash (used by) operating activities</b>	<b>(15,324)</b>	<b>(46,598)</b>

**Notes to and forming part of the financial statements**

	2013 \$'000	2012 \$'000
<b>Note 20: Administered - Financial Instruments</b>		
<b><u>Note 20A: Categories of Financial Instruments</u></b>		
<b>Financial Assets</b>		
<b>Loans and receivables:</b>		
Cash and cash equivalents	530	341
Trade receivables	92	66
<b>Total</b>	<u>622</u>	<u>407</u>
<b>Carrying amount of financial assets</b>	<u>622</u>	<u>407</u>
<b>Financial Liabilities</b>		
<b>At amortised cost:</b>		
Trade creditors	1,060	1,180
<b>Total</b>	<u>1,060</u>	<u>1,180</u>
<b>Carrying amount of financial liabilities</b>	<u>1,060</u>	<u>1,180</u>
<b><u>Note 20B: Fair Value of Financial Instruments</u></b>		
The carrying value of all financial instruments in the balance sheet approximates fair value.		

## Notes to and forming part of the financial statements

### Note 20C: Credit Risk

The AFP credit risk related to administered activities is limited to the administered receivable from court ordered fees and fines. These fees and fines are receipted by the AFP where the AFP brought the case before the courts. The collection and enforcement of fees and fines remain the responsibility of State based organisations. The AFP activities are limited to receipting of these fees and fines. The AFP calculates an impairment allowance associated with these debts in line with an actuary report obtained from the Australian Government Actuary.

The following table illustrates the AFP's gross exposure to credit risk, excluding any collateral or credit enhancements.

	2013	2012
	\$'000	\$'000
<b>Financial assets</b>		
Trade receivables	92	66
<b>Total</b>	<b>92</b>	<b>66</b>

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	Not past due nor impaired	Past due or impaired	Past due or impaired
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Trade receivables	-	-	1,034	924
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,034</b>	<b>924</b>

The AFP assessed \$941,764 (2012: \$857,688) of trade receivables to be impaired and therefore in doubt of recovery.

### Ageing of financial assets that were past due but not impaired for 2013

	1 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Trade receivables	-	11	-	81	92
<b>Total</b>	<b>-</b>	<b>11</b>	<b>-</b>	<b>81</b>	<b>92</b>

### Ageing of financial assets that were past due but not impaired for 2012

	1 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Trade receivables	-	14	8	44	66
<b>Total</b>	<b>-</b>	<b>14</b>	<b>8</b>	<b>44</b>	<b>66</b>

**Note 20D: 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 appropriation funded 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.

**Maturities for non-derivative financial liabilities 2013**

	On demand \$'000	Within 1 year \$'000	Total \$'000
Trade creditors	-	1,060	1,060
<b>Total</b>	-	1,060	1,060

**Maturities for non-derivative financial liabilities 2012**

	On demand \$'000	Within 1 year \$'000	Total \$'000
Trade creditors	-	1,180	1,180
<b>Total</b>	-	1,180	1,180

**Notes to and forming part of the financial statements**

		2013 \$'000	2012 \$'000
<b>Note 21: Administered Financial Assets Reconciliation</b>			
<b><u>Financial Assets</u></b>	<b>Notes</b>		
<b>Total financial assets as per administered schedule of assets and liabilities</b>		<b>662</b>	420
Less: non-financial instruments components			
GST Receivable from ATO	17B	<u>(40)</u>	<u>(13)</u>
Total non-financial instrument components		<u>(40)</u>	<u>(13)</u>
<b>Total financial assets as per financial instruments note</b>	20A	<u><b>622</b></u>	<u>407</u>

**Notes to and forming part of the financial statements**

Note 22: Appropriations

**Table A: Annual Appropriations (Recoverable GST exclusive) – 2013 Appropriations**

	2013 Appropriations					Appropriation applied in 2013 (current and prior years) \$'000	Variance \$'000
	Appropriation Act		FMA Act				
	Annual Appropriations reduced (a) \$'000	Section 31 \$'000	Section 32 \$'000	Total appropriation \$'000			
<b>DEPARTMENTAL</b>							
Ordinary annual services	1,014,080	298,385	1,750	1,314,215	1,316,106	(1,891) (e)	
Other services	11,973	-	-	11,973	53,962	(41,989) (d)	
Equity	1,026,053	298,385	1,750	1,326,188	1,370,068	(43,880)	
<b>Total Departmental</b>							
<b>ADMINISTERED</b>							
Ordinary annual services	21,027	(4,279)	-	16,748	16,867	(119) (e)	
Administered items	21,027	(4,279)	-	16,748	16,867	(119)	
<b>Total Administered</b>							

**Notes:**

(a) Appropriations reduced under Appropriation Acts (No. 1, 3, 5) 2012-13; sections 10, 11, 12 and 15 and under Appropriation Acts (No. 2, 4, 6) 2012-13; sections 12, 13 and 14. 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. No formal reductions of the AFP departmental appropriation were made during the year.

As with departmental appropriations, the responsible Minister may decide that part or all of an administered appropriation is not required and request that the Finance Minister reduce that appropriation. For administered appropriations reduced under section 11 of Appropriation Act (Nos. 1, 3 & 5) 2012-13 and section 12 of (Nos. 2, 4 & 6) 2012-13, the appropriation is taken to be reduced by \$4,279,441.65 to the required amount specified in Table D of this note once the annual report is tabled in Parliament.

(b) In 2012-13, the Government made the following reductions affecting AFP appropriations which met the recognition criteria of a formal reduction in accordance with FMO Division 101 but at law the appropriation had not been amended before the end of the reporting period:  
 • reduction in Ordinary Annual Departmental Appropriation of \$13,965,000 which was recognised as a reduction in revenue from Government; and  
 • reduction in Equity Appropriation of \$1,300,000 which was recognised as a reduction in contributed equity.

The AFP has a number of No Win/No Loss arrangements that have met the formal recognition criteria to adjust revenue but at law the appropriation had not been amended before the end of the reporting period. Under a No Win agreement for a logistic contract departmental appropriation revenue was reduced in 2011-12 by \$438,000. Under a No Win/No Loss arrangement to cover additional FBI expense relating to living away from home allowance the AFP recognised an initial amount of \$353,000 and an additional \$1,340,930 as revenue in 2012-13.

(c) The amount of variance in ordinary annual services represents the payment of liabilities from previous periods.

(d) The variance in equity appropriation has occurred as funding appropriated in prior years has been applied to projects undertaken in 2012-13.

(e) The variance relates to the payment of liabilities from previous periods.

## Note 22: Appropriations (continued)

Table A: Annual Appropriations (Recoverable GST exclusive) - 2012 Appropriations

	2012 Appropriations					Appropriation applied in 2012 (current and prior years) \$'000	Variance \$'000
	Appropriation Act		FMA Act		Total appropriation \$'000		
	Annual Appropriation \$'000	Appropriations reduced <sup>(a)</sup> \$'000	Section 30 \$'000	Section 31 \$'000			
<b>DEPARTMENTAL</b>							
Ordinary annual services	1,062,585	(6,333)	2,083	290,657	1,348,992	1,292,425	56,567 <sup>(b)</sup>
Other services	8,139	-	-	-	8,139	50,266	(42,127) <sup>(c)</sup>
<b>Total Departmental</b>	<b>1,070,724</b>	<b>(6,333)</b>	<b>2,083</b>	<b>290,657</b>	<b>1,357,131</b>	<b>1,342,691</b>	<b>14,440</b>
<b>ADMINISTERED</b>							
Ordinary annual services	46,860	(2,906)	-	-	43,954	46,735	(2,781) <sup>(d)</sup>
Administered items	46,860	(2,906)	-	-	43,954	46,735	(2,781)
<b>Total Administered</b>							

**Notes:**

(a) Appropriations reduced under Appropriation Acts (No. 1, 3 & 5) 2011-12; sections 10, 11, 12 and 15 and under Appropriation Acts (No. 2, 4, 6) 2011-12; sections 12, 13, 14 and 17. 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. On 26 June 2012, the Finance Minister issued a determination to reduce departmental appropriations following a request by the Attorney-General. The amount of the reduction under Determination to Reduce Appropriations (No. 1 of 2011-12) in relation to Appropriation Act (No. 1) 2011-12 was \$6,333,000.

In addition to this, the Determination to Reduce Appropriations (No. 1 of 2011-12) included a reduction of \$6,563,000 for Appropriation Act (No. 2) 2007-08. As this reduction relates to prior financial year appropriations, it has not been disclosed in Table A.

As with departmental appropriations, the responsible Minister may decide that part or all of an administered appropriation is not required and request that the Finance Minister reduce that appropriation. For administered appropriations reduced under section 11 of Appropriation Act (Nos. 1, 3 & 5) 2011-12 and section 12 of (Nos. 2, 4 & 6) 2011-12, the appropriation is taken to be reduced to the required amount specified in Table D of this note once the annual report is tabled in Parliament. All administered appropriations may be adjusted by a Finance Minister's determination, which is a disallowable instrument in Parliament. In 2012, there were no reductions in administered appropriations apart from section 11 reduction in Table D.

(b) The amount of variance in Ordinary Appropriation represents funds required to pay for existing liabilities as at 30 June 2012 which are yet to be paid.

(c) The variance in the equity annual appropriation and equity appropriation applied in 2012 has occurred due to funding appropriated in prior years has been applied to projects undertaken in 2011-12.

(d) The variance relates to carried forward expenditure relating to prior years' operations.

**Notes to and forming part of the financial statements**

Note 22: Appropriations (continued)

Table B: Departmental Capital Budgets (Recoverable GST exclusive)

	2013 Capital Budget Appropriations				Capital Budget Appropriation applied in 2013 (current and prior years)			
	Appropriation Act	FMA Act	Total Capital Budget Appropriations	Payments for non-financial assets <sup>3</sup>	Payments for other purposes	Total payments	Variance <sup>4</sup>	
	Annual Capital Budget \$'000	Appropriations reduced <sup>2</sup> \$'000	Section 32 Appropriations \$'000	\$'000	\$'000	\$'000	\$'000	
<b>DEPARTMENTAL</b> Ordinary annual services - Departmental Capital Budget <sup>1</sup>	25,314	-	-	25,314	8,992	-	8,992	16,322

**Notes:**

<sup>1</sup> Departmental Capital Budgets are appropriated through Appropriation Acts (No. 1, 3, 5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts. For more information on ordinary annual services appropriations, please see Table A: Annual appropriations.

<sup>2</sup> Appropriations reduced under Appropriation Acts (No. 1,3,5) 2012-13: sections 10, 11, 12 and 15 or via a determination by the Finance Minister.

<sup>3</sup> Payments made on non-financial assets include purchases of assets, expenditure on assets which has been capitalised, costs incurred to make good an asset to its original condition, and the capital repayment component of finance leases.

<sup>4</sup> Variance relates to timing difference between funding received and asset purchases.

	2012 Capital Budget Appropriations				Capital Budget Appropriation applied in 2012 (current and prior years)			
	Appropriation Act	FMA Act	Total Capital Budget Appropriations	Payments for non-financial assets <sup>3</sup>	Payments for other purposes	Total payments	Variance <sup>4</sup>	
	Annual Capital Budget \$'000	Appropriations reduced <sup>2</sup> \$'000	Section 32 Appropriations \$'000	\$'000	\$'000	\$'000	\$'000	
<b>DEPARTMENTAL</b> Ordinary annual services - Departmental Capital Budget <sup>1</sup>	53,698	-	-	53,698	50,237	-	50,237	3,461

**Notes:**

<sup>1</sup> Departmental Capital Budgets are appropriated through Appropriation Acts (No. 1,3,5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts. For more information on ordinary annual services appropriations, please see Table A: Annual appropriations.

<sup>2</sup> Appropriations reduced under Appropriation Acts (No. 1,3,5) 2011-12: sections 10, 11, 12 and 15 or via a determination by the Finance Minister.

<sup>3</sup> Payments made on non-financial assets include purchases of assets, expenditure on assets which has been capitalised, costs incurred to make good an asset to its original condition, and the capital repayment component of finance leases.

<sup>4</sup> Variance relates to assets which have been received by the AFP however payment is yet to be made.

## Notes to and forming part of the financial statements

Note 22: Appropriations (continued)

Table C: Unspent Annual Appropriations ('Recoverable GST exclusive')

	2013	2012
	\$'000	\$'000
<b>DEPARTMENTAL</b>		
Appropriation Act (No. 4) 2006-2007	-	1,523
Appropriation Act (No. 2) 2007-2008	1,859	29,780
Appropriation Act (No. 4) 2007-2008	-	554
Appropriation Act (No. 2) 2008-2009	67,293	103,598
Appropriation Act (No. 2) 2009-2010	33,349	12,871
Appropriation Act (No. 2) 2010-2011	14,632	14,982
Appropriation Act (No. 4) 2010-2011	7	15
Appropriation Act (No. 1) 2011-2012	-	247,006
Appropriation Act (No. 1) - Capital Budget (DCB) - Non Operating - 2011-2012	3,460	3,461
Appropriation Act (No. 2) 2011-2012	7,424	8,139
Appropriation Act (No. 1) 2011-2012 - Cash on hand	-	7,808
Appropriation Act (No. 1) 2012-2013	231,362	-
Appropriation Act (No. 1) - Capital Budget (DCB) - Non Operating - 2012-2013	16,322	-
Appropriation Act (No. 2) 2012-2013	4,910	-
Appropriation Act (No. 1) 2012-2013 - Cash on hand	5,593	-
<b>Total</b>	<b>386,211</b>	<b>429,737</b>
<b>ADMINISTERED</b>		
Appropriation Act (No. 1) 2011-2012	-	3,746
Appropriation Act (No. 1) 2011-2012 - Cash on hand	-	341
Appropriation Act (No. 1) 2012-2013	4,762	-
Appropriation Act (No. 1) 2012-2013 - Cash on hand	530	-
<b>Total</b>	<b>5,292</b>	<b>4,087</b>

The *Statute Stocktake* (Appropriation Bill 2013) seeks to repeal all annual Appropriation Acts from 1 July 1999 to 30 June 2010. The Bill passed through Parliament on 20 June 2013 and it received Royal Assent on 1 July 2013. Unspent balances in AFP appropriations impacted by this Act total \$102,500,151. The AFP will be seeking to be re-appropriated for the potential cash shortfall.

**Notes to and forming part of the financial statements**

Note 22: Appropriations (continued)

**Table D: Reduction in Administered Items ('Recoverable GST exclusive')**

2013	Amount required <sup>1</sup> - by Appropriation Act	Total amount required <sup>2</sup>	Total amount appropriated <sup>3</sup>	Total reduction <sup>4</sup>
Ordinary Annual Services	Act (No.1)	Act (No.3)		
Outcome 1	\$ 16,747,558.35	\$ 0.00	\$ 21,027,000.00	\$ 4,279,441.65

<sup>1</sup> Administered items for 2012-13 were reduced to these amounts when these financial statements were tabled in Parliament as part of the AFP's 2012-13 annual report. This reduction takes effect in 2013-14, but the amounts were reflected in Table A in the 2012-13 financial statements in the column 'Appropriations reduced' as they were adjustments to 2012-13 appropriations.

<sup>2</sup> Amount required as per Appropriation Act (Act 1 s. 11; Act 2 s. 12).

<sup>3</sup> Total amount appropriated in 2012-13.

<sup>4</sup> Total reduction effective in 2013-14.

2012	Amount required <sup>1</sup> - by Appropriation Act	Total amount required <sup>2</sup>	Total amount appropriated <sup>3</sup>	Total reduction <sup>4</sup>
Ordinary Annual Services	Act (No.1)	Act (No.3)		
Outcome 1	\$ 43,953,955.33	\$ 0.00	\$ 46,860,000.00	\$ 2,906,044.67

<sup>1</sup> Administered items for 2011-12 were reduced to these amounts when these financial statements were tabled in Parliament as part of the AFP's 2011-12 annual report. This reduction takes effect in 2012-13, but the amounts were reflected in Table A in the 2011-12 financial statements in the column 'Appropriations reduced' as they were adjustments to 2011-12 appropriations.

<sup>2</sup> Amount required as per Appropriation Act (Act 1 s. 11; Act 2 s. 12).

<sup>3</sup> Total amount appropriated in 2011-12.

<sup>4</sup> Total reduction effective in 2012-13.

## Notes to and forming part of the financial statements

### Note 23: Special Accounts

#### Note 23A: Special Accounts (Recoverable GST exclusive)

	Services for Other Entities and Trust Moneys Account (SOETM) (Departmental) <sup>1</sup>	
	2013 \$ '000	2012 \$ '000
<b>Balance brought forward from previous period</b>	<b>31,563</b>	24,136
<b>Increases:</b>		
Appropriation for reporting period	1,522	1,551
Other receipts	54,392	64,019
<b>Total increase</b>	<b>55,914</b>	65,570
<b>Available for payments</b>	<b>87,477</b>	89,706
<b>Decreases:</b>		
Payments made to suppliers	(52,849)	(58,143)
<b>Total decrease</b>	<b>(52,849)</b>	(58,143)
<b>Balance carried to next period and represented by:</b>	<b>34,628</b>	31,563
Cash - held by the agency	2,482	2,359
Cash - held by the agency on Trust	29,646	25,704
Cash - held in the OPA	2,500	3,500
<b>Total balance carried to the next period</b>	<b>34,628</b>	31,563

<sup>1</sup> Appropriation: *Financial Management and Accountability Act 1997* section 21.

Establishing Instrument: Financial Management and Accountability (Establishment of Special Account for Australian Federal Police) Determination 2011/03.

Date Established: 15 June 2011.

Purpose: 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.

**Notes to and forming part of the financial statements**

	2013	2012
	\$	\$
<b>Note 24: Compensation and Debt Relief</b>		
<b>Departmental</b>		
No 'Act of Grace' expenses were expended during the reporting period. (2012: nil)	-	-
No waiver of an amount owing to the Australian Government was made pursuant to subsection 34(1) of the <i>Financial Management and Accountability Act 1997</i> . (2012: nil)	-	-
No payments were provided under the Compensation for Detriment caused by Defective Administration (CDDA) Scheme during the reporting period. (2012: two)	-	1,801
No ex-gratia payments were provided for during the reporting period. (2012: nil)	-	-
No payments were provided in special circumstances relating to APS employment pursuant to section 73 of the <i>Public Service Act 1999</i> (PS Act) during the reporting period. (2012: nil)	-	-

**Note 25: Compliance with Statutory Conditions for Payments from Consolidated Revenue Fund**

**Departmental**

During 2012-13 additional legal advice was received that indicated that there could be breaches of Section 83 under certain circumstances with payments for long service leave, goods and services tax and payments under determinations of the Remuneration Tribunal. In 2013-14 the AFP will review the risk of non-compliance associated with payments for these items to minimise the possibility for future breaches as a result of these payments.

## Notes to and forming part of the financial statements

### Note 26: Reporting of Outcomes

#### Note 26A: Net Cost of Outcome Delivery

The AFP uses an Activity Based Costing approach 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	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>Departmental</b>						
Expenses	(1,220,239)	(1,258,069)	(149,710)	(152,375)	(1,369,949)	(1,410,444)
Own-sourced income	151,837	137,982	152,016	148,887	303,853	286,869
<b>Administered</b>						
Expenses	(16,865)	(44,136)	-	-	(16,865)	(44,136)
Own-sourced income	1,714	198	-	-	1,714	198
<b>Net contribution/(cost) of outcome delivery</b>	<b>(1,083,553)</b>	<b>(1,164,025)</b>	<b>2,306</b>	<b>(3,488)</b>	<b>(1,081,247)</b>	<b>(1,167,513)</b>

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 26B: Major Classes of Departmental Expenses, Income, Assets and Liabilities by Outcomes**

	Outcome 1		Outcome 2		Total	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>Expenses:</b>						
Employee	730,594	770,788	97,260	103,588	827,854	874,376
Supplier	382,247	393,380	49,546	45,744	431,793	439,124
Depreciation and amortisation	99,453	87,925	2,896	3,017	102,349	90,942
Grants	6,409	-	-	-	6,409	-
Other	1,536	5,976	8	26	1,544	6,002
<b>Total</b>	<b>1,220,239</b>	<b>1,258,069</b>	<b>149,710</b>	<b>152,375</b>	<b>1,369,949</b>	<b>1,410,444</b>
<b>Income:</b>						
Revenue from Government	978,241	1,002,119	-	-	978,241	1,002,119
Goods and services	146,486	134,347	146,706	143,208	293,192	277,555
Other	5,351	3,635	5,310	5,679	10,661	9,314
<b>Total</b>	<b>1,130,078</b>	<b>1,140,101</b>	<b>152,016</b>	<b>148,887</b>	<b>1,282,094</b>	<b>1,288,988</b>
<b>Assets</b>						
Cash and cash equivalents	8,063	10,152	12	15	8,075	10,167
Trade and other receivables	383,503	425,903	21,893	19,773	405,396	445,676
Other financial assets	6,758	8,377	-	16	6,758	8,393
Land and buildings	251,934	249,177	4,279	5,306	256,213	254,483
Infrastructure, plant and equipment	105,986	131,614	10,461	9,841	116,447	141,455
Intangibles	54,116	48,118	157	212	54,273	48,330
Inventories	6,500	6,792	694	713	7,194	7,505
Other non-financial assets	18,811	12,563	138	154	18,949	12,717
<b>Total</b>	<b>835,671</b>	<b>892,696</b>	<b>37,634</b>	<b>36,030</b>	<b>873,305</b>	<b>928,726</b>
<b>Liabilities</b>						
Suppliers	(95,338)	(90,691)	(2,208)	(1,872)	(97,546)	(92,563)
Other payables	(32,714)	(35,674)	(3,506)	(3,699)	(36,220)	(39,373)
Employee provisions	(230,412)	(235,137)	(30,940)	(30,899)	(261,352)	(266,036)
Other provisions	(12,878)	(14,174)	(862)	(796)	(13,740)	(14,970)
<b>Total</b>	<b>(371,342)</b>	<b>(375,676)</b>	<b>(37,516)</b>	<b>(37,266)</b>	<b>(408,858)</b>	<b>(412,942)</b>

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 26C: Major Classes of Administered Expenses, Income, Assets and Liabilities by Outcomes

	Outcome 1		Total	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>Expenses</b>				
Supplier expense	16,781	43,964	16,781	43,964
Write-down and impairment of assets	84	172	84	172
<b>Total</b>	<b>16,865</b>	<b>44,136</b>	<b>16,865</b>	<b>44,136</b>
<b>Income</b>				
Court fees, fines and penalties	1,211	198	1,211	198
Other	503	-	503	-
<b>Total</b>	<b>1,714</b>	<b>198</b>	<b>1,714</b>	<b>198</b>
<b>Assets</b>				
Cash	530	341	530	341
Receivables	132	79	132	79
<b>Total</b>	<b>662</b>	<b>420</b>	<b>662</b>	<b>420</b>
<b>Liabilities</b>				
Suppliers payable	1,060	1,180	1,060	1,180
<b>Total</b>	<b>1,060</b>	<b>1,180</b>	<b>1,060</b>	<b>1,180</b>

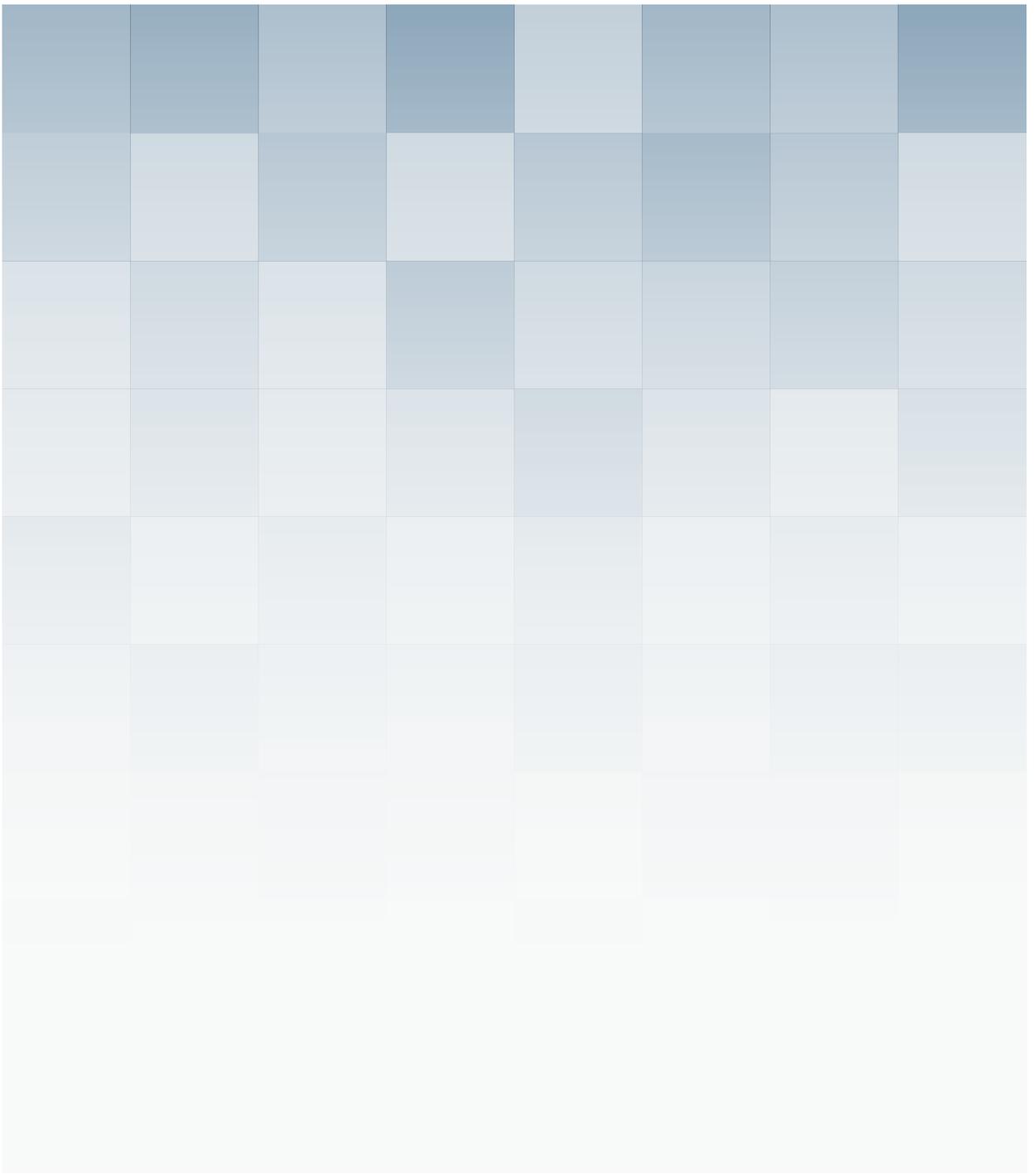
Outcomes 1 and 2 are described in Note 1.1. Net costs shown include intra-government costs that were eliminated in calculating the actual Budget Outcome.

## Notes to and forming part of the financial statements

	2013	2012
	\$'000	\$'000
<b>Note 27: Receipts Subject to Cost Recovery Policy</b>		
<b>Significant cost recovery arrangements</b>		
<i>Australian Federal Police Regulations 1979</i>	<u>21,852</u>	21,634
<b>Total receipts subject to cost recovery policy</b>	<u>21,852</u>	<u>21,634</u>
<b>Note 28: Net Cash Appropriation Arrangements</b>		
<b>Total comprehensive income (loss) less depreciation/amortisation expenses previously funded through revenue appropriations<sup>1</sup></b>	<b>15,025</b>	<b>(24,798)</b>
Plus: depreciation/amortisation expenses previously funded through revenue appropriation	<u>(102,349)</u>	<u>(90,942)</u>
<b>Total comprehensive income (loss) - as per the Statement of Comprehensive Income</b>	<u><b>(87,324)</b></u>	<u><b>(115,740)</b></u>

<sup>1</sup> From 2010-11, the Government introduced net cash appropriation arrangements, where revenue appropriations for depreciation/amortisation expense ceased. Entities now receive a separate capital budget provided through equity appropriations. Capital budgets are to be appropriated in the period when cash payment for capital expenditure is required.







## CHAPTER 7 APPENDICES

## Appendix A. Corporate integrity

TABLE A1. COMPLAINTS SUBMITTED DURING 2012–13, BY CATEGORY<sup>1</sup>

TOTAL AFP	TOTAL COMPLAINTS	CODINGS WITHIN COMPLAINTS <sup>2</sup>
Category 1	72	150
Category 2	286	520
Category 3	233	398
Corruption issues	17	31
<b>Total</b>	<b>608</b>	<b>1099</b>
OUTCOME 1	TOTAL COMPLAINTS	CODINGS WITHIN COMPLAINTS
Category 1	22	50
Category 2	193	356
Category 3	148	244
Corruption issues	16	30
<b>Total</b>	<b>379</b>	<b>680</b>
OUTCOME 2	TOTAL COMPLAINTS	CODINGS WITHIN COMPLAINTS
Category 1	50	100
Category 2	93	164
Category 3	85	154
Corruption issues	1	1
<b>Total</b>	<b>229</b>	<b>419</b>

1. Part V of the *Australian Federal Police Act 1979* defines the categories of conduct. Category 1 is the least serious category and predominantly relates to customer service issues. Category 2 is minor misconduct and category 3 is serious misconduct. Corruption issues are referred to the Australian Commission for Law Enforcement Integrity.
2. 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.

## CHAPTER 7 APPENDICES

TABLE A2. COMPLAINTS SUBMITTED DURING 2012–13, BY SOURCE

SOURCE	TOTAL COMPLAINTS	PERCENTAGE
Anonymous member of the public	9	1.5%
Member of the public	276	45.4%
Reporting another AFP member	289	47.5%
Self-reported	34	5.6%
<b>Total</b>	<b>608</b>	<b>100%</b>

TABLE A3. STATUS OF COMPLAINTS AS AT 30 JUNE 2013, BY CATEGORY<sup>1</sup>

TOTAL AFP	FINALISED	OUTSTANDING
Category 1	85	8
Category 2	330	64
Category 3	283	167
Corruption issues	29	21
<b>Total</b>	<b>727</b>	<b>260</b>

1. This table includes matters reported before 1 July 2012 that had not been finalised prior to that date.

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TABLE A4. TOTAL AFP COMPLAINT FINDINGS DURING 2012–13, BY CATEGORY<sup>1</sup>

TOTAL AFP	DISCRETION NOT TO PROCEED <sup>2</sup>	ESTABLISHED	NOT ESTABLISHED	WITHDRAWN
Category 1	64	18	94	11
Category 2	103	207	274	23
Category 3	161	190	215	11
Corruption issues	23	1	9	1
<b>Total</b>	<b>351</b>	<b>416</b>	<b>592</b>	<b>46</b>

OUTCOME 1	DISCRETION NOT TO PROCEED <sup>2</sup>	ESTABLISHED	NOT ESTABLISHED	WITHDRAWN
Category 1	14	10	24	4
Category 2	68	161	161	10
Category 3	86	135	94	10
Corruption issues	21	1	5	1
<b>Total</b>	<b>189</b>	<b>307</b>	<b>284</b>	<b>25</b>

OUTCOME 2	DISCRETION NOT TO PROCEED <sup>2</sup>	ESTABLISHED	NOT ESTABLISHED	WITHDRAWN
Category 1	50	8	70	7
Category 2	35	46	113	13
Category 3	75	55	121	1
Corruption issues	2	0	4	0
<b>Total</b>	<b>162</b>	<b>109</b>	<b>308</b>	<b>21</b>

1. This table only includes matters where the case was finalised. This table includes matters reported before 1 July 2012.

2. Discretion not to proceed is subject to provisions of s. 40SA or s. 40TF of the *Australian Federal Police Act 1979*. For example, appropriate action has been taken or further investigation is determined to be not warranted or the alleged issue took place more than 12 months before reporting.

CHAPTER 7 APPENDICES

CHART A1. TOTAL AFP COMPLAINT FINDINGS DURING 2012–13, BY CATEGORY

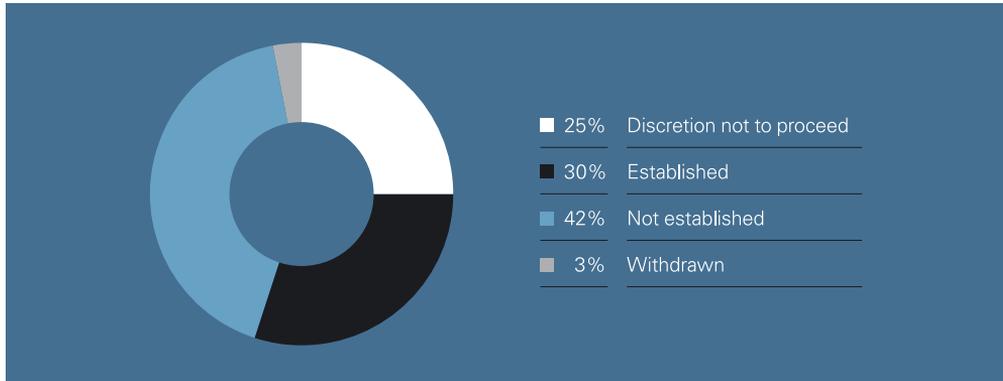


CHART A2. OUTCOME 1 COMPLAINT FINDINGS DURING 2012–13, BY CATEGORY

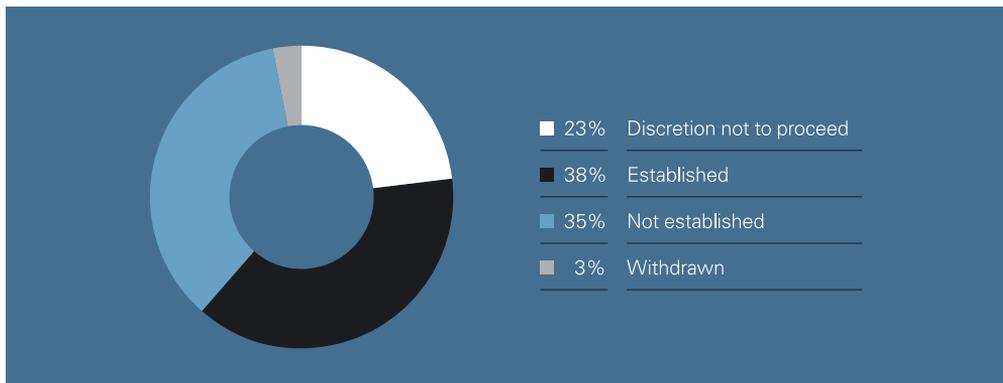
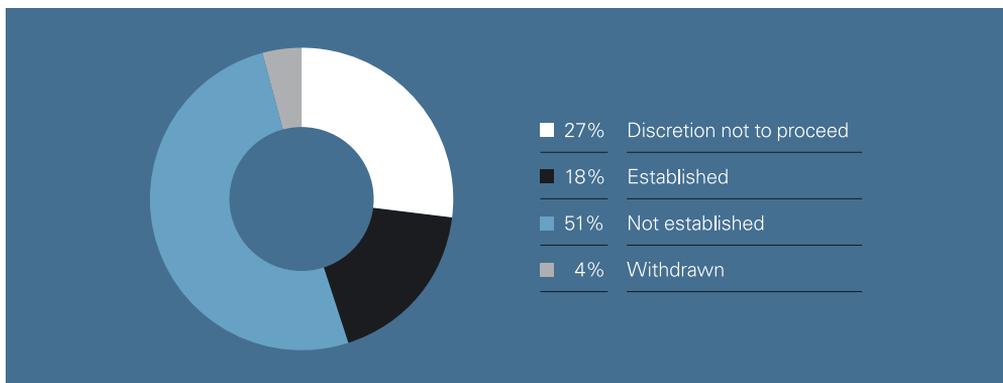


CHART A3. OUTCOME 2 COMPLAINT FINDINGS DURING 2012–13, BY CATEGORY



## CHAPTER 7 APPENDICES

TABLE A5. MOST COMMON ESTABLISHED CONDUCT ISSUES FOR THE AFP DURING 2012–13

ISSUE	NUMBER ESTABLISHED
Serious breach of the AFP Code of Conduct	98
Breach of the AFP Code of Conduct	72
Failure to comply with direction or procedure	56
Inappropriate behaviour	24
Criminal conduct	19
Serious breach of directions or procedures	19
Driving misconduct	15
Information misuse	15
Information access	13
Failure to record or report	8

TABLE A6. PROHIBITED DRUG TESTS CONDUCTED DURING 2012–13

TEST	2011–12	2012–13
Pre-employment testing	315	688
Workplace random testing	4595	4967
Investigation and certain incident testing <sup>1</sup>	9	17
<b>Total</b>	<b>4919</b>	<b>5672</b>

1. The term 'certain incident' relates to a person killed or seriously injured in an incident involving a motor vehicle or while in police custody, or a person killed or seriously injured by a firearm discharging or physical force.

## Complaint data

The complaint data contained in this report are extracted from the AFP's Complaints Recording and Management System, which is a live system that is updated on a daily basis. The data for this report were extracted and accurate as at 1 July 2013.

## CHAPTER 7 APPENDICES

## Appendix B. Advertising and market research

During 2012–13 the AFP conducted the National Missing Person’s Week campaign, recruitment advertising and an airport consumer confidence survey.

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>.

The AFP spent a total of \$177 328 on advertising in 2012–13. Of the total expenditure on advertising, \$140 483 was non-campaign advertising. In addition, the AFP paid \$91 575 on research evaluating airport consumer confidence.

TABLE B1. MEDIA COSTS DURING 2012–13

VENDOR	AMOUNT (\$)
Ad Corp	140 483
Colmar Brunton	91 575
Universal McCann (Mediabrand Australia Pty Ltd)	36 845

## CHAPTER 7 APPENDICES

## Appendix C. Human resources statistics

TABLE C1. ONGOING, NON-ONGOING AND CASUAL AFP STAFF AS AT 30 JUNE 2013

SWORN STATUS AND EMPLOYMENT GROUP	2012–13	2011–12	DIFFERENCE
<b>SWORN POLICE</b>			
Permanent full-time	3461	3218	243
Permanent part-time	110	101	9
Temporary full-time	1	1	0
Temporary part-time	1	1	0
Casual	0	0	0
<b>Total</b>	<b>3573</b>	<b>3321</b>	<b>252</b>
<b>SWORN PROTECTIVE SERVICE OFFICER</b>			
Permanent full-time	728	834	-106
Permanent part-time	5	2	3
Temporary full-time	0	0	0
Temporary part-time	0	0	0
Casual	0	0	0
<b>Total</b>	<b>733</b>	<b>836</b>	<b>-103</b>
<b>UNSWORN STAFF<sup>1</sup></b>			
Permanent full-time	2300	2101	199
Permanent part-time	212	201	11
Temporary full-time	48	42	6
Temporary part-time	9	12	-3
Casual	22	20	2
<b>Total</b>	<b>2591</b>	<b>2376</b>	<b>215</b>
<b>ASIA–PACIFIC GROUP (UNSWORN)</b>			
Permanent full-time	10	9	1
Temporary full-time	2	1	1
Asia–Pacific Group (unsworn) total	12	10	2
<b>Grand total</b>	<b>6909</b>	<b>6543</b>	<b>366</b>

1. Australian Institute of Police Management staff are included under 'Unsworn staff'.

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TABLE C2. AFP SENIOR EXECUTIVE (SUBSTANTIVE STAFF) AS AT 30 JUNE 2013

EXECUTIVE	MANAGEMENT	SWORN POLICE	UNSWORN STAFF	TOTAL
<b>OUTCOME 1</b>				
Program 1.1 National Security – Policing				
Deputy Commissioner National Security	Counter Terrorism	2	0	2
	Protection	3	0	3
	Aviation	5	0	5
Program 1.2 International Deployments				
Deputy Commissioner National Security	IDG	6	0	6
<b>Total</b>		<b>16</b>	<b>0</b>	<b>16</b>
Program 1.3 Operations – Policing				
Deputy Commissioner Operations	Serious & Organised Crime	7	0	7
	Crime Operations	3	0	3
	Sydney	1	0	1
	Melbourne	1	0	1
	Perth	1	0	1
	Brisbane	1	0	1
<b>Total</b>		<b>14</b>	<b>0</b>	<b>14</b>
Program 1.4 Close Operations Support				
Deputy Commissioner Close Operations Support	Operations Support	5	1	6
	Intelligence	4	0	4
	Forensic & Data Centres	2	1	3
	High Tech Crime Ops	2	1	3
	Proceeds of Crime Litigation	0	1	1
	Legal Services	0	2	2
<b>Total</b>		<b>13</b>	<b>6</b>	<b>19</b>
Office of the Commissioner	Commissioner’s Office	4	1	5
Asia–Pacific Group		0	2	2

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EXECUTIVE	MANAGEMENT	SWORN POLICE	UNSWORN STAFF	TOTAL
Chief Operating Officer	Human Resources <sup>1</sup>	3	2	5
	Finance and Commercial	0	5	5
	Policy and Governance	1	4	5
	ICT	2	2	4
<b>Total</b>		<b>6</b>	<b>13</b>	<b>19</b>
OUTCOME 2 ACT COMMUNITY POLICING				
Chief Police Officer – ACT	ACT Policing	2	1	3
<b>Grand total</b>		<b>55</b>	<b>23</b>	<b>78</b>

1. Human Resources includes Australian Institute of Police Management senior executive.

TABLE C3. AFP SENIOR EXECUTIVE PERFORMANCE BONUS PAYMENTS, 2012–13

CLASSIFICATION	AMOUNT \$	NUMBER
SES 3	123 402	4
SES 2	278 921	17
SES 1	602 513	58
<b>Total</b>	<b>1 004 836</b>	<b>79</b>

Notes. These performance bonuses were paid during the 2012–13 financial year and relate to performance during the 2012–13 financial year.

While there were 85 Senior Executive Service staff during the 2012–13 financial year, only 79 received a performance bonus.

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TABLE C4. GEOGRAPHICAL DISTRIBUTION OF AFP STAFF AS AT 30 JUNE 2013

LOCATION	SWORN POLICE			PROTECTIVE SERVICE OFFICER			UNSWORNSTAFF <sup>1</sup>			ASIA-PACIFIC GROUP			TOTAL
	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total	
Australian Capital Territory	398	1231	1629	28	258	286	1199	813	2012	0	0	0	3927
Commonwealth territories	5	23	28	1	15	16	5	8	13	0	0	0	57
New South Wales	108	423	531	14	217	231	116	97	213	6	6	12	987
Northern Territory	10	47	57	4	50	54	6	2	8	0	0	0	119
Overseas post	44	237	281	0	7	7	26	20	46	0	0	0	334
Queensland	64	306	370	3	5	8	56	32	88	0	0	0	466
South Australia	14	70	84	1	2	3	11	6	17	0	0	0	104
Tasmania	4	25	29	0	0	0	1	2	3	0	0	0	32
Victoria	101	310	411	3	52	55	74	59	133	0	0	0	599
Western Australia	16	137	153	8	65	73	35	23	58	0	0	0	284
<b>Total</b>	<b>764</b>	<b>2809</b>	<b>3573</b>	<b>62</b>	<b>671</b>	<b>733</b>	<b>1529</b>	<b>1062</b>	<b>2591</b>	<b>6</b>	<b>6</b>	<b>12</b>	<b>6909</b>

1. Australian Institute of Police Management staff are included under 'Unsworn staff'.

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TABLE C5. YEARS OF SERVICE AS AT 30 JUNE 2013

PERSONNEL AREA	EXECUTIVE	YEARS								TOTAL
		<1	1–5	6–10	11–15	16–20	21–25	26+		
AFP sworn police	Office of the Commissioner	0	0	2	0	0	0	2	3	7
	Chief Operating Officer <sup>1</sup>	194	20	53	47	10	20	26		370
	Deputy Commissioner Close Operations Support	1	48	123	104	19	52	72		419
	Deputy Commissioner National Security	26	386	414	262	33	103	149		1373
	Deputy Commissioner Operations	14	112	204	145	34	73	94		676
	Chief Police Officer – ACT	20	272	207	117	9	33	70		728
<b>AFP sworn police total</b>		<b>255</b>	<b>838</b>	<b>1003</b>	<b>675</b>	<b>105</b>	<b>283</b>	<b>414</b>		<b>3573</b>
AFP Protective service officer	Chief Operating Officer	0	0	10	4	2	2	1		19
	Deputy Commissioner Close Operations Support	0	5	12	7	0	0	1		25
	Deputy Commissioner National Security	23	130	301	119	35	56	17		681
	Deputy Commissioner Operations	0	0	3	2	1	0	0		6
	Chief Police Officer – ACT	0	0	1	0	0	1	0		2
<b>AFP Protective service officer total</b>		<b>23</b>	<b>135</b>	<b>327</b>	<b>132</b>	<b>38</b>	<b>59</b>	<b>19</b>		<b>733</b>

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TABLE C5. YEARS OF SERVICE AS AT 30 JUNE 2013 CONTINUED

PERSONNEL AREA	EXECUTIVE	YEARS										TOTAL
		<1	1–5	6–10	11–15	16–20	21–25	26+				
AFP unsworn staff	Office of the Commissioner	0	4	1	3	0	0	0	0	0	8	
	Chief Operating Officer	158	364	241	65	15	17	18	878			
	Deputy Commissioner Close Operations Support	148	338	291	98	16	25	8	924			
	Deputy Commissioner National Security	15	96	139	37	14	8	9	318			
	Deputy Commissioner Operations	28	71	81	32	9	14	6	241			
	Chief Police Officer – ACT	32	107	55	18	1	7	2	222			
<b>AFP unsworn staff total</b>		<b>381</b>	<b>980</b>	<b>808</b>	<b>253</b>	<b>55</b>	<b>71</b>	<b>43</b>	<b>2591</b>			
<b>Asia-Pacific Group (unsworn) total</b>		<b>2</b>	<b>4</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12</b>			
<b>Grand total</b>		<b>661</b>	<b>1957</b>	<b>2144</b>	<b>1060</b>	<b>198</b>	<b>413</b>	<b>476</b>	<b>6909</b>			

1. The Chief Operating Officer function includes sworn recruits at the college, graduates, Indigenous Directions Program trainees and the Australian Institute of Police Management.

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TABLE C6. AFP WORKFORCE COMPOSITION AS AT 30 JUNE 2013

LEVEL	SWORN POLICE			PROTECTIVE SERVICE OFFICER			UNSWORN STAFF			ASIA-PACIFIC GROUP (UNSWORN)			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	62	313	375	16	109	125	58	36	94	1	0	1	595
Band 3	172	562	734	28	393	421	335	206	541	0	0	0	1696
Band 4	180	574	754	9	72	81	438	210	648	1	0	1	1484
Band 5	145	588	733	2	71	73	180	92	272	1	1	2	1080
Band 6	43	97	140	1	4	5	216	168	384	0	0	0	529
Band 7	119	446	565	4	7	11	168	149	317	1	1	2	895
Band 8	8	52	60	1	11	12	79	100	179	0	0	0	251
Casual	0	0	0	0	0	0	6	16	22	0	0	0	22
Executive	27	130	157	1	4	5	43	68	111	2	2	4	277
Statutory office holders	0	4	4	0	0	0	0	0	0	0	0	0	4
Senior Executive Service	8	43	51	0	0	0	6	15	21	0	2	2	74
<b>Total</b>	<b>764</b>	<b>2809</b>	<b>3573</b>	<b>62</b>	<b>671</b>	<b>733</b>	<b>1529</b>	<b>1062</b>	<b>2591</b>	<b>6</b>	<b>6</b>	<b>12</b>	<b>6909</b>



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AGENCY AND LOCATION	BASE SALARY GROUP <sup>1</sup>										Subtotal	Total	
	0 <sup>2</sup>	1	2	3	4	5	6	7	8	9			SES
<b>Centrelink</b>													
Adelaide						1							1
Brisbane						2							2
Canberra (Tuggeranong)													
Darwin													
Hunter Region (NSW)						1							1
Melbourne						1	1						2
Perth						1							1
Sydney <sup>4</sup>						1							1
Townsville						1							1
<b>Total</b>													<b>9</b>
<b>Department of Foreign Affairs and Trade</b>													
Sydney						1							1
Canberra (UN Security Council)									1				1
<b>Total</b>													<b>2</b>
<b>Department of the Prime Minister and Cabinet</b>													
Canberra						1							1
<b>External territories</b>													
Jervis Bay				2		1		1					4
Christmas Island		3		2	1	2		1					9
Operation Eton			4	12	4	1		2		1			24
Cocos Islands			2	1				1					4
Norfolk Island				1	1			1					3
<b>Total</b>													<b>44</b>
<b>International</b>													
UN Headquarters (New York)									1				1

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AGENCY AND LOCATION	BASE SALARY GROUP <sup>1</sup>										Subtotal	Total	
	0 <sup>2</sup>	1	2	3	4	5	6	7	8	9			SES
<b>National Threat Assessment Centre</b>													
Canberra							1					1	1
Northern Territory Police													
Child Abuse Taskforce			2	2	1	1						6	6
<b>Reserve Bank of Australia</b>													
Melbourne					1							1	1
<b>Stability/capacity building</b>													
Afghanistan						2	7	1	2	1		13	13
Cyprus					2	10	2		1			15	15
Timor-Leste – Police Development Program				4	19	3	5	1	3			35	35
Nauru				1			1		1			3	3
Papua New Guinea				2	5	1	3		4			15	15
RAMSI (Solomon Islands)				5	19	36	6	32	2	7	1	108	108
Samoa							2		1			3	3
South Sudan				3	4		2		1			10	10
Tonga						1	1		1			3	3
Vanuatu				1	1	2	1		1			6	6
<b>Total</b>												<b>211</b>	<b>211</b>
<b>Royal Commission into Institutional Responses to Child Sexual Abuse</b>				<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>3</b>	<b>5</b>	<b>5</b>
<b>Total</b>	<b>5</b>	<b>0</b>	<b>4</b>	<b>26</b>	<b>40</b>	<b>84</b>	<b>32</b>	<b>71</b>	<b>5</b>	<b>27</b>	<b>3</b>	<b>297</b>	<b>297</b>

1. Members' paid band level including higher duties.  
 2. Casual staff with no base salary recorded.  
 3. Australian Crime Commission Perth is normally filled but has been vacant since 16 March 2013.  
 4. Centrelink Sydney should reflect two staff; however, one member transferred out on 2 June 2013.

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## Appendix D. Resource statement and resources for outcomes

### AGENCY RESOURCE STATEMENT 2012–13

		ACTUAL AVAILABLE APPROPRIATION FOR 2012–13 \$'000	PAYMENTS MADE 2012–13 \$'000	BALANCE REMAINING 2012–13 \$'000
		(a)	(b)	(a) – (b)
<b>ORDINARY ANNUAL SERVICES<sup>1</sup></b>				
Departmental appropriation <sup>2</sup>		1,540,680	1,316,106	224,574
Total		1,540,680	1,316,106	224,574
Administered expenses				
Outcome 1 <sup>3</sup>		16,787	16,867	
<b>Total</b>		<b>16,787</b>	<b>16,867</b>	
<b>Total ordinary annual services</b>	<b>A</b>	<b>1,557,467</b>	<b>1,332,973</b>	
<b>OTHER SERVICES<sup>4</sup></b>				
Departmental non-operating				
Equity injections		183,435	53,962	129,473
<b>Total</b>		<b>183,435</b>	<b>53,962</b>	<b>129,473</b>
<b>Total other services</b>	<b>B</b>	<b>183,435</b>	<b>53,962</b>	<b>129,473</b>
<b>Total available annual appropriations</b>		<b>1,740,902</b>	<b>1,386,935</b>	
<b>Total appropriations excluding special accounts</b>		<b>1,740,902</b>	<b>1,386,935</b>	

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	ACTUAL AVAILABLE APPROPRIATION FOR 2012–13 \$'000	PAYMENTS MADE 2012–13 \$'000	BALANCE REMAINING 2012–13 \$'000
<b>SPECIAL ACCOUNTS</b>	<b>(a)</b>	<b>(b)</b>	<b>(a) – (b)</b>
Opening balance <sup>5</sup>	5,859		
Appropriation receipts <sup>6</sup>	1,522		
Non-appropriation receipts to special accounts	6,988		
Payments made		10,787	
<b>Total special account</b>	<b>C</b>		<b>3,582</b>
<b>Total resourcing</b>			
<b>(A+B+C)</b>	1,755,271	1,397,722	357,549
Less appropriations drawn from annual or special appropriations above and credited to special accounts	(1,522)	(1,522)	
<b>Total net resourcing and payments for agency</b>	<b>1,753,749</b>	<b>1,396,200</b>	

1 Appropriation Bill (No. 1) 2012–13 and Appropriation Bill (No. 3) 2012–13. This also includes prior-year departmental appropriations available and s. 31 relevant agency receipts.

2 Includes an amount of \$51.151m in 2012–13 for the Departmental Capital Budget. For accounting purposes this amount has been designated as 'contributions by owners'.

3 Appropriation Bill (No. 1) 2012–13 and Appropriation Bill (No. 3) 2012–13. This includes retained prior-year administered appropriations and is adjusted for the reduction of 2012–13 administered appropriations, which occurs on tabling of the 2012–13 annual report in parliament.

4 Appropriation Bill (No. 2) 2012–13 and Appropriation Bill (No. 4) 2012–13. This also includes available equity appropriations from previous years.

5 Does 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.

6 Appropriation receipts from annual departmental appropriations for 2012–13 included above.

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EXPENSES FOR OUTCOME 1			
OUTCOME 1: REDUCED CRIMINAL AND SECURITY THREATS TO AUSTRALIA'S COLLECTIVE ECONOMIC AND SOCIETAL INTERESTS THROUGH COOPERATIVE POLICING SERVICES	BUDGET* 2012–13 \$'000	ACTUAL EXPENSES 2012–13 \$'000	VARIATION 2012–13 \$'000
Program 1.1: National Security – Policing	(a)	(b)	(a) – (b)
<b>Departmental expenses</b>			
Departmental appropriation <sup>1</sup>	316,050	318,041	(1,991)
Special accounts	2,036	3,143	(1,107)
Expenses not requiring appropriation in the budget year	29,373	28,275	1,098
<b>Total for Program 1.1</b>	<b>347,459</b>	<b>349,459</b>	<b>(2,000)</b>
<b>Program 1.2: International Deployments</b>			
<b>Administered expenses</b>			
Ordinary annual services (Appropriation Bill No. 1)	14,888	14,882	6
<b>Departmental expenses</b>			
Departmental appropriation <sup>1</sup>	283,192	285,428	(2,236)
Special accounts	1,821	2,810	(989)
Expenses not requiring appropriation in the budget year	24,007	25,340	(1,333)
<b>Total for Program 1.2</b>	<b>323,908</b>	<b>328,460</b>	<b>(4,552)</b>
<b>Program 1.3: Operations – Policing</b>			
<b>Administered expenses</b>			
Ordinary annual services (Appropriation Bill No. 1)	1,163	1,247	(84)
<b>Departmental expenses</b>			
Departmental appropriation <sup>1</sup>	253,981	256,912	(2,931)
Special accounts	1,342	2,071	(729)
Expenses not requiring appropriation in the budget year	11,445	22,726	(11,281)
<b>Total for Program 1.3</b>	<b>267,931</b>	<b>282,956</b>	<b>(15,025)</b>

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EXPENSES FOR OUTCOME 1			
OUTCOME 1: REDUCED CRIMINAL AND SECURITY THREATS TO AUSTRALIA'S COLLECTIVE ECONOMIC AND SOCIETAL INTERESTS THROUGH COOPERATIVE POLICING SERVICES	BUDGET* 2012–13 \$'000	ACTUAL EXPENSES 2012–13 \$'000	VARIATION 2012–13 \$'000
Program 1.4: Close Operations Support	(a)	(b)	(a) – (b)
<b>Administered expenses</b>			
Ordinary annual services (Appropriation Bill No. 1)	736	736	0
<b>Departmental expenses</b>			
Departmental appropriation <sup>1</sup>	258,381	260,405	(2,024)
Special accounts	1,789	2,763	(974)
Expenses not requiring appropriation in the budget year	23,513	23,113	400
<b>Total for Program 1.4</b>	<b>284,419</b>	<b>287,017</b>	<b>(2,598)</b>
<b>Outcome 1 totals by appropriation type</b>			
<b>Administered expenses</b>			
Ordinary annual services (Appropriation Bill No. 1)	16,787	16,865	(78)
Expenses not requiring appropriation in the budget year			
<b>Departmental expenses</b>			
Departmental appropriation <sup>1</sup>	1,111,604	1,120,786	(9,182)
Special accounts	6,988	10,787	(3,799)
Expenses not requiring appropriation in the budget year	88,338	99,454	(11,116)
<b>Total expenses for Outcome 1</b>	<b>1,223,717</b>	<b>1,247,892</b>	<b>(24,175)</b>
	2011–12	2012–13	
<b>Average staffing level (number)</b>	<b>5,433</b>	<b>5,399</b>	

\* Full year budget, including any subsequent adjustment made to the 2012–13 budget.

<sup>1</sup> Departmental Appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s31)'.

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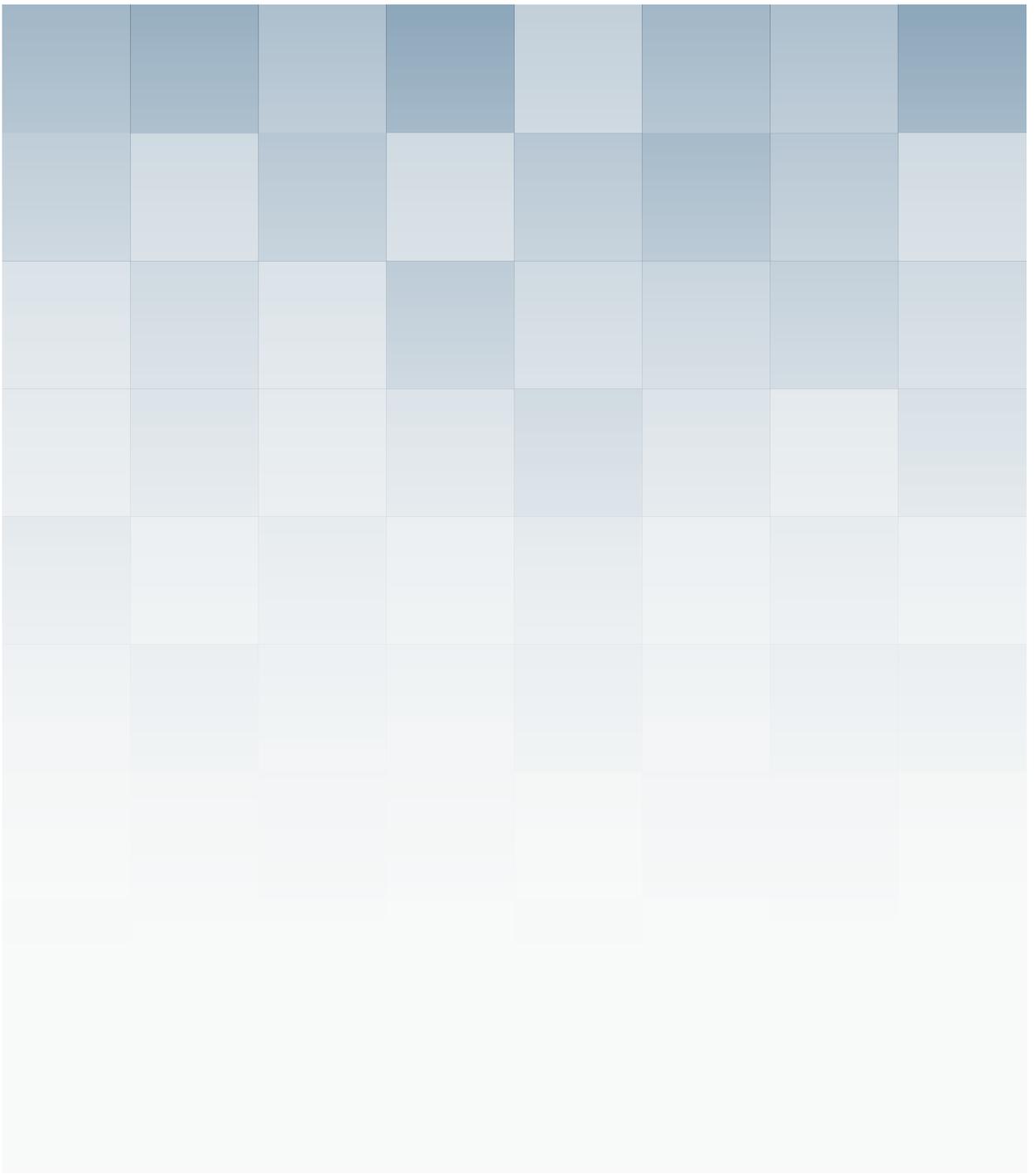
EXPENSES FOR OUTCOME 2			
OUTCOME 2: A SAFE AND SECURE ENVIRONMENT THROUGH POLICING ACTIVITIES ON BEHALF OF THE AUSTRALIAN CAPITAL TERRITORY GOVERNMENT	BUDGET* 2012–13 \$'000	ACTUAL EXPENSES 2012–13 \$'000	VARIATION 2012–13 \$'000
<b>Program 2.1: ACT Community Policing</b>	<b>(a)</b>	<b>(b)</b>	<b>(a) – (b)</b>
<b>Departmental expenses</b>			
Departmental appropriation <sup>1</sup>	147,263	146,813	450
Expenses not requiring appropriation in the Budget year	5,515	2,896	2,619
<b>Total expenses for Outcome 2</b>	<b>152,778</b>	<b>149,709</b>	<b>3,069</b>

	2011–12	2012–13
<b>Average staffing level (number)</b>	<b>967</b>	<b>953</b>

\* Full year budget, including any subsequent adjustment made to the 2012–13 budget.

<sup>1</sup> Departmental Appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s31)'.







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# Shortened forms

Short form	Long form
AC	Assistant Commissioner
ACC	Australian Crime Commission
ACLEI	Australian Commission for Law Enforcement Integrity
ACT	Australian Capital Territory
AFP	Australian Federal Police
AFPNet	Australian Federal Police Network
AGICC	Australian Gangs Intelligence Coordination Centre
AIPM	Australian Institute of Police Management
ANAO	Australian National Audit Office
Anzac	Australian and New Zealand Army Corps
AO	Officer of the Order of Australia
AOCC	AFP Operations Coordination Centre
APG	Asia–Pacific Group on Money Laundering
APM	Australian Police Medal
ASEAN	Association of South-East Asian Nations
ASIO	Australian Security Intelligence Organisation
A&TSI	Aboriginal and Torres Strait Islander
ATO	Australian Taxation Office
ATS	amphetamine-type stimulants
AUOP	Airport Uniformed Operations Police
AusAID	Australian Agency for International Development
AUSTRAC	Australian Transaction Reports and Analysis Centre
b	billion
CACT	Criminal Assets Confiscation Taskforce
CDDA	Compensation for Detriment caused by Defective Administration
CDPP	Commonwealth Director of Public Prosecutions
CIAG	Criminal Intelligence Advisory Group
CPI	Consumer Price Index
CPP	Close Personal Protection
Cth	Commonwealth
Customs	Australian Customs and Border Protection Service
DNA	deoxyribonucleic acid

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Short form	Long form
EA	Enterprise Agreement
ELEA	Executive Level Enterprise Agreement
EUR	European euro
Europol	European Union's law enforcement agency
FBI	Federal Bureau of Investigation
FBT	fringe benefits tax
FDC	Forensic and Data Centres
FISH	Forensic Information System For Handwriting
FMO	Finance Minister's Orders
G20	Group of Twenty
GBP	Great Britain pound sterling
GLBTI	gay, lesbian, bisexual, transgender and intersex
GST	goods and services tax
Hon	Honourable
HTCO	High Tech Crime Operations
ICT	information and communications technology
ID app	identification application
IDDR	Illicit Drug Data Report
IDG	International Deployment Group
IEC	International Electrotechnical Commission
IGIS	Inspector-General of Intelligence and Security
Interpol	International Criminal Police Organization
ISO	International Organization for Standardization
JAIG	Joint Airport Intelligence Group
JAIT	Joint Airport Investigation Team
JOCTF	Joint Organised Crime Task Force
JPY	Japanese yen
kg	kilogram
KPI	key performance indicator
LinCT	Leadership in Counter-Terrorism
m	million
MDMA	3,4-methylenedioxymethamphetamine
MOU	memorandum of understanding
n.a.	not applicable
NGO	non-government organisation

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Short form	Long form
NIC	National Intelligence Community
NSW	New South Wales
NT	Northern Territory
NZD	New Zealand dollar
OPA	Official Public Account
PAES	Portfolio Additional Estimates Statements
PBS	Portfolio Budget Statements
PNTL	Policia Nacional de Timor-Leste (East-Timor National Police)
PPF	Participating Police Force
PROMIS	Police Real-time Online Management Information System
PS Act	Public Service Act 1999
PSM	Public Service Medal
Qld	Queensland
RAMSI	Regional Assistance Mission to Solomon Islands
RSIPF	Royal Solomon Islands Police Force
s.	section
SA	South Australia
SBD	Solomon Islands dollar
SES	Senior Executive Service
SI	Solomon Islands
SLG	Strategic Leaders' Group
SRG	Specialist Response Group
Tas.	Tasmania
TV	television
UN	United Nations
UNMIT	United Nations Integrated Mission in Timor-Leste
US	United States
USD	United States dollar
v.	versus
VGT	Virtual Global Taskforce
Vic.	Victoria
VIP	very important person
WA	Western Australia

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# Glossary

Term	Definition
All-In Model	a single federal model for the delivery of nationally coordinated aviation policing and security arrangements at Australia's major airports
AOT Group	the sole accommodation program manager for the Australian Government, providing accommodation, conference facilities and meeting rooms
Australian Institute of Police Management	an AFP-run education and networking facility that supports all Australian and New Zealand law enforcement agencies, as well as many international police officers
Australia New Zealand Policing Advisory Agency	an agency that provides strategic policy advice on cross-jurisdictional policing initiatives that help enhance community safety and security
Citadel malware	malicious software designed to steal personal (including financial) information from computers which, when infected, are often controlled and monitored centrally by an attacker
Comcover	the Australian Government's general insurance fund
CrimTrac	an executive agency responsible for developing and maintaining national information-sharing services between state, territory and federal law enforcement agencies
Disability Action Plan	outlines the AFP's specific initiatives to support the recruitment and retention of people with disability
Drug Harm Index	a performance measure which puts a dollar figure on the overall damage to the Australian community prevented by seizing drugs at the border
Estimated Financial Return	a performance measure of the economic impact on the Australian community of successful fraud investigations
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
G20	group of finance ministers and central bank governors from 20 major economies
gas chromatograph mass spectrometry	a method that utilises a combination of the techniques of gas chromatography and mass spectrometry to identify chemicals within a test sample

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Term	Definition
Indigenous Employment Strategy	an AFP strategy to ensure a more consistent approach to Indigenous recruitment and retention
Interpol	the world's largest international police organisation, with 190 member countries, which facilitates cross-border police cooperation and assists agencies to prevent or combat international crime
Investigations Doctrine	provides authoritative guidance that defines and develops the principles that drive the investigative culture and capability of the AFP at the individual, functional and organisational level
Joint Organised Crime Group	a taskforce comprising the AFP, Australian Crime Commission, Australian Customs and Border Protection Service, NSW Crime Commission and NSW Police that investigates illicit drug importations and distribution networks conducted by sophisticated high-level organised crime syndicates originating and/or operating within NSW
National Rapid Lab	an AFP forensic capability which facilitates the identification of organised multiple importations of significant quantities of illicit drugs via the international postal system through the collection, analysis and assessment of forensic intelligence
One AFP project	an AFP project focusing on resource efficiency and eliminating duplication of activities, overlapping processes and services across the organisation
Pride in Diversity	a not-for-profit organisation aiming to assist Australian employers with the inclusion of gay, lesbian, bisexual, transgender and intersex employees
Program Jupiter	a federal government initiative to provide long-term aviation security facilities at Australian airports
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
Strategic Risk Profile	advises the organisation on its strategic risks and assists in strategic decision-making including the allocation of resources and investments
ThinkUKnow	evening presentations delivered by trained AFP, Microsoft, ninemsn, Datacom and NT Police volunteers to parents, carers and teachers through schools and organisations across Australia (supported by the website <a href="http://www.thinkuknow.org.au">www.thinkuknow.org.au</a> )

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# Compliance index

PAGE	DESCRIPTION	REQUIREMENT
3	Letter of transmittal	Mandatory
5	Table of contents	Mandatory
235	Index	Mandatory
229	Glossary	Mandatory
2	Contact officer	Mandatory
2	Internet home page address and internet address for report	Mandatory
<b>Review by Commissioner</b>		
9–16	Review by Commissioner	Mandatory
10–14	Summary of significant issues and developments	Suggested
10–14	Overview of department’s performance and financial results	Suggested
15	Outlook for following year	Suggested
n.a.	Significant issues and developments – portfolio	Portfolio departments – mandatory
<b>Agency overview</b>		
20	Role and functions	Mandatory
25	Organisational structure	Mandatory
23	Outcome and program structure	Mandatory
23	Where outcome and program structures differ from Portfolio Budget Statements (PBS), Portfolio Additional Estimates Statements (PAES) or other portfolio statements accompanying any other additional appropriation bills (other portfolio statements), details of variation and reasons for change	Mandatory
n.a.	Portfolio structure	Portfolio departments – mandatory
<b>Report on performance</b>		
28–40	Review of performance during the year in relation to programs and contribution to outcomes	Mandatory
30–32, 35–37,44–103	Actual performance in relation to deliverables and key performance indicators set out in PBS, PAES or other portfolio statements	Mandatory
28	Where performance targets differ from the PBS/PAES, details of both former and new targets, and reasons for the change	Mandatory
28–103	Narrative discussion and analysis of performance	Mandatory

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PAGE	DESCRIPTION	REQUIREMENT
29–37	Trend information	Mandatory
13, 14, 52, 62, 64, 67	Significant changes in nature of principal functions/services	Suggested
n.a.	Performance of purchaser/provider arrangements	If applicable, suggested
34	Factors, events or trends influencing departmental performance	Suggested
14, 21, 24, 54, 99, 119–120	Contribution of risk management in achieving objectives	Suggested
10, 110–112	Social inclusion outcomes	If applicable, mandatory
28–30, 121–123, 202–206	Performance against service charter customer service standards, complaints data and the department’s response to complaints	If applicable, mandatory
10, 106–107	Discussion and analysis of the department’s financial performance	Mandatory
10, 107	Discussion of any significant changes from the prior year, from budget or anticipated to have a significant impact on future operations	Mandatory
218–222	Agency resource statement and summary resource tables by outcomes	Mandatory
<b>Management and accountability</b>		
<b>Corporate governance</b>		
3	Agency heads are required to certify that their agency comply with the <i>Commonwealth fraud control guidelines</i>	Mandatory
115–124	Statement of the main corporate governance practices in place	Mandatory
25	Names of the senior executives and their responsibilities	Suggested
24, 118	Senior management committees and their roles	Suggested
118–120	Corporate and operational planning and associated performance reporting and review	Suggested
119–120	Approach adopted to identifying areas of significant financial or operational risk	Suggested
117–123, 202–206	Policy and practices on the establishment and maintenance of appropriate ethical standards	Suggested
118	How nature and amount of remuneration for Senior Executive Service officers is determined	Suggested

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PAGE	DESCRIPTION	REQUIREMENT
<b>External scrutiny</b>		
121–123	Significant developments in external scrutiny	Mandatory
121	Judicial decisions and decisions of administrative tribunals	Mandatory
121–123	Reports by the Auditor-General, a Parliamentary Committee or the Commonwealth Ombudsman	Mandatory
<b>Management of human resources</b>		
110–114	Assessment of effectiveness in managing and developing human resources to achieve departmental objectives	Mandatory
110	Workforce planning, staff turnover and retention	Suggested
110	Impact and features of enterprise or collective agreements, individual flexibility arrangements (IFAs), determinations, common law contracts and Australian workplace agreements (AWAs)	Suggested
113–114	Training and development undertaken and its impact	Suggested
113	Work health and safety performance	Suggested
113	Productivity gains	Suggested
208–217	Statistics on staffing	Mandatory
110, 170–173, 214	Enterprise or collective agreements, IFAs, determinations, common law contracts and AWAs	Mandatory
210, 171–174	Performance pay	Mandatory
<b>Assets management</b>		
n.a.	Assessment of effectiveness of assets management	If applicable, mandatory
<b>Purchasing</b>		
108, 109	Assessment of purchasing against core policies and principles	Mandatory
<b>Consultants</b>		
108	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.	Mandatory

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PAGE	DESCRIPTION	REQUIREMENT
<b>Australian National Audit Office Access Clauses</b>		
108	Absence of provisions in contracts allowing access by the Auditor-General	Mandatory
<b>Exempt contracts</b>		
108	Contracts exempt from the AusTender	Mandatory
<b>Financial statements</b>		
128–198	Financial statements	Mandatory
<b>Other mandatory information</b>		
113	Work health and safety (Schedule 2, Part 4 of the <i>Work Health and Safety Act 2011</i> )	Mandatory
207	Advertising and Market Research (section 311A of the <i>Commonwealth Electoral Act 1918</i> ) and statement on advertising campaigns	Mandatory
124	Ecologically sustainable development and environmental performance (section 516A of the <i>Environment Protection and Biodiversity Conservation Act 1999</i> )	Mandatory
n.a.	Compliance with the agency's obligations under the <i>Carer Recognition Act 2010</i>	If applicable, mandatory
119	Grant programs	Mandatory
112	Disability reporting – explicit and transparent reference to agency level information available through other reporting mechanisms	Mandatory
116	Information Publication Scheme statement	Mandatory
n.a.	Spatial reporting – expenditure by program between regional and non-regional Australia	If applicable, mandatory
37	Correction of material errors in previous annual report	If applicable, mandatory
218–222	Agency Resource Statements and Resources for Outcomes	Mandatory
231–234	List of requirements	Mandatory

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