



AFP
AUSTRALIAN FEDERAL POLICE

ANNUAL REPORT
2016–17



COMPLEXITY
TRANSFORMATION
CAPABILITY

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15 September 2017

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 annual report for the period 1 July 2016 to 30 June 2017. This report includes:

- ▶ the annual report of the Australian Federal Police prepared in accordance with section 67 of the *Australian Federal Police Act 1979* and section 46 of the *Public Governance, Performance and Accountability Act 2013*
- ▶ the annual report about authorities for assumed identities pursuant to section 15LD(1) of the *Crimes Act 1914*
- ▶ the annual report on the National Witness Protection Program pursuant to section 30(2) of the *Witness Protection Act 1994*
- ▶ the annual report on unexplained wealth investigations and proceedings pursuant to section 179U of the *Proceeds of Crime Act 2002*.

This report has been prepared in accordance with the relevant acts and the Public Governance, Performance and Accountability Rule 2014. A copy of this report is to be presented to each House of Parliament on or before 31 October 2017.

In accordance with section 10 of the Public Governance, Performance and Accountability Rule 2014, I hereby certify that the Australian Federal Police has prepared fraud risk assessments and fraud control plans and has in place appropriate fraud prevention, detection, investigation and reporting mechanisms. The Australian Federal Police 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 be 'A. Colvin', is located below the 'Yours sincerely' text.

Andrew Colvin APM OAM
Commissioner

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NATIONAL AND INTERNATIONAL LEADERSHIP AND COORDINATION

COMPLEX, TRANSNATIONAL, SERIOUS AND ORGANISED CRIME



INTERNATIONAL ENGAGEMENT

KNOWLEDGE LEADERS

POLICING FOR A SAFER AUSTRALIA



TECHNICAL AND NICHE PROFICIENCIES

INTELLIGENCE-INFORMED TARGETING AND PROCESSES

1 Commissioner's review



AFP Commissioner
Andrew Colvin

The world has changed dramatically since the origins of Commonwealth policing a century ago: we are increasingly immersed in technology and data; the nature and form of our social interactions have evolved; and globalisation influences much of what we do.

The Australian Federal Police (AFP) must deal not only with many traditional crime types that have evolved but also with an increasingly broad range of new and complex crime types. This creates a dynamic environment in which the AFP is uniquely placed to operate. We have capabilities and a workforce that allow us to operate locally, nationally, internationally and in cyberspace – protecting Australians and Australian interests from criminal harms wherever they may arise.

We will always have a core focus on our policing operations and law enforcement capabilities. However, we now complement these with the technical, scientific and specialist capabilities that are vital in this increasingly complex and data-driven environment. In this way our traditional methods evolve with a whole-of-agency focus on building organisational capability.

This annual report illustrates that in 2016–17 the AFP's employees worked together to deliver results across a diverse menu of work. They have:

- ▶ prevented significant harm to the community by disrupting terrorist activity, dismantling serious and organised crime groups, making substantial drug seizures and tackling online child exploitation
- ▶ worked to minimise the direct financial incentives for crime by recovering criminal proceeds and detecting and disrupting fraud and corruption
- ▶ actively contributed to the safety and security of our people, the community and key stakeholders by continued hardening of key infrastructure and by providing protection and policing services in key locations
- ▶ supported the development of partners' capabilities and their delivery of policing outcomes through training, capacity-building and direct support
- ▶ led Australia's international policing engagement, facilitating liaison with and between partners, delivering operational outcomes and sharing learning to improve outcomes

- ▶ continued to evolve the AFP’s technical and people capabilities, progressing major enterprise information and communications technology programs, exploring new ways to develop the knowledge needed for investigations and developing new workforce strategies
- ▶ contributed to key policy and legislative deliberations and processes by informing government and stakeholders of law enforcement perspectives and needs and by delivering holistic strategies
- ▶ provided transparency and integrity in the AFP through various programs.

I am proud of the breadth and depth of this activity, spanning operational, technical and enterprise services. It requires a whole-of-agency effort and I commend the commitment of the AFP’s diverse operational and support workforce in delivering these results.

The demands for these services are significant and are increasing in various areas but it is important to note that the AFP has continued to have an ongoing focus on efficiency. In 2016–17 the AFP operated within 1 per cent of its budget.

This report indicates that the AFP met or exceeded all but two of its key performance indicators in 2016–17. The outcomes illustrate the high demands on the AFP and reinforce the need for the AFP to continue its ‘reform and transform’ journey.

This journey will ensure that the AFP is a sustainable, agile agency with capabilities and capacities that can best respond to the demands of its future operating environment. Key steps forward were taken during 2016–17 with the delivery of external reviews and new programs around AFP culture, functions and efficiency.

It is critical that the AFP provides a workplace that meets the expectations of those whom we serve, and those who serve. The *Cultural Change: Gender Diversity and Inclusion in the Australian Federal Police* report, delivered by Elizabeth Broderick in August 2016, highlighted that the AFP must change to provide a workplace reflective of the norms and expectations of the community and our people. The commitment to this reform is evident across the agency.

In May 2017 we announced *Policing for a safer Australia* as the AFP's new vision and this will be increasingly reflected in future AFP planning and governance. This new vision does not redefine the AFP's role, responsibilities or priorities. However, it highlights the ongoing value of the AFP's policing, law enforcement, protection and international operations and illustrates what we must strive for in delivering these services now and into the future.

In early 2017 I established the Enterprise Transformation Office within the AFP to manage the transition to a sustainable, whole-of-AFP, capability-based operating model and deliver a future-focused plan for the agency. This transformation will cover technical services, the AFP workforce, resourcing models, and our performance framework and prioritisation processes. It will be aligned with broader government planning around national security structures and initiatives.

This annual report illustrates that the AFP can be rightly proud of the reputation it has built as a trusted agency, capable of delivering significant outcomes. My commitment is to ensure that the AFP can continue to build this reputation by ensuring its people have the capabilities and resources to meet the demands on us now and into the future.



Andrew Colvin APM OAM
AFP Commissioner

Snapshot of achievements, 2016–17



DISRUPTION AND INVESTIGATION

Seized over
15 tonnes
of illicit drugs and precursors

Restrained
\$93.3m
in criminal assets

95%
court conviction rate

Over **\$225m**
benefit to the economy from successful financial crime investigations

730
people arrested for Commonwealth crimes

27 people charged as a result of terrorism investigations

348
court cases resulting in conviction

GOVERNANCE AND ACCOUNTABILITY

‘Staff very engaging at all levels from senior management to front-line officers’
– 2017 Business Satisfaction Survey

Gender targets exceeded
in protective service officer recruitment programs

80%
of the public were satisfied, or very satisfied with the AFP

Operated within **1%** of budget

‘Very happy with excellent collaboration, engagement and current arrangements’
– 2017 Business Satisfaction Survey

90%
of stakeholders were satisfied or very satisfied with the AFP



COMMUNITY ENGAGEMENT

Delivered the ThinkUKnow program to enhance cyber safety in **58** primary and secondary schools across Australia

15,000
Twitter followers

More than **340,000**
Facebook likes

NATIONAL COLLABORATION

Worked with over **521** separate organisations

Investigated **\$165m** tax fraud (Operation Elbrus)

Leading **13** criminal investigations within the Serious Financial Crime Taskforce

INTERNATIONAL COLLABORATION

A network of liaison posts

in **29** countries

Worked with organisations in **54** countries

AFP restrained **\$8.8m** worth of assets on behalf of international law enforcement agencies

Interpol Canberra collaborated with **98** foreign and **26** Australian agencies

STATEMENT OF COMMITMENT FOR CULTURE

The Senior Leadership Group (SLG) is strongly committed to an ethical, values-driven culture that embraces diversity; inclusion and mutual respect. Starting with us, we want to ensure that this is championed and practiced across the organisation. Whilst we all understand this as a moral imperative we must also appreciate that diversity and inclusiveness go to the heart of our capability as an effective, future-ready police organisation.

The SLG recognises that:
Diversity in all its forms is fundamental to: our
ability to innovate and
community we serve.

2 Overview of the AFP



Overview of the AFP

2

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The AFP’s role and purpose

The AFP is the Australian Government’s policing agency. It is a key member of the Australian law enforcement and national security community, leading policing efforts to keep Australians and Australian interests safe both at home and overseas.

The AFP’s vision – *Policing for a safer Australia* – reflects its role as legislated in section 8 of the *Australian Federal Police Act 1979* and as informed by an associated Ministerial Direction issued under section 37(2) of the Act.

The AFP:

- ▶ investigates complex, transnational, serious and organised crime
- ▶ counters fraud and corruption
- ▶ disrupts money-laundering and recovers proceeds of crime
- ▶ protects Australians and Australian interests from terrorism and violent extremism
- ▶ delivers a national counter-terrorism first response capability focused on aviation security and critical infrastructure
- ▶ provides community policing services in the Australian Capital Territory and the territories of Christmas Island, Cocos (Keeling) Islands, Norfolk Island and Jervis Bay
- ▶ contributes to Australian international law enforcement interests through cooperation with key international partners and responds to emergencies, law and order capacity-building missions and internationally mandated peace operations
- ▶ develops unique capabilities and exploits advanced technology to provide utmost value to Australia’s national interest
- ▶ provides a national protection capability for specific individuals, establishments and events identified by the Australian Government as being at risk.

The link between the AFP’s purpose, outcomes and program structure



Outcome 1

Outcome 1 principally captures the AFP's national and international policing activity. This activity draws on a wide range of services, including those involved directly in operations, those providing direct technical and scientific support and those delivering strategic direction, resourcing and professionalisation.

These services address threats that can originate domestically or internationally and can emerge quickly in response to developments in areas such as technology.

Operational activity under Outcome 1 involves:

- ▶ a local, national and international presence
- ▶ close and effective engagement with our partners, with the AFP being Australia's lead agency for international law enforcement collaboration
- ▶ a range of both proactive and reactive approaches, including deterrence, prevention, disruption, investigation and intelligence
- ▶ a flexible capability base that can support a broad menu of work and is responsive to routine business, critical incidents and new crime types.

This Outcome involves two programs:

Program 1.1: Federal Policing and National Security

Program 1.1 addresses criminal and security threats through a range of activities, including national and transnational investigations, counter-terrorism, aviation operations, protective services and joint taskforces with international, Commonwealth, state, territory and private sector partners.

Program 1.2: International Police Assistance

Program 1.2 contributes to national security by providing policing support for enhanced rule of law internationally. This is facilitated through the AFP's official development assistance in the Indo-Pacific region and the AFP's contribution to United Nations missions.

Outcome 2

Outcome 2 reflects the AFP's community policing capability delivered to the Australian Capital Territory through ACT Policing. ACT Policing delivers a policing service in accordance with the Policing Arrangement between the Commonwealth and ACT governments.

ACT Policing publishes its results in a separate annual report.

Organisational structure

The AFP's organisational structure aligns the collective efforts of the operational, specialist and technical capabilities and corporate services through a model comprised of three key elements – Operations, Capability and Capacity.

As highlighted on the organisational structure diagram, there are two Deputy Commissioners responsible for operations, one Deputy Commissioner responsible for the delivery of capability and the Chief Operating Officer responsible for capacity.

In August 2016, in response to the report *Cultural Change: Gender Diversity and Inclusion in the Australian Federal Police*¹, a new function was created titled Reform, Culture and Standards. This new area comprises the Professional Standards branch, along with the new Reform, Culture and Standards branch.

In order to implement the findings of the independent Functional and Efficiency Review of the AFP, conducted from September to November 2016, and to advance the transformation agenda, the AFP Commissioner announced in February 2017 the creation of a new Enterprise Transformation Office within the Chief of Staff function.

¹ Elizabeth Broderick & Co, 2016.

FIGURE 2.1 ORGANISATIONAL STRUCTURE, 30 JUNE 2017

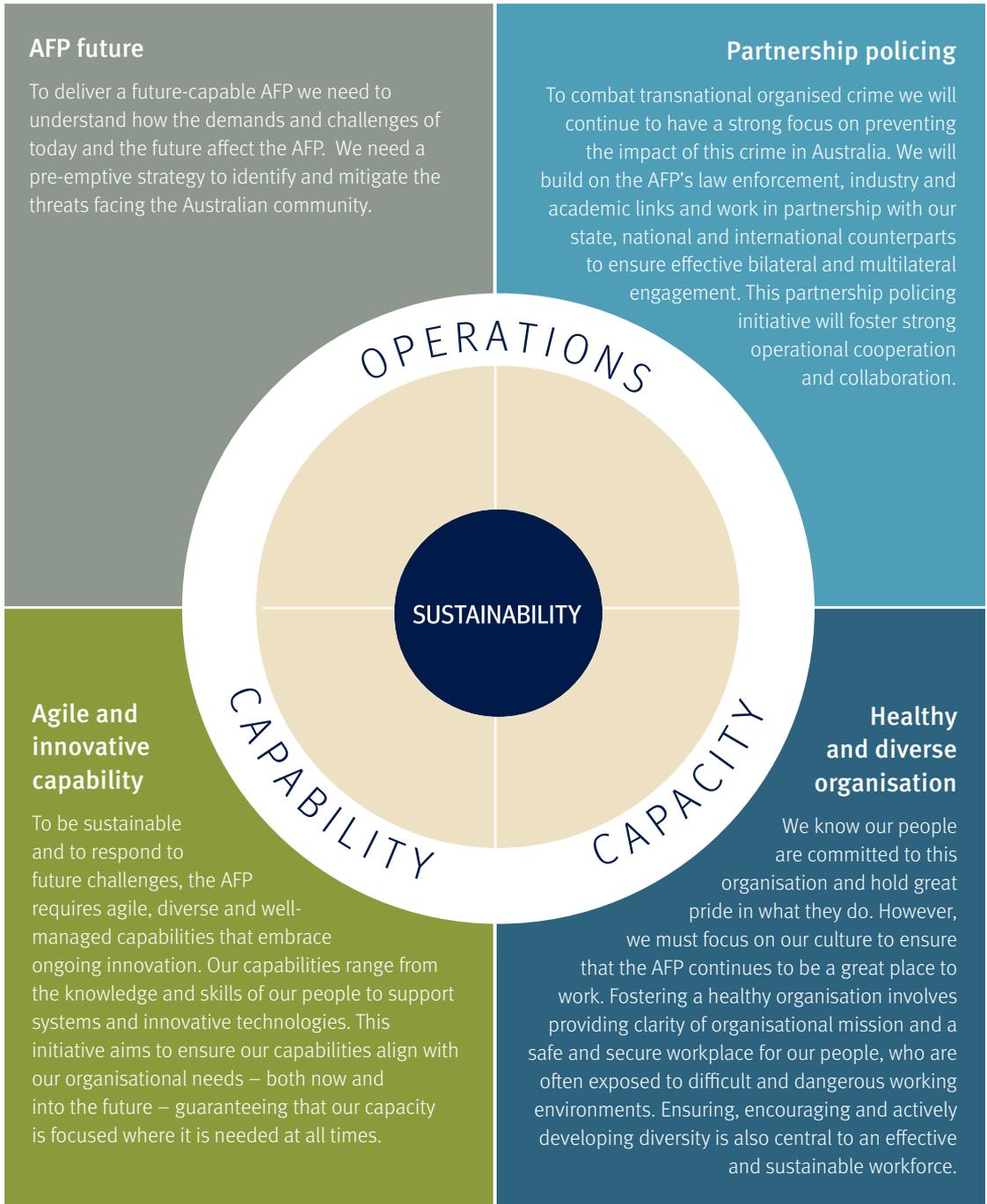


2 Department of Human Services.

3 Australian Institute of Police Management.

Strategic initiatives

In 2016-17 the AFP continued to progress the enterprise-wide strategic initiatives established in 2015-16. The diagram below illustrates these activities, which are consistent with the AFP Corporate Plan 2016-17. Chapters 4 and 5 provide further details of the complementary activities of the AFP's Operations, Capability and Capacity groups.



AFP future

To deliver a future-capable AFP we need to understand how the demands and challenges of today and the future affect the AFP. We need a pre-emptive strategy to identify and mitigate the threats facing the Australian community.

Partnership policing

To combat transnational organised crime we will continue to have a strong focus on preventing the impact of this crime in Australia. We will build on the AFP's law enforcement, industry and academic links and work in partnership with our state, national and international counterparts to ensure effective bilateral and multilateral engagement. This partnership policing initiative will foster strong operational cooperation and collaboration.

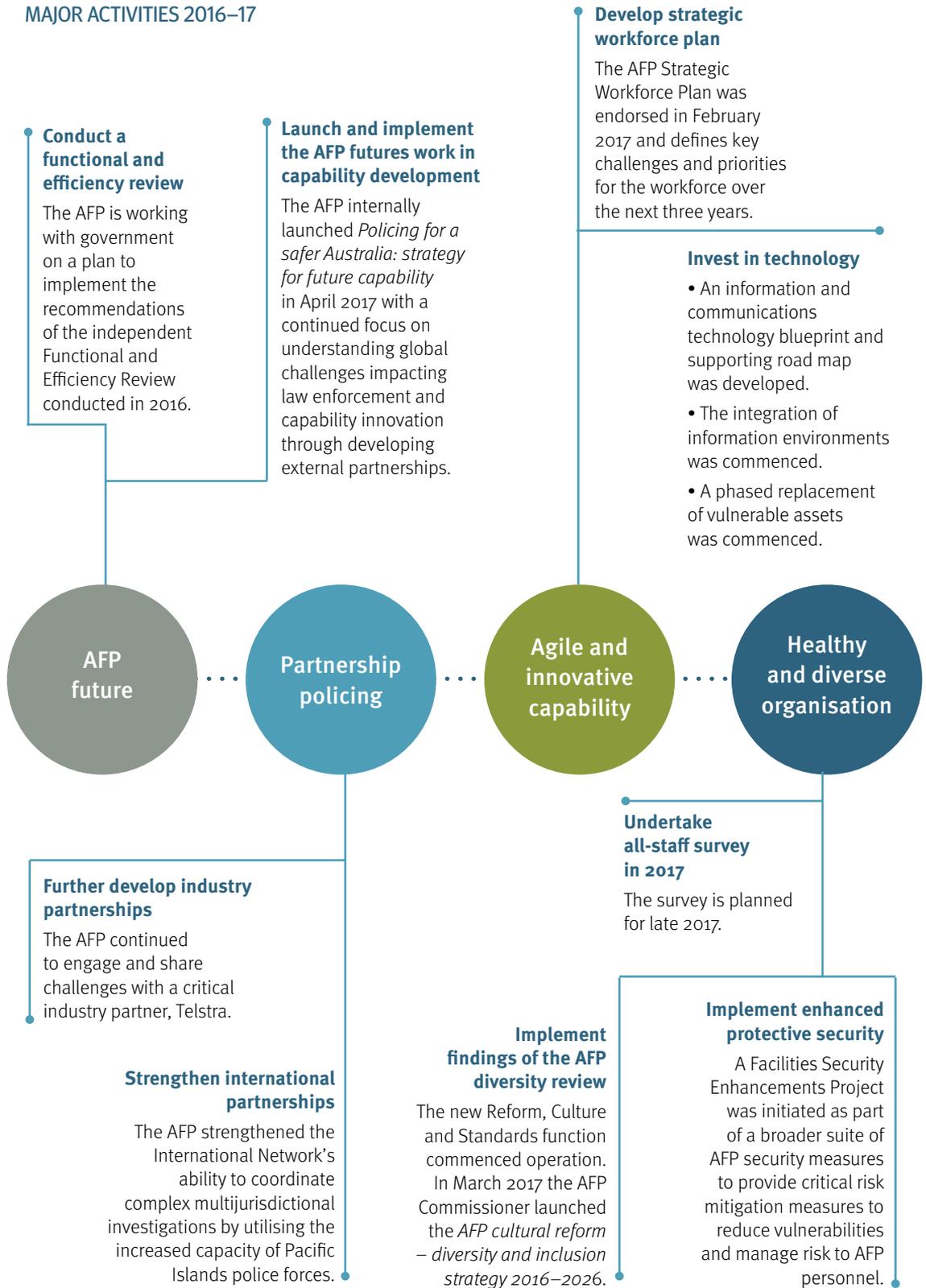
Agile and innovative capability

To be sustainable and to respond to future challenges, the AFP requires agile, diverse and well-managed capabilities that embrace ongoing innovation. Our capabilities range from the knowledge and skills of our people to support systems and innovative technologies. This initiative aims to ensure our capabilities align with our organisational needs – both now and into the future – guaranteeing that our capacity is focused where it is needed at all times.

Healthy and diverse organisation

We know our people are committed to this organisation and hold great pride in what they do. However, we must focus on our culture to ensure that the AFP continues to be a great place to work. Fostering a healthy organisation involves providing clarity of organisational mission and a safe and secure workplace for our people, who are often exposed to difficult and dangerous working environments. Ensuring, encouraging and actively developing diversity is also central to an effective and sustainable workforce.

MAJOR ACTIVITIES 2016–17





3 Performance overview



Performance overview

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Annual performance statements

Introductory statement

I, as the accountable authority of the AFP, present the annual performance statements of the AFP for the financial year ended 30 June 2017 as required under paragraph 39(1) (a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). In my opinion, these annual performance statements are based on properly maintained records, accurately reflect the AFP's performance in 2016–17 and comply with subsection 39(2) of the PGPA Act.



Andrew Colvin APM OAM
Commissioner

8 September 2017

Purpose (AFP National)

The AFP's purpose is to enforce Commonwealth criminal law, contribute to combating complex, transnational, serious and organised crime impacting Australia's national security and protect Commonwealth interests from criminal activity in Australia and overseas. This purpose is derived from section 8 of the *Australian Federal Police Act 1979* and is stated in the AFP Corporate Plan 2016–17. It is also aligned with the outcome and programs listed in the Portfolio Budget Statements (PBS) 2016–17:

- Outcome 1: Reduced criminal and security threats to Australia's collective economic and societal interests through cooperative policing services.
- ▶ Program 1.1: Federal Policing and National Security
 - ▶ Program 1.2: International Police Assistance.

Results

Performance results achieved across the nine key performance indicators (KPIs) defined for Program 1.1 and the two KPIs defined for Program 1.2 (stated in both the Corporate Plan 2016–17 and the PBS 2016–17) are provided in the following section. This is followed by a summary analysis section. Historical performance results are provided in Appendix E, Table E1.

Some of the performance results in the following section reference operations conducted in 2016–17 to provide a more comprehensive and tangible illustration of outcomes. Further details of these operations are in the case studies listed in Chapter 4.

Program 1.1 Federal Policing and National Security

This program addresses criminal and security threats to the Australian community and infrastructure by preventing, deterring, disrupting and investigating serious and organised crime and crimes of Commonwealth significance and by ensuring effective collaboration with international, Commonwealth, state, territory and private sector partners.

Performance criterion	Source
KPI 1	
At least 85% of external clients/stakeholders satisfied or very satisfied	2016–17 Corporate Plan, p. 14 2016–17 PBS Program 1.1, pp. 97–98
<p>Result</p> <p>The Federal Policing and National Security program achieved a satisfaction result of 90% (5 percentage points above the target of 85%). This was based on 619 respondents to the AFP Business Satisfaction Survey who were nominated by the AFP as having dealt with areas under Program 1.1 in the reporting period. The result is 2 percentage points below last year's figure but a high level of stakeholder satisfaction was maintained both for this program (Appendix E, Table E1) and for the AFP overall (Figure 3.1). This result reflects the strong working relationships between the AFP and people from the broad range of organisations who interact with the AFP on a regular basis. These relationships have contributed to positive outcomes across a similarly broad range of Commonwealth crime. Examples are provided below. Further details about the survey and the stakeholders who participated are provided on the following page.</p> <p>Relevant case studies</p> <p>All the operational case studies listed in Chapter 4 provide examples of successful collaborations during the reporting period. Specific examples include:</p> <ul style="list-style-type: none"> ▶ Operation Arc – convictions for servitude offences in Brisbane in conjunction with the Queensland Police Service and the Australian Border Force ▶ Operation Kragle – successful disruption of methamphetamine importation with the Chinese Narcotics Bureau and the Australian Border Force ▶ Operation Caulis and Operation Rheinfels – successful disruption of fraudulent behaviour in relation to Family Day Care in collaboration with several Australian Government agencies ▶ Operation Accelerate – 2016 Paralympic Games in Rio de Janeiro free of security incidents as a result of excellent working relationships between the AFP, Brazilian Federal Police, Department of Foreign Affairs and Trade, Attorney-General's Department, Australian Paralympic Team and five-eyes partners. 	

AFP Business Satisfaction Survey

This survey assesses the level of satisfaction in dealing with the AFP reported by the AFP’s external stakeholders and partners. The survey has been conducted annually for over a decade and is currently implemented online by an external provider. This year’s survey was conducted in March 2017 and achieved a response rate of 48% (the same as last year).

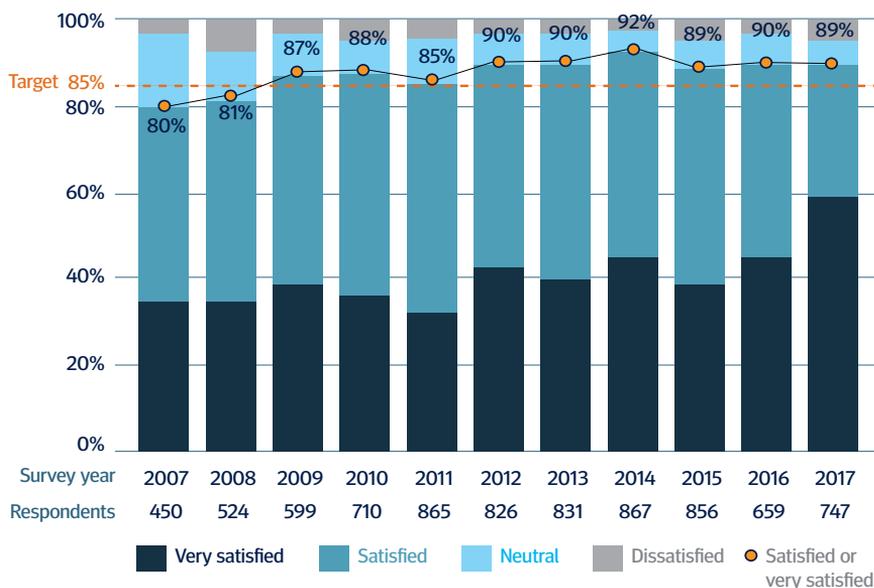
The target population consists of people who have dealt with any business area of the AFP within the previous 6 months. This is a wide-ranging group covering domestic and foreign law enforcement, government agencies and the non-government sector. The potential respondent pool included people from 521 separate organisations from Australia and 54 other countries.

In total 747 people responded, with the following breakdown by sector: policing agencies (18%), law enforcement (21%), the broader public sector (42%), private industry (12%), and not-for-profit and community-based organisations (4%). A location profile was derived from the respondents nominating where their most recent interaction with the AFP occurred. The result was 48% in the ACT, 38% in regional city offices and airports and 11% offshore. This reflects the concentration of AFP staff in Canberra (with national headquarters and the ACT community policing arm based there) but also the geographical coverage across Australia and the AFP International Network.

Satisfaction levels were highest for respondents from private industry (92%) and lowest for those from other policing agencies (88%) and the not-for-profit and community sector (85%). However, all these results met the target level of 85%.

Analysis of feedback from the survey showed that good communication and collaboration were the main positive features of working relationships. The most common suggestions to improve interaction were for more frequent contact and an increase in staffing/resource allocation. The most common suggestion for improving outcomes was timeliness.

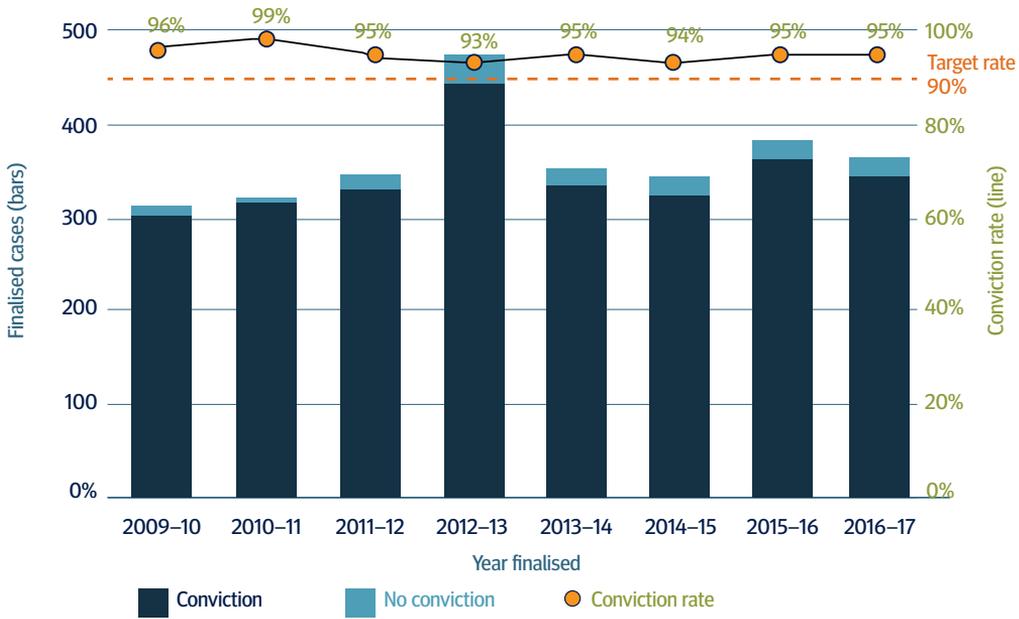
Figure 3.1 Stakeholder satisfaction with the AFP, 2007–17 (across all programs)



Source: AFP Business Satisfaction Survey

Performance criterion	Source
KPI 2	
At least 90% of cases before court result in conviction	2016–17 Corporate Plan, p. 14 2016–17 PBS Program 1.1, pp. 97–98
Result	
<p>A conviction rate of 95% was achieved (5 percentage points above the target). This matches the levels achieved in previous years (Figure 3.2). It is based on 348 cases with convictions out of a total of 367 cases with court outcomes finalised in 2016–17. These investigations were across the range of Commonwealth offences but were primarily drug importation (49%), victim-based crime (25%), finance-related crimes such as money-laundering, fraud, identity crime and corruption (13%), firearms/ weapons offences (3%) and terrorism (1%).</p> <p>Many of these cases were complex, with multiple defendants and detailed evidence requirements. Several spanned more than 10 years, with the average run time being 3 years. The duration often involved not only the primary investigation and court process but also subsequent appeals.</p> <p>There were various reasons for convictions not being achieved in the 5% of cases with unsuccessful (non-conviction) court outcomes, such as not guilty verdicts, the defendant being unfit to plea or death of the defendant.</p>	
Relevant case studies	
<ul style="list-style-type: none"> ▶ Operation Lysithea (Child Protection Operations): In August 2016 an Australian man was sentenced to 5 years and 3 months imprisonment for child sex offences (while overseas). It should be noted that not only was the prosecution achieved but also further harm to the child was averted. ▶ Operation Castrum (Counter Terrorism): In December 2016 two men were sentenced to 20 years imprisonment for terrorism offences. This case illustrates the often key contribution of AFP Forensics to case outcomes. In this case the judge indicated that the sentence was heavily based on forensic evidence. This included ink and paper comparisons, reconstructions, document and handwriting overlays, scene and laboratory examination of paint, textile damage, explosive residues and miscellaneous chemicals. 	

Figure 3.2 Conviction rates for all AFP cases reaching court and finalised, 2009–10 to 2016–17



Note: 'Conviction' denotes cases with at least one defendant convicted or the case is proven with no conviction recorded.



One of the storage compartments on a rigid-hulled inflatable boat seized during Operation Okesi, containing multiple 5-kilogram bundles of cocaine

Performance criterion	Source
KPI 3	
At least 90% of counter-terrorism investigations result in a prosecution, disruption, diversion or intelligence referral outcome	2016–17 Corporate Plan, p. 14 2016–17 PBS Program 1.1, pp. 97–98
<p data-bbox="350 502 424 529">Result</p> <p data-bbox="350 550 1213 643">There were 23 counter-terrorism investigations finalised in 2016–17. All (100%) were deemed as having successful outcomes through prosecution (4), disruption (7) or accumulation and sharing of intelligence (12).</p> <p data-bbox="350 662 1186 721">The outcomes for 2016–17 included 15 investigations resulting in 27 people being charged with a number of terrorism and other offences.</p> <p data-bbox="350 740 1197 833">In addition to the counter-terrorism investigations finalised in 2016–17, there were 138 ongoing investigations at the end of this reporting period being undertaken by the AFP Counter Terrorism area.</p> <p data-bbox="350 852 901 881">Notable court outcomes achieved in 2016–17 include:</p> <ul data-bbox="350 900 1213 1376" style="list-style-type: none"> ▶ Operation Amberd – one individual sentenced to 7 years imprisonment for preparing for, or planning, a terrorist act ▶ Operation Appleby – one individual sentenced to 8 years imprisonment for collecting or making documents likely to facilitate terrorist acts ▶ Operation Duntulm – one individual sentenced to 2 years and 3 months imprisonment for undertaking preparations for incursions into foreign states for the purpose of engaging in hostile activities ▶ Operation Hohensalzburg – one individual sentenced to 44 days custody and a Community Corrections Order for 2 years for undertaking preparations for incursions into foreign states for the purpose of engaging in hostile activities ▶ Operation Rising – one individual re-sentenced to 14 years imprisonment, increased from an original sentence of 10 years imprisonment, for preparing for a terrorist act. <p data-bbox="350 1405 592 1433">Relevant case studies</p> <p data-bbox="350 1452 1123 1511">Some of the successful outcomes related to activity initiated by the Counter Terrorism teams are illustrated in the following case studies in Chapter 4:</p> <ul data-bbox="350 1530 1186 1702" style="list-style-type: none"> ▶ Operation Rheinfels, which disrupted a fraud scheme being operated by persons intending to travel to Syria to join Islamic State, resulting in two men being charged in August 2016 ▶ Operation Castrum, in which two men were sentenced in December 2016 to 20 years imprisonment for offences related to terrorism. 	



Arrest of suspect during Operation Elbrus



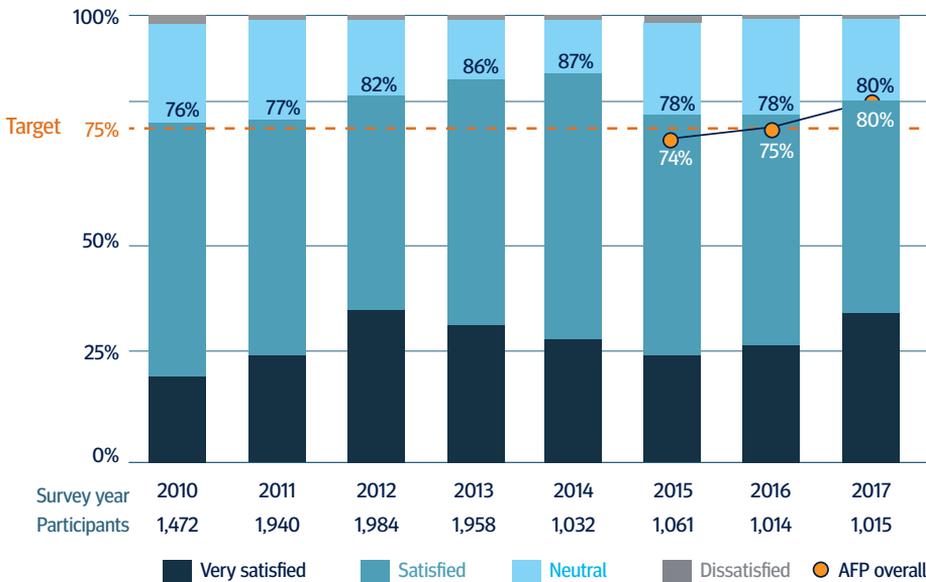
Australia's fight against terrorism reached rural NSW where under Operation Marksborg a man was arrested for performing services for Islamic State.

Performance criterion	Source
KPI 4	
At least 75% community confidence in the contribution of the AFP to aviation law enforcement and security (75% of aviation network users satisfied or very satisfied)	2016–17 Corporate Plan, p. 14 2016–17 PBS Program 1.1, pp. 97–98
<p data-bbox="350 540 424 567">Result</p> <p data-bbox="350 588 1184 681">A satisfaction result of 80% was achieved (5 percentage points above the target). This was 2 percentage points above the result achieved for the past 2 years (Figure 3.3 and Appendix E, Table E1).</p> <p data-bbox="350 706 568 733">Further information</p> <p data-bbox="350 753 1193 976">The AFP Airport Consumer Confidence Survey assesses the level of community confidence in the AFP in relation to aviation safety and security. It is conducted annually based on face-to-face interviews with over 1,000 passengers at domestic and international terminals in Adelaide, Brisbane, Canberra, Melbourne, Sydney and Perth. The survey quotas at each airport terminal are matched to the level of passenger movements to provide a representative sample of passengers across these airports. This year’s survey was conducted in February 2017.</p> <p data-bbox="350 995 1204 1119">This year the overall satisfaction level increased to 80%, with a large (7 percentage point) increase in the people responding at the top end of the scale (that they were very satisfied, Figure 3.3). Overall satisfaction exceeded 80% at all airports except Melbourne where it was low at both the domestic and international terminals.</p> <p data-bbox="350 1138 1214 1395">Analysis by demographics showed no significant differences in satisfaction by gender, age group or reasons for travel (business or leisure) but did show higher levels of satisfaction among Australian citizens (83%) compared with non-Australian citizens (69%). As in previous years, individuals who either saw uniformed officers or were aware of the AFP’s presence were significantly more satisfied with the AFP contribution to aviation policing than those who did not. This was most pronounced in Melbourne where the levels of awareness were lowest and the number of international (non-Australian) survey participants was highest.</p>	



Protection Operations members on duty at Canberra Airport

Figure 3.3 Community satisfaction with AFP contribution to aviation law enforcement and security, 2010–17, and with federal policing, 2015–17



Source: AFP Airport Consumer Confidence Survey

Note: From 2015 survey participants were also asked about their perception of the AFP’s contribution to federal policing overall (not just at airports). The satisfaction rate based on this broader question has tracked slightly below the aviation-specific results in previous years. This year the result increased to 80%, on par with the aviation results. Overall, 83% of respondents also agreed or strongly agreed that the AFP’s presence deters crime.

Performance criterion		Source
KPI 5		
Response to aviation law enforcement and/or security incidents within priority ⁴ response times		2016–17 Corporate Plan, p. 15 2016–17 PBS Program 1.1, pp. 97–98
Result	Priority 1	73% – below a target of 75% within 5 minutes 93% – above a target of 90% within 10 minutes
	Priority 2	86% – above a target of 75% within 15 minutes 92% – above a target of 90% within 20 minutes
	Priority 3	100% – above a target of 75% within 90 minutes 100% – above a target of 90% within 120 minutes
	Priority 4	100% – above a target of 90% within 24 hours
<p>The 5-minute priority 1 target was not met. It is 2 percentage points under target. However, the 10-minute priority 1 target and all other targets were met. This result is a slight improvement on last year (Appendix E, Table E1). This improvement is attributed to amending dispatch protocols and aligning response priorities to the AFP's regulated Counter Terrorist First Response function. Incident response such as alarm attendance was recategorised as a priority 2 case due to the disproportionate number of response call-outs being false alarms. These changes reflect a more accurate categorisation at the incident creation point of Priority 1 incidents. There remains, however, a range of factors contributing to the AFP not fully meeting the priority 1 criterion. These include the continued growth in airport passenger movements, the commissioning of additional terminals, the wide physical spread of terminals within airports and the competing priorities of uniform policing staff.</p>		
<p>Relevant case study</p> <p>Incident Preparedness Team exercise, Sydney: This case study describes an AFP initiative conducted in January 2017 to enhance preparedness of, and interoperability between, the AFP and relevant stakeholders in relation to security challenges in the Aviation environment. This is an important adjunct to measuring response to actual incidents and reflects the comprehensive approach of the Protection Operations function to addressing national security threats and protecting Commonwealth interests. Further details are in Chapter 4.</p>		

4 Priority definitions:

1. Life-threatening or time-critical situations.
2. Situation requiring immediate AFP attendance but not life-threatening.
3. No immediate danger to safety or property but where AFP response or attention is required. This is determined in consultation with the complainant but, in any event, no later than 90 minutes from the initial contact by the complainant.
4. No immediate danger to safety or property but where police response or attention is required. This is determined in consultation with the complainant but, in any event, not later than 24 hours from the initial contact made by the complainant.

Performance criterion	Source
KPI 6	
Less than 4 avoidable incidents ⁵ per 5,000 Protection hours	2016–17 Corporate Plan, p. 14 2016–17 PBS Program 1.1, pp. 97–98

Result

The avoidable incident rate was 0.03 per 5,000 Protection hours, which was within the acceptable rate of 4 per 5,000 Protection hours. This result was based on one incident⁶ recorded in 2016–17 classified as avoidable during a period when over 178,000 hours of Close Personal Protection activity were recorded. This is in comparison with no incidents last year and one incident recorded in 2014–15 (Appendix E, Table E1).

Relevant case studies

An example of the successful planning and execution of protection operations for a visiting dignitary (Prime Minister of Israel) and the scope of preventive work undertaken by the Fixated Threat Assessment Team is provided in the case studies in Chapter 4.



Protection Operations members on duty at Canberra Airport

⁵ Avoidable incidents are defined as those 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.

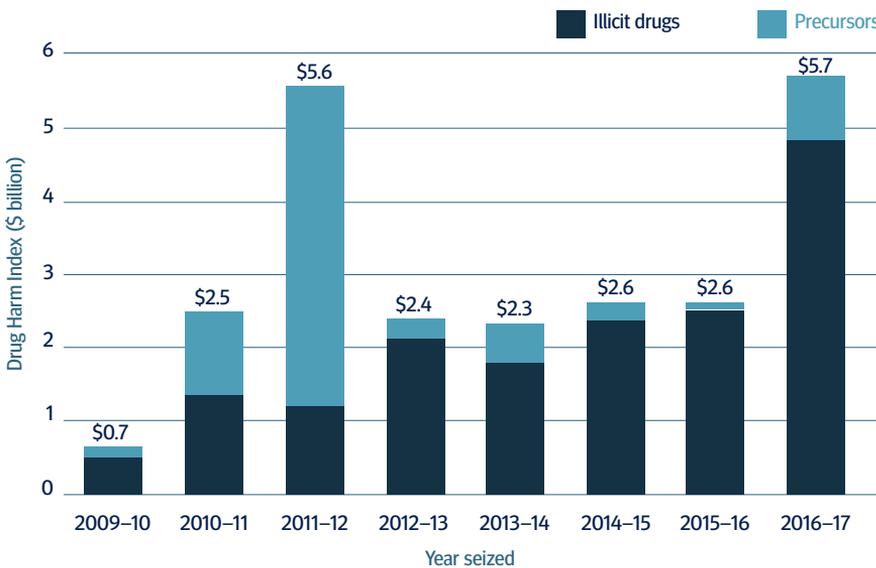
⁶ The single incident occurred in August 2016 at an event in a Melbourne hotel in which the Australian Prime Minister, while giving a speech, was confronted on stage by a protester for a short period of time before intervention.

Performance criterion	Source
KPI 7	
Positive return on investment for investigation of transnational crime (i.e. >1)	2016–17 Corporate Plan, p. 14 2016–17 PBS Program 1.1, pp. 97–98
<p data-bbox="350 453 424 481">Result</p> <p data-bbox="350 500 1214 592">The return on investment (ROI) result was 3.1 (above the target of 1). This is less than the level of 5 achieved last financial year and continues a decreasing trend for this measure (Appendix E, Table E1).</p> <p data-bbox="350 611 1214 801">The calculation is based on estimates of social benefit from disrupting crime outweighing the costs of those investigations, subsequent legal processes and detention (prison costs). The scope is limited to drug and financial crime investigations finalised in 2016–17. These two crime types are the ones for which the AFP has developed financial estimates of social impact, namely the Drug Harm Index (DHI) and the Estimated Financial Return (EFR).</p> <p data-bbox="350 820 1193 948">The DHI represents the dollar value of harm that would have ensued if illicit drugs seized at the border had reached the community. The EFR represents the potential revenue lost to the economy from fraud and other economic crime that was identified, investigated and successfully prosecuted.</p> <p data-bbox="350 967 1197 1094">Analysis shows that the ROI value is approximately 2.8 for the drug investigations and 4.8 for the financial crime investigations. This is partly due to the much higher sentence lengths for drug importation. Further details on the ROI methodology can be found at www.afp.gov.au.</p> <p data-bbox="350 1113 1214 1395">The overall quantity of illicit drugs seized by the AFP in 2016–17 (including both finalised and ongoing investigations) is over 15 tonnes (Appendix E, Table E2). This is substantially greater than last year (10 tonnes) due mainly to significant seizures of cocaine, precursors and sedatives. The amount of methamphetamine seized was also significant, at 3.5 tonnes. The corresponding DHI is \$5.7 billion, over twice as high as last year (\$2.6 billion, Figure 3.4), due to the larger quantities and slightly different profile of seizures. The steady increase in methamphetamine seizures in the past 5 years, an accompanying increase in MDMA and recent upsurge in cocaine is illustrated in Figure 3.5.</p> <p data-bbox="350 1414 1214 1475">The EFR, in estimating the positive economic impact on the community of successful financial investigations, encompasses flow-on effects, as well as the recovery value.</p> <p data-bbox="350 1494 1214 1652">The overall EFR based on the financial crime investigations finalised in 2016–17 was \$225 million. This was based on 34 cases (primarily money-laundering and fraud). This is down from \$699 million in 2015–16 and the lowest value recorded in the previous 5 years. As with the drug seizures and assets data, some annual figures are dominated by single large cases which make it difficult to assess trends.</p>	

Relevant case studies

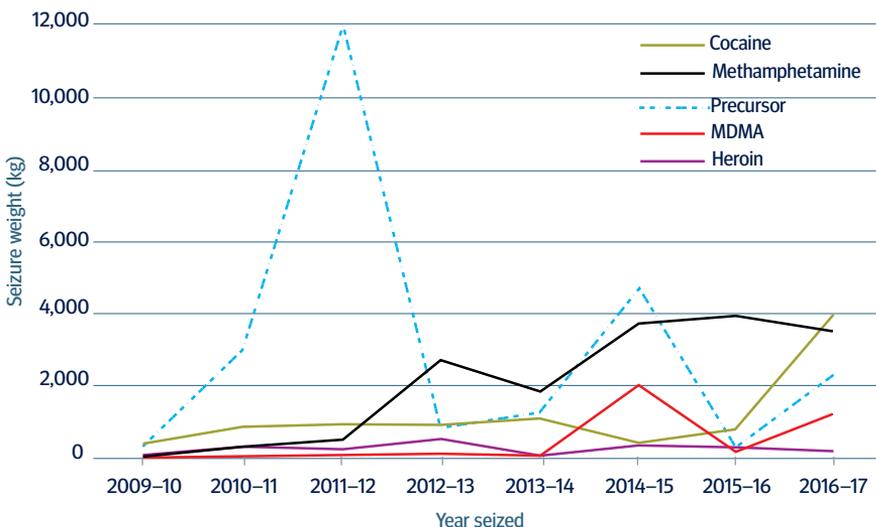
Significant investigations related to drug importation described in Chapter 4 include **Operation Kragle** (methamphetamine imported from China), **Operation Armour** (largest ever cocaine seizure) and **Operation Okesi** (cocaine and heroin imported via the Pacific from South America). Significant investigations related to fraud and money-laundering include **Operation Rheinfels** and **Operation Caulis**.

Figure 3.4 AFP Drug Harm Index, 2009–10 to 2016–17



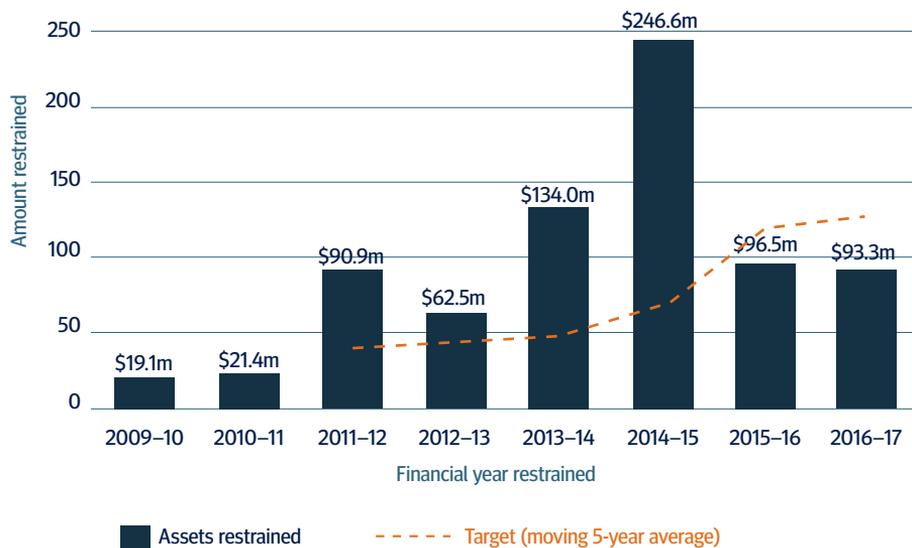
Note: Values are based on AFP seizures (excluding international seizures).

Figure 3.5 Trends in AFP seizures for key drug categories, 2009–10 to 2016–17



Performance criterion	Source
KPI 8	
Increase in total criminal assets restrained (defined as an increase relative to the previous 5-year average)	2016–17 Corporate Plan, p. 14 2016–17 PBS Program 1.1, pp. 97–98
<p>Result</p> <p>The Criminal Assets Confiscation Taskforce (CACT) restrained assets worth an estimated \$93.3 million under the <i>Proceeds of Crime Act 2002</i> (Cth) in the period 2016–17. This was under the target of \$126.1 million (the average based on the previous 5 years) and \$3.2 million less than last financial year. Figure 3.6 below shows that the previously increasing trend in assets restrained has not been sustained past 2014–15 (blue bars in the graph) but the target values, which are based on past restraint values (dashed line in the graph), have increased. Substantial restraint figures for the 2014–15 financial year have translated into an increased commitment of resources to complex proceeds of crime matters in lengthy court processes. This continues to impact on CACT’s capacity to pursue new restraint action.</p> <p>The primary crime types associated with assets restrained in 2016–17 (based on value) were fraud (52%), money-laundering (16%), civil proceedings (11%), drugs (7%) and terrorism (4%).</p> <p>In addition to the KPI figure of \$93.3 million, \$8.8 million worth of assets were restrained by the AFP on behalf of international law enforcement agencies (in this case Switzerland and China).</p> <p>Relevant case studies</p> <p>Key CACT operations with significant asset restraint in 2016–17 include Operation Elbrus (tax fraud), Operation Eligo (civil proceedings), Operation Rheinfels (fraud and money-laundering in relation to terrorism-financing), Operation Zanella (money-laundering) and Operation Boscobel (money-laundering).</p>	

Figure 3.6 Criminal assets restrained, 2009–10 to 2016–17



Note: Targets were introduced in 2011–12 (based on the previous five-year average).

Performance criterion	Source
KPI 9	
Increased or reinforced cyber safety and security awareness (at least 85% of surveyed sample indicating increased awareness or reinforced awareness after delivery of presentations)	2016–17 Corporate Plan, p. 14 2016–17 PBS Program 1.1, pp. 97–98
<p>Result</p> <p>A result of 94% was achieved based on 1,159 responses from parents, teachers and carers surveyed after cyber safety presentations under the ThinkUKnow program. This result is 9 percentage points above the target and consistent with last year’s figure (Appendix E, Table E1).</p> <p>This performance measure is based on results from a short feedback questionnaire collected after presentations in 58 educational institutions (primary and secondary schools) across Australia during 2016–17. Although an exact response rate cannot be determined since the number of attendees was not recorded, there were on average 20 responses per presentation session (ranging from a minimum of 3 to a maximum of 84), which corresponds to a reasonable response in this type of setting.</p> <p>The high KPI result reflects that after the presentations almost all the target audience better understood how children use the internet and mobile technologies and/or the safety issues around this use. In addition, 95% of respondents reported that they were more aware of where to report issues, and 96% of respondents were motivated to take additional steps to improve the cyber safety and security of children in their care.</p> <p>Comments from the survey confirmed the positive impact of the presentations, which were described as ‘very articulate, calm and informative’, ‘easy to understand, eye-opening’, ‘highly relevant and well timed’ and ‘engaging’. Further analysis of the comments also highlighted how the presentations could be improved from a technological and content perspective, with parents often asking for specific detail on proactive intervention and how to block content. Many expressed concern about cyber bullying.</p> <p>The AFP continued to expand the ThinkUKnow program during 2016–17 with the inclusion of Victoria Police as another law enforcement partner, further regional rollout in Tasmania and Queensland, the development of a teachers toolkit, and the development of an Easy English version for greater outreach. See Chapter 4 for details.</p>	

Program 1.2 International Police Assistance

The objective of this program is the delivery of collaborative law enforcement and police development missions, participation in internationally mandated peace operations and provision of civil policing assistance in accordance with Australian foreign development policy priorities.

Law enforcement and police development mission activity was undertaken through the AFP's official development assistance in the Indo-Pacific region and in conjunction with United Nations missions. This program also delivers community policing in Australia's territories, including Christmas Island, Cocos (Keeling) Islands and Norfolk Island.

AFP members prepare the transfer of Operation Armour drug exhibits from HMAS Bathurst for storage and forensic analysis.



A contingent of Royal Solomon Islands Police Force marching.



Performance criterion	Source
KPI 10	
At least 85% of external clients/ stakeholders satisfied or very satisfied	2016–17 Corporate Plan, p. 15 2016–17 PBS Program 1.2, p. 98
<p>Result</p> <p>The International Police Assistance program achieved a satisfaction result of 88% in the AFP Business Satisfaction Survey 2017. The result was 3 percentage points above the target of 85% but lower than last year’s figure, 95% (Appendix E, Table E1). Further details on the survey methodology can be found under KPI 1.</p> <p>This year’s result was based on responses from 81 stakeholders from a range of countries and organisations. Satisfaction levels were slightly higher among stakeholders based overseas (89%, n⁷=62) compared with those located in Australia (84%, n=19). Although based on a small subset of respondents, the results for Australia’s external territories were positive (90% satisfied or very satisfied, n=10).</p> <p>The overall KPI 10 results were highest across the law enforcement sector (94%, n=32) and community and academic organisations (100%, n=5) but lower among the broader public sector (83%, n=35) and private industry (78%, n=9).</p> <p>Analysis of the detailed feedback provided in the survey pointed to the following positives in the relationships – the overall sense of cooperation, good communication and engagement. For example, ‘The AFP officers are professional, knowledgeable and dedicated in their roles. They have a great attitude towards a diverse local community and provide relevant expertise in every liaison’ and ‘There is a lot of passion with the AFP team that is building capacity in difficult circumstances’.</p> <p>Respondents also commented that improvement in interactions could be made with more frequent contact and that better outcomes might be achieved through a number of different mechanisms, including improving timeliness, follow-up and resourcing. For example, ‘more formalised sharing of information to ensure regular and consistent flows’, ‘better communication systems’, ‘more time investment from both contact points (but doing very well given other responsibilities)’.</p> <p>Relevant case studies</p> <p>Positive outcomes resulting from the strong relationships built with our Pacific neighbours are illustrated by the following case studies listed in Chapter 4:</p> <ul style="list-style-type: none"> ▶ Operation Armour – largest ever cocaine seizure intercepted in the Pacific ▶ Operation Helpem Fren – increased safety and security in Solomon Islands. See also KPI 11. 	

7 Number of responses.

Performance criterion	Source
KPI 11	
<p>Mission/external territories performance evaluation:</p> <p>A. Mission performance reports (evaluation criteria include relevance, effectiveness, efficiency, impact, sustainability, monitoring and evaluation, and gender equity)</p> <p>B. Formal evaluation program:</p> <p>B1. Timor-Leste Police Development Program mid-term evaluation</p> <p>B2. Participating Police Force Program of Support to the Regional Assistance Mission to Solomon Islands (RAMSI) final evaluation</p>	<p>2016–17 Corporate Plan, p. 15</p> <p>2016–17 PBS Program 1.2, p. 98</p>
Result	
<p>A. All AFP missions completed two performance reports in 2016–17. An example of effectiveness reported by the Pacific Police Development Program Regional relates to a positive change in police responses to, and investigation of, domestic violence cases in Nauru. After attending a joint AFP and Fiji Women’s Crisis Centre training program, a senior police officer reported a positive change in the preservation of crime scenes in domestic violence cases. The officer who attended the training also developed a set of recommendations for improved practices, which have been endorsed by the Nauru Police Commissioner and subsequently presented to the President of Nauru. This is a significant instance of change that could lead to ongoing appropriate and lawful responses to domestic violence in Nauru.</p>	
<p>B1. The Mid-Term Review of the Timor-Leste Police Development Program (TLPDP) 2014–2018 found that ‘longer-term investments and continued support to the Policia Nacional de Timor-Leste (PNTL) Department of Administration and Planning, the Police Training Centre and the Incident Management System (IMS) are progressing well’. For example, the PNTL is ‘increasingly implementing sound corporate management practices and reports generated from IMS are increasingly informing planning and decision-making.’ Recommendations from the Mid-Term Review will inform the remaining two years of the current phase of TLPDP.</p>	



Polícia Nacional de Timor-Leste officers conduct an exercise during gender-based violence investigation training.

B2. The AFP and the Department of Foreign Affairs and Trade (DFAT) concluded that a final, formal evaluation of the program of support to RAMSI 2015–2017 was not required as sufficient evaluation had already taken place.⁸ For example, in 2016–17 the AFP supported Australian National University research related to RAMSI. The research found that ‘the benefits of the Participating Police Force experience for the Pacific region and its policing forces have been cumulative and diffuse, and have provided a base on which to build bilateral initiatives. The forging of personal links and direct experience of working together have enhanced the potential for region-wide programs, elevated policing standards and built capacity’. The research also noted that ‘as well as its acknowledged contribution to restoring law and order to Solomon Islands, the mission (RAMSI) also had positive multiplier impacts on policing throughout the region’. Some other successful aspects of the mission, which concluded on 30 June 2017 after 14 years, are summarised in the **Operation Helpem Fren** case study in Chapter 4.

The AFP also contributed to the final evaluation of DFAT-funded Policing and Justice Support Program – Vanuatu. The evaluation found that the joint AFP and DFAT ‘modality affords Australia an evidence-based sector-wide perspective on policing and justice issues in Vanuatu’. Capacity development activities have realised impressive changes in knowledge, attitude and skills in the Vanuatu law and justice sector, including stimulating the introduction of the time-efficient rapid charge system within the Vanuatu Police Force (VPF) and enhancing the VPF’s community engagement. Recommendations from this evaluation informed a program redesign process in mid-2016.

⁸ A comprehensive joint DFAT and AFP design process for all Australian support for the Solomon Islands Law and Justice, Policing and Governance programs took place in 2016–17.

Analysis

Overall the AFP met 9 out of 11 KPI targets set for 2016–17 in the Corporate Plan and the PBS:

- ▶ Targets were met or exceeded for all external feedback indicators such as stakeholder satisfaction (KPI 1 and KPI 10), public confidence in Aviation security (KPI 4) and cyber safety awareness (KPI 9).
- ▶ Targets were also exceeded for operational outcomes including the overall domestic conviction rate (KPI 2), counter-terrorism outcomes (KPI 3) and return on investment for drug and fraud investigations (KPI 7).
- ▶ Protection Operations also showed high levels of performance through meticulous planning and stakeholder engagement, resulting in no major incidents (KPI 6).
- ▶ International mission evaluations were also positive (KPI 11).
- ▶ The targets not met in the reporting period were airport response (KPI 5) and the total value of criminal assets restrained (KPI 8).

This pattern of achievement is similar to the previous financial year, noting that all indicators and targets were the same.

These results indicate that the AFP is, and is seen to be, a valued contributor to the protection of Australians and Australian interests from criminal and national security threats. These threats are dynamic and in instances are increasing and the harms are significant both personally and economically. Drug detections remain substantial, disruptions of terrorist activity continue and global incidents impact Australians, large-scale fraud remains criminally attractive, and technology continues to demand investment to counter its threats and exploit its opportunities. This environment drives a menu of work for the AFP that is diverse and requires operational agility to address emerging priorities and enduring responsibilities.



*A service marks
Australia's withdrawal
from the Cyprus
Peacekeeping Mission.*

Critically, the AFP has maintained its performance position in this environment, whilst continuing to focus on delivering efficiencies and operating within 1 per cent of budget and with a net decrease of 1.8 per cent in staff numbers during 2016–17 (Appendix C, Table C1).

Of particular note in this year's performance results are:

- ▶ the high levels of successful stakeholder engagement with industry
- ▶ the high levels of successful stakeholder engagement with international partners
- ▶ the increasing confidence and awareness of the AFP by the public
- ▶ the increased run times for cases to prosecution
- ▶ decreasing return on investment for finalised investigations
- ▶ static levels of asset confiscation (influenced by complex litigation cases and static resourcing) but continued demand both domestically and internationally
- ▶ the record levels of drugs seized and also record individual drug seizures (e.g. Operation Armour)
- ▶ the steady increase in counter-terrorism activity, which potentially impacts resourcing of other crime categories.

There are both positive and negative interpretations of these results in relation to AFP performance:

- ▶ While our law enforcement and government agency partners acknowledge AFP professionalism and commitment, they also indicate that better outcomes could be achieved with more frequent contact and more timely responses. We need to work more closely than ever with these traditional partners to address escalating drug seizures, both at the border and overseas and to address increased national security threats. At the same time, we are developing new partnerships with industry and academia to bolster capability and technological advancement.
- ▶ We maintain a high success rate once investigations reach court but the resourcing and the length of time involved to do this is increasing and the returns are decreasing.

To address some of these apparently contradictory assessments, the AFP has broadened its performance framework for 2017–18, introducing measurement of disruption, prevention and broader return on investment. Performance will also be assessed in terms of the key domains of AFP activity (federal, international, protection and community). This will assist in providing a more comprehensive picture of performance and assessment of value in policing for a safer Australia, both domestically and abroad.

Purpose (ACT Policing)

The AFP has responsibility for providing policing services in the Australian Capital Territory (ACT). This purpose is aligned with the following outcome and program listed in the Portfolio Budget Statements 2016–17:

Outcome 2: A safe and secure environment through policing activities on behalf of the Australian Capital Territory Government

- ▶ Program 2.1: ACT Community Policing.

ACT Policing works in partnership with the community to create a safer and more secure ACT in accordance with the ongoing Policing Arrangement between the Commonwealth and ACT governments.

The Policing Arrangement provides for the negotiation of a Purchase Agreement between the AFP and the ACT Government. The Purchase Agreement defines the three main outcomes against which ACT Policing's performance is measured:

1. reduce crime
2. public safety
3. community and partner engagement.

The Purchase Agreement specifies the type, level and cost of the services that the ACT Government requires from ACT Policing. In addition, the Minister for Police and Emergency Services issues a Ministerial Direction in which the special areas of focus for the year are outlined. Performance criteria and targets are agreed to annually by the ACT Government. Further details can be found at <https://www.police.act.gov.au/about-us/government-directions>.

Results

Information on ACT Policing, including performance against targets, can be found in the ACT Policing annual report, available at www.police.act.gov.au/about-us/publications.



ACT Police officers on patrol in Canberra

Financial performance

The AFP's \$1,304 million departmental operating income for 2016–17 comprised \$1,021 million in government appropriation, \$163 million from the ACT Government for policing services and \$120 million in other revenue. In addition, the AFP received \$30 million in government appropriation for departmental capital expenditure and \$90 million in equity injections. The AFP also administered \$12 million in expenses on behalf of the government in 2016–17.

The result for 2016–17 reported by the AFP is a departmental comprehensive loss of \$51 million. Excluding the impact of unfunded depreciation expense of \$89 million and the revaluation increment of \$31 million, the AFP recorded a surplus for the year of \$4 million.

The largely break-even result was achieved through the prioritisation of constrained resources to meet a high level of demand in an increasingly complex and elevated terrorist and criminal threat environment.

Audited financial statements showing the AFP's financial position are in Chapter 6. The agency resource statement is in Appendix D.



4 Performance details



Performance details

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Overview

The AFP's organisational structure (see Chapter 2) is broadly categorised into the areas of Operations, Capability and Capacity, which drive strategic initiatives and activities as described in the AFP Corporate Plan 2016–17. The organisational structure also includes business areas that report directly to the Commissioner to support strategic priorities such as enterprise transformation, cultural reform, professional standards, ministerial liaison, media and communications.

Operations delivers the AFP's investigations and policing services in areas such as protection, counter-terrorism, aviation, illicit drugs, people-smuggling, human-trafficking, forced marriage, kidnap for ransom, fraud, money-laundering and cybercrime. This function directly targets the substantial threats arising from increasingly diverse criminal activity.

Capability delivers technical, specialist and scientific services in support of enterprise and operational activity. These services are increasingly critical to the effectiveness and efficiency of all AFP operations and span surveillance, covert operations, technical services, forensics, digital forensics, tactical operations, intelligence, and information and communications technology.

Capacity ensures the AFP has the financial and human resources to respond to current and emerging requirements and is particularly focused on creating an agile, diverse and inclusive workforce.

This chapter documents the performance of these pillars of the AFP during the reporting period.

THE PILLARS OF THE AFP

Pillar	Head	Function
Enterprise	Commissioner	Reform, Culture and Standards Chief of Staff
Operations	Deputy Commissioner Operations	Crime Operations Organised Crime and Cyber International Operations
	Deputy Commissioner National Security	Counter Terrorism Protection Operations
Capability	Deputy Commissioner Capability	Capability Development Office Technology and Innovation Specialist Operations Support Capability
Capacity	Chief Operating Officer	Workforce and Development People, Safety and Security
		Chief Financial Officer Legal

Enterprise

Two functions with the key roles of reform, transformation, engagement and strategic direction report directly to the AFP Commissioner:

- ▶ Reform, Culture and Standards
- ▶ Chief of Staff.

Reform, Culture and Standards

Reform, Culture and Standards was created in response to *Cultural Change: Gender Diversity and Inclusion in the Australian Federal Police*⁹ (Cultural Change report) in August 2016. The function comprises two business areas: Professional Standards (see Chapter 5) and Reform.

The Reform business area has three teams: Safe Place, Reform Initiatives and Workforce Engagement. Collectively these areas provide:

- ▶ a response to the critical issues of sexual harassment and bullying
- ▶ a coordinated response to the implementation of the 24 recommendations contained in the Cultural Change report
- ▶ the capability to innovatively engage and influence the workforce.

Safe Place

The Safe Place Team was established in August 2016 in accordance with recommendation number 17 of the Cultural Change report. Safe Place provides holistic support for AFP staff and former employees who are experiencing, have experienced or are aware of sexual assault, sexual harassment, and serious bullying and harassment within or connected to the workplace.

Some recurring issues reported to Safe Place include concerns surrounding mobility, bullying and harassment, inappropriate conduct, conflicts of interest and leadership training in the workplace. A crucial focus of Safe Place is early intervention in the workplace and seeking to assist staff at all levels in preventing, mitigating or managing potential workplace harm of all types. Table A8 (Appendix A) contains the total harmful workplace behaviour referrals.

9 Elizabeth Broderick & Co, 2016.

Reform Initiatives

The Reform Initiatives Team is implementing the 24 recommendations contained in the Cultural Change report and developing additional strategies to reform the AFP workplace culture. Since August 2016 Reform Initiatives has:

- ▶ provided a coordinated response and produced a variety of reports on the status of projects supporting the implementation of the recommendations from the Cultural Change report and associated projects to reform workplace culture, including the Program of Work quarterly reports
- ▶ prepared and released the AFP Family and Domestic Violence Strategy and associated resource guide
- ▶ worked with Learning and Development to develop and deliver the Identify, Involve and Include Workshop: Respectful Workplace Information Session to AFP appointees
- ▶ provided AFP appointees with information on tangible ways in which they can advance an ethical, values-driven culture that embraces diversity, inclusion and mutual respect.

Workforce Engagement

The Workforce Engagement Team is focused on influencing change in the AFP by implementing a range of education and awareness strategies and communicating the desirable workplace cultural attributes in line with the Cultural Change report.

The Workforce Engagement Team has delivered 60 presentations to 2,000 AFP staff. The presentations generated conversations on gender, equality, diversity, inclusion and culture within the AFP. The team has also conducted leadership cafes involving a number of senior executive staff throughout the regions, with the purpose of promoting a collective understanding of organisational goals in a casual setting.



Chief Operating Officer Andrew Wood in discussions with staff at a leadership cafe for International Women's Day



Cultural Change report

Two of the 24 Cultural Change report recommendations are having a leading impact on the transformation of AFP organisational culture.

Supporting recommendation 2, a Cultural Reform Board was established in February 2017 to advise the Commissioner on matters relevant to the cultural change process and to provide all-staff input into the Commissioner's reform agenda. The Cultural Reform Board is a platform for staff across all levels, and its members are bound to maintain appropriate confidentiality of all matters and information discussed within the forum. This approach encourages a safe and transparent environment to encourage and empower all staff to have a voice.

The Cultural Reform Board is supported by the Cultural Reform Committees, which have been established in all states and territories. Committee members were selected to provide a balance of gender, experience, work locations, diversity, police officers, protective service officers and professional staff. Representatives from each committee were then selected to be members of the Cultural Reform Board.

Addressing recommendation 7 of the Cultural Change report is the storytelling process, which seeks to provide a deeply human exchange where Safe Place, in appropriate circumstances, will organise for a senior staff member of the AFP to listen to another staff member about their experience with a facilitator to guide the session. Storytellers can be current or ex-staff of the AFP who have experienced a traumatic event (such as sexual assault, serious bullying or harassment, and/or other harmful workplace behaviours) during their AFP employment.

Since the Cultural Change report, there have been 14 individual storytelling sessions which have provided personal therapeutic outcomes to those current members and ex-members telling their personal story. Feedback from clients provides evidence that the majority of participants feel the process has had a positive impact. Safe Place has also received feedback from AFP senior executives who have been 'story listeners' that participation has provided an insight into the behaviours and the subsequent impact of this culture and, importantly, the significance of improved leadership and practices to ensure these behaviours and experiences do not continue to occur in our workplace.

Ms Broderick and Commissioner Colvin announce the release of the AFP's Cultural Change report.

Chief of Staff

The Chief of Staff function ensures that the AFP's advice to government, parliament and partner agencies on law enforcement issues is coordinated, accurate, relevant and timely. The function consists of three business areas: Enterprise Transformation Office, Government and Communications, and Strategic Policy.

Enterprise Transformation Office

The Enterprise Transformation Office was established in February 2017 to manage the development and delivery of the AFP's transformation agenda.

A key focus of the Enterprise Transformation Office is to develop an implementation plan addressing the outcomes of the Functional and Efficiency Review (FER) that was conducted in late 2016. The FER is a key component of the Contestability Programme led by the Department of Finance. The AFP's formal response to the report and implementation plan is scheduled to be presented to government by the end of 2017.

Government and Communications

Ministerial and Parliamentary Liaison

The Ministerial and Parliamentary Liaison Team is the central point of engagement between the AFP and the parliament, primarily through the Office of the Minister for Justice. A law enforcement liaison officer is based in the Minister's Office at Parliament House to facilitate communication with the Office.

The team works with other areas of the AFP to deliver briefings to the Minister and provide other government agencies with insight into law enforcement issues.

The team leads AFP preparation for Senate Estimates and a number of other parliamentary committee hearings. In 2016–17 the team coordinated appearances and submissions at a number of parliamentary inquiries and other key events. A list of these is in Chapter 5 of this report under 'Parliamentary committee reports'.

Legislation Program

The increasingly complex environment in which the AFP operates continues to challenge the legislative framework for Commonwealth criminal offences, police powers, supporting procedures, and oversight and accountability arrangements. The AFP's legislative framework must support the efficient and effective deployment of capabilities and facilitate new approaches to combating crime.

To support the government's law reform proposals and to represent the AFP's interests in law reform, Legislation Program provides input into review and reform processes related to criminal law and law enforcement. The AFP engaged in a range of law reform and legislative review projects during 2016–17 with a focus on counter-terrorism, victim-based crime and fraud and anti-corruption. The work enabled the AFP to contribute to the shaping of a range of significant Acts that were passed, Bills that were introduced, reform proposals and parliamentary committee inquiries.

Legislative reform

Acts that were passed in 2016–17 are the:

- ▶ *Counter-Terrorism Legislation Amendment Act (No. 1) 2016*
- ▶ *Criminal Code Amendment (High Risk Terrorist Offenders) Act 2016*
- ▶ *Narcotic Drugs Legislation Amendment Act 2016*
- ▶ *Criminal Code Amendment (Protecting Minors Online) Act 2017*
- ▶ *Criminal Code Amendment (War Crimes) Act 2016*
- ▶ *Passports Legislation Amendment (Overseas Travel by Child Sex Offenders) Act 2017.*

Bills that were introduced in 2016–17 are the:

- ▶ Crimes Legislation Amendment (International Crime Cooperation and Other Measures Bill) 2016
- ▶ Crimes Legislation Amendment (Powers, Offences and Other Measures) Bill 2017.

Other reviews and reform proposals in 2016–17 were the:

- ▶ Independent National Security Legislation Monitor inquiries into terrorism questioning and detention powers, and certain counter-terrorism legislation (emergency stop, questioning and seizure powers, declared areas offences, control orders and preventive detention orders)
- ▶ implementation of the recommendations of the Statutory Review of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006*
- ▶ deferred prosecution agreements for serious corporate crime
- ▶ proposed model for a deferred prosecution scheme in Australia
- ▶ proposed amendments to the foreign bribery offence in the *Criminal Code Act 1995*
- ▶ proposed amendments to the *Family Law Act 1975* to respond to family violence
- ▶ access to telecommunications data in civil proceedings.

Review of the operational effectiveness of police powers

The Independent National Security Legislation Monitor (INSLM) completed one review in 2016–17 relating to terrorism questioning and detention powers. This review examined Part IC of the *Crimes Act 1914*, which governs the questioning and detention of arrested persons. Part of the role of the INSLM is to review the effectiveness of Australia's counter-terrorism and national security legislation, including review of legislation in light of the current terrorist threat environment.

Legislation Program works with functional areas to ensure that the AFP's interests are effectively represented in INSLM reviews and to support the INSLM in making informed recommendations on matters which affect the AFP. For the terrorism questioning and detention powers review, Legislation Program harnessed the AFP's operational knowledge and experience in counter-terrorism investigations in order to demonstrate

the ways in which the increasingly complex operational environment is testing the limits of the legislative framework. Legislation Program translated operational experience into compelling evidence-based strategies for legislative reform, including:

- ▶ a classified briefing for the INSLM and his advisers on a particular terrorism operation which, due to a number of complexities, tested the effectiveness of Part IC
 - The briefing was conducted by AFP investigators and legal officers who had personally been involved in the operation and were able to directly answer questions about the challenges encountered.
- ▶ analysis of data from individual terrorism arrests in a way that broke down total detention periods into different categories of time under Part IC
 - This demonstrated how, in practice, AFP investigators make use of the investigation period.
- ▶ responses to questions on notice, providing classified and unclassified submissions and appearing before the INSLM in classified and unclassified hearings.

As a result of this body of work, the INSLM made a recommendation to increase the initial investigation period, being the initial period for which the AFP may detain an arrested person.

Commissioner Colvin speaks to the National Press Club on the AFP's new vision and transforming to meet the challenges of a dynamic operating environment (May 2017).



Media and Communications

AFP Media and Communications drove significant change in the way the AFP communicates both internally and externally. The team altered its focus, becoming more proactive and strategic in its approach, actively identifying communications challenges and developing positive solutions.

Several key projects underpinned the strategy development behind the shift in focus, including the development and endorsement of an AFP Communications Strategy 2016–18 and the associated AFP Communications Plan 2016–18. These documents outlined a vision for transforming AFP communications with a refreshed, collaborative, engaged, inclusive, innovative and international approach.

On 31 May the Commissioner outlined the AFP forward-looking agenda by delivering a National Press Club address.

The AFP engaged with the Australian community through traditional and social media throughout the year:

- ▶ The team responded to 1,860 media inquiries, held 39 media conferences and issued 163 media releases.
- ▶ 339 Facebook posts kept the AFP connected to a broad external audience of more than 340,000 people, as did 578 tweets to almost 15,000 followers.



The AFP engaged with the Australian community through traditional and social media throughout the year.

Multicultural media outlets

In the first event of its kind, the AFP Executive met with multicultural media outlets in Sydney in May 2017 to enhance engagement with culturally and linguistically diverse media voices. Media representatives at the event represented a breadth of outlets such as an Indian television network, Chinese radio stations, Turkish and Bangladeshi community newspapers and SBS. Through a series of short talks by members of the AFP Executive, the event offered media the opportunity to learn more about the work of the AFP, the different crime types we investigate and the challenges in the work we face, and also gave the media a platform to raise concerns in their communities.

Strategic policy

The Strategic Policy Team supports the AFP's internal decision-making and engagement in whole-of-government decision-making processes by:

- ▶ supporting the AFP Executive through strategic forums
- ▶ developing policy on domestic and international issues of significance to the AFP
- ▶ coordinating and assisting with the AFP's contribution to Australia's Foreign Policy White Paper
- ▶ leading policy development in the federal budget process and contributing to strategic initiatives.

Budget outcomes and policy development

Over the 2016–17 financial year Strategic Policy was instrumental in drafting, driving and delivering a number of key policy proposals to government to transform the AFP's operations, capabilities and capacity.

Strategic Policy assisted in the development of policy proposals to facilitate the funding and implementation of 2016 Federal Election commitments and new policy proposals as follows:

- ▶ enhancement of the capability to target illicit gun crime, \$25.4 million
- ▶ extension of the National Anti-Gangs Squad, \$35.4 million
- ▶ continuation of the Joint Police Taskforce for the Registered Organisations Commission, \$20.96 million
- ▶ Integrated Security Capability Solution, \$41.46 million (including offsets)
- ▶ AFP Support for Papua New Guinea to host Asia–Pacific Economic Cooperation 2018, \$48.15 million
- ▶ Solomon Islands Police Development Program, \$79.01 million.

Secondments

AFP Strategic Policy also facilitates secondments as part of a broader strategy of ensuring strong partnerships with other federal government agencies and ensuring stronger collaboration and better whole-of-government outcomes. During 2016–17 Strategic Policy seconded two staff members to the Department of the Prime Minister and Cabinet, one to the whole-of-government Asia–Pacific Economic Cooperation 2018 Taskforce and one to the Centre for Counter-Terrorism Coordination.

AFP secondments

In addition to those facilitated by Strategic Policy, the AFP supports more than 280 secondments nationally and internationally to enable greater cooperation between the AFP and its partner government agencies. There are 211 AFP staff members seconded to peacekeeping and police development agencies, 62 to 14 domestic agencies and 10 to 8 international agencies (see Table C10, Appendix C).

Significantly, the AFP has one senior executive staff member currently seconded to the Australian Border Force (ABF) who is leading the Enforcement Command – the ABF's specialised enforcement and investigative capability in a single, accountable Command. The Command supports the ABF's mission by targeting serious and organised crime, serious and deliberate non-compliance and systemic vulnerabilities that threaten the security of Australia's trade and migration systems. Strengthened relationships with law enforcement partners, such as the AFP, Australian Criminal Intelligence Commission and state and territory police agencies, have seen countless successful joint operations in the two years that the ABF has been operational.

The AFP also has another senior executive staff member currently seconded to the Department of Human Services, providing executive leadership in the context of Taskforce Integrity. This role includes overseeing the operations of the taskforce and facilitating specialist AFP assistance.

Operations

Crime Operations

The Crime Operations function provides a law enforcement investigative response to a range of complex and sensitive crime types, along with delivery of outreach and preventive efforts. The function builds productive relationships with state, national and international counterparts to achieve these objectives.

Significant achievements

- ▶ In the 2016–17 financial year Crime Operations progressed 286 cases to court.
- ▶ The conviction rate for those cases was 95 per cent.
- ▶ In 2016–17 Crime Operations seized over 9.9 tonnes of illicit drugs (63 per cent of total AFP seizures). This is a 41 per cent increase in the amount (7 tonnes) seized by Crime Operations in 2015–16.

National Law Enforcement Methylamphetamine Strategy

The National Law Enforcement Methylamphetamine Strategy (NLEMS) is a subsidiary initiative of the National Ice Action Strategy and facilitates the coordination of operational responses and intelligence collection and sharing nationally among state and federal jurisdictions. The Crime Operations function is the primary point of contact with the NLEMS for AFP National. In this role Crime Operations Response facilitates activities identified by the NLEMS Action Plan, targeting the distribution and importation of methylamphetamine, and collates outcomes across the whole of AFP for reporting to the Operation Vitreus Board, which in turn reports to the national Serious and Organised Crime Coordination Committee.

In June 2017 Crime Operations coordinated AFP participation in the NLEMS week of action targeting importations of methylamphetamine and precursors. This resulted in five arrests in relation to 17 importations and trafficking charges, 20 seizures of illicit drugs including approximately 25 kilograms of methamphetamine, and prohibited weapons.

Human-trafficking

The AFP received 150 human-trafficking referrals in 2016–17. Of those referrals, 70 related to forced marriage, 20 to sexual exploitation and 38 to labour exploitation. The remaining referrals were associated with other forms of trafficking. Since human-trafficking was criminalised in March 2013, the AFP has received 186 referrals. With early intervention, many of these matters have resulted in a successful disruption outcome. In 2016–17 five offenders were charged with offences under Division 270 and Division 271 of the *Criminal Code Act 1995*. Two convictions were obtained taking the total number of successful convictions to 20. In the reporting period 35 victims were referred by the AFP to the Support for Trafficked People Program.

People-smuggling: international collaboration

The AFP deployed resources as part of Taskforce Salacia to increase cooperation with foreign law enforcement to deter and disrupt people-smuggling syndicates in source and transit countries. Four AFP staff have been deployed internationally to support foreign law enforcement operations and deliver training and capacity-building initiatives.

The fourth law enforcement Joint Management Group on People Smuggling meeting, co-hosted by the AFP and the Vietnamese Ministry of Public Security, took place from 15 to 17 November 2016 in Ho Chi Minh City, Vietnam, to foster cooperation and progress efforts to disrupt people-smuggling across the region. Participants included law enforcement officials from Australia, Vietnam, Afghanistan, Bangladesh, India, Indonesia, Malaysia, Myanmar, Pakistan, Sri Lanka and Thailand.

The regional law enforcement partners agreed to:

- ▶ increased sharing of intelligence and information among source, transit and destination countries
- ▶ an ongoing commitment to stop people-smuggling at its source, with a focus on disruption
- ▶ a continued investment in capacity-building within source and transit countries to pursue the disruption and investigation of criminal syndicates.

Operation Arc: human-trafficking and servitude

On 8 February 2017 two Taiwanese citizens pleaded guilty to the offence of causing a person to enter into, or remain in, servitude contrary to section 270.5(1) of the *Criminal Code Act 1995* (Cth). They were sentenced to three years and two and a half years imprisonment respectively for forcing Taiwanese citizens in Brisbane to undertake fraudulent criminal activity against victims in China. This was the first time convictions were recorded for these offences in Australia.

On 16 February 2017, in relation to the same case, a Taiwanese citizen pleaded guilty to the offence of supporting a criminal organisation contrary to section 390.4(1) of the *Criminal Code Act 1995* (Cth) and was sentenced to two years imprisonment. This is the first successful prosecution of Commonwealth criminal organisation offences in Australia and demonstrated effective use of Commonwealth legislation to disrupt transnational organised criminals trying to use Australia as a base of operations. The Taiwanese citizen also pleaded guilty to dealing with the proceeds of crime offence contrary to section 400.5(1) of the *Criminal Code Act 1995* (Cth) and was further sentenced to three years and three months imprisonment for this offence.

Two other offenders associated with the case pleaded guilty to offences related to dealing with the proceeds of crime. One received a fine and was deported and the other received a custodial sentence. The successful outcome would not have been possible without the collective efforts and shared capability of the Queensland Police Service and the Australian Border Force.

Offshore criminal operations involving Australians

In January 2017 the Offshore Criminal Operations involving Australians (OCA) teams were formed. OCA teams are responsible for investigating and assisting with investigations of crimes committed against Australians overseas including offshore kidnapping and crimes at sea.

OCA staff work collegiately with the AFP International Network, Counter Terrorism Operations, the Family Investigation Liaison Officers and the Police Negotiation Team to ensure broad ongoing support for the victims' families during offshore kidnapping matters. The OCA teams have forged strong partnerships with the Department of Foreign Affairs and Trade, the Australian Defence Force and the Australian Intelligence Community to ensure a robust AFP presence and a coordinated approach within the whole-of-government framework.

The formation of OCA gives the AFP and the Australian Government a single point of reference and specialised cadre of staff for the investigation of serious crimes against Australians internationally that fall outside the terrorism remit.

Operation Highclere

Operation Highclere involved AFP specialists from Crime Operations, Counter Terrorism, Specialist Response Group (SRG) Police Negotiation Team, Family Investigative Liaison Officers and the International Network. The team supported whole-of-government efforts to secure the safe release of a dual Australian/British citizen and non-government organisation employee (Ms W). Ms W was kidnapped by a group in Jalalabad City on 28 April 2016 and held captive for 123 days in Afghanistan.

In addition to operations based in Canberra and Sydney, the International Network and SRG negotiators deployed to Kabul to coordinate and support the AFP's forward response. Working closely with Australian Government agencies, local law enforcement and foreign partners, the AFP performed a critical role in liaising, sharing intelligence and collecting evidence with other Australian Government partners and coalition forces in the region.

On 29 August 2016, after an extensive joint agency effort, Ms W was released and returned to Australia.

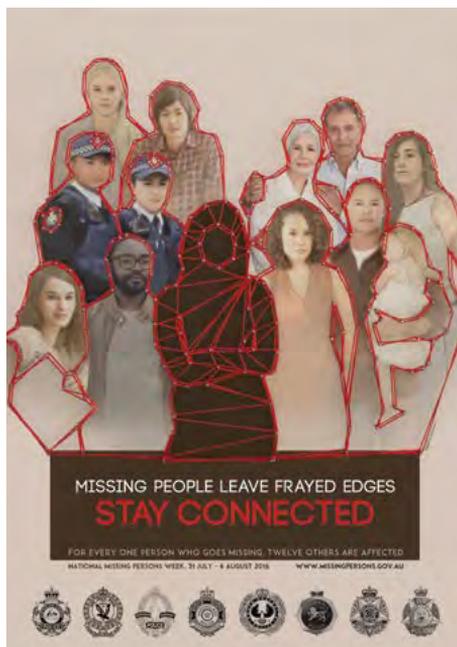
Child protection assessment and initiatives

On behalf of Australian law enforcement, the AFP's Child Protection Assessment Centre received more than 10,000 reports of child sexual exploitation during the reporting period. Some reports contain one image while other reports contain hundreds or thousands of images and videos of children being abused, or hundreds of pages of 'chat' between an online sex predator and a child. During 2016–17 the AFP arrested and charged 70 offenders with 118 offences.

The AFP has continued its investment and collaboration with stakeholders to support public education and child protection initiatives such as Bravehearts, which works to break the silence on child sexual assault, and the ThinkUKnow cyber safety program. The AFP was awarded the Bravehearts ThankShoe Award in September 2016, acknowledging the partnership between the two agencies in helping to protect children from abuse. Further to this, the AFP signed an agreement with the Daniel Morcombe Foundation to incorporate the ThinkUKnow program in its Recognise, React, Report child safety presentations.

As a member of the Global Missing Children's Network, the AFP's National Missing Persons Coordination Centre was the driving force behind the national implementation of the Facebook AMBER Alert child rescue tool. The initiative was announced in partnership with all state and territory police commissioners as a police and public information-sharing tool to find missing children. It recognises that the chances of finding a missing child increase when more people are on the lookout, especially in the critical first hours.

With 14 million Australians active on Facebook, the AMBER Alert will deliver critical information in the form of an advertisement in users' news feeds immediately following a child abduction.



*National
Missing Persons
Week 2016 poster*

ThinkUKnow cyber safety education program

ThinkUKnow is a partnership between the AFP, the Commonwealth Bank of Australia, Datacom and Microsoft Australia and is delivered in collaboration with Bankwest, state and territory police and Neighbourhood Watch Australasia. The program aims to deliver cyber safety messages across metropolitan, rural and regional Australia. The final state and territory jurisdiction, Victoria Police, was welcomed into the program in this reporting period, making ThinkUKnow Australia's only national crime prevention program. In the 2016–17 financial year, ThinkUKnow provided cyber safety education to more than 22,000 parents, carers and teachers and more than 123,000 students.

Activities undertaken in this reporting period to enhance and promote the program include:

- ▶ **Carly Ryan 10-year anniversary** – February 2017 marked 10 years since 15-year-old Carly Ryan became the first person in Australia found to be murdered by an online predator. Through the #forcarly 'selfie' social media campaign, the Australian community was reminded that when meeting someone they have only spoken to online, to #tellsomeone, #takesomeone and #beseen.
- ▶ **Program expansion and reinforcement** – ThinkUKnow industry partners and law enforcement continued to educate parents, carers and teachers on why and how young people use technology, the challenges they may face and how to get help. This included collaboration with the Commonwealth Bank of Australia and its branches to deliver the program to regional areas in Tasmania, Queensland and the Northern Territory. The regional rollout leverages the unique partnership and experiences of industry and law enforcement, allowing greater accessibility and engagement in the program across Australia.
- ▶ **Development of a teachers toolkit** – To support state and territory police and reinforce face-to-face ThinkUKnow presentations, ThinkUKnow worked with educators and non-government organisations to create our first teachers toolkit to assist teachers in bringing ThinkUKnow cyber safety messages directly to the classroom. The toolkit focuses on the prevalent issue of 'sexting' and includes a classroom activity, a classroom discussion guide, a video and information on why and how young people engage in this behaviour.
- ▶ **Reaching culturally and linguistically diverse (CALD)** – The need to further develop ThinkUKnow for CALD communities has been a priority in order to reach all members of the community. Easy English presentations were developed to ensure all communities and vulnerable user groups within Australia had access to our program.



Left: Crime Prevention Officer Clint Bopping presenting a ThinkUKnow session at the Task Force Argos Youth, Technology and Virtual Communities Conference in May 2017



Right: Assistant Commissioner Debbie Platz at the Carly Ryan Foundation quilt unveiling at Parliament House in March 2017



Left: ThinkUKnow #forcarly 'selfie' social media campaign launched in February 2017



Right: The ThinkUKnow revamped website launched in May 2017

ThinkUKnow was started in the United Kingdom by the Child Exploitation and Online Protection Centre and was developed for Australian audiences by the AFP in 2009.

The program is a partnership between the AFP, Microsoft Australia, Datacom and the Commonwealth Bank and is delivered in collaboration with New South Wales Police Force, Northern Territory Police, Queensland Police Service, South Australia Police, Tasmania Police, Western Australia Police and Victoria Police, as well as Neighbourhood Watch Australia.

It is Australia's first nationally delivered crime prevention program.

For more information, go to <https://www.thinkuknow.org.au>.



Organised crime

The AFP is combating the threat of transnational organised crime through multilateral partnerships, domestically and internationally. The AFP Organised Crime function works collaboratively with state and territory police forces, partner Commonwealth agencies, intelligence agencies and foreign law enforcement agencies to disrupt, dismantle and combat serious and organised crime.

In the 2016–17 financial year the AFP conducted several successful, significant organised crime investigations, the majority of which had international dimensions.

Organised crime investigations are inherently challenging and complex and require innovative, proactive investigative methodologies. AFP organised crime investigators have focused these techniques on high-threat, transnational criminal syndicates and the key enablers these syndicates use to advance their criminal activities. The AFP works with its partners to combat money-laundering, communications and supply chain vulnerabilities, restricting the ability of organised crime syndicates to operate in Australia.

National Anti-Gangs Squad

The National Anti-Gangs Squad (NAGS) was formed in 2014 as a multi-agency taskforce aiming to combat criminal gang activity. The AFP works with state and territory and Commonwealth partners to form strike teams in state capitals.

Since the full implementation of the NAGS framework on 1 January 2014, the NAGS has arrested, or assisted with the arrest of, more than 1,050 offenders, with over 3,290 charges being laid. This includes assisting with the overseas arrest of 23 foreign citizens for foreign offences.

These operations included the seizure of 5,725 firearms and firearms parts (approximately 4,500 in the United States), ammunition, explosives, illicit drugs (including more than 174 kilograms of methamphetamine), precursor chemicals, clandestine laboratories, pill presses and over \$5,967,415 in cash and led to significant asset confiscation.

The NAGS also provides assistance to law enforcement partners in the Asian and Southeast Asian region to counter threats caused by the international expansion of Australian and European outlaw motorcycle gangs.

Criminal Assets, Fraud and Anti-Corruption

The Criminal Assets, Fraud and Anti-Corruption branch enhances the AFP's capability to protect the Commonwealth through investigation of serious and complex financial crime.

In addition to dedicated fraud investigation teams nationally, Criminal Assets, Fraud and Anti-Corruption comprises the following specialist areas:

- ▶ Fraud and Anti-Corruption Centre
- ▶ Criminal Assets Confiscation Taskforce
- ▶ Foreign Bribery Investigations Team
- ▶ Serious Financial Crime Taskforce
- ▶ Trade Union Task Force.

The Fraud and Anti-Corruption Centre referral process has also resulted in the identification of underlying vulnerabilities and weaknesses in the fraud and anti-corruption process of Commonwealth agencies. During the past 12 months a number of existing risks have been identified and referred back to relevant agencies to enable the implementation of strategies to improve resilience to future fraud and corruption. The Fraud and Anti-Corruption Centre also delivered a range of formal training programs to Commonwealth agencies to assist them in strengthening their own investigational capabilities.

Throughout the financial year Criminal Assets Confiscation Taskforce investigations have resulted in the restraint of over \$90 million in assets. In addition, \$8.8 million in assets has been restrained by the AFP on behalf of international jurisdictions.

In May 2017 the AFP also became a founding member of the International Anti-Corruption Coordination Centre, which combines the expertise of law enforcement partners from around the world to combat the threat of foreign bribery.

Throughout the year the AFP has continued its work as a key partner within the Serious Financial Crime Taskforce. Significantly, the operational remit of the taskforce expanded to include criminal offending suspected of occurring within the following industries: gold bullion, labour hire, junket tour operators, and research and development. The AFP is currently leading 13 of 20 criminal investigations being undertaken by the taskforce.

The Trade Union Task Force continues to investigate all allegations referred in the 2015 final report by the Royal Commission into Trade Union Governance and Corruption. The federal government has also provided additional funding to extend the Trade Union Task Force in support of the Registered Organisations Commission until 2020.

Operation Elbrus

Operation Elbrus commenced in September 2016 to investigate a large organised crime syndicate allegedly responsible for \$165 million tax fraud against the Australian Government.

The eight-month investigation identified a well-structured organised crime syndicate that had established a company called Plutus Payroll to provide payroll services to legitimate clients. The money received from these companies was then transferred to various subcontracted companies – allegedly controlled by syndicate members. While processing these payments, funds paid by legitimate clients to service tax obligations were allegedly diverted by the syndicate for their own personal gain.

On 17 and 18 May 2017, 33 search warrants were executed across New South Wales and a variety of assets, including property, vehicles, planes and bank accounts, were restrained as suspected proceeds of crime. Ten people have been arrested for serious offences including conspiring to defraud the Commonwealth, dealing in the proceeds of crime and demanding money with menace. The investigation remains ongoing and these matters are before the courts.

*Restrained items
from Operation
Elbrus suspected
to be proceeds
of crime*



Foreign bribery: investigative initiatives

In the 2014 Organisation for Economic Co-operation and Development (OECD) Foreign Bribery Report, a study across 41 member nations, found that the average foreign bribery case takes 7.3 years to conclude.

The length and complexity of these types of investigations present a significant challenge to the AFP's resourcing, people and reputation. It also presents a significant challenge for the companies being investigated, with a 7.3-year distraction from their day-to-day business impacting on their brand, their people and their ability to conduct core business.

Following the 2012 OECD phase 3 report into Australia's response to foreign bribery, the AFP enhanced its response to the evaluation, prioritisation and investigation of complex fraud referrals, particularly foreign bribery.

Foreign bribery became an increased priority for the organisation and, with this, came the challenges that accompany any complex white-collar crime that crosses borders and involves large multinational corporations with complex corporate structures.

Continued efforts by the AFP to reduce the investigative run times for foreign bribery matters include:

- ▶ establishing three dedicated foreign bribery teams in Sydney, Perth and Melbourne
- ▶ introducing new initiatives to manage large datasets including commencing the Data Analytics Team pilot program
- ▶ engaging and collaborating more closely with international partners such as the International Foreign Bribery Taskforce
- ▶ enhancing training initiatives through the Advanced Foreign Bribery Investigators Course, in which international law enforcement colleagues participate
- ▶ encouraging a more collaborative arrangement with the corporate sector that may be subject to an investigation by establishing Investigation Cooperation Agreement protocols
- ▶ building relationships with the private sector through the Business Engagement Team and Outreach Program
- ▶ working with government and partner agencies on improved initiatives, including:
 - enhancing whistleblower protections
 - proposing deferred prosecution agreements
 - reforming foreign bribery legislation
 - improving regulatory collaboration.

Operation Caulis

Operation Caulis was an AFP-led joint investigation involving a number of key Fraud and Anti-Corruption Centre agencies, including the Department of Human Services, and other agencies, including the Department of Education and Training and the Victorian Department of Education.

The joint investigation identified wide-ranging criminal activity covering a number of Family Day Care services. The investigation targeted a criminal syndicate operation in Melbourne, resulting in the arrest of 13 offenders and the seizure of \$1.18 million in assets. This matter is currently before the court. The operation reflects the value of a criminal investigation forming a decisive component of a broader disruptive and preventive strategy to target organised criminal activity.

To reduce the impact of risks and vulnerabilities with the Family Day Care Program, the Department of Education and Training has established the Inter-Jurisdiction Family Day Care Working Group comprised of key Commonwealth and state entities involved in the Family Day Care Program to ensure appropriate management of its delivery.

Illegal importation of tobacco

In April 2016 the Australian Border Force commenced a criminal investigation into allegations of the illegal importation of tobacco.

Simultaneously, the AFP-led Criminal Assets Confiscation Taskforce commenced a proceeds of crime investigation with the objective of removing the benefits derived from this crime.

In April 2016, following the execution of search warrants and arrest of one person, the Criminal Assets Confiscation Taskforce successfully applied for restraining orders for property that was suspected of being the proceeds of crime, including \$1.7 million cash seized during the execution of the search warrants, a 2015 S63 Mercedes Benz sedan and numerous bank accounts.

In December 2016 the Criminal Assets Confiscation Taskforce successfully obtained forfeiture orders resulting in approximately \$5.17 million being forfeited to the Commonwealth.

Operation Armour

Operation Armour was a long-running AFP investigation conducted by AFP Brisbane Office and a range of partner agencies including the New Zealand Customs Service, the Organised Financial Crime Agency of New Zealand, the Fijian Transnational Crime Unit, French Polynesian authorities and the Australian Border Force.

The operation resulted in the seizure, by Australian Defence Force personnel, of more than 1.42 tonnes of cocaine aboard a yacht bound for Australia during a covert midnight mission in February 2017. The estimated street value of the cocaine was \$312 million and the seizure stopped 1.4 million 'hits' for Australian users. The sailing vessel allegedly travelled from New Zealand to a mothership in the South Pacific Ocean to collect the cocaine.

Six arrests were made in connection with the operation, and charges of conspiracy to import a commercial quantity of border-controlled drugs were laid.

During this operation the AFP's law enforcement partners from the Pacific nations demonstrated their capabilities in, and commitment to, tackling transnational crime. The Fijian Transnational Crime Unit, in particular, showed its leadership as a Pacific partner. The AFP also received significant cooperation from French Polynesian and New Caledonian authorities.

The AFP deployed a senior liaison officer to French Polynesia and New Caledonia. The deployment of the senior liaison officer resulted in improved cooperation, gathering and dissemination of intelligence and collection of relevant evidence. The perseverance of all foreign law enforcement agencies contributed to the successful resolution.

Operation Okesi

Operation Okesi was established in July 2014 to investigate suspected drug-trafficking by persons based in Sydney. The international multi-agency investigation was led by the AFP and New South Wales Police Force and was supported by the Australian Border Force.

The multi-agency investigation resulted in 16 arrests and the seizure of approximately 500 kilograms of cocaine in New South Wales, as well as more than 600 kilograms of cocaine in Tahiti and 30 kilograms of heroin in Fiji destined for Australia. The seizures have an estimated street value of approximately \$360 million.

The drug importation method involved a fishing trawler that was taken out to sea to meet a mothership which had travelled from South America. It is alleged the group conspired to import five shipments of cocaine and heroin. Two separate Sydney-based drug-trafficking syndicates were identified and key members of these syndicates were arrested.

Operation Pirum

In 2016–17 Operation Pirum was successful in the dismantling and prosecution of a globally significant Israeli organised crime group responsible for the importation and trafficking of large quantities of cocaine and the laundering of millions of dollars of proceeds.

This Queensland-based operation prevented 222 kilograms of cocaine from reaching Australian soil and resulted in the successful prosecution of the Australia-based principal targets. The operation also resulted in the arrest and pending extradition from the Philippines of the Israeli organised crime group's primary international illicit drug-trafficker, considered a globally significant figure.



In February 2017 AFP Brisbane Operation Armour members arrested the two crew members of the sailing yacht Elakha (pictured) and four other NSW men for their alleged involvement in a conspiracy to import 1.42 tonnes of cocaine to the NSW South Coast.

Cybercrime

The AFP plays an important role in the Australian Government's efforts to ensure Australian online networks are among the hardest in the world to compromise. We are committed to understanding and countering the complex and evolving threat of cybercrime, and we work with international and domestic partners to deliver a range of innovative responses to reduce its impact. Our priority is the investigation of serious and organised criminal cyber activity impacting critical infrastructure or systems of national significance with a particular focus on intrusions, extortion and hacktivism, as well as illicit online marketplaces and infrastructure used for the sale and distribution of cybercrime products and services.

Internationally, the AFP works closely with a number of partners to develop strategies and interventions that will achieve the long-term disruption and degradation of elite cyber criminals. Our international efforts are supported by the deployment of dedicated cyber liaison officers to London and Washington DC, as well as the Interpol Global Complex for Innovation in Singapore and Europol's Cyber Crime Centre in The Hague.

Domestically, the AFP has led the establishment of the National Cyber Joint Management Group, comprising each of the state and territory police services, to support the development, prioritisation and coordination of strategies for dealing with serious and organised cybercrime at the national level.

On 1 July 2016 the AFP received an additional \$20.4 million over four years in response to recommendations arising from the Australian Government's Cyber Security Strategy. This initiative has strengthened Australian cyber defences by increasing the number of AFP Australia-based cybercrime specialists, as well as creating the dedicated cybercrime liaison officers in London and Washington DC.

Under this initiative, the AFP also received additional resources to increase its presence at the Australian Cyber Security Centre in Canberra and the Joint Cyber Security Centres which are being established in Australia's capital cities. As a partner of the Australian Cyber Security Centre and the Joint Cyber Security Centre, the AFP investigates and responds to cybercrime of national significance and contributes to the government's layered approach to information-sharing with the private sector, state and territory governments, academia and international partners to combat the full range of cyber threats.

Significant progress has also been made in the development and delivery of a series of tiered technology crime training for the AFP workforce, as well as specialised industry-recognised and tertiary-accredited professional development opportunities for cybercrime specialists.

Intelligence-driven cyber investigations

AFP cybercrime operations continue to focus on key criminal services and enablers within the cybercrime business model, including ‘cash-out’ strategies and services designed to transfer illicit funds from Australia to overseas locations.

This has included a specific project between the AFP, the Australian Transaction Reports and Analysis Centre, the Australian Criminal Intelligence Commission and the Australian Border Force with the aim of identifying methodology and disrupting money-muling as a key enabler of cybercrime in Australia. The muling initiative has identified various methods of transferring funds, including an increase in bitcoin ATMs being used to facilitate the transfer of proceeds of crime.

In one particular investigation, which commenced in October 2016, the AFP identified a United Kingdom citizen who had opened separate bank accounts with multiple Australia-based financial institutions shortly after arriving in Australia.

After returning to the United Kingdom, this individual received \$711,000 into one of those accounts as a result of funds diverted from an Australian company that had been compromised by malware. The matter was referred to the City of London Police and the offender arrested. He was found guilty and sentenced to 2 years and 8 months in prison.



Cybercriminals increasingly obfuscate their identities, making offence attribution difficult.

BE APPRECIATED FOR YOUR TECH SMARTS.

USE YOUR SKILLS FOR GOOD

Tech specialist jobs.
Apply here



Technical specialists are a critical resource in the fight against cybercrime.

International Operations

The AFP's International Operations function works to protect Australians and Australia's national interests in partnership with state, territory and foreign law enforcement agencies to detect, deter, prevent and disrupt crime at its point of origin or transit.

Strengthening international partnerships

The regional context in which the AFP currently operates is more complex than ever, with an estimated 70 per cent of Australia's serious criminal targets living, or having links to, overseas.¹⁰ The prevalence of transnational crime requires the AFP to have strong international partnerships in order to protect Australia in what is a complex, volatile and technology-driven world. The two pathways through which the AFP builds and strengthens international partnerships are a network of liaison posts in 29 countries and capacity development missions in the Indo-Pacific region.

Strong law enforcement partnerships provide much more powerful leverage than agencies acting alone. The AFP International Network's relationships with our foreign law enforcement partners have continued to strengthen and expand. In October 2016 a memorandum of understanding was renewed with the Singapore Police Force on combating transnational crime, while an inaugural visit from Chinese Secretary Meng Jianzhu in April 2017 included discussion on a range of topics such as cybercrime and counter-terrorism. The opportunity for the AFP to host Secretary Meng demonstrates the depth of the relationship between the AFP and its Chinese counterparts. Additionally, the AFP has worked closely with law enforcement counterparts across Southeast Asia on a range of child protection initiatives, including the detection and disruption of child exploitation material and activities such as travelling child abuse offenders.

Personnel from key Chinese law enforcement and security agencies, led by Chinese Secretary Meng Jianzhu, visit the AFP College for a meeting with the AFP Commissioner and the AFP Senior Executive.



¹⁰ Australian Criminal Intelligence Commission, *The costs of serious and organised crime in Australia 2013–2014*, Canberra, 2015; David Connery, Clare Murphy and Hayley Channer, *A web of harms: serious and organised crime and its impact on Australian interests*, ASPI, Canberra, 2015.

United Nations Peacekeeping Force in Cyprus

On 16 June 2017 Australian police officially marked their withdrawal from the United Nations Peacekeeping Force in Cyprus after more than 53 years of service. Since 1964 a total of 111 Australian contingents involving more than 1,600 officers contributed to the mission, which was set up to prevent further fighting between the Greek Cypriot and Turkish Cypriot communities on the island. The AFP's significant commitment provided support and stability to Cyprus and humanitarian assistance to people in need and laid an important foundation for the AFP's international policing footprint.



Inspector Bronwyn Carter salutes AFP Commissioner Andrew Colvin after presenting him with the Australian National Flag.

4

Cooperation with international partners

Taskforce Blaze

Taskforce Blaze is an AFP and Chinese National Narcotics Control Commission investigation that started in late 2015 and continued through the reporting period with strong results. The taskforce targets criminal syndicates responsible for the exportation of crystal methamphetamine to Australia, with a particular focus on key infrastructure and logistics channels vulnerable to exploitation by organised crime entities in select Chinese provinces.

In the light of many operational successes, the most significant being Operation Kragle (see next page), Taskforce Blaze was extended in June 2017 for the third time until January 2018. Its focus will be on expanding investigations into multinational drug-smuggling organisations, including financial investigations into their proceeds of crime. This is the first international joint taskforce in which Chinese agencies have engaged directly with the AFP. Their participation has resulted in the seizure of more than 13 tonnes of illicit drugs and precursor chemicals (consisting of 7,246.84 kilograms in China and 6,235.50 kilograms in Australia) and the arrest of 215 people (117 in China and 98 in Australia).

The success of Taskforce Blaze had led to similar taskforces established in Thailand (Taskforce Storm) and Cambodia (Strike Force Dragon). Since its inception, Taskforce Storm has resulted in the seizure of 3,053 kilograms of drugs across both countries (3,005 kilograms in Thailand and 48 kilograms in Australia).

Operation Kragle

On 7 November 2016, as a result of intelligence provided by Taskforce Blaze, Operation Kragle commenced, with the assistance of the Australian Border Force, when a vessel of interest was identified off the coast of New South Wales.

On 11 November a small tender boat launched from this vessel with three men on board. The AFP monitored its arrival at Palm Beach in Sydney where it was met by another two men. All five men – three Chinese citizens, one New Zealander and one Taiwanese man – were arrested and 64 litres of liquid methamphetamine, concealed in barrels, and 2.4 kilograms of MDMA were seized.

On 13 November a further three Chinese citizens were arrested when the mother ship was intercepted off the coast of Hervey Bay, Queensland, by HMAS *Newcastle* operating under the control of the Maritime Border Command.

Those arrested were charged with importing a commercial quantity of a border-controlled drug contrary to section 307.1(1) of the *Criminal Code Act 1995* (Cth) or aiding, abetting, counselling or procuring the importation of a commercial quantity of a border-controlled drug contrary to section 307.1 by virtue of section 11.2 of the *Criminal Code Act 1995* (Cth). Both vessels were subsequently forfeited to the Commonwealth under the *Customs Act 1901* (Cth).

Through Taskforce Blaze, it has been possible for the AFP and Chinese National Narcotics Bureau to collaboratively target a syndicate in both the source country (China) and the destination country (Australia). This provides the greatest opportunity for law enforcement to have a significant disruptive impact on the operation of these syndicates.



AFP staff prepare to search the vessel seized during Operation Kragle.

International police assistance

In this reporting period the AFP conducted a mid-term review of the Timor-Leste Police Development Program 2014–18 and contributed to the final Evaluation of the Policing and Justice Support Program – Vanuatu.

The mid-term review of the Timor-Leste Police Development Program found that longer-term investments and continued support to the Policia Nacional de Timor-Leste Department of Administration and Planning, the Police Training Centre and the Incident Management System are progressing well. Additionally, the review found local police in Timor-Leste are implementing good corporate management practices, while district commanders are increasingly applying effective leadership and management skills in their daily work. Recommendations from the mid-term review will inform the remaining two years of the current phase of the Timor-Leste Police Development Program.

The final evaluation of the Policing and Justice Support Program – Vanuatu, which is funded by the Department of Foreign Affairs and Trade, found that the program gives Australia an evidence-based, sector-wide perspective on policing and justice issues. Capacity development activities have realised impressive changes in knowledge, attitude and skills in the Vanuatu law and justice sector, including stimulating the introduction of the time-efficient rapid charge system within the Vanuatu Police Force and enhancing its community engagement.

Operation Helpem Fren

Australia is proud to have led the Operation Helpem Fren 15-nation Regional Assistance Mission to Solomon Islands (RAMSI), which has worked since 2003 in partnership with successive Solomon Islands governments to restore law and order, rebuild and reset national institutions and stabilise the country's finances.

The mission, in which operational policing, capacity development and security activities have been the focus, officially concluded on 30 June 2017 after 14 years. During the mission tenure, a highlight of transformation of the Royal Solomon Islands Police Force (RSIPF) was the limited rearmament of the Police Response Team and Close Personal Protection Team in May 2017. The work to prepare the RSIPF for limited rearmament commenced in 2013 and since then training, equipment and systems have been enhanced to ensure that the RSIPF is now ready to accept the complex challenges faced by members who carry arms while executing their official duties.

Although the complexity and entrenched nature of violence against women in Solomon Islands makes it a significant challenge to address, the RSIPF Domestic Violence Unit has seen an increase in successful prosecutions. This positive outcome is partially thanks to the promotion of an improved gender balance in this unit and across all areas of the RSIPF. In 2017 women now represent approximately 16.6 per cent of the RSIPF.

On 1 July 2017 RAMSI will be transformed into the Solomon Islands Police Development Program, which will focus on continuing to build the capacity of the more than 1,400 members of the RSIPF with the view to fostering a more responsive, community-oriented police force.

Counter Terrorism

The AFP Counter Terrorism function conducts investigations and disruption and deterrence activities in collaboration with Australian state and territory police, the intelligence community and international law enforcement partners.

The AFP focus is on minimising harm to Australian nationals and interests. In particular, effort is placed on mitigating the threat posed by Australians who hold extremist views, who provide support to terrorist groups or who travel overseas to participate in training or to fight in conflict zones. Since 12 September 2014 when the national terrorism threat level was raised, 70 people have been charged as a result of 30 counter-terrorism operations around Australia.

The AFP is committed to working with partner agencies, families, communities and institutions, including schools, to prevent radicalisation and to engage with those communities who are experiencing the complex challenges that arise from the behaviours of individuals influenced by radicalisation or extremism.

The partnership between members of the AFP, state and territory police and the Australian Security Intelligence Organisation continues to be strengthened within the Joint Counter Terrorism Teams. These teams work closely with other domestic agencies in the broader intelligence community and with international partners to identify and investigate terrorist activities in Australia (including terrorism-financing) with an emphasis on preventive operations.

The AFP Returning Terrorism Suspects Team continues to work with whole-of-government partners to develop and implement traditional investigative techniques and strategies, together with disruption and diversion capabilities. Liaising with Commonwealth and state agencies, the team coordinates law enforcement effort to counter the threat posed by terrorism suspects returning from the conflict zone.

The AFP is leading the National Disruption Group, consolidating the capabilities of participating agencies to disrupt terrorist-related activity where traditional counter-terrorism prosecutions may not be an option, and uses the capabilities of both traditional and non-traditional domestic and international partner agencies. The Diversion Team identifies suitable individuals for diversion into state/territory intervention programs and assists in developing alternatives to prosecution while balancing national security requirements.

The AFP contributes to the whole-of-government approach to countering violent extremism by incorporating a law enforcement, community engagement and social policy perspective that contributes to strengthening community ties and identifying individuals or groups who are at risk of using or supporting violence in Australia.

In support of the government's countering violent extremism strategy, AFP Community Liaison Teams are positioned in Sydney, Melbourne, Adelaide and Brisbane, with a community liaison capability in Canberra and Perth. The AFP coordinates its activities with similar teams maintained by state and territory police and other government agencies. The AFP's role in countering violent extremism is to work with Commonwealth and jurisdictional partners, through an intelligence and risk-led approach, to identify individuals and groups who are at risk of supporting violent extremism in Australia.

Operation Rheinfels

Operation Rheinfels was an AFP-led multi-agency operation which resulted in two Sydney men being charged in August 2016 with Commonwealth fraud offences.

The investigation was the first major operation since the establishment of the National Disruption Group and included the Australian Border Force, Australian Criminal Intelligence Commission, Australian Taxation Office, Australian Transaction Reports and Analysis Centre, Australian Securities and Investments Commission, Department of Education and Training and Department of Human Services.

The investigation commenced after one of the men was prevented from travelling to the Syria/Iraq conflict to join Islamic State. It was alleged that the men were fraudulently claiming government rebates associated with Family Day Care and remitting them to proscribed offshore terrorist organisations. The two men were charged with a number of Commonwealth fraud offences and were required to reimburse the Commonwealth for over \$100,000 in rebates received. In addition to the criminal charges, the investigation resulted in the freezing of over \$4 million in cash and assets suspected to be proceeds of crime, and the suspension of four Family Day Care companies.

Operation Castrum

In December 2016 two men were sentenced to 20 years imprisonment for preparing for or planning terrorist acts.

Both men were charged by Joint Counter Terrorism Team Sydney Office on 10 February 2015 after police discovered a hunting knife, a machete, a homemade flag representing the Islamic State and a video of a man threatening to harm or kill innocent Australians. Police alleged that these men were going to harm someone with a knife and that the attack was imminent. Forensic evidence was pivotal to the successful prosecution of this case.

Operation Kastelholm

Two days before Christmas 2016, 400 AFP and Victoria Police officers worked to prevent an alleged terror plot in Melbourne.

The operation was conducted by the Joint Counter Terrorism Team Melbourne Office and resulted in the charging of four people with preparing for or planning terrorist acts. Significant forensic support linking individuals to evidence was critical to the investigation.

It is alleged the plot involved the detonation of improvised explosive devices at landmarks in Melbourne's central business district on Christmas Day. The matter is before the courts.

In recognition of this successful operation, on 5 April 2017 AFP, Australian Security Intelligence Organisation and Victoria Police representatives from the Joint Counter Terrorism Team Melbourne Office received the 2016 International Association of Chiefs of Police Committee on Terrorism Outstanding Achievement in the Prevention of Terrorism Award.

Operation Marksburg

On 28 February 2017 the AFP charged a man from Young, New South Wales, with, among other things, two counts of preparations for incursions into foreign countries for the purpose of engaging in hostile activities – giving or receiving goods and services to promote the commission of an offence.

Police allege the man was performing services for the overseas activities of Islamic State by researching and designing a laser warning device to help warn against incoming laser-guided munitions used by forces in Syria and Iraq and also by researching, designing and modelling systems to assist with Islamic State efforts to develop a long-range guided missile. This arrest followed more than 18 months of complex investigations and the matter is ongoing. Early engagement of numerous forensic capabilities resulted in the identification and collection of critical evidence.

The early engagement of Forensics by Counter Terrorism allowed for the development of a joint forensic response strategy, using the capabilities of numerous disciplines. The intelligence products produced by Forensic Intelligence and Weapons Technical Intelligence were invaluable in informing search teams of potential items of interest and methods of concealment likely to have been utilised at the premises.

Operation Marksburg saw over 100 police officers and forensic, intelligence and Specialist Response Group members involved in the arrest of a man for performing services for Islamic State.



Community engagement

The AFP's Community Liaison Teams engaged extensively with key community groups, including women and children, and other law enforcement and government agencies.

Some of the many events that the Community Liaison Teams facilitated during this financial year included:

- ▶ the AFP Commissioner's Inaugural Morning Tea at Melbourne Zoo where around 100 representatives from Commonwealth and state government organisations and law enforcement agencies, key sporting organisations, non-government organisations and local community and faith leaders were able to engage directly in an informal environment
- ▶ a multi-faith morning tea, which provided the opportunity to further build trust and reinforce the close relationships established between the AFP and the wider community groups in Western Australia
- ▶ the 10th Unity Cup, which brought together around 250 people from diverse cultures and backgrounds and strengthened ties between multicultural communities and law enforcement agencies through sporting events and a number of leadership development activities.



Members of the Community Liaison Team and Dignitary Protection Unit in Melbourne engage informally with community and faith leaders.



Building partnerships through sport is an ongoing benefit of the 10th annual Unity Cup.

Ilim College mosaic

The AFP Client Liaison Team in Melbourne and Ilim College jointly funded the creation of a mosaic which has helped Muslim students to feel a greater connection to country. The mosaic has an Islamic and Indigenous theme that explores the connection of the early Muslim Maccasin ships that traded with Indigenous communities in the Northern Territory. It also features the iconic Afghan cameleers whose caravans brought supplies to the Australian outback. The mosaic was unveiled by the Governor of Victoria, the Honourable Linda Dessau, and her husband, Judge Howard, in July 2016 at the school campus.



Close connection with Australia is a focus of the AFP Community Liaison Team engagement.



The AFP is engaging with those communities who are experiencing the complex challenges that arise from the behaviours of individuals influenced by radicalisation or extremism.

International engagement

The AFP maintains dedicated counter-terrorism liaison officers in the United Kingdom, Europe, the Middle East and the United States of America to support counter-terrorism operations and to facilitate information and intelligence exchange with five-eyes partners. In 2016–17 this included provision of support to foreign police following a number of terrorist attacks in the United Kingdom. The AFP also maintains dedicated counter-terrorism staff in Indonesia, the Philippines and Thailand in support of domestic capacity-building programs and regional cooperation among Southeast Asian partners.

Protection Operations

The AFP is the Commonwealth's lead agency in the delivery of protective services.

Protection Operations incorporates both the Protection and Aviation functions, which operate under a single chain of command to protect Australia's national security interests.

In 2016–17 the function underwent significant transformation with a refocus on becoming more efficient and cost-effective, creating minimum standards and adopting best practice to create a more flexible and deployable workforce. This new operating platform focuses on gender balance, education and welfare planning to enhance performance.

Guest of Government visit by Prime Minister of Israel, Mr Benjamin Netanyahu

In February 2017 the AFP led the coordination of Australian Government protective security arrangements for the Guest of Government visit by the Prime Minister of Israel, Mr Benjamin Netanyahu. This was the first visit to Australia by an Israeli Prime Minister and the first high-level visit from Israel in over a decade.

The visit included three days in Sydney where Prime Minister Netanyahu met with various Australian dignitaries and members of the Jewish community.

The AFP worked with a number of agencies including the New South Wales Police Force, the Department of the Prime Minister and Cabinet, the National Threat Assessment Centre and the Attorney-General's Department to ensure that security for the visit was commensurate with the threat assessments and reflective of the importance of the visit.

Security Coordination Group

The AFP has responsibility for the coordination of protective security arrangements for Australian high-office holders and international dignitaries visiting Australia.

In 2016 the AFP formally commenced chairing the Security Coordination Group and leads the coordination of Australian Government protective security arrangements. The Security Coordination Group consists of representatives from the AFP, jurisdictional law enforcement and intelligence agencies, the Attorney-General's Department, the Department of the Prime Minister and Cabinet, the Department of Foreign Affairs and Trade and the Australian Security Intelligence Organisation.

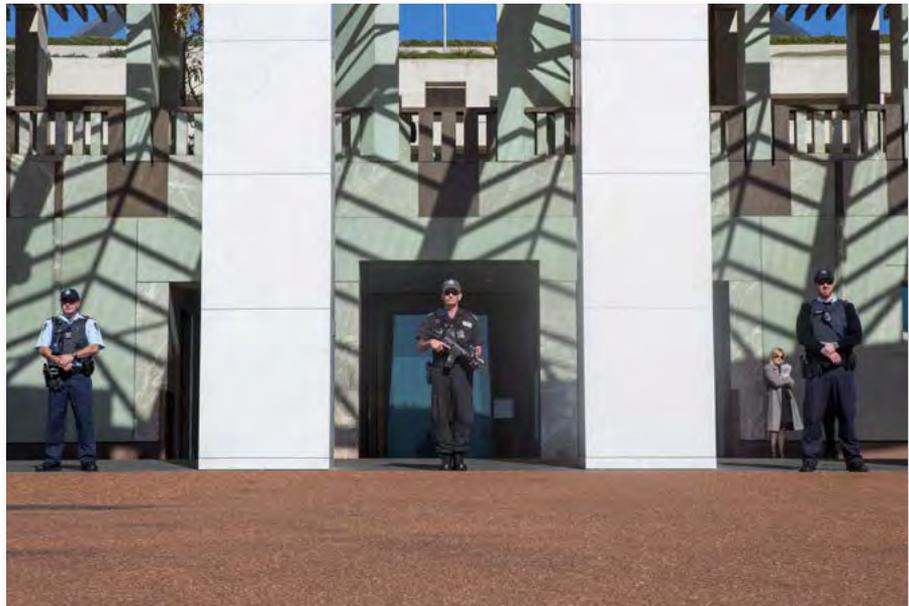
As chair of the Security Coordination Group, the AFP's responsibilities include representation at planning meetings, collection and dissemination of visit programs, requests for threat assessments and consideration of security intelligence. The Security Coordination Group facilitates direct engagement with foreign security officials and collectively gains agreement between all agencies on protective security arrangements to be implemented.

Australian Parliament House

The AFP services and maintains the security and integrity of Australian Parliament House by providing a high-visibility armed presence across the parliamentary precincts, complemented by permanent bomb appraisal and canine, firearm and explosive detection capabilities.

Security arrangements are delivered via the Joint Security Model in conjunction with the Parliamentary Security Service, the security arm of the Department of Parliamentary Services. This model provides an enhanced internal and external security presence, as well as a counter-terrorist first response capability to protect and secure the Australian Parliament House infrastructure, its occupants and visitors. The AFP has command, control and coordination of security functions at Australian Parliament House as the Security Controller Parliament House.

The introduction of an enhanced security model at Australian Parliament House has allowed the AFP to augment its capability by improving the structure, diversity and skills of the workforce through the delivery of a number of workplace-led projects. These projects include identifying a fit-for-purpose light weapons support option for the AFP, implementing the use of non-lethal use of force options such as tasers and increasing security-monitoring options through technology such as remotely piloted aircraft. As a direct result of this focus, the AFP has in place a highly proficient uniformed protection security overlay that is versatile, flexible and responsive to the continuously evolving threat environment in and around the parliamentary precinct.



*High-visibility
patrolling at
Australian
Parliament House*

Special Events Planning Team

The Special Events Planning Team is the source of law enforcement security and planning advice to the Australian Government and is responsible for ensuring the protective security for designated special events within Australia and internationally. In the past year the team has been responsible for:

- ▶ providing security advice and planning for the 2016 Olympic and Paralympic Games in Rio de Janeiro, Brazil
- ▶ providing security advice for declared special events by the Australian Government
- ▶ planning for the 2017 Rugby League World Cup
- ▶ providing security advice and planning for Australian nationals involved in the ANZAC commemorations in Turkey and France in April 2017, including high-level government and international police liaison
- ▶ coordinating the AFP's involvement in the 2018 Commonwealth Games and contribution to the Games security planning in support of the Queensland Police Service and the Gold Coast 2018 Commonwealth Games Corporation.

The Special Events Planning Team is currently in the planning process for 15 events in 2017–18, with the 2018 Commonwealth Games on the Gold Coast and the Winter Olympics and Paralympics in Korea 2018 of major note.



Senior Liaison Officer Bogota, Superintendent David Berston, with members of the Bomb Appraisal Team in Brasilia

Rio Olympic and Paralympic Games 2016

The AFP Special Events Planning Team, as part of its commitment to Australian Government designated special events, attended the 2016 Olympic and Paralympic Games in Rio de Janeiro, Brazil.

Operation Twinsburg, the AFP response to the Olympics, took place between 31 July and 24 August 2016. Operation Accelerate, the AFP response to the Paralympics, took place between 2 and 22 September 2016.

In Operation Twinsburg the Special Events Planning Team provided a team of seven members to attend the Rio Olympic Games, as well as pre-event briefings to Australian Olympic team officials. The AFP's role was to attend the daily security briefings conducted, staff the International Police Cooperation Centre, the Joint Operations Centre and the Joint Counter Terrorism Intelligence Centre and relay any information of note back to team management. Liaison with local and international police and Australian Government partners was critical during this period.

In Operation Accelerate the AFP's mission was to:

- ▶ support the Australian Paralympic Committee through the provision of security planning and operational security advice in the lead-up to and during the Games
- ▶ provide law enforcement liaison in support of the whole-of-Australian-Government response to overseeing the security and safety of Australians involved in, or attending, the 2016 Paralympic Games.

Planning included assisting the Australian Paralympic Committee to prepare its risk assessment and critical incident response plan, as well as providing incident coordination and control training to Australian Paralympic Committee managers and delivering a number of discussion exercises. AFP staff attended the September 2015 chef de mission conference and November 2015 security conference in Rio de Janeiro.

Again a team of seven staff members deployed to Brazil for the operational phase of the Paralympics. Due to the nature of the event and the surroundings, one member performed the role of Australian Paralympic Team security liaison officer embedded with the team in the Paralympic Village in Rio.

In Operation Accelerate the AFP was represented in the Department of Foreign Affairs and Trade temporary office, International Police Cooperation Centre and the Joint Counter-Terrorism Intelligence Centre, as well as the five-eye Joint Operations Centre, all located in Rio. AFP Senior Liaison Officer Bogota attended the International Police Cooperation Centre in Brasilia.

Governor-General, His Excellency General the Honourable Sir Peter Cosgrove attended both the Olympic and Paralympic Games, accompanied by AFP close personal protection liaison officers.

Throughout both events the AFP built excellent working relationships with the Brazilian Federal Police, the Department of Foreign Affairs and Trade, the Attorney-General's Department, five-eyes partners and the Australian Olympic and Paralympic teams.

Fixated Threat Assessment Team

The core function of the Fixated Threat Assessment Team is to reduce the risk of harm from fixated individuals (those with an obsessive preoccupation pursued to an excessive or irrational degree) who seek to target protected establishments, Australian high-office holders and Commonwealth public officials who fall under the AFP Protection remit. This is achieved by implementing a joint policing and health approach to risk assessment and management. The Fixated Threat Assessment Team is designed to identify, assess and mitigate threats posed by fixated individuals and help those with mental illness that may have otherwise gone untreated. Not all fixations are threatening and mental health issues often feature heavily in fixated behaviour.

The project team conducted extensive benchmarking with established fixated threat assessment centres. The key deliverables were developed for the Fixated Threat Assessment Team and project objectives established. The team has achieved most of its primary objectives and processed over 250 referrals related to fixated behaviour directed at high-office holders, Protection establishments and AFP staff central to business continuity since the commencement of the Fixated Threat Assessment Team operations in April 2016.

It is anticipated that phase three in 2017–18 will include a review of the current capabilities and deliverables, including the proposal for a nationally consistent service. The aggregation of whole-of-government capability remains ongoing and is being addressed at forums such as the Australia – New Zealand Counter-Terrorism Committee.

Protection Establishments

Protection Establishments is responsible for uniform protection operations, providing high-visibility protective security and incident response for high-value Commonwealth sites including Official Establishments, select Defence sites and the Australian Nuclear Science and Technology Organisation.

The unit has been at the forefront of the AFP's workforce gender diversity transformation. In the past year 70 new protective service officers, 60 per cent of whom were female, were recruited.

Additionally, Protection Establishments has completed a significant and complex restructure of its protective service officer supervisory ranks and station structures, delivering opportunities for upskilling, education and promotion of its protective service officers sergeant cadre. This has been a significant and complex restructure of over 20 workplaces spread across Australia and better equips the AFP to have the appropriate people in its leadership positions to meet the challenges of protective security in the current and foreseeable operating environment. The benefits realised through this process have had a positive impact across the Protection Operations function.

Aviation

The Aviation function focused on four key themes in 2016–17:

- ▶ industry engagement
- ▶ technology and innovation
- ▶ intelligence-led policing (including identification and disruption of organised crime in the airstream)
- ▶ incident preparedness.

The integration of the Aviation function into the broader Protection Operations function in March 2016 better aligned existing protective security capabilities with the unique operational requirements in the aviation security environment, creating a more effective response and short-term surge capacity at the nine designated airports. After the initial advice of attacks at Brussels and Istanbul airports in 2016, the capability to deploy surge Protection Operations resources to the nine designated airports was initiated, highlighting the advantage of the utilisation of the broader AFP Protection Operations capability.

Catalyst-Developing Future Leaders Program

The Catalyst-Developing Future Leaders Program was delivered in March 2017 in Melbourne to 20 frontline supervisors from the AFP, Victoria Police, the Australian Security Intelligence Organisation and the Australian Border Force. The program significantly challenged the participants' personal view of leadership and resulted in considerable transformation of their thinking in the context of their own behaviours, their roles in their teams and, more broadly, the importance of continued learning and development of their leadership skills into the future.

The Catalyst-Developing Future Leaders Program was the first program of the Aviation Development Hub, which was set up to:

- ▶ market Aviation to promote recruitment and retention
- ▶ create a workplace of choice – promoting positive culture and respect
- ▶ increase incident readiness – promoting and enhancing interoperability with partner agencies
- ▶ enhance operational capability – promoting joint Counter Terrorist First Response capability and increasing stakeholder value.

Incident Preparedness Team exercise, Sydney

The AFP has enhanced the Incident Preparedness Team to ensure its people, practices and procedures within the aviation sector are prepared and integrated with aviation-specific emergency or critical response procedures, Australia – New Zealand Counter-Terrorism Committee arrangements and stakeholder requirements. The Incident Preparedness Team develops capability and interoperability within teams to address security challenges in the aviation environment. An operational exercise regime identifies vulnerabilities and develops mitigation strategies to service future aviation security responses through learning outcomes.

On 9 January 2017 the AFP facilitated a desktop exercise on board the Royal Caribbean Cruise Lines Quantum-class ship, *Ovation of the Seas*, while it was docked in Sydney. As the largest cruise ship operating in Australian waters, *Ovation of the Seas* possesses unique security and intelligence challenges for law enforcement.

The one-day desktop exercise brought together state, national and international agencies including the New South Wales Police Force, the Australian Border Force, the Australian Criminal Intelligence Commission and the United States Department of Homeland Security. Participants addressed threats to national security throughout the exercise, while discussions identified issues challenging each agency and treatments to improve communication networks. Potential security threats to the cruise ship industry were identified as similar to those of the aviation industry.



Desktop exercise participants on board Ovation of the Seas

Capability

Capability Development Office

Established in February 2016, the Capability Development Office has completed its first full financial year of operation. It was established to centrally manage the AFP's longer-term, enterprise-wide capability development.

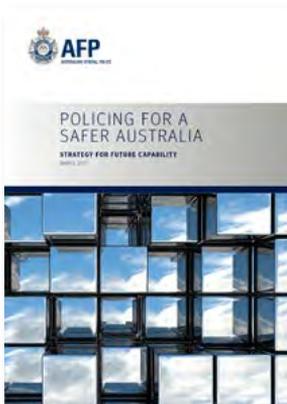
During 2016–17 the Capability Development Office supported capability enhancement by:

- ▶ developing an overarching enterprise-wide capability framework to guide the AFP in developing organisational capabilities
- ▶ launching the AFP's *Policing for a safer Australia: strategy for future capability* and establishing the Futures Centre to support and formalise the AFP's commitment to future-proofing organisational capabilities and strategic direction
- ▶ delivering approximately 30 professional development sessions to AFP investigators with updates on recent case law and other material to enhance and maintain skills and knowledge
- ▶ developing and delivering a new project management course to standardise project management activities across the organisation
- ▶ managing the AFP's annual 'day of destruction', which resulted in the destruction of approximately \$1.3 billion worth of drugs held by the AFP
- ▶ improving the organisational performance framework with the introduction of prevention and disruption measurement.

AFP Futures Centre

The AFP Future Directions Project concluded with the publication of *Policing for a safer Australia: strategy for future capability*. The AFP continues to undertake a journey of transformation to ensure a future-capable AFP that is well placed to protect Australians and Australian interests now and into the future. Underpinning this is the establishment of the AFP Futures Centre, a platform to connect the AFP with a wide range of stakeholders, including academia, industry and government and non-government agencies. The Futures Centre provides a mechanism for the AFP to generate and collaborate on ideas through stakeholder engagement and will evolve to become a trusted source of knowledge on emerging practices, technology and methodology.

You can access further information at the Futures Centre on the AFP website: <https://www.afp.gov.au/futures>.



Technology and Innovation

The Technology and Innovation function provides information and communications technology (ICT) capabilities to support AFP operational and corporate business activities. Technology and Innovation has developed an ICT blueprint and supporting road map to ensure the integration of AFP information environments. Five programs have been established to maximise the value of information and intelligence in the investigation of increasingly sophisticated global criminal enterprises:

- ▶ The **Unified Operational Communications Program** is delivering a suite of integrated services to enhance communications interoperability, address operational risks and improve collaboration with partner agencies.
- ▶ The **Integrated Information Environment Program** is delivering information as integrated knowledge, making connections and generating meaning faster than ever before.
- ▶ The **Data Centre Transition Program** in 2016 delivered tranche 1, which saw the move from an AFP-based data centre to a secure commercially operated data centre in compliance with whole-of-government requirements. Tranche 2 is updating the AFP's storage and computer functions, including appropriate cloud technologies.
- ▶ The **Continuous Improvement Program** is addressing issues within Technology and Innovation related to the efficient and effective delivery of services such as capability maintenance, applications portfolio management and ICT service management. A four-year capability maintenance plan enabled Technology and Innovation to replace ageing critical infrastructure in a targeted and systematic approach to ensure AFP operational areas can depend on having a stable ICT environment while new developments and innovations are underway.
- ▶ The **Integrated Security Capability Solutions Program** addresses the technical capabilities required to support the AFP's protection of its people. Importantly, this will shift the AFP's reliance on the human element to deter and prevent to a more innovative technical solution. Initial elements have been implemented at a selected AFP site.

Technology and Innovation has implemented a variety of strategies to stabilise, modernise and innovate systems such as the continued conversion of physical to virtual infrastructure, phased replacement of vulnerable critical assets, and projects such as the Enterprise Mobility Solution, which provides information in real-time to officers in the field with regard to persons of interest.

Women in Technology and Innovation

Women in Technology and Innovation was established in November 2016 in response to the Cultural Change report to bring people together to support, mentor and retain women within Technology and Innovation and to provide an opportunity for AFP staff to network, develop new skills and contribute to diversity and inclusion in the workplace.

Women in Technology and Innovation encourages men to also participate in recognition of the fact that gender balance provides the best combination of skills and perspective in the workplace. Women represent 29 per cent of the AFP Technology and Innovation workforce, which is higher than the Australian information technology industry average. However, with the current trend of women undertaking tertiary studies in computing on the decline, it may be difficult to maintain these levels in the future.

Recently the AFP's Women in Technology and Innovation supported the Women in Information and Communication (WIC) network by arranging for the AFP's National Manager Technology and Innovation, Marianne Vosloo, to give an address titled 'Resilience is key when blooming in a STEM society'.



*National Manager
Technology and
Innovation Marianne
Vosloo speaking at the
WIC event, Canberra*

Enterprise Mobility Solutions Project

The Enterprise Mobility Solutions Project is part of the AFP Unified Operational Communications Program and focuses on the development of operational apps to enable frontline officers to access and share operational data on AFP tablets and smartphones.

Apps have been designed to meet requirements defined by AFP frontline officers to ensure they are fit-for-purpose in an operational scenario. The project works to quickly deliver agile apps, to provide ongoing improvements to apps already in use and to learn from the experiences and systems of national and international police partners.

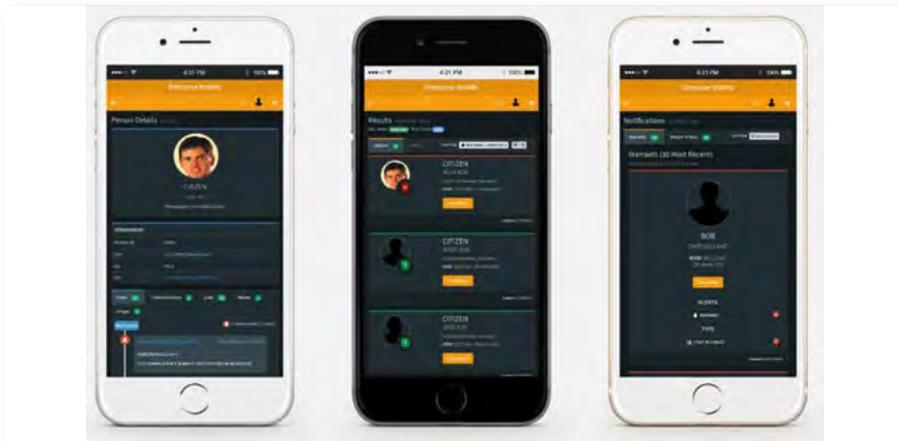
Enterprise Mobility Solutions AFP Search app:

- ▶ provides person, vehicle and location of interest data from AFP and shared agency data sources, enabling officers to quickly identify potential threats with fast access to images, alerts, warnings, criminal histories and associates.

Enterprise Mobility Solutions AFP Notifications app

- ▶ enables real-time decision-making by providing targeted data in relation to individuals with active warrants or who are in breach of bail.

The Enterprise Mobility Solutions app will be available for deployment to AFP operational members in a staged roll-out from mid-2017. Further application services will enhance this capability in late 2017 and throughout 2018, including priority alert messaging and a computer-aided dispatch app to support data-sharing during active police jobs.



Innovation for the AFP mobile phone – person of interest search of images, alerts and warrants

Specialist Operations

The Specialist Operations function incorporates the Forensics and Intelligence areas of the AFP. A key capability is forensic intelligence, a nexus of the two, which uses forensic information to produce intelligence for targeting purposes.

The Forensic Intelligence unit utilised fingerprint, DNA, ballistics and digital forensics which, coupled with information derived from drug chemistry by Forensic Drug Intelligence, highlighted criminal networks operating across international borders. This new information was incorporated into a picture being constructed by criminal intelligence analysts focused on organised crime. From this, a number of separate operations were assigned to syndicates, identified as operating in Australia, which source heroin and methamphetamine from a particular Asian nation. A number of high-value targets were identified from 100 entities of interest.

The AFP Forensic Drug Intelligence Team generates technical strategic and operational intelligence through the collation and analysis of information from AFP drug seizures, including methamphetamine, to inform operations and identify new lines of inquiry, convergences between cases or crime types and targetable vulnerabilities. The information is also used to identify trends or emerging technologies and methodologies. Chemical drug-profiling is conducted to provide comparisons within and between seizures to identify distinct batches of drugs or potential links between groups involved in manufacture or trafficking.

The National Forensic Rapid Laboratory commenced in 2013 with the aim of examining incoming international mail items containing illicit drugs. The capability model is expanding to incorporate the analysis of counterfeit documents and firearms. Forensic examinations provide details for intelligence purposes and offer targeting opportunities both offshore and for local law enforcement agencies. To date, approximately 14,000 packages containing over 2.3 tonnes of illicit drugs (400 kilograms in 2016–17) have been found with 260 compounds identified, including 140 new psychoactive substances.

AFP Intelligence has undertaken a comprehensive overhaul regarding the training and development of staff through the Intelligence Training Continuum. The Intelligence Training Continuum delivers a professional and enhanced set of training initiatives to develop AFP Intelligence members throughout their career. Linked to formal university qualifications and based on the Skills and Qualifications Framework, the Intelligence Training Continuum is a fundamental improvement in the career development of members.

AFP Forensics Facility opens

The AFP Forensics Facility in Majura was officially opened by Prime Minister Malcolm Turnbull on 3 August 2016. The new \$106 million facility sets a global benchmark for forensic science. The combination of world-class design, coupled with state-of-the-art technologies, provides a centre of excellence for forensics staff.



Left: The Honourable Malcolm Turnbull MP, Prime Minister of Australia, with AFP National Manager Specialist Operations Dr Simon Walsh PSM on a tour of the new AFP Forensics Facility

Right: AFP Commissioner Andrew Colvin APM OAM and Prime Minister Malcolm Turnbull at the opening ceremony of the new AFP Forensics Facility



Forensics specialists examining crime scene material in a laboratory in the new AFP Forensics Facility

Document Sciences Team

During the resolution of a Sydney-based fraud and anti-corruption investigation, the AFP Document Sciences Team members were deployed in-field to assist with the identification, preservation and collection of documents found alight in a suspect's backyard. Document examiners were able to minimise the loss of evidence and provide real-time information on the content of the documents as preservation and collection took place.

The Document Sciences Team is increasingly becoming involved early in investigations through the targeted identification and collection of items for examination. This investigation is an example of the evolving nature of forensics and highlights the diversity of expertise and flexibility of AFP specialists who assist with a broad range of investigations.



*Forensic capability
in action*



Operation Fuchsia

Operation Fuchsia commenced in March 2016 after 138 kilograms of methamphetamine was discovered in 11 diesel generators sent via sea cargo from Mexico to Sydney. The investigation highlighted the sophistication of the international West African organised crime milieu, appearing to have deliberately established relationships with a Mexican drug cartel.

The shipment was arranged by a Mexico-based Nigerian man whose partner was formerly married to a Sinaloa Cartel member. He came to Australia during the importation. A Nigerian man based in the United States, whose travel to Australia began in 2013, arrived to receive the drugs. He was a former office bearer of the consignee company, which traded in heavy equipment.

The international parties were assisted by Australian West African organised crime identities, known for involvement in drug importation. These Nigerian-born men provided transport, storage contacts and other local knowledge to the visitors.

At least one of the Australian conspirators belonged to a small group of senior West African organised crime figures, who appeared to act as consultants or mentors to the illegal enterprises of their countrymen. Through this individual, links were observed to suspected subordinate Middle Eastern drug distributors and to a prominent money-launderer servicing Sydney organised crime syndicates.

Two Australian and two international suspects, all born in Nigeria, were charged with drug importation and possession.



Currency being seized during the execution of Operation Fuchsia search warrant

Strike Force Dragon – Cambodian National Police

In May 2017 the National Forensic Rapid Lab examined four international mail items consisting of suitcases and originating from Cambodia. These items were found to conceal a total of 15.1 kilograms of methamphetamine. Forensic Drug Intelligence identified that, based on the similarities in the concealment method, they likely came from the same Cambodian source. The National Forensic Rapid Lab and Forensic Drug Intelligence undertook further chemical analysis at the National Measurement Institute to determine the presence of chemical links between these seizures. Forensic Drug Intelligence, the National Forensic Rapid Lab and the National Measurement Institute then provided analytical and evidentiary support to the Cambodian National Police, coordinated by the AFP senior liaison officer network in Phnom Penh. This timely provision of information was integral to further investigative activities in Cambodia.

Operation Bromley

Operation Bromley involved the seizure of 254 kilograms of cocaine in block form and 103 kilograms of methamphetamine in December 2016. The illicit drugs were concealed inside mining equipment from South Africa. Forensic Drug Intelligence assessments identified similarities between cocaine seized during Operation Bromley and cocaine seized during an AFP operation six months earlier, also originating from South Africa.

Further chemical analysis at the National Measurement Institute identified the presence of chemical links between the two operations, indicating some cocaine blocks originated from the same clandestine facility and were stockpiled together in South Africa. This information further identified illicit drug-trafficking routes and provided further avenues for disruption.



Bomb Scene Examination staff capability

During May 2017 AFP Forensics Bomb Scene Examination staff undertook their annual two-week skills maintenance workshop. This is part of regular activities undertaken by members from Crime Scenes, Chemical Criminalistics and Weapons Technical Intelligence to maintain and develop their skills.

The first week of the workshop was held in an offsite location and was designed to test the group's ability to rapidly respond to a simulated offshore incident in response to attacks against Australian interests. The second week was held in Canberra and focused on the forensic exploitation of evidence recovered from various crime scenes.

The workshop drew on internal and external partnerships including the AFP Bomb Response Team, ACT Policing Counter Terrorism Investigations and representatives from the Commonwealth Director of Public Prosecutions and the National Threat Assessment Centre to deliver challenging and real-life scenarios.

The workshop involved staff processing two major bomb scenes, along with a clandestine homemade explosives laboratory and a vehicle containing an improvised explosive device (which had been rendered safe). The team also conducted technical exploitation and device reconstruction from the recovered evidence and undertook laboratory material exploitation on the recovered components.

Australasian Forensic Science Summit, Canberra

In December 2016 the AFP and the Australian and New Zealand Forensic Executive Committee convened the Australasian Forensic Science Summit at the new AFP Forensic Facility in Canberra. The objective of the summit was to identify critical issues and future directions for the forensic sciences in Australasia, including the production, evaluation and presentation of scientific evidence for courts. Almost 100 leaders participated in the event, which was the first of its kind to be held since 1995.

Under the theme of Towards 2030, practitioners, researchers and educators, advocates and policy makers, investigators and officers, and representatives of oversight bodies and Forensic professional societies were assembled to develop a united vision for the future of forensic science.

Key outcomes included statements and recommendations of the working group themes to proactively shape the future of forensic science for the AFP and the forensic science communities within Australia and New Zealand, and position our organisations to face current and future law enforcement challenges.



Members harvesting evidence during the Bomb Scene Examination skills maintenance workshop



Support Capability

Support Capability consists of three primary areas:

- ▶ Covert and Capability
- ▶ Specialist Response Group
- ▶ AFP Operations Coordination Centre, including the Interpol National Central Bureau.

The function consolidates key elements of the AFP's overt and covert technical and specialist policing capabilities, delivering operational solutions that:

- ▶ identify, collect, generate and process the knowledge required for operations
- ▶ can covertly detect, monitor and infiltrate criminal activity
- ▶ manage communications and coordinate operations, including liaison with national and international partners
- ▶ provide sophisticated, high-capability tactical responses to known or potential threats.

In 2016–17 Support Capability undertook two key initiatives to meet these needs by:

- ▶ establishing the role of technology and strategy adviser to engage with stakeholders and manage relationships that can support the AFP by identifying future opportunities and resolve current challenges
- ▶ continuing to exploit synergies across its broad suite of capabilities through the ongoing implementation of the Capability Delivery Model.

The Capability Delivery Model is an innovative change in AFP investigative practices which moves the AFP to being a capability-driven organisation. The model focuses on having the various disciplines across Support Capability involved in investigation planning to assist AFP investigators to map out the best use of the disciplines. This achieves a better outcome for the AFP, taking into context the challenging technological environment that is affecting modern law enforcement.

The Capability Delivery Model also highlights the connection between the function's operationally focused technical capabilities and the enterprise-level information and communications transformation programs being delivered by the AFP Technology and Innovation function through 2016–17 and beyond.

Covert and Capability

The Covert and Capability function provides surveillance and collection services and undertakes covert activities such as the provision of undercover operatives and witness protection. These capabilities are a core element of AFP investigative activity and play a critical role in the successful delivery of operations by other AFP functions and partner agencies.

While sensitive in nature, these capabilities span physical and technical surveillance, complex operational and technical data analysis and systems delivery, and online/real-world covert operations. This mix of capabilities acknowledges that an increasingly data-immersed operating environment demands new operational skills and technologies, particularly complementary online/real-world strategies. It also reflects the fact that traditional surveillance solutions remain important, despite the technical challenges that this new environment can present.

In this context, a key focus for Covert and Capability through 2016–17 has been strengthening the integration of its services and capabilities, training and development, and technical advancement. Examples of this activity include:

- ▶ a key focus on implementation of the Capability Delivery Model, including revised structures and processes
- ▶ delivery of training programs that build knowledge and enhance interoperability, such as the December 2016 Covert Online Training Program delivered to the AFP and state and international partners
- ▶ commencement of a project funded by the Confiscated Assets Account to research, develop and implement a capability to converge information stored on various AFP data repositories
 - Covert and Capability will work with partner agencies and academia to develop a proof of concept that draws greater knowledge and analyses trends in lawfully obtained data.

Specialist Response Group

The Specialist Response Group provides the AFP's capabilities for addressing high-risk and complex tactical operations. These specialised policing capabilities are diverse but complementary and include:

- ▶ police tactical group (including Counter Terrorism Response)
- ▶ discreet operations (including witness protection, close personal protection and undercover operatives)
- ▶ air security officers
- ▶ negotiators
- ▶ bomb response
- ▶ maritime operations
- ▶ search and rescue
- ▶ canine operations
- ▶ supporting tactical intelligence, communications and planning.

The Specialist Response Group's delivery of these capabilities supports local, national and international AFP investigations and operations and those of partner agencies. The Specialist Response Group also provides response capability support to other AFP functions – for example, Aviation through the provision of K9 capability and training of bomb appraisal officers, and state offices through training of regional Specialist Support teams. It also contributes to Australia's national security response arrangements, including the Australian and New Zealand National Counter-Terrorism Plan.

During 2016–17 the Specialist Response Group focused on:

- ▶ sustained delivery of capabilities, including involvement in the resolution phases of a number of high-risk operations
 - This minimised risks to AFP staff and the Australian community by providing specialised support to ACT Policing matters, transnational serious organised crime investigations and counter-terrorism operations.
- ▶ development of skills and capabilities, in collaboration with the Australian Defence Force and national and international partners, such as innovative close-quarter weapon tactics and building breaching capabilities with Singapore Police
- ▶ refining operational processes, including risk-based deployment options for the Air Security Officer Program, based on engagement with international partners
- ▶ building relationships and leveraging learning, including engagement with European law enforcement agencies such as those of France, Belgium and the Netherlands.

The Specialist Response Group Police Negotiation Team also provided highly skilled negotiators in support of Australian citizens kidnapped for ransom overseas (see Operation Highclere).

AFP Operations Coordination Centre

The AFP Operations Coordination Centre (AOCC) is the AFP's centralised 24/7 initial response coordination and communications centre. The AOCC provides close support to AFP operations and a whole-of-government coordination point for major incidents both domestically and internationally. The AOCC is also the gateway for referring matters for investigation to the AFP.

In 2016–17 the AOCC received over 490 referrals from Commonwealth agencies and departments, including requests for assistance and matters for investigation. As part of the evaluation process, the AOCC liaised closely with the AFP operational functions and state and territory law enforcement partners to ensure that each referral was actioned appropriately.



Watchfloor personnel discuss staffing requirements to support a planned AFP operation.

Interpol National Central Bureau

The Australian Interpol National Central Bureau (Interpol Canberra) is managed and resourced by the AFP and operates 24/7, 365 days a year. Interpol Canberra provides support to all state and federal law enforcement agencies in Australia, as well as foreign counterparts who seek assistance in criminal investigations that extend beyond their national borders.

As the official Australian point of contact in Interpol's worldwide police-to-police communications and criminal intelligence network, Interpol Canberra collaborates with a network made up of 190 member countries who contribute and access a broad range of information using Interpol systems and tools.

During the 2016–17 financial year Interpol Canberra collaborated with 98 foreign agencies and 26 Australian agencies in pursuit of global law enforcement objectives in over 70 crime categories. Interpol Canberra achieved sustained enhancements in the exchange of intelligence and efforts related to terrorism, cybercrime, transnational economic crime and violent and sexual crime, including child sex offences.

The team has supported law enforcement to identify and take action against an increased number of international fugitives, foreign terrorist fighters and matters involving fraud and violence. Additionally, significant effort is dedicated to improving access to, and use of, Interpol information and to developing technological solutions to enhance law enforcement and border security outcomes.

Capacity

Chief Financial Officer

The Chief Financial Officer function aims to support the achievement of the AFP's outcomes by providing a comprehensive range of financial, commercial and business support services.

The Chief Financial Officer function has been active in supporting the Reform, Culture and Standards agenda, working towards meeting the AFP values, codes of conduct and reforms recommended by the Cultural Change report. The Chief Financial Officer function supports part-time and flexible workers and currently has 16 per cent of employees working on a part-time arrangement.

The Chief Financial Officer function is driving and supporting initiatives from the independent Functional and Efficiency Review of the AFP conducted in late 2016, particularly its focus on developing a sustainable AFP funding model.

The Chief Financial Officer function continues to deliver shared services, such as criminal records and finance and commercial support services. The function continues to identify our resource capability scope, promote agility in resource allocation and drive change in business models to achieve more effective results. Key achievements include:

- ▶ effective management of finances to within 1 per cent of budget
- ▶ completing the move of the Queensland state office to a new headquarters site
- ▶ continued good performance when benchmarked to other agencies through the shared services agenda
- ▶ rollout of protective vests to protect members in operational roles
- ▶ good progress on improving corporate systems to support our people
- ▶ assisting in the decommissioning of mission accommodation base in Solomon Islands.



Professional staff member in Melbourne office organising seized items

New AFP Brisbane State Office

After 21 years of occupancy at the Wharf Street address, AFP Brisbane Office relocated into a refurbished, fit-for-purpose site in Newstead on 22 April 2017. The site has been upgraded with significant physical security to meet the AFP standard for personnel security in the current threat environment.

The new site, which offers forensic laboratory facilities and a state-of-the-art Police Operations Centre, houses a number of AFP business areas including the Joint Counter Terrorism Team, Criminal Assets Litigation, Forensics, Crime Operations, Organised Crime, Cyber and Intelligence.

Work areas suitable for joint agency collaboration were included. Well-appointed operational briefing rooms throughout the office will also accommodate multidisciplinary investigations and provide seamless communications internally and with our external partner agencies.

It is expected that the new facility will support AFP Queensland operations for at least the next 20 years.

Project Rampart – Facilities Security Enhancement Project

In response to the current heightened threat environment, the Facilities Security Enhancement Project was initiated as part of a broader suite of AFP security measures to reduce vulnerabilities and manage risk to AFP personnel. The outcome will be a safer, more secure operational environment protecting all AFP personnel and ensuring the continuation of the AFP's capability to protect Australia in a constantly changing environment.

A major capital works program was submitted to the Public Works Committee in December 2016; final approval was received in early 2017; and the construction works commenced in May 2017.



Protective service officer on Rampart duty in Melbourne

Workforce and Development

The Workforce and Development function comprises the State Office network, Learning and Development, and Protocol and Standards. Workforce and Development forms an integral part of the AFP's Capacity stream and is central to the organisation's strategy to deploy the right people with the right skills to the right place at the right time to align with operational priorities. The function leads and drives the organisational focus through ownership of key strategic and operational committees, including the Operations, Capability and Capacity Committee and Weekly Operations Committee.

The work of these committees is to tackle emerging issues that impact on business delivery. This work, together with consistency and flexibility maintained across the whole country by the State Managers Forum and the regional Operations, Capability and Capacity Committees, allows Workforce and Development to flexibly and efficiently deploy the operational capacity against the organisation's highest priorities while also monitoring workloads.

Further information on Workforce and Development, particularly relating to the development of the workforce, can be found in Chapter 5.

People, Safety and Security

The People, Safety and Security function's role is to provide responsive and forward-looking human resource policies, strategies and systems in support of AFP operational and other business needs, both now and into the future. The People, Safety and Security function is comprised of three business areas: Organisational Health, People Strategies and Security. These business areas focus on the recruitment and development of a healthy, skilled, diverse and professional workforce through integrated employee services and initiatives.

Further information on People, Safety and Security, particularly relating to People Strategies and Security, can be found in Chapter 5.

Organisational Health

AFP Organisational Health comprises Psychological Services, the AFP Chaplaincy Network, Medical Services, Health and Fitness, and Work Health Safety and Rehabilitation teams.

In 2016–17 the area implemented a series of transformations to support its high-level objective of maintaining good health as a priority within the AFP. The AFP Commissioner provided his mental health vision for the AFP to be an organisation in which mental health is valued, promoted, protected and restored, and where staff can access relevant services and support. This vision illustrates the importance the organisation places on the health and wellbeing of its people, acknowledging that first responders are at higher risk of trauma-caused mental injury than almost any other profession.

In light of the significance the AFP Executive places on the AFP's health, the existing Safety and Protocol area was split during 2016–17, with the Chief Medical Officer being appointed into the dedicated executive role of Manager Organisational Health.

The AFP also established the AFP Mental Health Strategy Board to drive AFP reform and deliver a comprehensive mental health strategy. The Board is focused on supporting a positive culture in our workforce and seeks to examine the complex challenges the AFP faces with a view to providing our people with better support, including lessons learned from our law enforcement colleagues nationally and internationally.

A primary initiative of the Commissioner is the reinvigoration of the Welfare Officer Network. This is a non-intrusive way of encouraging people to seek early assistance when required. The benefits of a welfare officer network have been recognised in many industries, in particular in police and emergency services.

Mental Health Framework

The AFP has developed a Mental Health Framework and Action Plan which sets out the essential role of mental health for achieving a healthy and safe AFP workforce. The AFP's strategy for mental health is a long-term vision for the wellbeing of AFP employees. The Action Plan outlines initiatives such as the introduction of the Welfare Officer Network across the AFP and mandatory learning and development activities, including mental health first aid training and the introduction of resilience training.

Mental health can be impacted by factors at work and home, with an added complexity for AFP staff members caused by their potential exposure to traumatic events and violence. This is a crucial factor in the design of our mental health strategy.

The AFP is working with Phoenix Australia, the National Centre for Excellence in Post-traumatic Mental Health which is affiliated with the University of Melbourne, to review existing support services within the AFP. Phoenix has engaged with all levels of staff to develop a robust and sustainable AFP Mental Health Framework, which will be delivered in late 2017 for implementation over the next six years.

All staff within our organisation have a role to play by demonstrating a shared commitment to building a healthy and resilient workforce.



AFP Manager Americas Commander Grant Edwards raising awareness of post-traumatic stress disorder among law enforcement officers



5 Management and accountability



Management and accountability

5

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Corporate governance

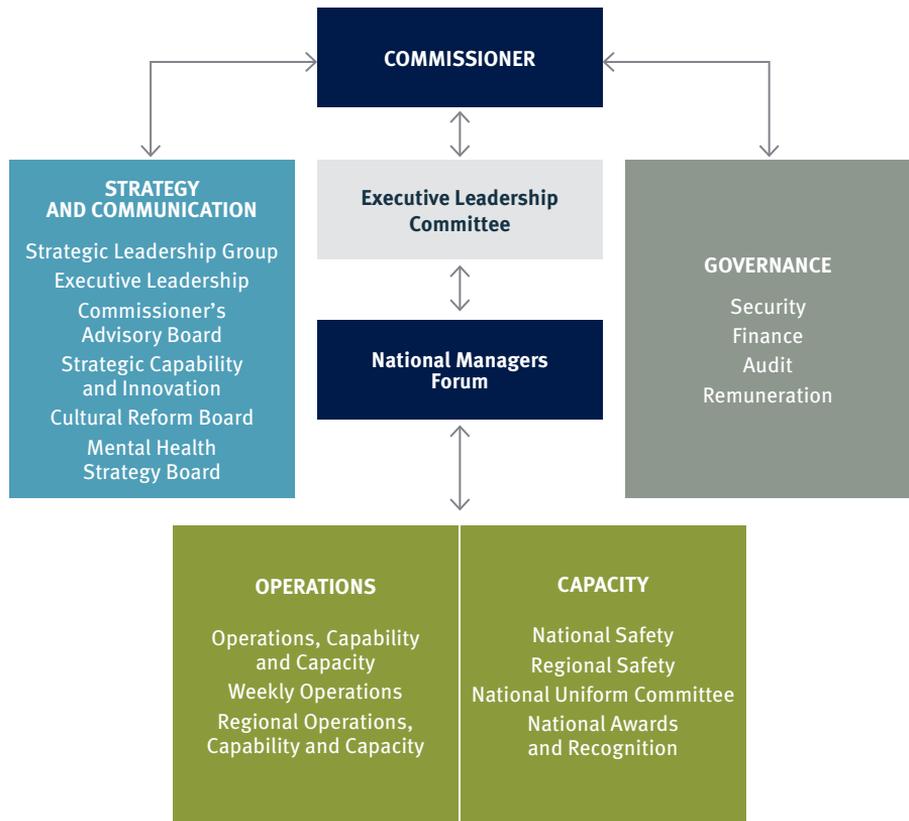
AFP key committees

The Commissioner has overall responsibility for the organisation, with a focus on strategy, policy and reputation. The Deputy Commissioners and Chief Operating Officer are responsible for delivery strategies, long-term capability and future direction. The National Managers and Managers are responsible for priority-focused delivery of AFP operations, capability and capacity.

The AFP's key committees comprise three streams:

- ▶ strategy and communication
- ▶ governance
- ▶ operations, capability and capacity (in line with the new organisational structure).

Key committee framework



Committee details

Committee	Chair	Role
National Managers Forum	Chief of Staff	Ensures the effective delivery of the core business of the AFP, implements strategic direction and delivers organisational outcomes across the pillars of Operations, Capability and Capacity.

Committee	Chair	Role	Strategy and Communication
Strategic Leadership Group	Commissioner	Considers issues of strategic organisational significance such as matters with political, safety and reputational impact and provides strategic direction for the agency, to be implemented through the National Managers Forum and other committees.	
Executive Leadership Committee	Commissioner	Facilitates consultative decision-making of the AFP Executive with a particular focus on time-sensitive issues of organisational significance, particularly those with government, political, safety or reputational impact.	
Commissioner's Advisory Board	Commissioner	Provides the AFP Commissioner with external perspectives to rigorously examine strategic settings for the AFP.	
Strategic Capability and Innovation Committee	Deputy Commissioner Capability	Identifies and drives the development of the AFP's future capabilities and the supporting capability framework.	
Cultural Reform Board	Commissioner	Advises the Commissioner on matters relevant to the cultural change process and provides input on behalf of all staff into the Commissioner's reform agenda.	
Mental Health Strategy Board	Chief Operating Officer	Shapes the AFP's Mental Health Strategy.	

Committee	Chair	Role	Governance
Security Committee	Chief Operating Officer	Is responsible to the Commissioner for the ongoing development of AFP Security Policy, the oversight of security matters within the AFP and the creation and maintenance of an appropriate security culture for the protection of AFP people, functions and official resources.	
Finance Committee	Commissioner	Oversees the financial management and performance of the AFP; oversees and monitors the internal control framework; and approves the AFP internal (operating and capital) budget allocation.	
Audit Committee	Chief Operating Officer	Provides independent assurance and assistance to the Commissioner on the AFP's risk, control and compliance framework, and its financial statement and performance reporting responsibilities.	
Remuneration Committee	Chief Operating Officer	Considers remuneration matters and makes recommendations to the Commissioner for approval.	

Committee	Chair	Role
Operations Capability and Capacity Committee	National Manager Workforce and Development	Focuses on operational capability, capacity, governance and policy issues.
Weekly Operations Committee	National Manager Workforce and Development	Focuses on decision-making regarding capacity, priorities and allocation of specific capabilities required to achieve operational priorities.
Regional Operations Capability and Capacity Committees	Regional State Office Managers	Are responsible for the implementation of operational and strategic decisions from the Weekly Operations Committee and Operations, Capability and Capacity Committee.
National Safety Committee	National Manager People, Safety, and Security	Provides strategic direction to the AFP health and safety management program; reviews AFP health and safety performance and oversees the development, implementation and review of national guidelines for workplace injury/illness prevention and management.
Regional Safety Committees	Regional State Office Managers	Assess and recommend controls for identified workplace health and safety risks in the local activities and work environments and help the AFP to develop, implement, disseminate and review effective measures to protect and promote the health and safety of all AFP workers.
National Uniform Committee	National Manager People, Safety and Security	Sets and monitors the strategic direction, including the implementation of policy, regarding national uniform standards.
National Awards and Recognition Committee	National Manager People, Safety and Security	Considers and recommends awards within the AFP Internal Awards Framework to recognise AFP members with the appropriate honours and awards.

Operations, capability, capacity

Corporate planning and reporting

The four-year AFP Corporate Plan¹¹ continues to be updated annually according to legislative requirements under the *Public Governance, Performance and Accountability Act 2013*. Progress and performance against the strategic initiatives and performance indicators detailed in the plan can be found in Chapter 3 of this report.

The AFP was one of nine Commonwealth agencies subject to an audit of corporate planning by the Australian National Audit Office (ANAO). The audit was published in 2016–17.¹² The AFP achieved ratings of three out of four on maturity scales for planning, developing and monitoring. The report cited examples of good practice regarding the AFP's consultation arrangements, risk oversight and management, and data collection for performance measurement.

The AFP was one of three Commonwealth agencies subject to the ANAO audit: Implementation of the Annual Performance Statement Requirement 2016–17. The results of that audit are reported under 'Auditor-General reports' in this chapter.

The AFP was cited favourably in two Department of Finance publications on lessons learned in corporate plans¹³, published in January 2017, and annual performance statements¹⁴, published in March 2017.

The AFP has committed to progressively develop its performance framework. After internal consultation and consideration of external guidance and reviews, new and modified performance criteria were developed and published in the Portfolio Budget Statements 2017–18.

Fraud and corruption control

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. See the Commissioner's certification in the letter of transmittal on page iii of this report.

The AFP's Fraud Control and Anti-Corruption Plan was released in January 2016 and is due for review at the end of 2017. The plan applies to all appointees, contractors and service providers and is consistent with the AFP's professional standards framework.

Fraud and corruption risks are reviewed regularly. The Strategic Leadership Group and the Audit Committee monitor progress on the implementation of the plan as part of their oversight and assurance roles.

11 <https://www.afp.gov.au/corporateplan>.

12 https://www.anao.gov.au/sites/g/files/net2766/fi/ANAO_Report_2016-2017_6.pdf.

13 http://www.finance.gov.au/sites/default/files/2016-17_Corporate_Plan_Lessons_Learned_Jan_17.pdf.

14 http://www.finance.gov.au/sites/default/files/2015-16_APS_Lessons_Learned_21_March_2017.pdf.

Portfolio Management Office

The AFP Portfolio Management Office manages change initiatives (new policy initiatives and programs) to ensure that they remain strategically aligned and will achieve the desired outcomes.

In 2016–17 the AFP's investment portfolio consisted of 85 change initiatives across a range of maintenance, enhancement and new capability activities. As custodians of the four-year rolling Capital Plan, the Portfolio Management Office monitors the progress of projects and programs against identified budget and delivery outcomes. The Portfolio Management Office makes recommendations to the Strategic Capability and Innovation Committee based on project funding, risk, capacity and delivery.

Internal audit

The AFP prepares an annual Internal Audit Program that takes into consideration agency-wide and organisational business unit risk assessments, previous and proposed ANAO coverage, previous internal audit coverage and new initiatives. The program is approved by the AFP Commissioner. The program was delivered using in-house and external resources.

The AFP Audit Committee met six times during 2016–17 and considered 10 internal audit reports. Internal audit coverage ranged from fleet management to aviation operations. The Audit Committee monitors progress of recommendations made in internal audit and ANAO reports through regular reporting. Relevant external audits are listed in this chapter under 'External scrutiny'.

Risk management

As an operational law enforcement agency, the AFP embraces risk management as an integral part of its business. The safety and wellbeing of AFP personnel is the first and foremost consideration within the AFP's Strategic Risk Profile.

The AFP's risk management framework aligns with the Commonwealth Risk Management Policy and international standards. The components of the AFP risk management framework provide the foundations to establish and maintain risk oversight, management and internal control. Internal risk arrangements include risk management policy, procedures, templates, responsibilities, culture, training and awareness. Risk management features in the AFP Leadership Philosophy and is actively considered in internal resource allocation and investment decision-making.

Our approach includes robust governance and procedures, strategic oversight, internal business area risk assessments and treatment planning, and external operating environment analysis across the AFP's four key strategic risk categories:

▶ **People, Health, Culture and Safety**

This risk is a fundamental consideration within the Strategic Risk Profile and encapsulates the nature of AFP business, its fraud and corruption posture and the value we place on the health and wellbeing of AFP personnel.

▶ **Operational outcomes**

This risk category broadly encompasses risk to outcomes of AFP operational/ investigational activity. Risk related to injury or loss of life of other people during AFP intervention is also included in this category.

▶ **Resourcing, workforce planning and management**

This risk category underpins all AFP activities relating to: financial appropriation and management; attracting, retaining, developing, equipping and deploying the workforce; and resource management, including maintenance and recovery of critical AFP activity after disruption.

▶ **Support capability**

This risk category relates to support capability, strategic communications and engagement or enabling activity underpinning all AFP activities (e.g. information and communications technology (ICT), information management, performance reporting, governance, security and assurance activities).

During 2016–17 the focus for the AFP was on delivering strategies aimed at supporting a positive risk culture and increasing its maturity with regard to the nine elements outlined in the Commonwealth Risk Management Policy. The AFP continuously monitors and reviews its risk information, with assurance oversight provided through the Audit Committee. The AFP participates in the Commonwealth Risk Management Community of Practice to share and implement better practice and in the annual Comcover risk management benchmarking survey, which encourages agencies to adopt a best-practice approach to managing risk. In the 2017 Comcover survey the AFP retained a risk maturity state of 'Integrated', consistent with previous results.

Business continuity planning

The AFP has established a business continuity management framework which interacts with existing AFP operational crisis response structures and seeks to provide a consistent approach to business continuity management across the AFP.

The AFP has business continuity plans in place for its functions and each of its key sites across Australia. The plans are exercised using three scenarios: loss of infrastructure, loss of ICT systems and loss of people. The focus for 2016–17 has been on developing a system for the management of the AFP’s critical business activities. This system provides for the prioritisation of resources across the AFP to the areas of greatest criticality in the event of a wide-scale business disruption.

Disaster recovery plans are also in place for critical ICT systems and services that support AFP operations. 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.

The AFP participates in the Commonwealth Business Continuity Community of Practice to share and implement better practice.

Information management

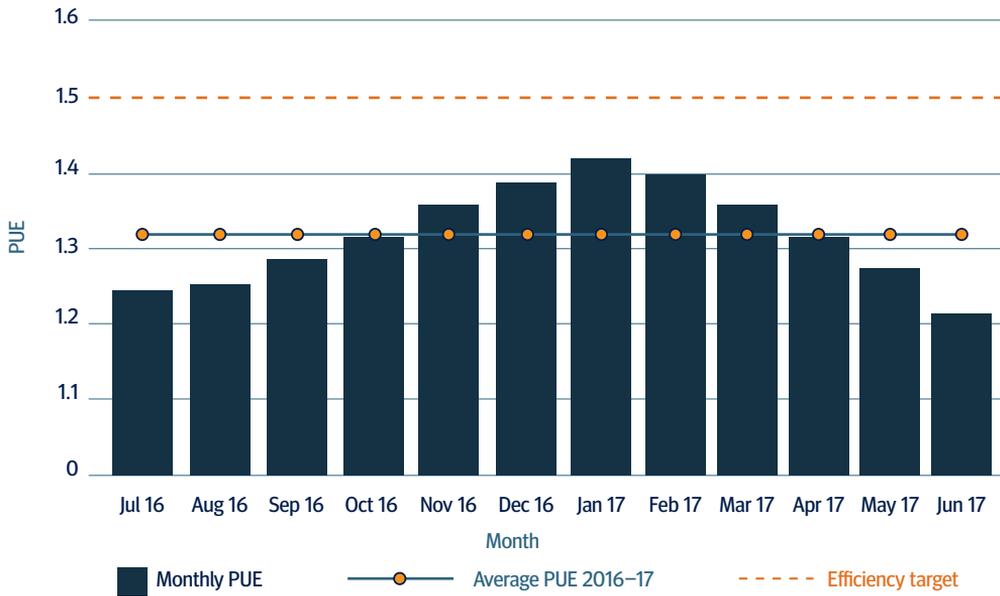
The Data to Decisions Cooperative Research Centres (D2D CRC) program was established under a federal government grant to bring together researchers, industry and national security agencies to tackle information management challenges. The AFP has been a party to the D2D CRC since its inception, with an AFP superintendent being assigned as the Delivery Director of the Integrated Law Enforcement stream. The activities being undertaken by the D2D CRC within this stream include creating an advanced investigations management platform and prototyping solutions for information management for law enforcement.

The Australia – New Zealand Counter-Terrorism Committee is also investing in this stream with the goal of developing a national case management system for counter-terrorism investigations. Although the D2D CRC commenced as a research-based organisation, it has implemented a production build team which has taken the prototypes developed through research and is working on the delivery of a production-ready system. It is expected that the majority of this work will be completed by late 2017 for piloting.

Ecological sustainability

The first phase of tranche 2 of the Data Centre Transition Program began in July 2016 and involved consolidation, remediation and decommissioning of servers, storage and networking to reduce the footprint of the ICT production and preproduction environments. This reduction in physical hardware has shown a reduction in ICT power usage, which has resulted in a reduction of greenhouse gas emissions. This, along with the continual effort in reducing mechanical power consumption, has the data centre power usage effectiveness (PUE) significantly lower than the target of 1.5 PUE set by the Department of Finance.

Figure 5.1 AFP data centre power usage effectiveness



Note: Power usage effectiveness (PUE) is a metric used to determine the energy efficiency of a data centre. Smaller values represent improved efficiency.

In February 2017 the multifunction device (MFD) refresh in the Edmund Barton Building was completed – 60 new Ricoh MFDs were installed to replace the 60 old MFDs. Additional project work was undertaken to remove the 119 black and white printers from the building, resulting in a single MFD in each of the printer rooms. The new Ricoh devices have improved the reliability of printing and have reduced the impression costs by 25 per cent over the previous devices. Further cost savings will be found now that all the black and white printers have been removed from service.

Some of the AFP mono printers averaged 400–1,000 pages per week prior to the new MFDs being installed. These same devices have reduced to 0–200 pages per week since the introduction of the new MFDs.

Table 5.1: Weekly average pages printed

Data capture window	Type	Weekly average for old MFD and mono	Weekly average for new MFD and old mono	Reduction
April – August 2016	MFD	326,198	98,018	70%
February – May 2017	mono	137,625	15,665	89%

External scrutiny

Auditor-General reports

Audit Report No. 6 – Corporate Planning in the Australian Public Sector

The objective of the audit was to assess progress in implementing the corporate plan requirement under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). The AFP was one of nine entities audited.

The ANAO concluded that the nine entities involved in the audit, including the AFP, have made a solid start in implementing the corporate plan requirements, with further work required to fully embed the requirements into future plans.

Audit Report No. 43 – Proceeds of Crime

The objective of the audit was to assess whether the AFP, Australian Financial Security Authority (AFSA) and the Attorney-General's Department (AGD) effectively carried out key operational and advisory functions related to property and proceeds under the *Proceeds of Crime Act 2002*.

The ANAO concluded that the AFP, AFSA and AGD did effectively carry out key operational and advisory functions related to property and proceeds under the *Proceeds of Crime Act 2002*. The ANAO recommended that the Australian Government implement arrangements to facilitate improved rates of returns from funds in the restrained and forfeited bank accounts and the Confiscated Assets Account. The AFP noted this recommendation.

Audit Report No. 58 – Implementation of the Annual Performance Statement Requirement 2015–16

The objective of the audit was to examine the implementation of the annual performance statement requirement under the PGPA Act and the Enhanced Commonwealth Performance Framework.

The ANAO concluded that the AFP and the Department of Agriculture and Water Resources met the minimum requirements for the preparation and publication of the first annual performance statements under the PGPA Act and the PGPA Rule. For both entities, the performance statements included reporting against the entities' purposes, activities and performance criteria reviewed as part of the audit. Performance criteria for both entities were assessed as substantially complete and provided a balanced basis for assessing fulfilment of agency purpose. The ANAO also concluded that the majority of results presented by both entities were supported by complete and accurate records.

Australian Information Commissioner decisions

During 2016–17 the Office of the Australian Information Commissioner made seven decisions concerning AFP freedom of information requests. Of the decisions, one provided the applicant with greater access to the documents, four AFP decisions were affirmed and two AFP decisions were varied but with no greater access given to documents.

Commonwealth Ombudsman report

Reviews of AFP complaint management

Division 7 of Part V of the *Australian Federal Police Act 1979* (AFP Act) requires the Commonwealth Ombudsman to conduct at least one annual review of the AFP's administration of Part V of the AFP Act and report to parliament on the results of any such reviews.

In April 2016 the Ombudsman conducted an inspection of the AFP's records regarding the administration of Part V of the AFP Act. The inspection covered the period from 1 March 2015 to 29 February 2016 and the next inspection is scheduled to commence on 28 August 2017. The findings of the Ombudsman's 2015–16 review are still to be published; however, preliminary discussions indicate the first tranche of a body of complaint management reforms have begun to appreciably address a number of ongoing observations made by the Ombudsman's office. The AFP looks forward to receiving the final report and continuing to work with the Ombudsman to implement the suggestions or recommendations provided.

Freedom of information: Information Publication Scheme

Under Part 2 of the *Freedom of Information Act 1982* the Information Publication Scheme (IPS) requires Australian Government agencies subject to the Act to publish a broad range of information on their public website. The IPS underpins a pro-disclosure culture across government and transforms the freedom of information framework from one that is reactive to individual requests for documents to one that is agency-driven. The AFP's IPS web page is at <https://www.afp.gov.au/about-us/information-publication-scheme>.

Judicial decisions and decisions of administrative tribunals

On 24 May 2017 Coroner Barnes handed down his findings into the Lindt Café siege inquest. Following careful consideration of the report, the Australian Government agreed to accept the 12 recommendations that relate to Commonwealth agencies. The AFP is working with the states and territories, consistent with existing national arrangements, to give effect to these recommendations. This includes supporting work to strengthen information-sharing in relation to criminal history, including bail and parole, and further consulting states and territories on Australian Defence Force call-out powers.

Parliamentary committee reports

In 2016–17 the AFP Chief of Staff function coordinated appearances and submissions for the following parliamentary inquiries and other key events:

- ▶ Standing Committee on Rural and Regional Affairs and Transport inquiry into remotely piloted aircraft systems, unmanned aerial systems and associated systems
- ▶ Parliamentary Joint Committee on the Australian Commission for Law Enforcement Integrity inquiry into the integrity of Australia’s border arrangements
- ▶ Standing Committee on Foreign Affairs, Defence and Trade inquiry into suicide by veterans and ex-service personnel
- ▶ Parliamentary Joint Committee on Law Enforcement inquiry into human-trafficking
- ▶ Joint Standing Committee on Electoral Matters inquiry into possible multiple voting in the seat of Herbert
- ▶ Parliamentary Joint Committee on Law Enforcement examination of the AFP’s 2015–16 annual report
- ▶ Parliamentary Joint Committee on Law Enforcement inquiry into crystal methamphetamine
- ▶ Senate Economics References Committee inquiry into the inconsistencies and inadequacies of current criminal, civil and administrative penalties for corporate and financial misconduct or white-collar crime
- ▶ Senate Legal and Constitutional Affairs Legislation Committee inquiry into the provisions of the Crimes Legislation Amendment (Powers, Offences and Other Measures) Bill 2017
- ▶ Senate Legal and Constitutional Affairs Legislation Committee inquiry into the provisions of the Criminal Code Amendment (Protecting Minors Online) Bill 2017
- ▶ Senate Legal and Constitutional Affairs Legislation Committee inquiry into the provisions of the Crimes Legislation Amendment (International Crime Cooperation and Other Measures Bill) 2016
- ▶ Senate Standing Committee of Privileges inquiry into parliamentary privilege and the use of intrusive powers
- ▶ Joint Standing Committee on Electoral Matters inquiry into and report on all aspects of the conduct of the 2016 Federal Election and matters related thereto
- ▶ Parliamentary Joint Committee on Corporations and Financial Services inquiry into whistleblower protections in the corporate, public and not-for-profit sectors
- ▶ Parliamentary Joint Committee on Intelligence and Security inquiry into and report on the Criminal Code Amendment (High Risk Terrorist Offenders) Bill 2016
- ▶ Parliamentary Joint Committee on Intelligence and Security review of the performance of the Australian Federal Police of its functions under Part 5.3 of the Criminal Code.

Independent reviews

In the 2016–17 Budget the government announced that under the Efficiency through Contestability Programme, led by the Department of Finance, a Functional and Efficiency Review of the AFP was to be undertaken.

The independent review was led by Ms Carmel McGregor PSM. The AFP Commissioner has welcomed the recommendations and the AFP will work with government on their implementation.

Professional standards

Strengthening professional standards

The AFP provides a work environment in which professional standards are valued, opportunities for corrupt conduct are minimised and compliance with integrity measures are accepted and shared across the workforce.

The AFP continually reviews its Integrity Framework to ensure organisational integrity remains robust. With the complexity of the changing law enforcement environment, proactively engaging intelligence-led, risk-based strategies with regard to deterrence, detection and disruption of misconduct and corruption is pivotal for continued long-term success.

The AFP has provided extensive support to the Australian Commission for Law Enforcement Integrity (ACLEI) and other Commonwealth agencies under ACLEI's jurisdiction in corruption prevention and investigations support when requested.

The AFP works closely with ACLEI, the Commonwealth Ombudsman's Office and the Australia New Zealand Policing Advisory Agency to share experience in the areas of recruitment and selection, recognising and treating integrity risks, understanding conflicts of interest and ensuring confidence in reporting mechanisms and complaint management. Representatives from ACLEI and the Commonwealth Ombudsman's Office continue to present at a range of AFP training programs.

The AFP Professional Standards function continues to build relationships with partners domestically and internationally by hosting the Inter-Agency Integrity Program, which for this reporting period was held from 18 to 23 June 2017. The program strengthens and enhances the AFP's framework and that of our partners across the Commonwealth and law enforcement authorities. The program promotes the development of future integrity strategies through the provision of information-sharing and analysis of current and emerging trends. Other professional standards educational and awareness programs were provided during the 2016–17 financial year, including new staff induction training, constable development programs and pre-deployment preparation courses.

The AFP Drug Testing Program continues to be an important element of the AFP's Integrity Framework (Appendix A, Table A5). The AFP undertook a comprehensive review into its Drug Testing Program in 2015–16. The review has enabled proactive prevention strategies to be developed around targeted testing for higher-risk groups. Drug-testing

strategies are based on risk-modelling and improved detection, and optimal use of available resources. The new strategies will take effect as of 1 July 2017.

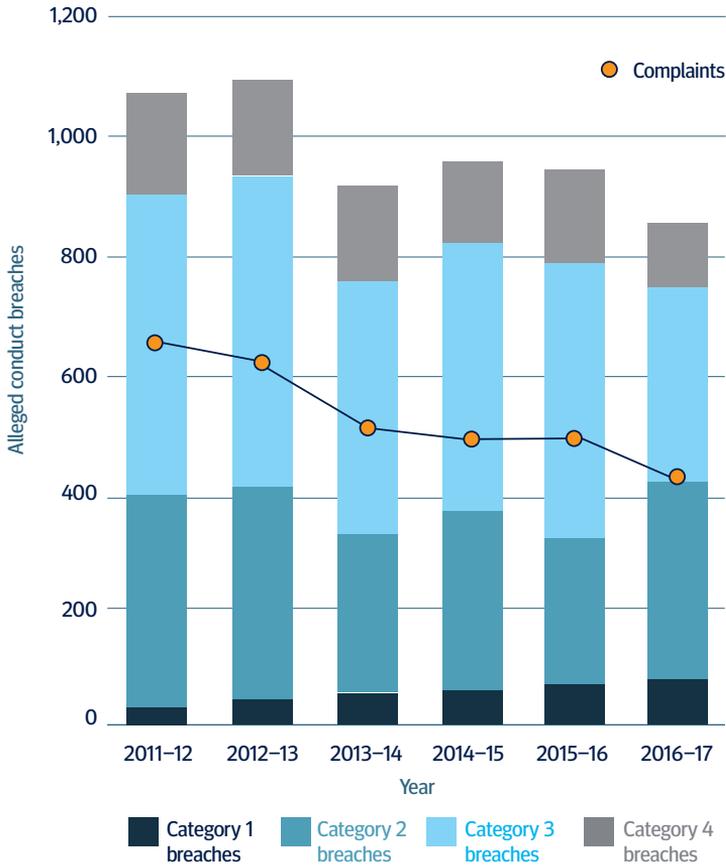
Professional Standards assesses applicants against the AFP character standards mandated in the Employment Character Guidelines. The guidelines define minimum standards for prospective applicants. Assessment of an applicant's character considers all available information and each applicant's ability to comply with the AFP's professional standards in both an official and private capacity. The guidelines contribute to meeting community expectations that all AFP appointees' behaviour is of the highest level of integrity.

Complaint management

Part V of the AFP Act defines the categories of complaints about AFP appointees. Complaints are dealt with as breaches of the AFP Code of Conduct, which fall into one of the four categories set out in the AFP Act and referenced within the AFP Categories of Conduct Determination 2013. Conduct issues falling within Category 1 are the least serious and relate principally to customer service. Category 2 complaints relate to minor misconduct and inappropriate or unsatisfactory behaviour. Category 3 complaints relate to serious misconduct that does not give rise to a corruption issue. Category 4 complaints relate to corruption, and these are referred to ACLEI.

In 2016–17 the AFP received a total of 421 complaints – a 15 per cent decrease on the figure of 494 in the previous reporting period. The number of new alleged breaches of the AFP Code of Conduct resulting from these complaints was 841, 7 per cent lower than the corresponding figure for 2015–16 (908). Figure 5.2 shows the number of complaints for each category of breach over the last five years and further breakdowns, by category and type, are provided in Appendix A, Tables A1 to A7.

Figure 5.2 Trend in the number of complaints and associated breaches, 2011–12 to 2016–17



Note: Category 1 is the least serious. More detail is in Appendix A.

Overall, the total number of complaints and alleged breaches has decreased; however, complaints about the most serious breaches (being Category 3 and Category 4) have increased. Table A1 shows that the increases are limited to Outcome 1 (45 per cent increase for Category 3 serious misconduct and 32 per cent increase for Category 4 corruption matters). The escalation in serious complaints concerning Outcome 1 is best attributed to two factors:

1. From August 2013 the AFP realigned its definition of corruption to sit under the *Law Enforcement Integrity Act 2006*. This broader definition now encompasses a wider selection of matters and resulted in a larger number of complaints coded as corruption.
2. A total of 54 complaints comprising 345 breaches were raised in response to credit card misuse.
 - As of 30 June 2017, 17 of those complaints have been finalised, with a number of sanctions being implemented including reassignment of duties, reduction in pay, counselling and formal warnings. Reforms to practices and procedures designed to ensure expenditure is adequately acquitted and approved have been implemented.

Despite the number of finalised breaches decreasing 13 per cent from 1002 to 874 (Appendix A, Table A3), there is no definitive evidence of a growing backlog, noting the number of alleged conduct breaches have been in decline across both categories in Outcome 1 and Outcome 2.

Almost two-thirds (63 per cent) of breaches were raised internally. This outcome reflects the trust placed in the AFP integrity and complaint management framework by appointees.

The profile of finalised breaches has changed. Table A4 in Appendix A shows that ‘failure to comply with procedure’ has increased from 15 to 65 and is now the most frequent breach established. Also ‘misuse of credit card’ has increased from 1 to 10; however, there has been a decrease in instances of ‘bullying’ (from 2 to 1), ‘harassment’ (from 2 to 1) and ‘sexual harassment’ (from 5 to 2).

This downward trend is a likely consequence of the establishment of AFP Safe Place and Investigations in August 2016 – a client-focused team which provides support and advice to AFP staff who are experiencing, have experienced or are aware of sexual assault, sexual harassment or bullying and harassment within or connected to the workplace. This area had received 311 such referrals up to 30 June, of which 184 have been finalised (Appendix A, Table A8). AFP staff also have access to the Confidant Network – a group of trained appointees (confidants) who provide information, options and support to other appointees (clients) when dealing with inappropriate or unethical behaviour in their work environment. This area received 152 referrals of harmful workplace behaviour, of which 108 have been finalised (Appendix A, Table A8).

Management and development of human resources

Workforce overview

The AFP had 6,540 staff at 30 June 2017. This figure includes:

- ▶ 3,383 police officers
- ▶ 716 protective service officers
- ▶ 2,441 professional (unsworn) staff.

Forty-five per cent of employees were located outside the Australian Capital Territory, including 276 staff overseas and 32 serving in Commonwealth external territories.

The overall gender ratio is consistent with that of last year; however, the proportion of women in Senior Executive Service (SES) roles has increased from 27.2 to 31.3 per cent and the proportion of women in protective service officer roles has increased from 10.1 to 14.8 per cent.

The AFP attrition rate remained low during 2016–17 at 2.99 per cent.

This figure includes:

- ▶ police officers – 2.23 per cent
- ▶ protective service officers – 3.04 per cent
- ▶ professional (unsworn staff) – 4.05 per cent.

Further AFP staffing statistics are in Appendix C.

Strategic workforce planning

In 2016–17 the AFP continued to develop and implement a number of strategic projects to ensure the organisation can meet future capability requirements and workforce priorities:

- ▶ The AFP Strategic Workforce Plan was endorsed and defines key challenges and priorities for the workforce over the next three years. The plan covers four key stages of workforce design and management, including planning workforce requirements and engaging, developing and managing our workforce.
- ▶ In response to *Cultural Change: Gender Diversity and Inclusion in the Australian Federal Police*¹⁵ (Cultural Change report), a number of leadership development initiatives are being delivered across the SES cohort, including a 360-degree feedback process. The AFP also facilitated opportunities for senior executives to attend diversity-focused events in 2017, including the Women World Changers Summit and the National Defence, Police and Emergency Services Women's Leadership Summit.

¹⁵ Elizabeth Broderick & Co., 2016.

- ▶ Improvement under the integrated human resource systems program of work continued during 2016–17 including the deployment of the Skills and Qualifications Framework (SQF) to identify, capture, maintain and report on the technical skills, qualifications, training and licences of the AFP workforce. The SQF is aligned with the AFP's Job Family Model and together they provide the information needed to understand the capability, capacity and composition of the AFP's workforce.
- ▶ Work commenced to implement a dynamic workforce management solution for planning, rostering and scheduling of employees. Key benefits include increased flexibility and efficiency through system-supported planning and scheduling, and a single point of entry for recording time and attendance.

Security

The Security function within the AFP ensures the protection of staff, information and assets. This is achieved through the implementation of the Protective Security Policy Framework that enables the conduct of AFP operations in a secure environment. During 2016–17 the AFP successfully implemented all 36 mandatory Protective Security Policy Framework requirements.

The Australian Government's 2016–17 Federal Budget committed \$119.8 million of new funding over five years for the AFP to implement the necessary measures to prevent attacks against AFP personnel and facilities and to mitigate the impact of attacks if they occur.

The new funding will deliver an integrated total security solution for the protection of law enforcement personnel, with measures that include funding for enhancement of guarding at AFP facilities, upgraded physical and personnel security and a scoping study to explore enhanced technical and surveillance capabilities that could be deployed into the future.

In 2016–17 the Security function further enhanced the security of AFP premises by:

- ▶ increasing the AFP's information security posture and improving the AFP's personnel security vetting capability
- ▶ completing multi-layer security treatments and building hardening at a number of AFP offices and facilities
- ▶ enhancing security awareness training for AFP staff.

Industrial relations

Senior Executive Service remuneration

All SES employees are engaged under an AFP SES employment contract. The AFP SES Remuneration Policy provides detail and clarity on the provisions within the contract, as well as the practical application.

The SES remuneration framework is increment-based, and SES salaries are reviewed annually. Eligibility for advancement is subject to the SES employee having participated in an annual Charter of Performance, resulting in a rating of fully effective (or higher) over an entire 12-month period.

Following the annual performance cycle, advice regarding individual outcomes is provided to the Remuneration Committee, an advisory forum that makes recommendations to the AFP Commissioner. Incremental advances are subject to endorsement of the recommendations by the AFP Commissioner.

Australian Federal Police Award modernisation

The Australian Federal Police Enterprise Award 2016 was approved by the Fair Work Commission on 19 August 2016. This award determines the minimum standards to be provided in the AFP employment framework.

Executive Level Enterprise Agreement

The AFP Executive Level Enterprise Agreement 2016–19 was approved by the Fair Work Commission on 2 February 2016 and came into operation on 9 February 2016. The agreement has a nominal expiry date of 1 February 2019.

Enterprise Agreement

The Australian Federal Police Enterprise Agreement expired on 8 March 2016. Negotiations for the 2017–20 Enterprise Agreement are continuing. Renegotiating the Enterprise Agreement provides an opportunity to shape the terms and entitlements within the agreement so that they complement the AFP's broader organisational reforms.

The enterprise agreements can be viewed at <http://www.afp.gov.au>.

Performance management

The AFP People, Safety and Security function has led the organisational transition from a biannual to an annual performance management cycle. Underpinning this change is an emphasis on inspiring and developing employees to deliver outcomes. In support, a new interactive session on people management was incorporated into the Team Leader Development Program. Performance management sessions were also provided to executive-level personnel and team leaders, with all SES employees also participating in 360-degree feedback processes.

Recruitment

Recruitment processes were streamlined with an emphasis on improving fairness and transparency in merit-based selection processes. This included the trialling of de-identification of applications for promotional rounds and delivery of assessment centres in the executive-level promotional round. Complementing this work, an enhanced training program was developed that covers the responsibilities as a member of an Independent Selection Advisory Panel.

Gateway clearance processes for sworn recruitment processes were also streamlined for trialling with the June 2017 intake, and the marketing strategy for this recruitment round achieved a 29 per cent female applicant rate.

The Recruitment Team has continued to work towards the gender diversity targets introduced in 2015. The gender target was exceeded for the three Protective Service Officer Recruit Programs in 2016–17 by achieving a 69 per cent, 60 per cent and 50 per cent female cohort respectively.

Aboriginal and/or Torres Strait Islander representation further increased in 2016–17, exceeding 1.8 per cent, and is progressing well to meet the Council of Australian Governments' target of 2.5 per cent by the end of 2018. The number of graduates being recruited has increased and maintains a solid diversity mix, including 63 per cent women in the 2017 cohort.

Directions Program

The AFP Directions Program Traineeship was established in 2011 and has emerged as the primary recruitment strategy for increasing Aboriginal and Torres Strait Islander representation in the AFP. The 12-month entry-level integrated employment and development program provides participants with administration employment pathways into the AFP. During the 2016–17 program, trainees completed a series of work rotations to assist in building their knowledge and understanding of the complex and interrelated functions delivered by the AFP. Learning and development activities are embedded within the traineeship and the 2016–17 cohort successfully completed dual nationally accredited Certificate IV qualifications in Project Management and Government. Visits to ACT Policing facilities, Forensics and the AFP Operations Coordination Centre provided trainees with a 'behind the scenes' opportunity to gain an insight into future career pathways.

Through their program participation, trainees have become high-performing AFP staff members, prompting a significant expansion in the number of business areas engaging with the program. The Directions Traineeship has also established a positive reputation in local, regional and interstate communities. Many current participants were referred through word of mouth, reflecting the AFP as an employer of choice for Aboriginal and/or Torres Strait Islander Australians. A significant 100 per cent retention rate of recently graduated trainees (since 2015) reflects the program's ability to deliver a quality employment model committed to diversity and inclusion.

Diversity and inclusion

During the reporting period the AFP Diversity and Inclusion Strategy 2016–26 was further evolved following the release of the Cultural Change report. The strategy now frames six strategic pillars engineered to guide cultural transformation to meet capability and capacity initiatives set out in the AFP Corporate Plan 2016–17 (covering 2016 to 2020).

The six strategic pillars are:

- ▶ Engaging with the workforce
- ▶ Developing inclusive leaders
- ▶ Challenging traditional workplace practices
- ▶ Building a learning organisation
- ▶ Supporting victims and workplaces
- ▶ Acting on harmful workplace behaviour.

In demonstration of the AFP's commitment to achieving the objectives and targets set out in the Diversity and Inclusion Strategy 2016–26, the organisation participated in two self-auditing benchmarking activities:

- ▶ the Australian Workplace Equity Index, which reviews inclusive workplace policy, process and practices with regard to lesbian, gay, bisexual, trans and intersex (LGBTI) staff
- ▶ the Access and Inclusion Index, which evaluates consideration and incorporation of the needs of people with disability in all areas of the organisation's operations.

The index results of both benchmarking tools influence tangible change and are critical in shaping diversity and inclusion initiatives set across all five priority diversity groups: women, Aboriginal and/or Torres Strait Islander Australians, people with disability, culturally and linguistically diverse people and LGBTI people.

The strategy includes a number of short-term objectives and long-term targets. One of these long-term targets references 'The number of culturally and linguistically diverse (CALD) people in policing roles to be increased by maintaining a minimum of 30 per cent CALD representation on each entry-level police recruit course'. The current data for CALD representation is: police officers 27.0 per cent, protective service officers 25.4 per cent and professional staff 27.3 per cent. The AFP overall representation is 26.9 per cent.

In late 2016 the AFP commenced piloting the concept of a CALD Network within the Perth Office in Western Australia. In early 2017 a survey was undertaken to determine the merits of establishing a new diversity network, which subsequently proved positive. The AFP CALD Network will now become the fifth diversity network which will contribute to increasing cultural awareness and inclusion within the organisation.

The AFP's employee diversity networks also had a very successful year actively participating in major events to raise awareness and promote diversity and inclusion in the workplace in addition to their core role of providing support to individual staff.

Achievements of the Gay and Lesbian Officers Network

In 2017 the AFP was recognised at the Australian Workplace Equality Index awards for its work in LGBTI inclusion. There were 116 organisations across all employment sectors that participated in the benchmarking opportunity, and the AFP took home one of 10 Gold Employer awards and the Training Impact award.

Key elements of our 21-year-old award-winning Gay and Lesbian Liaison Officer (GLLO) Network include:

- ▶ a strong network of over 250 AFP staff who have completed the three-day AFP GLLO course which prepares police, protective service officers and professional staff of the AFP to support the internal and external LGBTI community
- ▶ undertaking a variety of annual LGBTI inclusion initiatives, including:
 - marching in uniform at Mardi Gras and other Pride marches
 - AFP stalls at LGBTI community days in various states and territories
 - inclusion events on International Day Against Homophobia, Biphobia, and Transphobia and Wear it Purple Day
- ▶ strong governance and accountability measures, including the GLLO Strategic Plan
- ▶ a visible presence internally and externally achieved through various communication methods and rainbow branding and merchandise
- ▶ working with internal and external partners on diversity and inclusion initiatives more broadly
- ▶ delivering LGBTI training opportunities to all levels of the organisation, including presentations to the National Managers Forum, introductory LGBTI awareness sessions to all staff and refresher training to existing GLLOs.

GLLO associate memberships were launched in 2017, providing an opportunity for all AFP appointees to become involved with LGBTI inclusion.



AFP staff march as part of the Mardi Gras 2017 parade.

Disability reporting

The AFP will contribute to a high-level, two-yearly report against the outcome areas of the National Disability Strategy 2010–20, which sets out the national policy framework to improve the lives of people with disability. The first of these progress reports was published in 2014 and can be found at <https://www.dss.gov.au>.

Work health, safety and rehabilitation

AFP Organisational Health has responsibility to all AFP staff for injury prevention, radiation safety, emergency procedures and injury management, with an emphasis on prevention, early intervention and rehabilitation to support enhanced law enforcement.

The Work Health, Safety and Rehabilitation Team conducted an audit of the AFP's Rehabilitation Management System in accordance with the *Safety, Rehabilitation and Compensation Act 1988* and Guidelines for Rehabilitation Authorities 2012.

A 92 per cent conformance rate was achieved and the required Certificate of Compliance obtained.

To ensure due diligence and compliance in accordance with the *Work Health and Safety Act 2011* and associated Regulations, the Work Health, Safety and Rehabilitation Team conducted 10 audits both nationally and internationally, achieving a compliance rating of 83 per cent.

The AFP was compliant with three national radiation inspections undertaken by the Australian Radiation Protection and Nuclear Safety Agency in accordance with the *Australian Radiation Protection and Nuclear Safety Act 1998*.

During 2016–17 an internal audit was undertaken of all AFP facilities to ensure that the AFP's emergency management arrangements were compliant in accordance with the *Work Health and Safety Act 2011*. In addition, training and evacuation exercises were provided at two new AFP facilities.

Work health and safety legislative reporting requirements

During 2016–17 the AFP notified Comcare of 41 incidents under section 38 of the *Work Health and Safety Act 2011*. The AFP did not receive any provisional improvement notices. There were no formal investigations by Comcare. No notices were issued pursuant to Part 10 of the *Work Health and Safety Act 2011*.

Workforce development

Learning and Development

Learning and Development is a crucial pillar of the Workforce and Development area and is responsible for developing and professionalising the AFP workforce through the delivery of high-quality, innovative education and training initiatives. This was a year of transformation and consolidation for Learning and Development, with the addition of new corporate responsibilities such as the management of the AFP Tertiary Study Assistance Scheme, market-based programs and the initial phase of the Skills and Qualifications Framework.

In 2016–17 the AFP Learning Strategy was developed and commenced in order to shift the organisational learning focus from a training model centred at the AFP College to an enduring, life-long learning philosophy that is practised and supported across the organisation. The strategy not only encourages staff to value and promote the benefits of a learning-focused workplace environment, as well as formal education and qualifications, but will also ensure that the right skills, attributes and attitudes are embedded within the culture of the AFP and into the future leaders. The Learning Strategy is principles-based and is designed to guide the AFP's approach and investment in organisational learning solutions into the future. It provides a strategic blueprint yet is flexible enough to address the needs of an adaptive and dynamic agency such as the AFP to enable it to respond to an unpredictable operating environment.

A number of significant training outcomes were achieved in 2016–17:

- ▶ The ongoing enhancement of recruit training saw the Protective Services Officer Program broadened to cover a range of additional capabilities already in the Federal Police Development Program, including increased awareness and training in maintaining mental health. The successful delivery of both programs saw the graduation and deployment of 55 new protective service officers and 18 new police officers.
- ▶ The renewed focus on leadership training saw the development and delivery of eight Team Leader Development Programs (139 participants). The program is designed to develop an understanding of the AFP's expectations of team leaders and the skills and capabilities required to lead effectively and to provide the opportunities to develop and practise those skills.
- ▶ A formal Workplace Coaching course was developed and delivered to more than 250 AFP staff across the country. This course provides staff with coaching and mentoring skills to encourage and facilitate learning in the workplace.
- ▶ The Investigator's Development Continuum and the Intelligence Training and Development Continuum were implemented to ensure mandatory training requirements, provide individuals with a professional pathway for their personal and career development and align professional qualifications with AFP-delivered courses.
- ▶ In addition to the existing AFP and international Management of Serious Crime (MOSC) courses, the first Commonwealth Agencies MOSC course was developed and delivered to support the AFP's focus on working in partnership. The program

brought together senior investigators from across the Commonwealth who share responsibility for combating serious financial crime and corruption.

Hydra

As part of Learning and Development's commitment to enhance capability through using innovative technologies, Hydra has been deployed more broadly in the delivery of training. Hydra is an immersive simulation system used globally by law enforcement and emergency services to create high-fidelity learning environments that challenge participants' leadership and decision-making skills. The system provides a unique, realistic learning environment that involves participants applying those skills to critical incidents that unfold in real time.

The AFP has successfully used Hydra as part of the Team Leader Development Program, Witness Protection Workshop, Homicide Investigators Program, Advanced Foreign Bribery Investigators Program, Police Intelligence Development Program, Management of Serious Crime (MOSC) course, Commonwealth Agencies MOSC course and the Detective Training Program (Stage 3). Joint Hydra scenarios have also been run collaboratively with key partners, including the Australian Criminal Intelligence Commission and Victoria Police, to increase their capabilities and to develop practitioner-level networks.

Into the future, Hydra will become an integral part of training delivery in the AFP and will be key in the delivery of further programs, including the Futures Leadership Program and the Senior Investigating Officers Program, as well as being used to exercise AFP SES members in implementing an organisational business continuity plan.

AFP College

Learning and Development's primary role is to design and deliver learning programs and help coordinate and manage organisational and individual learning needs. The core of Learning and Development is the AFP College located in Barton, Australian Capital Territory, with other activities provided in external premises including Majura and each regional AFP office. The AFP College offers a multitude of training development and delivery options, depending on the learning requirement. The AFP College is a Registered Training Organisation – a training and assessment organisation registered to deliver and award nationally recognised qualifications.

AFP Library

The AFP National Library Service provides access to a wide range of contemporary open source information products and services in support of national, international and community policing activities, contributing to the development of essential skills and knowledge for enhanced decision-making and effective policing.

In 2016–17 the AFP National Library Service responded to over 3,600 general information inquiries, sourced over 6,000 books, articles and reports and responded to 350 in-depth research queries. The Library also routinely keeps AFP staff accurately and reliably informed through the latest publications, alert services and databases.

Financial management

Procurement

The AFP applies the Commonwealth Procurement Rules when procuring property and services, including consultancies. The rules are applied to activities through the Commissioner's Financial Instructions with supporting guidelines.

The AFP has a centralised procurement and contracting team that actively promotes and focuses on compliance. In 2016–17 the AFP conducted a number of major tender processes including Supply of Relocation and Storage Services, Canine Supplies, Medical (Travel) Services, Off Site Mail Security Screening, Towing Services, Infrastructure Managed Services, and Support and Occupational Health Services to the AFP.

Information on the value of contracts, including consultancies, is available at <https://www.tenders.gov.au/>. The Senate Order on departmental and agency contracts is available on the AFP's website via a link to AusTender.

In 2016–17 the AFP entered into four contracts of \$100,000 or more which did not provide for the Auditor-General to have access to the contractor's premises. These contracts are detailed below.

Table 5.2: Contracts without Auditor-General access, 2016–17

Name of vendor	Purpose of contract	Value of contract	Reason
Beaumont Legal Services Pty Ltd	Provision of legal services	\$250,622	The AFP accepted the vendor terms.
Thermo Fisher Scientific Life Sciences Solutions	Maintenance and servicing of specialised laboratory equipment	\$205,326	The AFP accepted the vendor terms.
Lexis Nexis	Provision of legal database services	\$247,249	The AFP accepted the vendor terms.
AKIPS Pty Ltd	Supply of software subscription	\$103,125	The AFP accepted the vendor terms.

Consultancies

During 2016–17 the AFP entered into 25 new consultancy contracts. The total actual expenditure on new consultancy contracts in 2016–17 was \$1,455,226 (GST included). In addition, 17 ongoing consultancy contracts were active in 2016–17, involving a total actual expenditure of \$422,048 (GST included). Annual reports contain information about actual expenditure on contracts for consultancies; 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 decisions to engage consultants were made in accordance with the PGPA Act, Commonwealth Procurement Rules and relevant internal policies.

Table 5.3: Expenditure on consultants, 2014–15 to 2016–17

	2014 15	2015–16	2016 17
New contracts entered into	31	31	25
Total expenditure (new and ongoing contracts)	\$1,334,617	\$1,630,719	\$1,877,274

Note: In last year's annual report the number of new contracts entered into was incorrectly reported as 29.

Exempt contracts

During 2016–17 the AFP did not publish on AusTender the details of 51 contracts with a total value of \$19,112,332 as the details would disclose exempt matters under the *Freedom of Information Act 1982*.

Procurement initiative to support small business

The AFP supports small business participation in the Australian Government procurement market. Small and medium enterprises and small enterprise participation statistics are available on the Department of Finance's website at <http://www.finance.gov.au/procurement/statistics-on-commonwealth-purchasing-contracts/>.

The AFP's procurement practices support small business enterprises by promoting, where possible, use of the Commonwealth Contracting Suite for low-risk procurements valued under \$200,000, encouraging the use of credit card payments for procurements valued under \$10,000 and setting the default terms of payment for small business through the accounts payable system to seven calendar days.

The AFP recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on Treasury's website, <http://www.treasury.gov.au>.

Discretionary grants

Information on grants that the AFP awarded during the period 1 July 2016 to 30 June 2017 is available at <https://www.afp.gov.au/about-us/governance-and-accountability/grants-awarded-afp>.



6 Financial statements





INDEPENDENT AUDITOR'S REPORT

To the Minister for Justice

Opinion

In my opinion, the financial statements of the Australian Federal Police for the year ended 30 June 2017:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Australian Federal Police as at 30 June 2017 and its financial performance and cash flows for the year then ended.

The financial statements of the Australian Federal Police, which I have audited, comprise the following statements as at 30 June 2017 and for the year then ended:

- Statement by the Commissioner and Chief Finance Officer;
- Statement of comprehensive income;
- Statement of financial position;
- Statement of changes in equity;
- Cash flow statement;
- Administered schedule of comprehensive income;
- Administered schedule of assets and liabilities;
- Administered reconciliation schedule;
- Administered cash flow statement; and
- Notes to the financial statements, comprising a Summary of Significant Accounting Policies and other explanatory information.

Basis for Opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Australian Federal Police in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* to the extent that they are not in conflict with the *Auditor-General Act 1997* (the Code). I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's Responsibility for the Financial Statements

As the Accountable Authority of the Australian Federal Police the Commissioner is responsible under the *Public Governance, Performance and Accountability Act 2013* for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Reduced Disclosure Requirements and the rules made under that Act. The Commissioner is also responsible for such internal control as the Commissioner determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Commissioner is responsible for assessing the Australian Federal Police ability to continue as a going concern, taking into account whether the entity's operations will cease as a result of an administrative restructure or for any other reason. The Commissioner is also responsible for disclosing matters related to going concern as applicable and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

Auditor's Responsibilities for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit 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 entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Clea Lewis

Executive Director

Delegate of the Auditor-General

Canberra

7 September 2017

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Statement by the Commissioner and the Chief Financial Officer

In our opinion, the attached financial statements for the year ended 30 June 2017 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Australian Federal Police (AFP) will be able to pay its debts as and when they fall due.



Andrew Colvin APM OAM
Commissioner

7 September 2017



Peter Gunning
Chief Financial Officer

7 September 2017

Statement of comprehensive income

for the year ended 30 June 2017

	Notes	Actual 2017 \$'000	Actual 2016 \$'000	Original Budget ¹ \$'000	Variance ² \$'000
NET COST OF SERVICES					
Expenses					
Employee benefits	1.1A	848,587	900,233	853,854	(5,267)
Suppliers	1.1B	442,509	423,762	416,313	26,196
Depreciation and amortisation	2.2A	88,780	93,533	91,381	(2,601)
Finance costs		391	486	453	(62)
Write-down and impairment of assets	1.1C	3,048	1,084	-	3,048
Grants		2,093	1,886	-	2,093
Other expenses		948	583	-	948
Total expenses		1,386,356	1,421,567	1,362,001	24,355
Own-source income					
Own-source revenue					
Sale of goods and rendering of services	1.2A	271,954	266,325	263,376	8,578
Other revenue	1.2A	3,797	4,453	581	3,216
Total own-source revenue		275,751	270,778	263,957	11,794
Gains					
Resources received free of charge	1.2B	5,555	5,555	5,640	(85)
Sales of assets	1.2B	219	244	-	219
Other gains	1.2B	1,445	15,325	-	1,445
Total gains		7,219	21,124	5,640	1,579
Total own-source income		282,970	291,902	269,597	13,373
Net cost of services		(1,103,386)	(1,129,665)	(1,092,404)	(10,982)
Revenue from government	4.1A	1,021,343	1,006,033	1,005,058	16,285
Deficit attributable to the Australian Government		(82,043)	(123,632)	(87,346)	5,303
Other comprehensive income					
Items not subject to subsequent reclassification to net cost of services					
Revaluation of Property, plant and equipment		30,828	-	-	30,828
Total other comprehensive income		30,828	-	-	30,828
Total comprehensive loss attributable to the Australian Government		(51,215)	(123,632)	(87,346)	36,131

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

¹ The original budget is from the 2016–17 Portfolio Budget Statement (PBS) (unaudited).² The variance between the actual and original budgeted amount for 2016–17. Explanation of major variances are presented in Note 5.1.

Primary statements

Statement of financial position

as at 30 June 2017		Actual	Actual	Original	
	Notes	2017	2016	Budget ¹	Variance ²
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial assets					
Cash and cash equivalents	2.1A	17,702	23,618	8,517	9,185
Trade and other receivables	2.1B	303,125	257,489	242,207	60,918
Accrued revenue		5,071	6,628	3,590	1,481
Total financial assets		325,898	287,735	254,314	71,584
Non-financial assets					
Land and buildings	2.2A	349,387	314,701	410,299	(60,912)
Property, plant and equipment	2.2A	138,433	125,501	87,077	51,356
Intangibles	2.2A	38,409	36,511	32,993	5,416
Inventories		5,652	6,768	7,321	(1,669)
Prepayments		23,011	20,481	22,093	918
Total non-financial assets		554,892	503,962	559,783	(4,891)
Total assets		880,790	791,697	814,097	66,693
LIABILITIES					
Payables					
Suppliers	2.3A	85,059	64,493	84,677	382
Other payables	2.3B	20,645	16,686	7,025	13,620
Total payables		105,704	81,179	91,702	14,002
Provisions					
Employee provisions	3.1	289,001	290,316	288,017	984
Other provisions	2.4	31,648	18,271	18,813	12,835
Total provisions		320,649	308,587	306,830	13,819
Total liabilities		426,353	389,766	398,532	27,821
Net assets		454,437	401,931	415,565	38,872
EQUITY					
Contributed equity		1,055,504	951,783	1,044,523	10,981
Reserves		123,754	92,926	92,927	30,827
Accumulated deficit		(724,821)	(642,778)	(721,885)	(2,936)
Total equity		454,437	401,931	415,565	38,872

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

¹ The original budget is from the 2016–17 Portfolio Budget Statement (PBS) (unaudited).

² The variance between the actual and original budgeted amount for 2016–17. Explanation of major variances are presented in Note 5.1.

Statement of changes in equity

for the year ended 30 June 2017

	Actual 2017 \$'000	Actual 2016 \$'000	Original Budget ¹ \$'000	Variance ² \$'000
CONTRIBUTED EQUITY				
Opening balance carried forward from previous period	951,783	864,870	936,372	15,411
Transactions with owners				
<i>Distributions to owners</i>				
Returns of contributed equity	(15,500)	(14,076)	-	(15,500)
<i>Contributions by owners</i>				
Equity adjustments	-	15,411	-	-
Equity injection - Appropriations	89,649	48,911	78,579	11,070
Departmental capital budget	29,572	36,667	29,572	-
Total transactions with owners	103,721	86,913	108,151	(4,430)
Closing balance as at 30 June	1,055,504	951,783	1,044,523	10,981
RETAINED EARNINGS				
Opening balance carried forward from previous period	(642,778)	(519,146)	(634,539)	(8,239)
Comprehensive income				
(Deficit) for the period	(82,043)	(123,632)	(87,346)	5,303
Total comprehensive income	(82,043)	(123,632)	(87,346)	5,303
Closing balance as at 30 June	(724,821)	(642,778)	(721,885)	(2,936)
ASSET REVALUATION RESERVE				
Opening balance carried forward from previous period	92,926	92,926	92,927	(1)
Comprehensive income				
Other comprehensive income	30,828	-	-	30,828
Total comprehensive income	30,828	-	-	30,828
Closing balance as at 30 June	123,754	92,926	92,927	30,827
TOTAL EQUITY	454,437	401,931	415,565	38,872

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

¹ The original budget is from the 2016–17 Portfolio Budget Statement (PBS) (unaudited).

² The variance between the actual and original budgeted amount for 2016–17. Explanation of major variances are presented in Note 5.1.

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.

Primary statements

Cash flow statement

for the year ended 30 June 2017

	Notes	Actual 2017 \$'000	Actual 2016 \$'000	Original Budget ¹ \$'000	Variance ² \$'000
Operating activities					
<i>Cash received</i>					
Appropriations		1,285,508	1,379,686	1,280,385	5,123
Sales of goods and rendering of services		269,366	272,709	257,137	12,229
Net GST received		33,841	40,445	31,116	2,725
Other		-	14,637	581	(581)
Total cash received		1,588,715	1,707,477	1,569,219	19,496
<i>Cash used</i>					
Employees		851,406	912,506	860,830	(9,424)
Suppliers		461,555	478,991	449,789	11,766
Section 74 receipts transferred to Official public account (OPA)		275,958	294,931	254,565	21,393
Grant payments		2,093	1,886	-	2,093
Total cash used		1,591,012	1,688,314	1,565,184	25,828
Net cash from/ (used by) operating activities		(2,297)	19,163	4,035	(6,332)
Investing activities					
<i>Cash received</i>					
Proceeds from sale of property, plant and equipment		264	244	-	264
Total cash received		264	244	-	264
<i>Cash used</i>					
Purchase of property, plant and equipment		46,043	40,171	19,789	26,254
Purchase of land and buildings		34,898	49,194	94,458	(59,560)
Purchase of intangibles		8,962	11,474	9,179	(217)
Total cash used		89,903	100,839	123,426	(33,523)
Net cash (used by) investing activities		(89,639)	(100,595)	(123,426)	33,787
Financing activities					
<i>Cash received</i>					
Contributed equity & capital budget funding		56,448	50,880	89,819	(33,371)
Departmental capital budget funding		29,572	45,653	29,572	-
Total cash received		86,020	96,533	119,391	(33,371)
Net cash from financing activities		86,020	96,533	119,391	(33,371)
Net increase in cash held		(5,916)	15,101	-	(5,916)
Cash and cash equivalents at the beginning of the period		23,618	8,517	8,517	15,101
Cash and cash equivalents at the end of the period	2.1A	17,702	23,618	8,517	9,185

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

¹ The original budget is from the 2016–17 Portfolio Budget Statement (PBS) (unaudited).

² The variance between the actual and original budgeted amount for 2016–17. Explanation of major variances are presented in Note 5.1.

Administered schedule of comprehensive income

for the year ended 30 June 2017	Actual 2017 \$'000	Actual 2016 \$'000	Original Budget ¹ \$'000	Variance ² \$'000
NET COST OF SERVICES				
Expenses				
Consultants and contractors	13	570	-	-
General and office	1,894	2,470	-	-
Impairment of trade and other receivables	10	23	-	-
Infrastructure for other jurisdictions	750	776	-	-
Operational expenses	211	570	-	-
Police equipment for other jurisdictions ³	6,510	7,011	-	-
Training	1,642	1,709	-	-
Travel	714	1,091	-	-
Total expenses	11,744	14,220	12,116	(372)
Income				
Non-taxation revenue				
Court fees, fines and penalties	165	172	-	-
Exhibits and seizures	386	1,176	-	-
Other income	23	16	-	-
Total non-taxation revenue	574	1,364	41,740	(41,166)
Net cost of services	11,170	12,856	(29,624)	40,794
Total comprehensive deficit	(11,170)	(12,856)	29,624	(40,794)

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

¹ The original budget is from the 2016–17 Portfolio Budget Statement (PBS) (unaudited).

² The variance between the actual and original budgeted amount for 2016–17. Explanation of major variances are presented in Note 5.1.

³ Police equipment for other jurisdictions is for amounts gifted to international police jurisdictions which are not cost recovered.

Administered primary schedules

Administered schedule of assets and liabilities

as at 30 June 2017	Actual 2017 \$'000	Actual 2016 \$'000	Original Budget ¹ \$'000	Variance ² \$'000
ASSETS				
Financial assets				
Cash and cash equivalents	-	4	1,816	(1,816)
Receivable - GST from Australian Taxation Office	6	26	-	6
Receivable - Court fees, fines and penalties	1,465	1,447	147	1,318
Less: impairment allowance (court fees, fines and penalties)	(1,358)	(1,348)	-	(1,358)
Total financial assets	113	129	1,963	(1,850)
Total assets administered on behalf of government	113	129	1,963	(1,850)
Liabilities				
Payables				
Suppliers ³	1,089	1,255	1,009	80
Other payables	10	-	-	10
Total liabilities administered on behalf of government	1,099	1,255	1,009	90
Net liabilities	(986)	(1,126)	954	(1,940)

The above schedule should be read in conjunction with the accompanying notes. All assets and liabilities are related to Outcome 1.

¹ The original budget is from the 2016–17 Portfolio Budget Statement (PBS) (unaudited).

² The variance between the actual and original budgeted amount for 2016–17. Explanation of major variances are presented in Note 5.1.

³ Settlement is usually made within 7 days.

Administered reconciliation schedule

for the year ended 30 June 2017	Actual 2017 \$'000	Actual 2016 \$'000
Opening net liabilities as at 1 July	(1,126)	(1,750)
Net cost of services		
Income	574	1,364
Expenses	(11,744)	(14,220)
Total net cost of services	(11,170)	(12,856)
Transfers (to)/from Australian Government		
Appropriation transfers through OPA:		
Annual appropriations	13,346	15,831
Transfers to OPA	(2,036)	(2,351)
Total transfers (to)/from Australian Government	11,310	13,480
Closing net liabilities as at 30 June	(986)	(1,126)

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

Administered primary schedules

Administered cash flow statement

for the year ended 30 June 2017

	Actual 2017 \$'000	Actual 2016 \$'000	Original Budget ¹ \$'000	Variance ² \$'000
Operating activities				
<i>Cash received</i>				
Court fees, fines and penalties	147	163	-	-
Exhibits and seizures	382	1,176	-	-
Other – income	23	16	-	-
Net GST received	20	202	-	-
Total cash received	572	1,557	42,237	(41,665)
<i>Cash used</i>				
Suppliers	11,886	16,848	-	-
Total cash used	11,886	16,848	12,663	(777)
Net cash flows from / (used by) operating activities	(11,314)	(15,291)	29,574	(40,888)
Net (decrease) in cash held by the Commonwealth	(11,314)	(15,291)	29,574	(40,888)
Cash at the beginning of the reporting period	4	1,816	4,096	(4,092)
<i>Cash from Official Public Account</i>				-
Appropriations	13,346	15,831	12,116	1,230
<i>Cash to Official Public Account</i>				-
Cash received	-	(1,356)	(41,740)	41,740
Appropriations	(1,867)	(761)	-	(1,867)
GST	(169)	(235)	-	(169)
Cash at the end of the reporting period	-	4	4,046	(4,046)

The above schedule should be read in conjunction with accompanying notes. All assets and liabilities are related to Outcome 1.

¹ The original budget is from the 2016–17 Portfolio Budget Statement (PBS) (unaudited). The budget statement information has been reclassified and presented on a consistent basis with the corresponding financial statement.

² The variance between the actual and original budgeted amount for 2016–17. Explanation of major variances are presented in Note 5.1.

Notes to and forming part of the financial statements

Overview

Basis of preparation of the financial statements

The financial statements are general-purpose financial statements and are required by section 42 of the *Public Governance, Performance and Accountability Act 2013*.

The financial statements have been prepared in accordance with:

- *Public Governance Performance and Accountability (Financial Reporting) Rule 2015 (FRR)*; and
- Australian Accounting Standards and Interpretations - Reduced Disclosure Requirements issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

Unless an alternative treatment is specifically required by an accounting standard or the FRR, assets and liabilities are recognised in the Statement of financial position when and only when it is probable that future economic benefits will flow to the AFP 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.

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.

Significant accounting judgements and estimates

The AFP has made estimates and judgements with respect to the calculation of employee provisions and the methods used to assess the fair value of assets. All assets and liabilities are held at fair value. These estimates and judgements are outlined at the relevant note.

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.

New Australian Accounting Standards

Adoption of new Australian Accounting Standards requirements

- AASB 124 *Related Parties* applies from 1 July 2016. This is the first time adoption and as such no comparative information has been provided.

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.

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 items are presented on shaded blue background.

Overview (con't)

Administered Cash Transfers to and from the Official Public

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. 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.

Events after the reporting period

Departmental

No significant events have occurred since the reporting date requiring disclosure in the financial statements. The creation of the Home Affairs portfolio incorporating AFP was announced on 18 July 2017, whilst there will likely be changes in Ministerial reporting lines, there will be little or no impact on AFP financial statements through announcements made.

Administered

No significant events have occurred since the reporting date requiring disclosure in the financial statements.

Notes to and forming part of the financial statements

Note 1.1: Expenses

Note 1.1A: Employee benefits expense

	2017 \$'000	2016 \$'000
Wages and salaries	600,429	617,963
Superannuation ¹ :		
Defined contribution plans	49,787	48,020
Defined benefit plans	66,753	66,825
Leave and other entitlements	119,321	142,703
Separation and redundancies	654	10,557
Other employee expenses	11,643	14,165
Total employee benefits expense	848,587	900,233

Note 1.1A: Accounting policy

1. The AFP's employees 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 plans for the Australian Government. All other superannuation funds are accumulation plans.

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'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.

Note 1.1B: Supplier expenses

	2017 \$'000	2016 \$'000
Supplier expenses – goods and services		
Operational	58,310	56,225
Consultant and contractor services	46,810	43,046
Staff and recruitment	46,293	46,577
Communications and IT	41,439	39,445
Building and accommodation	35,675	34,371
Travel	29,174	29,296
General and office	27,683	23,537
Training	10,246	10,233
Vehicle expenses	4,689	4,977
Postage and freight	3,377	2,666
Total supplier expenses – goods and services	303,696	290,373
Breakdown of supplier expenses		
Goods supplied	46,797	32,820
Services rendered	256,899	257,553
Total goods and services supplied or rendered	303,696	290,373

Note 1.1: Expenses (cont.)**Note 1.1B: Supplier expenses (cont.)**

	2017	2016
	\$'000	\$'000
Supplier expenses – other		
Operating lease rentals in connection with external parties:		
Minimum lease payments	103,240	102,513
Contingent rent expenses	197	246
Workers compensation expenses	35,368	30,024
Other supplier expenses	8	606
Total supplier expenses - other	138,813	133,389
Total supplier expenses	442,509	423,762

Note 1.1B: Accounting policy*Recognition and measurement of operating lease payments*

Payments are expensed on the basis which is representative of the pattern of benefits derived from the leased assets. Lease incentives are recognised as other payables and amortised over the period of the lease on a straight line basis.

Leasing commitments*Operating lease commitments*

The AFP leases a number of properties and motor vehicles under operating leases. The majority of leases are in their initial term, with an option to renew after that date. Property lease payments increase annually in accordance with the relevant lease agreement, which is either fixed rate or CPI.

	2017	2016
	\$'000	\$'000
As at 30 June, the future minimum lease payments under non-cancellable leases were		
Less than one year	88,744	90,131
Between one and five years	297,450	270,795
More than five years	213,599	260,734
Total operating lease commitments	599,793	621,660

Note 1.1C: Write-down and impairment of assets

	2017	2016
	\$'000	\$'000
Impairment from trade and other receivables	42	46
Impairment of buildings	666	-
Impairment of property, plant and equipment	1,072	924
Impairment of intangibles	1,268	114
Total write-down and impairment of assets	3,048	1,084

Note 1.1D: Regulatory charging summary

The AFP undertakes national police checks that are cost-recovered, as outlined in Schedule 2 of the *Australian Federal Police Regulations 1979*. Expenses and income associated with this activity is outlined below.

	2017	2016
	\$'000	\$'000
Expenses – departmental	18,983	19,279
Revenue – departmental	23,405	23,419

Notes to and forming part of the financial statements

Note 1.2: Own-Source Revenue and Gains

Note 1.2A: Revenue

	2017	2016
	\$'000	\$'000
Sale of goods	712	808
Rendering of services:		
Police services	233,517	223,895
Other services	37,725	41,622
Other revenue	3,797	4,453
Total revenue	275,751	270,778

Note 1.2A: Accounting policy

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 AFP.

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 AFP.

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.

Note 1.2B: Gains

	2017	2016
	\$'000	\$'000
Resources received free of charge	5,555	5,555
Sales of assets:		
Proceeds from sales of assets	264	273
Carrying value of assets sold	(45)	(29)
Other gains	1,445	15,325
Total gains	7,219	21,124

Note 1.2B: Accounting policy

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 includes Australian National Audit Office audit fees of \$0.245m (2016: \$0.245m) for AFP's financial statements and \$5.310m (2016: \$5.310m) for ACT Policing Facilities received free of charge from the ACT Government.

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.

Note 2.1: Financial Assets

Note 2.1A: Cash and cash equivalents

	2017	2016
	\$'000	\$'000
Cash in special accounts	4,803	2,426
Cash on hand	106	100
Cash at bank	12,793	21,092
Total cash and cash equivalents	17,702	23,618

Note 2.1B: Trade and other receivables

	2017	2016
	\$'000	\$'000
Goods and services receivable	\$'000	\$'000
- goods and services receivable	14,387	7,817
Total goods and services receivables	14,387	7,817
Appropriation receivable		
- for ordinary services	187,389	176,096
- for equity projects	69,961	52,260
- for Special Accounts	6,000	5,500
Total appropriations receivables	263,350	233,856
Other receivables		
- GST receivable from the Australian Taxation Office	4,729	3,793
- Comcare	20,998	12,286
- other	136	294
Total other receivables	25,863	16,373
Total trade and other receivables (gross)	303,600	258,046
Less impairment allowance for goods and services	(475)	(557)
Total trade and other receivables (net)	303,125	257,489

Note 2.1B: Accounting policy

All trade receivables are expected to be recovered in no more than 12 months. Credit terms for goods and services were 30 days (2016: 30 days). Collectability of debts is reviewed at the end of the reporting period. Allowances for impairment are made when collectability of the debt is no longer probable.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments and 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 rate method.

Receivables for goods and services, 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.

Reconciliation of the impairment allowance	2017	2016
	\$'000	\$'000
Opening balance, 1 July	557	15,147
Amounts written off	(9)	-
Amounts recovered and reversed	(115)	(14,544)
Increase/(Decrease) recognised in net cost of services	42	(46)
Closing balance, 30 June	475	557

Notes to and forming part of the financial statements

Note 2.2: Non-Financial Assets

Note 2.2A: Reconciliation of the opening and closing balances of property, plant and equipment and intangibles

	Land \$'000	Buildings \$'000	Leasehold improve- ments \$'000	Total land and buildings \$'000	Other property, plant and equipment \$'000	Intangible Assets - Computer software \$'000	Total Non- Financial Assets \$'000
As at 1 July 2016							
Gross book value	2,000	136,035	247,821	385,856	228,743	114,158	728,757
Accumulated depreciation and	-	(9,166)	(61,989)	(71,155)	(103,242)	(77,647)	(252,044)
Net book value, 1 July 2016	2,000	126,869	185,832	314,701	125,501	36,511	476,713
Additions:							
Purchased or internally developed	-	2,404	39,457	41,861	49,893	11,371	103,125
Assets not previously recognised	-	-	-	-	46	-	46
Revaluations recognised in other comprehensive income	400	14,683	14,318	29,401	8,775	-	38,176
Write-down and impairment recognised in net cost of services	-	(666)	-	(666)	(1,072)	(1,268)	(3,006)
Depreciation/amortisation	-	(6,772)	(29,229)	(36,001)	(42,514)	(10,265)	(88,780)
Reclassifications	-	(109)	200	91	(2,151)	2,060	-
Disposals:							
Sales	-	-	-	-	(45)	-	(45)
Net book value, 30 June 2017	2,400	136,409	210,578	349,387	138,433	38,409	526,229
Net book value as of 30 June 2017 represented by:							
Gross book value	2,400	136,409	210,578	349,387	138,433	111,110	598,930
Accumulated depreciation and impairment	-	-	-	-	-	(72,701)	(72,701)
Net book value, 30 June 2017	2,400	136,409	210,578	349,387	138,433	38,409	526,229

The carrying amount of computer software included purchase software \$26.636m and internally generated software \$11.773m.

Capital commitments

The AFP has entered into contracts to purchase equipment, intangibles, leasehold fit-outs and buildings that are currently under construction. Some contracts contain a termination clause as part of the contract, the value of these contracts 2017: \$49.739m (2016: \$3.196m). At 30 June, the AFP intends to fully exercise these contracts.

	2017 \$'000	2016 \$'000
As at 30 June, the future minimum payments under non-cancellable contracts were as follows:		
Less than one year	48,955	4,370
Between one and five years	19,030	34
More than five years	-	-
Total capital commitments	67,985	4,404

Note 2.2A: Accounting policy

Assets under construction (AUC)

AUC are included in all asset classes in 2.2A except for Land. Assets under construction (AUC) are initially recorded at acquisition cost. They include expenditure to date on various capital projects carried as AUC. AUC projects are reviewed annually for indicators of impairment and all AUC older than 12 months at reporting date is externally revalued to fair value. Prior to rollout into service, the accumulated AUC balance is reviewed to ensure accurate capitalisation of built and purchased assets.

Note 2.2: Non-Financial Assets (con't)

Note 2.2A: Accounting policy (con't)

Make good

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.

Asset Recognition thresholds

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.

Asset class	Threshold
Land and Buildings	\$5,000
Property, Plant and Equipment	\$2,000
Intangibles - Purchased	\$10,000
Intangibles - Internally developed	\$25,000

All asset purchases below these thresholds are expensed in the year of acquisition. Where assets cost less than the threshold and form part of a group of similar items which are significant in total, they are recognised as assets.

Revaluations

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 AFP has adopted a 3 year revaluation cycle. The AFP tests the valuation model as an internal management review at least once every 12 months to ensure there are no material differences. The last formal revaluation occurred at 30 June 2017.

Valuations were conducted by registered and independent valuers. In 2017 the AFP used Australian Valuation Services to conduct its revaluation. Revaluations were conducted on all tangible assets, including those under construction.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation surplus 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.

Key judgement

The valuation basis for each class of assets is as follows:

- land – fair value based on market value of similar properties
- buildings and leasehold improvements – depreciated replacement cost due to no active market for custom-built assets
- other property, plant and equipment – measured at market selling price for assets unless a market does not exist. In these circumstances depreciated replacement cost is applied.

Where possible a market approach was used through examination of similar assets. Revaluations were conducted on the following basis:

Asset Class	Valuation Technique
Land	Market valuation
Buildings	Depreciation replacement cost
Leasehold improvements	Depreciation replacement cost
Property, plant & equipment	Depreciation replacement cost and market valuation

Notes to and forming part of the financial statements

Note 2.2: Non-Financial Assets (con't)

Note 2.2A: Accounting policy (cont')

Impairment and derecognition

All assets were assessed for impairment at 30 June 2017. 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. Where assets were no longer used by the AFP, these have been written down during the financial year.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use.

Intangible Assets

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.

Depreciation and amortisation expense

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to AFP using the straight-line method of depreciation. Depreciation and amortisation rates have been applied to each class of asset based on the following useful lives:

Buildings on freehold land	10 to 40 years
Buildings on leasehold land	4 to 60 years
Leasehold improvements	15 years or lease term
Other property, plant and equipment	1 to 30 years
Software assets	2 to 18 years

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.

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.

Note 2.3: Payables**Note 2.3A: Supplier payables**

	2017 \$'000	2016 \$'000
Trade creditors and accruals	62,149	43,786
Operating lease rentals	22,910	20,707
Total supplier payable	85,059	64,493

Note 2.3B: Other payables

	2017 \$'000	2016 \$'000
Wages and salaries	6,292	6,672
Superannuation	819	412
Separations and redundancies	-	1,531
Unearned income	13,484	8,060
Other payables	50	11
Total other payables	20,645	16,686

Note 2.3: Accounting policy

Recognition and measurement of supplier and other payables: payables are carried at the amount owing to parties for goods and services provided, which is usually the invoice amount. Settlement is usually made within 7 days (2016: 7 days).

Note 2.4: Other provisions

	Provision for restoration obligations \$'000	Provision for settlements \$'000	Provision for relocations \$'000	Total \$'000
As at 1 July 2016	14,857	-	3,414	18,271
Additional provisions made	2,119	3,000	4,512	9,631
Amounts used	(520)	-	(2,092)	(2,612)
Provisions not realised	(518)	-	(863)	(1,381)
Revaluation	7,348	-	-	7,348
Unwinding of discount	391	-	-	391
Total as at 30 June 2017	23,677	3,000	4,971	31,648

Note 2.4A: Accounting policy**Provisions**

Provisions are recognised when the AFP has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the unwinding of the discount or change in the discount rates is recognised in the Statement of comprehensive income.

Provision for legal settlement

The AFP provision for legal settlements includes a provision for legal claims made against the AFP which the AFP believes it will have to settle.

Provision for relocations

Staff relocations are payments which staff are entitled to for relocating but are yet to fully claim.

Provision for restoration obligations

The provision for restoration obligations relates to leased accommodation where the AFP is required to restore the premises upon termination of the lease. The original estimates for future costs associated with restoration obligations are determined by independent valuation and discounted to their present value. The original provisions are adjusted for changes in expected future cost and the discount rate.

The AFP has 34 (2016: 35) agreements for leases 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

Note 3.1: Employee provisions

	2017	2016
	\$'000	\$'000
Leave	288,951	289,613
Redundancy	-	632
Other	50	71
Total employee provisions	289,001	290,316
Breakdown of employee provisions		
- amount of employee provisions expected to be settled in no more than 12 months	76,685	77,636
- amount of employee provisions expected to be settled in more than 12 months	212,316	212,680
Total employee provisions	289,001	290,316

Note 3.1: Accounting policy

Recognition and measurement of employee benefits

Employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if there is a present legal obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Leave

The leave liabilities are annual and long service leave. The 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. AFP is currently undertaking Enterprise Agreement negotiations.

Employee provision

Employee provisions 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.

Employee provisions which are expected to be settled beyond 12 months (commonly long service leave), are discounted to present value using market yields on the 10-year government bond rate.

Superannuation

The AFP's employees 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 plans for the Australian Government. All other superannuation funds are accumulation plans.

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'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.

Key estimate:

Employee provisions which are expected to be settled beyond 12 months required management judgement and independent actuarial assessment of key assumptions, including, but not limited to:

- future salaries and wages increases;
- future on-cost rates; and
- period of service and attrition; and
- discounted to present value using market yields on 10 year government bonds.

Note 3.2: Key management personnel remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the AFP. The AFP has determined the key management personnel to be the members of the Executive Leadership Committee.

Key management personnel remuneration is reported in the table below. Included are those who have acted in any of the above mentioned roles deemed as key management personnel or who have departed prior to reporting date.

	2017
	\$'000
Short-term employee benefits	2,569
Post-employment benefits	448
Other long-term employee benefits	285
Termination benefits	278
Total key management personnel remuneration expenses¹	3,580

The total number of key management personnel included in the above table is 11.

1. The above key management personnel remuneration excludes the remuneration and other benefits of the Portfolio Minister. The Portfolio Minister's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the entity.

Note 3.3: Related Party Disclosures

The AFP is an Australian Government controlled entity. Related parties to this entity are Key Management Personnel including the Portfolio Minister and Executive, and other Australian Government entities.

Giving consideration to relationships with related entities, and transactions entered into during the reporting period by the AFP, it has been determined that there are no related party transactions to be separately disclosed.

Notes to and forming part of the financial statements

Note 4.1: Appropriations

Note 4.1A: Revenue from government

	2017	2016
	\$'000	\$'000
Departmental appropriations	1,021,343	1,006,033
Total revenue from government	1,021,343	1,006,033

Note 4.1B: Accounting policy

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.

Note 4.1B: Annual appropriations ('recoverable GST exclusive')

Annual Appropriations for 2017

	Annual appropriation ¹	Section 74 receipts	Total appropriation	Appropriation applied in 2017 (current and prior years)	Variance ²
	\$'000	\$'000	\$'000	\$'000	\$'000
Departmental					
Ordinary annual services	1,021,774	275,958	1,297,732	(1,294,301)	3,431
Capital budget ³	29,572	-	29,572	(29,572)	-
Other services					
Equity injections	89,649	-	89,649	(56,448)	33,201
Total departmental	1,140,995	275,958	1,416,953	(1,380,321)	36,632
Administered					
Ordinary annual services	12,116	-	12,116	(11,931)	185
Total administered	12,116	-	12,116	(11,931)	185

1. There have been no permanent reductions to current year appropriations, however, during the year a prior year appropriation was reduced (by permanent quarantine) due to a decision of government:

- \$15.500m - Appropriation Act (No. 2) 2014–15

- \$0.310m – Administered Appropriation Act (No.1) 2015–16

The permanent quarantine under section 51 of the PGPA Act constitutes a permanent loss of control. This amount does not form part of the appropriation receivable balance at note 2.1B, however this amount has not been formally reduced (by law) it will remain in the unspent appropriation balance at Note 4.1C.

2. The variance in the 2016–17 financial year represents current year appropriation greater than amount drawn.

3. 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.

Note 4.1: Appropriations (cont.)**Note 4.1B: Annual appropriations (cont.) ('recoverable GST exclusive')***Annual Appropriations for 2016*

	Annual appropriation ¹ \$'000	Section 74 receipts ² \$'000	Total appropriation \$'000	Appropriation applied in 2016 (current and prior years) \$'000	Variance ³ \$'000
Departmental					
Ordinary annual services	1,013,143	293,931	1,307,074	(1,424,750)	(117,676)
Capital budget ⁴	36,667	-	36,667	(45,653)	(8,986)
Other services					
Equity injections ⁵	48,911	-	48,911	(50,881)	(1,970)
Loans	-	-	-	-	-
Total departmental	1,098,721	293,931	1,392,652	(1,521,284)	(128,632)
Administered					
Ordinary annual services ⁶	17,145	-	17,145	(16,427)	718
Total administered	17,145	-	17,145	(16,427)	718

1. Departmental appropriations include appropriations which have been reduced (by permanent quarantine) by the following
- \$7.780m – Appropriation Act (No.1) 2015–16
 - \$7.076m – Appropriation Act (No.1 DCB) 2015–16
 - \$1.590m – Appropriation Act (No.1) 2014–15

The permanent quarantine under section 51 of the PGPA Act constitutes a permanent loss of control. These amounts do not form part of the appropriation receivable balance at note 2.1C, however as the amounts have not been formally reduced (by law) they will remain in the unspent appropriation balance at 4.1C.

2. Represents section 74 funds received by the AFP.

3. The variance in the 2015–16 financial year represents appropriation drawn from prior years to fund payments made in 2015–16, including liabilities.

The variance in administered appropriations for 2015–16 represents 2015-16 appropriation greater than amount drawn.

4. Departmental Capital Budgets are appropriated through Appropriation Acts (No. 1,3,5). They form part of the ordinary annual services, and are not separately identified in the Appropriation Acts. The variance for capital budgets in the 2015–16 financial year was primarily due to capital purchases funded by prior year capital appropriations.

5. Equity appropriations include appropriations which have been reduced (by permanently quarantine) by the following amounts due to decisions of government:

- \$7.000m – Appropriation Act (No.2) 2015–16
- \$2.880m – Appropriation Act (No.2) 2014–15

The permanent quarantine under section 51 of the PGPA Act constitutes a permanent loss of control. These amounts do not form part of the appropriation receivable balance at note 2.1C, however as the amounts have not been formally reduced by law they will remain in the unspent appropriation balance at 4.1B.

6. Appropriation Act (No.1) 2015–16 includes \$2.631m, that was permanently quarantined under section 51 of the PGPA Act constituting a permanent loss of control, however these amounts have not been formally reduced by law.

Notes to and forming part of the financial statements

Note 4.1: Appropriations (cont.)

Note 4.1C: Unspent annual appropriations ('recoverable ex GST')	2017 \$'000	2016 \$'000
Departmental		
Appropriation Act (No. 1) 2013–14 ¹	1,345	1,345
Appropriation Act (No. 1) 2014–15 ¹	1,590	1,590
Appropriation Act (No. 2) 2014–15 ¹	18,380	19,244
Appropriation Act (No. 1) – Capital Budget (DCB) – Non Operating – 2015–16 ¹	7,076	7,076
Appropriation Act (No. 1) 2015–16 ¹	7,780	182,506
Appropriation Act (No. 2) 2015–16 ¹	13,744	42,896
Appropriation Act (No. 1) 2015–16 – Cash on hand / at bank	-	21,182
Appropriation Act (No. 1) 2016–17	169,733	-
Appropriation Act (No. 2) 2016–17	53,983	-
Appropriation Act (No. 3) 2016–17	16,716	-
Appropriation Act (No. 4) 2016–17	9,234	-
Appropriation Act (No. 1) 2016–17 – Cash on hand / at bank	12,889	-
Total departmental	312,470	275,839
Administered		
Appropriation Act (No. 1) 2014–15	202	202
Appropriation Act (No. 3) 2014–15	-	203
Appropriation Act (No. 1) 2015–16	2,941	3,994
Appropriation Act (No. 1) 2015–16 – Cash on hand / at bank	-	4
Appropriation Act (No. 1) 2016–17	1,469	-
Total administered	4,612	4,403

1. The following amounts are included in unspent annual appropriations, as the amounts have not been formally reduced (by law). They will be disclosed in this note until the appropriation lapses. They do not form part of the appropriation receivable balance at note 2.1B.

- \$1.345m – Appropriation Act (No.1) 2013–14
- \$1.590m – Appropriation Act (No.1) 2014–15
- \$18.380m – Appropriation Act (No.2) 2014–15
- \$7.780m – Appropriation Act (No.1) 2015–16
- \$7.076m – Appropriation Act (No.1 DCB) 2015–16
- \$7.000m – Appropriation Act (No.2) 2015–16
- \$0.202m – Administered Appropriation Act (No.1) 2014–15
- \$2.941m – Administered Appropriation Act (No.1) 2015–16

At 30 June 2017 the AFP recognised revenue and a receivable 'existing programs' at Note 2.1B of \$0.940m for a no win / no loss arrangement to cover additional FBT expense related to living away from home allowance. This met the formal recognition criteria under section 51 of the PGPA Act; however, as the appropriation had not been formally appropriated by law, it is not represented in this note (2016: receivable of \$1.371m).

Note 4.2: Net cash appropriation arrangements

From 2010–11, the government introduced net cash appropriation arrangements whereby revenue appropriations for depreciation/amortisation expenses ceased. Entities now receive a separate capital budget provided through equity appropriations. Capital budgets are appropriated in the period when cash payment for capital expenditure is required.

	2017 \$'000	2016 \$'000
Total comprehensive income (loss) less depreciation/amortisation expenses	3,624	(33,393)
Movement in revaluation reserve	30,828	-
Depreciation/amortisation expenses previously funded through revenue appropriation ¹	(85,667)	(90,239)
Total comprehensive income (loss) - per the Statement of comprehensive income	(51,215)	(123,632)

1. The depreciation/amortisation expense per the Statement of comprehensive income is \$88.780m (2016:\$93.533m). The amount presented above has been reduced by \$3.113m (2016: \$3.294m), representing the depreciation/amortisation expense funded by the ACT Government for Outcome 2.

Note 4.3: Special accounts (recoverable exclusive GST)

The AFP has one special account that contains 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 related 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.

Services for Other Entities and Trust Moneys Account (SOETM) ¹	2017	2016
	\$'000	\$'000
Balance brought forward from previous year	40,834	46,089
Increases		
Appropriation credited to special account	1,507	1,512
Departmental receipts (AIPM ² and APG ³)	12,810	12,024
Other receipts	43,244	33,951
Total increases	57,561	47,487
Decreases		
Departmental payments (AIPM and APG)	(11,441)	(12,661)
Other payments	(22,850)	(40,081)
Total decreases	(34,291)	(52,742)
Balance carried to next year and represented by:	64,104	40,834
Cash – held by the agency	4,813	2,436
Cash – held by the agency on trust	53,291	32,898
Monies – held by the OPA	6,000	5,500
Total balance carried to the next year	64,104	40,834

1 Appropriation: *Public Governance, Performance and Accountability Act 2013*, section 78.

Establishing Instrument: *Financial Management and Accountability (Establishment of Special Account for Australian Federal Police) Determination 2011/03*. Date established: 17 May 2011.

2. Accounting for the Australian Institute of Police Management (AIPM)

The purpose of the AIPM is to provide executive development and education services to Australasian police forces. The AIPM is hosted 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.

3. Accounting for the Asia – Pacific Group (APG) on Money Laundering

The purpose of the APG on Money Laundering is to facilitate the adoption, implementation and enforcement of internationally accepted anti-money-laundering and anti-terrorist-financing standards. The APG is hosted by the AFP. It also reports on its performance to the members of the APG.

The AIPM and APG operate within the corporate governance framework of the AFP and the AFP's policies apply in all aspects of the AIPM and APG's functions. All staff members are staff members of the AFP. The AIPM are partly funded from AFP annual departmental appropriations. The AFP has effective control of the AIPM and APG and therefore AIPM and APG transactions are consolidated into the financial statements of the AFP.

AIPM and 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, AIPM and APG funds can only be used for the purpose specified.

Notes to and forming part of the financial statements

Note 4.4: Contingent liabilities and assets

Contingent liabilities and assets are not recognised in the Statement of financial position but are reported in the 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 has contingent liabilities in respect of legal claims. The amounts are still under negotiation, the remainder are unquantifiable at 30 June.

The AFP had no administered contingent liabilities or contingent assets at 30 June.

Unquantifiable contingencies

The AFP has unquantifiable contingencies in relation to a potential underpayment of employee on costs resulting from interpretations of Enterprise Agreements.

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

Any contingencies that may arise relating to compensation matters are covered by AFP's insurance providers Comcare and Comcover.

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 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.

Note 5.1: Budget reporting and major budget variances

The Statement of comprehensive income, the Statement of financial position and the cash flow statement provide a comparison of the original budget as presented in the 2016–17 Portfolio Budget Statements (PBS) to the 2016–17 actual outcome. No comparison has been provided for the Statement of changes in equity as major changes between the PBS and the actual outcome are explained by movements in the Statement of comprehensive income and the Statement of financial position.

Note 5.1A: Departmental major budget variances for 2017

- (i) Suppliers (Statement of comprehensive income) and (Cash flow statement)

Suppliers for 2016–17 were \$442.509m, \$26.196m higher than the budget estimate of \$416.313m. The variance is due to an additional \$24.353m provided in Additional Estimates and increase across supplier expense categories.

- (ii) Revenue from Government (Statement of comprehensive income) and (Cash flow statement)

Revenue from Government for 2016–17 was \$1,021.343m, \$16.285m higher than the budget estimate of \$1,005.058m. Departmental appropriation was increased to reflect additional funding provided at Additional Estimates of \$15.374m and budget adjustments of \$0.911m.

- (iii) Trade and other receivables (Statement of financial position)

Trade and other receivables for 2016–17 were \$303.125m, \$60.918m higher than the budget estimate of \$242.207m. The variance is due to an increase in capital appropriation receivable from unspent funding received for large capital projects including funding provided at Additional Estimates.

- (iv) Land and buildings (Statement of financial position) and (Cash flow statement)

Land and buildings were \$349.387m, \$60.912m lower than the budget estimate of \$410.299m. The variance is due to delays in the schedule of capital projects as well as the budgeted capital expenditure for property, plant and equipment being classified as land and buildings.

- (v) Property, plant and equipment (Statement of financial position) and (Cash flow statement)

Property, plant and equipment was \$138.433m, \$51.356m higher than the budget estimate of \$87.077m. The variance is due to an asset revaluation increment of \$8.775m as at 30 June 2017, and the budgeted capital expenditure for property, plant and equipment being classified as land and buildings.

- (vi) Reserves (Statement of financial position) and (Statement of changes in equity)

Reserves were \$123.754m, \$30.828m higher than the budget estimate of \$92.927m. The budget did not include the impact of the asset revaluation of \$30.828m.

Note 5.1B: Administered major budget variances for 2017

- (i) Non-taxation revenue (Administered schedule of comprehensive income) (Administered cash flow statement)

Non-taxation revenue for 2016–17 was \$0.574m, \$41.166m lower than the budget estimate of \$41.740m. The lower revenue relates to the decision by Government to not proceed with the 2012-13 Budget measure *Partial cost recovery of community policing at airports*.

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7 Appendixes

Appendixes

Appendix A CORPORATE INTEGRITY

Table A1 Alleged conduct breaches¹ recorded, by category, 2013–14 to 2016–17

	2013–14	2014 15	2015–16	2016 17
All AFP				
Category 1	139	113	149	105
Category 2	425	450	444	316
Category 3	263	316	246	333
Category 4	46	55	69	87
Total	873	934	908	841
Outcome 1				
Category 1	63	42	49	38
Category 2	280	295	313	196
Category 3	175	236	191	278
Category 4	35	40	59	78
Total Outcome 1	553	613	612	590
Outcome 2				
Category 1	76	71	100	67
Category 2	145	155	131	120
Category 3	88	80	55	55
Category 4	11	15	10	9
Total Outcome 2	320	321	296	251

¹ Conduct breaches are individual issues identified within a complaint. Multiple breaches may be applied when two or more complaint issues are identified from information supplied by a complainant or when two or more members are subject to a complaint.

Note: Part V of the *Australian Federal Police Act 1979* defines the categories of conduct for AFP appointees. Category 1 is the least serious category and relates mainly to customer service breaches. Category 2 is minor misconduct and category 3 is serious misconduct. Category 4 complaints relate to corruption as defined by the *Law Enforcement Integrity Act 2006*. These matters are deemed to be either significant or non-significant corruption and are referred to the Australian Commission for Law Enforcement Integrity.

Table A2 Alleged conduct breaches recorded, by source, 2016–17

Source	Number of alleged conduct breaches	Percentage
Anonymous member of the public	9	1%
Member of the public	270	32%
Another AFP member	533	63%
Self-reported	29	4%
Total	841	100%

Table A3 Finalised conduct breaches, by category, 2016–17

	Established	Not established	Withdrawn	Discretion not to proceed ¹	Total finalised
All AFP					
Category 1	10	69	2	21	102
Category 2	120	178	4	67	369
Category 3	115	103	13	117	348
Category 4	5	14	6	30	55
Total	250	364	25	235	874
Percentage	28%	42%	3%	27%	100%
Outcome 1					
Category 1	4	28	0	4	36
Category 2	108	93	4	49	254
Category 3	103	88	13	81	285
Category 4	4	12	6	27	49
Total Outcome 1	219	221	23	161	624
Percentage	35%	35%	4%	26%	100%
Outcome 2					
Category 1	6	41	2	17	66
Category 2	12	85	0	18	115
Category 3	12	15	0	36	63
Category 4	1	2	0	3	6
Total Outcome 2	31	143	2	74	250
Percentage	12%	57%	1%	30%	100%

¹Section 40TF of the *Australian Federal Police Act 1979* sets out the circumstances under which the Commissioner may decide to take no further action in relation to a conduct issue. These circumstances include when appropriate action has already been taken or further investigation is determined to be not warranted or the alleged issue took place more than 12 months before reporting.

Note: This table includes matters reported before 1 July 2017 and finalised during 2016–17.

Table A4 Conduct breaches established, by type, 2016–17

Type	Number	Percentage
Fail to comply with procedure	65	26.0%
Inappropriate behaviour/conduct	22	8.8%
Inappropriate behaviour/conduct – serious	19	7.6%
Information access	18	7.2%
Misuse of credit card	10	4.0%
False information/statement	9	3.6%
Inappropriate use of AFP resources	8	3.2%
CO3 ¹ fail to secure ammo/accoutrements	8	3.2%
Fail to comply with direction	8	3.2%
Misuse of authority	8	3.2%
Fail to record and report	7	2.8%
Discourtesy	5	2.0%
Driving misconduct	5	2.0%
Unauthorised discharge of taser	5	2.0%
Criminal misconduct	4	1.6%
Misuse of AFP ID	4	1.6%
Due care/diligence failure	4	1.6%
Failure to observe security practices	4	1.6%
Neglect of duty	4	1.6%
Unlawful discrimination	3	1.2%
Unauthorised discharge of firearm	2	0.8%
Property misconduct	2	0.8%
Information release	2	0.8%
Fail to declare association	2	0.8%
Sexual harassment	2	0.8%
Inadequate service	2	0.8%
Drug misconduct	2	0.8%
Conflict of interest	2	0.8%
Unreasonable delay	2	0.8%
Abuse of office	2	0.8%
CO3 ¹ serious nature	1	0.4%
Theft of equipment	1	0.4%
Bullying	1	0.4%
Property accounting failure	1	0.4%
Failure to act	1	0.4%
Information misuse	1	0.4%
False time recording	1	0.4%
CO3 ¹ non-serious nature	1	0.4%
Supervision failure	1	0.4%
Harassment	1	0.4%
Total established	250	100%

¹Commissioner's Order on Operational Safety (CO3).

Table A5 Prohibited drug tests conducted, 2015–16 and 2016–17

Category	2015–16	2016 17
Mandatory applicant testing	172	307
Mandatory targeted testing	3,224	2,453
Mandatory investigation and certain incident ¹ testing	13	14
Total	3,409	2,774

¹ The term *certain incident* relates to an incident where a person is killed or seriously injured in an incident involving a motor vehicle or while in police custody, or a person is killed or seriously injured by a firearm discharging or physical force.

Table A6 Age of complaints being carried forward to 2017–18 (ongoing as at 30 June 2017)

	Year of origin						Total carried forward
	2011–12 or earlier	2012–13	2013–14	2014 15	2015–16	2016 17	
All AFP							
Category 1					2	17	19
Category 2					6	73	79
Category 3	3	3	5	10	33	96	150
Category 4	4	2	5	11	23	58	103
Total	7	5	10	21	64	244	351

Table A7 Run time for resolution of complaints finalised

	2015–16		2016 17	
	Average run time	Number finalised	Average run time	Number finalised
All AFP				
	(days)		(days)	
Category 1	88	141	89	102
Category 2	120	507	177	369
Category 3	301	329	285	348
Category 4	378	25	315	55
Total		1,002		874

Note: Run time is defined from date recorded to finalisation.

Table A8 Total harmful workplace behaviour referrals to Safe Place, the Confidant Network and Professional Standards (PRS), 2016–17

Category	Safe Place ¹	Confidant	PRS	Total
Sexual assault referrals	12	0	0	12
Sexual harassment	24	3	1	28
Bullying/harassment	156	25	23	204
Assault referrals	4	2	1	7
Other ²	115	122	4	241
Total received	311	152	29	492
Total finalised³	184	108	43⁴	335

¹ 22 August 2016, when the Safe Place team was established, to 30 June 2017.

² Other category includes questions about matters of procedural fairness, seeking psychological support, vilification referrals, other workplace harm, personal matters, victimisation referrals and other general grievances.

³ Safe Place works with the client to effectively resolve matters in line with the client's concerns.

Matters have been finalised through a number of methods:

- referring allegations of sexual assault or sexual harassment for investigation to the Safe Place Response Team
- referring the matter to the workplace for management action including performance management awareness-raising and appropriate treatment
- working with the client to have the matter referred for formal investigation under Part V of the AFP Act and/or workplace investigations in accordance with current complaints management practices through Professional Standards.
- resolving the matter through restorative storytelling
- resolving the matter to the client's satisfaction informally, with the information being recorded and without action being taken.

Matters may be referred to the most appropriate business area when the issue is not within the Safe Place mandate; this includes Human Resources, Wellbeing Services or Industrial Relations matters.

⁴ The total number of PRS matters finalised includes referrals received prior to 1 July 2016 which were completed during the reporting period.

Appendix B ADVERTISING AND MARKET RESEARCH

Table B1 Media costs during 2016–17

Category	Vendor	Amount (\$)
Market Research	Woolcott Research Pty Ltd	22,990
Market Research	Colmar Brunton Pty Limited	100,273
Campaign	Productology Pty Ltd	65,892
Campaign	4branding Pty Ltd	19,907
Campaign	Dentsu Mitchell Media Australia Pty	1,877
Non-Campaign	Dentsu Mitchell Media Australia Pty	51,889
Total		262,828

Appendix C STAFFING STATISTICS

Table C1 Ongoing, non-ongoing and casual AFP staff, 30 June 2016 and 30 June 2017

Sworn status	Employment group	30 June 2016	30 June 2017	Difference
Police officer	Ongoing full-time	3,358	3,247	-111
	Ongoing part-time	122	136	14
	Non-ongoing part-time	1	0	-1
Subtotal		3,481	3,383	-98
Protective service officer	Ongoing full-time	667	711	44
	Ongoing part-time	5	5	0
Subtotal		672	716	44
Professional staff	Ongoing full-time	2,180	2,087	-93
	Ongoing part-time	256	279	23
	Non-ongoing full-time	41	45	4
	Non-ongoing part-time	3	3	0
	Casual	11	12	1
Subtotal		2,491	2,426	-65
Asia-Pacific Group: professional staff	Ongoing full-time	12	11	-1
	Ongoing part-time	0	1	1
	Non-ongoing full-time	1	3	2
Subtotal		13	15	2
Total		6,657	6,540	-117

Note: Australian Institute of Police Management staff are included under professional and police.

Table C2 Length of service of AFP staff, 30 June 2017

Sworn status	Executive	Length of service (years)							Total
		<1	1-5	6-10	11-15	16-20	21-25	26+	
Police officer	Chief of Staff		1		2	1	2	8	14
	Chief Operating Officer		3	39	44	29	10	30	155
	Chief Police Officer – ACT	2	218	200	132	50	9	70	681
	Deputy Commissioner Capability		25	203	182	82	17	94	603
	Deputy Commissioner National Security		113	234	237	101	19	87	791
	Deputy Commissioner Operations	1	150	330	247	162	32	168	1,090
	Reform, Culture and Standards		3	14	11	7	3	11	49
Subtotal		3	513	1,020	855	432	92	468	3,383
Protective service officer	Chief of Staff				1				1
	Chief Operating Officer	25		2	9	1		1	38
	Chief Police Officer – ACT			1				2	3
	Deputy Commissioner Capability		1	4	16	2		2	25
	Deputy Commissioner National Security	47	116	127	242	40	32	40	644
	Deputy Commissioner Operations		1	1	2		1		5
Subtotal		72	118	135	270	43	33	45	716
Professional staff	Chief of Staff	1	31	35	13	2	1	2	85
	Chief Operating Officer	48	206	267	172	41	12	18	764
	Chief Police Officer – ACT	7	66	77	35	9	3	3	200
	Deputy Commissioner Capability	12	272	405	180	65	13	26	973
	Deputy Commissioner National Security	1	22	30	18	6	1	4	82
	Deputy Commissioner Operations	5	57	121	57	17	6	10	273
	Reform, Culture and Standards	1	13	20	9	3	2	1	49
Subtotal		75	667	955	484	143	38	64	2,426
Asia–Pacific Group: professional staff	Asia–Pacific Group	1	5	5	4				15
Total		151	1,303	2,115	1,613	618	163	577	6,540

Note: The Chief Operating Officer function includes protective service officer recruits at the AFP College, the Graduate and Directions programs staff and Australian Institute of Police Management staff.

Table C3 AFP workforce composition, 30 June 2017

Sworn status	Casual	Band 1	Band 2	Band 3	Band 4	Band 5	Band 6	Band 7	Band 8	Exec level	SES	Statutory office holders	Total
Police officer													
Female			35	136	204	186	24	124	5	29	14	1	758
Male			79	465	678	709	54	448	42	111	36	3	2,625
Indeterminate													
Subtotal			114	601	882	895	78	572	47	140	50	4	3,383
Protective service officer													
Female			66	27	7	2	2	1	1				106
Male			102	359	56	39	35	7	8	2	1		609
Indeterminate				1									1
Subtotal			168	387	63	41	37	8	9	2	1		716
Professional staff													
Female	4	2	43	245	424	222	200	210	68	36	11		1,465
Male	8	1	19	157	179	110	184	161	69	58	15		961
Indeterminate													
Subtotal	12	3	62	402	603	332	384	371	137	94	26		2,426
Asia–Pacific Group: professional staff													
Female				1	1	2		3		1			8
Male								2		3	2		7
Indeterminate													
Subtotal				1	1	2		5		4	2		15
Total	12	3	344	1,391	1,549	1,270	499	956	193	240	79	4	6,540

Table C4 AFP staff, by location and gender, 30 June 2017

Sworn status	Location										Total	%
	ACT	CT ¹	NSW	NT	OP ²	Qld	SA	Tas	Vic	WA		
Police officer												
Female	357	6	113	10	44	67	19	3	116	23	758	22%
Male	1,069	18	472	24	176	268	81	3	365	149	2,625	78%
Indeterminate												0%
Subtotal	1,426	24	585	34	220	335	100	6	481	172	3,383	100%
Protective service officer												
Female	61		20	6		2	1		5	11	106	15%
Male	269		175	36		8	7		54	60	609	85%
Indeterminate	1										1	0%
Subtotal	331		195	42		10	8		59	71	716	100%
Professional staff												
Female	1,125	2	125	4	29	48	14		87	31	1,465	60%
Male	722	6	87		27	36	5		55	23	961	40%
Indeterminate												0%
Subtotal	1,847	8	212	4	56	84	19		142	54	2,426	100%
Asia–Pacific Group: professional staff												
Female			8								8	53%
Male			7								7	47%
Indeterminate												0%
Subtotal			15								15	100%
All staff												
Female	1,543	8	266	20	73	117	34	3	208	65	2,337	36%
Male	2,060	24	741	60	203	312	93	3	474	232	4,202	64%
Indeterminate	1										1	0%
Subtotal	3,604	32	1,007	80	276	429	127	6	682	297	6,540	100%

¹ Commonwealth territories.² Overseas post.

Table C5 AFP staff, by gender and sworn status, 30 June 2016 and 30 June 2017

Sworn status	30/06/2016	30/06/2017	Difference
Police officer			
Female	768	758	-10
Male	2,713	2,625	-88
Indeterminate			0
Subtotal	3,481	3,383	-98
Protective service officer			
Female	68	106	38
Male	604	609	5
Indeterminate		1	1
Subtotal	672	716	44
Professional staff			
Female	1,502	1,465	-37
Male	989	961	-28
Indeterminate			0
Subtotal	2,491	2,426	-65
Asia–Pacific Group: professional staff			
Female	7	8	1
Male	6	7	1
Indeterminate			0
Subtotal	13	15	2
All staff			
Female	2,345	2,337	-8
Male	4,312	4,202	-110
Indeterminate		1	1
Total	6,657	6,540	-117
% female			
Police officer	22%	22%	0%
Protective service officer	10%	15%	5%
Professional staff	60%	60%	0%
All staff	35%	36%	1%

Table C6 AFP staff identifying as Aboriginal and/or Torres Strait Islander Australians, by sworn status and employment group, 30 June 2016 and 30 June 2017

Sworn status	Employment group	30 June 2016	30 June 2017	Difference
Police officer	Ongoing full-time	40	40	0
	Ongoing part-time	0	0	0
Subtotal		40	40	0
Protective service officer	Ongoing full-time	8	14	6
Subtotal		8	14	6
Professional staff	Ongoing full-time	56	56	0
	Ongoing part-time	1	1	0
	Non-ongoing full-time	3	8	5
	Non-ongoing part-time	1	0	-1
Subtotal		61	65	4
Total identifying as Indigenous		109	119	10
Total AFP workforce		6,657	6,540	-117
Indigenous employment rate		1.6%	1.8%	0.2%

Note: This data has been captured using an optional self-reporting mechanism; therefore the numbers in this table may not accurately reflect the actual numbers of Aboriginal and/or Torres Strait Islander staff within the organisation.

Table C7 AFP staff identifying as Aboriginal and/or Torres Strait Islander Australians, by location and gender, 30 June 2017

Sworn status	Location								
	ACT	NSW	NT	OP ¹	Qld	SA	Vic	WA	Total
Police officer									
Female	5	1	1	1					8
Male	15	4	1	4	3		5		32
Subtotal	20	5	2	5	3		5		40
Protective service officer									
Female	2	2							4
Male	2	6					1	1	10
Subtotal	4	8					1	1	14
Professional staff									
Female	25	5		1	3	1	1	1	37
Male	23	3			2				28
Subtotal	48	8		1	5	1	1	1	65
Total	72	21	2	6	8	1	7	2	119

¹ Overseas post.

Note: This data has been captured using an optional self-reporting mechanism; therefore the numbers in this table may not accurately reflect the actual numbers of Aboriginal and/or Torres Strait Islander staff within the organisation.

Table C8 AFP staff identifying as culturally and linguistically diverse (CALD), by sworn status and employment group, 30 June 2017

Sworn status	Employment group	30 June 2017
Police officer	Ongoing full-time	869
	Ongoing part-time	42
Subtotal		911
Protective service officer	Ongoing full-time	175
	Ongoing part-time	1
Subtotal		176
Professional staff	Ongoing full-time	582
	Ongoing part-time	66
	Non-ongoing full-time	11
	Non-ongoing part-time	0
	Casual	4
Subtotal		663
Asia–Pacific Group: professional staff	Ongoing full-time	5
	Ongoing part-time	0
	Non-ongoing full-time	2
Subtotal		7
Total identifying as CALD		1,757
Total AFP workforce		6,540
CALD employment rate		27%

Note: This data has been captured using an optional self-reporting mechanism; therefore the numbers in this table may not accurately reflect the actual numbers of Aboriginal and/or Torres Strait Islander staff within the organisation.

Table C9 AFP senior executives (substantive staff), 30 June 2017

Executive	Business area	Police officer	Sworn protective service officer	Professional staff	Total
Chief Operating Officer	Financial and Commercial			4	4
	Chief Counsel			3	3
	People, Safety and Security	3		3	6
	Workforce and Development	8		1	9
	Australian Institute of Police Management			1	1
Chief Operating Officer subtotal		11		12	23
Deputy Commissioner Capability	Specialist Operations	2		1	3
	Support Capability	4		1	5
	Technology and Innovation			2	2
Deputy Commissioner Capability subtotal		6		4	10
Deputy Commissioner National Security	Counter Terrorism	3		1	4
	Protection Operations	2	1	1	4
Deputy Commissioner National Security subtotal		5	1	2	8
Deputy Commissioner Operations	Crime Operations	2			2
	International Operations	13			13
	Organised Crime and Cyber	3			3
Deputy Commissioner Operations subtotal		18			18
Chief of Staff		8		7	15
Reform, Culture and Standards		3			3
Chief Police Officer – ACT		3		1	4
Asia–Pacific Group				2	2
Total		54	1	28	83

Note: The Office of Commissioner is noted under Chief of Staff. People, Safety and Security include senior executives on secondments. This table includes statutory office holders.

Table C10 AFP staff outposted to other agencies or police services, secondments, territories police and peacekeeping or police development, 30 June 2017

Location and agency	Total
Domestic	
Attorney-General's Department	1
Australian Commission for Law Enforcement Integrity	1
Australian Counter-Terrorism Centre	2
Australian Border Force	13
Australian Defence Force Investigative Service	1
Australian Sports Anti-Doping Authority	1
Australian Taxation Office	2
Australian Transaction Reports and Analysis Centre	1
Department of Human Services	21
National Security College – Australian National University	2
National Threat Assessment Centre	2
Northern Territory Police (Child Abuse Taskforce)	4
Royal Commission into Institutional Responses to Child Sexual Abuse	2
Trade Union Joint Police Taskforce	9
Subtotal	62
International	
Australian Counter-Terrorism Centre	1
Europol	1
Drug Enforcement Agency	1
Europol	2
Interpol	1
Interpol Global Complex for Innovation	1
National Crime Agency	1
Pacific Transnational Crime Coordination Centre	1
Transnational Crime Coordination Network	1
Subtotal	10
Peacekeeping or police development	211
External territories	32
Stability/capability-building	179
Subtotal	211
Total	283

Appendix D AGENCY RESOURCE STATEMENT AND RESOURCES FOR OUTCOMES

Table D1 Agency resource statement, 2016–17

		Actual available appropriation for 2016–17 ¹ \$'000 (a)	Payments made 2016–17 \$'000 (b)	Balance remaining 2016–17 \$'000 (a) – (b)
ORDINARY ANNUAL SERVICES²				
Departmental appropriation ³		1,524,152	1,323,873	200,279
Total		1,524,152	1,323,873	200,279
Administered expenses				
Outcome 1 ⁴		13,399	11,931	1,468
Total		13,399	11,931	
Total ordinary annual services	A	1,537,551	1,335,804	
OTHER SERVICES⁵				
Departmental non-operating				
Equity injections		126,409	56,448	69,961
Total other services	B	126,409	56,448	
Total available annual appropriations		1,663,960	1,392,252	
Total available annual appropriations excluding special accounts		1,663,960	1,392,252	
SPECIAL APPROPRIATION LIMITED BY AMOUNT				
<i>Public Governance, Performance and Accountability Act 2013 (section 77)</i>			562	
Total special appropriations	C		562	
SPECIAL ACCOUNTS				
Opening balance ⁶		7,936		
Appropriation receipts ⁷		1,507		
Non-appropriation receipts to special accounts		12,810		
Payments made			11,441	
Total special accounts	D	22,253	11,441	10,812
Total resourcing and payments (A+B+C)		1,686,213	1,404,255	
Less appropriations drawn from annual or special appropriations above and credited to special accounts		(14,317)	(14,317)	
Total net resourcing and payments		1,671,896	1,389,938	

¹ Actual available appropriation excludes amounts permanently quarantined under section 51 of the *Public Governance, Performance and Accountability Act 2013*.

² Appropriation Bill (No. 1) 2016–17. This includes prior-year departmental appropriations available and section 74 relevant agency receipts.

³ Includes an amount of \$29,572m in 2016–17 for the departmental capital budget. For accounting purposes this amount has been designated as 'contributions by owners'.

⁴ Appropriation Bill (No. 1) 2016–17. This also includes prior-year administered appropriations.

⁵ Appropriation Bill (No. 2) 2016–17. This includes available equity appropriations from previous years.

⁶ Opening balance for departmental special accounts (less 'special public money' held in the Services for Other Entities and Trust Moneys Special Account)

⁷ Appropriation receipts from annual appropriations for 2016–17 included above.

Table D2 Expenses for Outcome 1

Outcome 1: Reduced criminal and security threats to Australia's collective economic and societal interests through cooperative policing services	Budget ¹ 2016 17 \$'000 (a)	Actual expenses 2016 17 \$'000 (b)	Variation 2016 17 \$'000 (a) - (b)
Program 1.1: Federal Policing and National Security			
Administered expenses			
Ordinary annual services (Appropriation Bill No. 1)	2,305	2,212	93
Special appropriations			
<i>Public Governance, Performance and Accountability Act 2013</i> (section 77)	–	562	(562)
Departmental expenses			
Departmental appropriation ²	893,193	882,433	10,760
Special accounts	11,047	11,441	(394)
Expenses not requiring appropriation in the budget year ³	78,533	84,096	(5,563)
Total for Program 1.1	985,078	980,744	4,334
Program 1.2: International Police Assistance			
Administered expenses			
Ordinary annual services (Appropriation Bill No. 1)	9,811	9,531	280
Departmental expenses			
Departmental appropriation ²	241,399	241,357	42
Expenses not requiring appropriation in the budget year ³	7,832	4,791	3,041
Total for Program 1.2	259,042	255,679	3,363
Outcome 1 totals by appropriation type			
Administered expenses			
Ordinary annual services (Appropriation Bill No. 1)	12,116	11,743	373
Special appropriations			
Special appropriations	–	562	(562)
Departmental expenses			
Departmental appropriation	1,134,592	1,123,790	10,802
Special accounts	11,047	11,441	(394)
Expenses not requiring appropriation in the budget year	86,365	88,887	(2,522)
Total expenses for Outcome 1	1,244,120	1,236,423	7,696
		2015–16	2016 17
Average staffing level (number)		5,489	5,306

¹ Full-year budget, including any subsequent adjustment made to the 2016–17 Budget.

² Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (section 74)'.

³ Expenses not requiring appropriation in the budget year are made up of depreciation and amortisation expenses, resources received free of charge and write-down and impairment of assets.

Table D3 Expenses for Outcome 2

Outcome 2: A safe and secure environment through policing activities on behalf of the Australian Capital Territory Government	Budget ¹ 2016 17 \$'000 (a)	Actual expenses 2016 17 \$'000 (b)	Variation 2016 17 \$'000 (a) - (b)
Program 2.1: ACT Community Policing			
Departmental expenses			
Departmental appropriation ²	154,312	153,745	567
Expenses not requiring appropriation in the budget year ³	8,340	8,493	(153)
Total expenses for Outcome 2	162,652	162,238	414
		2015-16	2016 17
Average staffing level (number)		968	951

¹ Full-year budget, including any subsequent adjustment made to the 2016-17 Budget.

² Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (section 74)'.

³ Expenses not requiring appropriation in the budget year is made up of depreciation and amortisation expenses and resources received free of charge.

Appendix E NON-FINANCIAL PERFORMANCE

Table E1 Performance of Program 1.1 and 1.2 in relation to key performance indicators

Key performance indicator (KPI)		2012–13	2013–14	2014–15	2015–16	2016–17	2016–17	
		Result	Result	Result	Result	Result	Target	Met
Program 1.1								
Federal Policing and National Security (Corporate Plan 2016–17, pp. 14–15; Portfolio Budget Statements 2016–17, pp. 97–98)								
KPI1 Level of external client/stakeholder satisfaction (percentage of clients satisfied or very satisfied) ¹		91%	93%	92%	92%	90%	85%	Yes
KPI2 Percentage of cases before court that result in conviction		93%	95%	94%	95%	95%	90%	Yes
KPI3 Percentage of counter-terrorism investigations that result in a prosecution, disruption, diversion or intelligence referral outcome		100%	100%	100%	100%	100%	90%	Yes
KPI4 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) ²		86%	87%	78%	78%	80%	75%	Yes
KPI5 Response to aviation law enforcement and/or security incidents within priority response times	Priority 1: within 5 minutes	85%	82%	76%	70%	73%	75%	No
	Priority 1: within 10 minutes	97%	94%	92%	91%	93%	90%	Yes
	Priority 2: within 15 minutes	92%	91%	89%	88%	86%	75%	Yes
	Priority 2: within 20 minutes	95%	94%	93%	93%	92%	90%	Yes
	Priority 3: within 90 minutes	99%	99%	99%	99%	100%	75%	Yes
	Priority 3: within 120 minutes	100%	99%	99%	100%	100%	90%	Yes
	Priority 4: within 24 hours	100%	100%	99%	100%	100%	90%	Yes
KPI6 Number of avoidable incidents ³ per 5,000 Protection hours		0.00	0.02	0.03	0.00	0.03	<4	Yes
KPI7 Return on investment for investigation of transnational crime		7	9	5	5	3.1	>1	Yes
KPI8 Assets restrained		\$62.5m	\$134.0m	\$246.6m	\$96.5m	\$93.3m	Increase ⁴	No
KPI9 Increased or reinforced cybersafety and security awareness (percentage of surveyed sample indicating increased awareness or reinforced awareness after delivery of presentations)		88%	90%	96%	94%	94%	85%	Yes

Key performance indicator (KPI)	2012–13	2013–14	2014 15	2015–16	2016 17	2016 17	Met
	Result	Result	Result	Result	Result	Target	
Program 1.2 International Police Assistance (Corporate Plan 2016–17, p. 15; Portfolio Budget Statements 2016–17, p. 98)							
KPI 10 Level of external client/stakeholder satisfaction (percentage of clients satisfied or very satisfied) ¹	90%	95%	86%	95%	88%	85%	Yes
KPI 11 Mission/external territories performance evaluation	n.a.	Positive feedback	Positive feedback	Positive feedback	Positive feedback ⁵	Positive feedback	Yes

¹ KPI 1 and KPI 10 are based on the AFP Business Satisfaction Survey.

² KPI 4 is based on the AFP Airport Consumer Confidence Survey.

³ Avoidable incidents are defined as those 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.

⁴ 'Increase' is defined as an increase in assets restrained relative to the previous five-year average (\$126.1 million in the period 2011–12 to 2015–16).

⁵ Positive aspects from program evaluations in Timor-Leste and Vanuatu are provided in the annual performance statements in Chapter 3.

Table E2 AFP drug seizures, 2015–16 and 2016–17

Drug group reported	Financial year of seizure						
	2015–16 (revised ¹)			2016–17			
	Seizures ²	Weight kg	DHI ³ \$m	Seizures ²	Weight kg	DHI ³ \$m	DHI ³ \$m/kg
Amphetamine-type stimulant	1,742	7,152.9	\$1,516	1,336	7,338.1	\$1,556	\$0.212
<i>Amphetamine</i>	233	374.4	\$79	172	15.5	\$3	\$0.212
<i>MDMA</i> ⁴	477	223.4	\$47	518	1,283.0	\$272	\$0.212
<i>Methamphetamine</i>	847	3,933.7	\$834	555	3,517.7	\$746	\$0.212
<i>Other stimulant</i> ⁵	506	2,621.4	\$556	344	2,521.9	\$535	\$0.212
Cannabis	635	159.8	\$1	504	218.8	\$2	\$0.009
Cocaine	540	709.6	\$425	579	3,984.2	\$2,387	\$0.599
Hallucinogen	156	72.8	\$15	159	97.4	\$21	\$0.212
Opioid/Opiate	251	333.2	\$406	250	238.9	\$291	\$1.217
<i>Heroin</i>	148	282.1	\$343	118	196.9	\$240	\$1.217
<i>Opiate</i> ⁶	25	47.9	\$58	66	40.4	\$49	\$1.217
<i>Opioid</i> ⁷	90	3.2	\$4	94	1.7	\$2	\$1.217
Pharmaceutical ⁸	89	45.3		59	12.6		
Precursor	23	339.4	\$125	20	2,309.6	\$850	\$0.368
Sedative ⁹	285	364.2	\$153	296	1,316.3	\$554	\$0.421
Steroid	76	56.9		70	29.7		
Other/Unknown ¹⁰	236	1,167.3		175	37.5		
Total¹¹	3,230	10,401.3	\$2,642	2,558	15,583.2	\$5,660	

¹Weights are based on seizure examinations completed at time of publication. Results previously published for 2015–16 have been updated based on further drug seizure deconstruction and analysis conducted in 2016–17.

²Some seizures involve multiple drug groups. Therefore, the total number of seizures is less than the sum of the subtotals.

³DHI is the AFP Drug Harm Index calculated as weight multiplied by DHI estimates of social cost per kilogram. See www.afp.gov.au/about-us/publications-and-reports/return-investment-methodology.

⁴3,4-methylenedioxyamphetamine.

⁵'Other stimulant' includes cathinone analogues, amphetamine analogues, khat, pharmaceutical stimulants such as methylphenidate and phentermine, and emerging stimulants such as ethylphenidate and methiopropamine.

⁶Opiate refers to organic analgesics such as codeine and morphine.

⁷Opioid refers to synthetic and semi-synthetic analgesics such as fentanyl, hydrocodone and tramadol.

⁸Pharmaceutical includes general over-the-counter and some prescription medications. It excludes pharmaceuticals that contain narcotics or stimulants such as codeine or dexamphetamine. These are included in the other relevant drug groups.

⁹Sedative includes GBL (gamma-butyrolactone) and GHB (gamma-hydroxybutyric acid).

¹⁰The previous published figures for Other/Unknown in 2015–16 included seizures of khat, which started appearing on Australian borders in significant numbers during 2015–16. Khat is now classified under 'Other stimulant' in accordance with the Australian Standard Classification of Drugs of Concern (2011).

¹¹Seizures by other federal agencies where the drugs have been held in AFP custody are included. International seizures are excluded.

Appendix F LIST OF ANNUAL REPORT REQUIREMENTS

Below is the table set out in Schedule 2 of the Public Governance, Performance and Accountability (PGPA) Rule. Section 17A(d) requires this table to be included in entities' annual reports as an aid of access.

Part of report	Requirement	Page
Letter of transmittal	Mandatory	iii
Table of contents	Mandatory	v–vii
Alphabetical index	Mandatory	208–211
Glossary of abbreviations and acronyms	Mandatory	204–205
List of requirements	Mandatory	183–187
Details of contact officer	Mandatory	ii
Entity's website address	Mandatory	ii
Electronic address of report	Mandatory	ii
Review by Commissioner		
A review by the accountable authority of the entity	Mandatory	1–3
Overview of the entity		
A description of the role and functions of the entity	Mandatory	8–9
A description of the organisational structure of the entity	Mandatory	10–11
A description of the outcomes and programs administered by the entity	Mandatory	8–9
A description of the purposes of the entity as included in corporate plan	Mandatory	8
An outline of the structure of the portfolio of the entity	Portfolio departments – mandatory	n.a.
Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change.	If applicable, mandatory	n.a.
Report on the performance of the entity		
Annual performance statements		
Annual performance statements in accordance with paragraph 39(1)(b) of the PGPA Act and section 16F of the PGPA Rule	Mandatory	16–38
Report on financial performance		
A discussion and analysis of the entity's financial performance	Mandatory	39
A table summarising the total resources and total payments of the entity	Mandatory	177–179
If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including the cause of any operating loss of the entity, how the entity has responded to the loss and the actions that have been taken in relation to the loss, and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results	If applicable, mandatory	n.a.

Part of report	Requirement	Page
Management and accountability		
Corporate governance		
Information on compliance with section 10 (fraud systems)	Mandatory	105
A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared	Mandatory	iii
A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place	Mandatory	iii
A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud related to the entity	Mandatory	iii
An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance	Mandatory	102–109
A statement of significant issues reported to the Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with finance law and action taken to remedy non-compliance	If applicable, mandatory	n.a.
External scrutiny		
Information on the most significant developments in external scrutiny and the entity's response to the scrutiny	Mandatory	110–116
Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity	If applicable, mandatory	111
Information on any reports on operations of the entity by the Auditor-General (other than report under section 43 of the Act), a parliamentary committee or the Commonwealth Ombudsman	If applicable, mandatory	111–112
Information on any capability reviews on the entity that were released during the period	If applicable, mandatory	113.
Management of human resources		
An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives	Mandatory	113–125
Statistics on the entity's APS employees on an ongoing and non-ongoing basis, including statistics on: <ul style="list-style-type: none"> • staffing classification level • full-time employees • part-time employees • gender • staff location • employees who identify as Indigenous 	Mandatory	167–176
Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the <i>Public Service Act 1999</i>	Mandatory	119

Part of report	Requirement	Page
Information on the number of SES and non-SES employees covered by agreements etc. identified in paragraph 17AG(4)(c)	Mandatory	169, 175
The salary ranges available for APS employees by classification level	Mandatory	n.a.
A description of non-salary benefits provided to employees	Mandatory	119, 151
Information on the number of employees at each classification level who received performance pay	If applicable, mandatory	n.a.
Information on aggregate amounts of performance pay at each classification level	If applicable, mandatory	n.a.
Information on the average amount of performance payment and range of such payment at each classification level	If applicable, mandatory	n.a.
Information on aggregate amount of performance payments	If applicable, mandatory	n.a.
Assets management		
An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities	If applicable, mandatory	n.a.
Purchasing		
An assessment of entity performance against the Commonwealth Procurement Rules	Mandatory	126
Consultants		
A summary statement detailing the number of new contracts engaging consultants entered into during the period; the total actual expenditure on all new consultancy contracts entered into during the period (inclusive of GST); the number of ongoing consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST)	Mandatory	127
A statement that 'During [reporting period], [specified number] new consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified number] ongoing consultancy contracts were active during the period, involving total actual expenditure of \$[specified million]'.	Mandatory	127
A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged	Mandatory	126–127
A statement that 'Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website'.	Mandatory	127

Part of report	Requirement	Page
Australian National Audit Office access clauses		
If an entity entered into a contract with a value of more than \$100,000 (inclusive of GST) and the contract did not provide the Auditor-General with access to the contractor's premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract.	If applicable, mandatory	126
Exempt contracts		
If an entity entered into a contract or there is a standing offer with a value greater than \$10,000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the <i>Freedom of Information Act 1982</i> (FOI Act), the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters.	If applicable, mandatory	127
Small business		
A statement that '[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and medium enterprises and small enterprise participation statistics are available on the Department of Finance's website'.	Mandatory	127
An outline of the ways in which the procurement practices of the entity support small and medium enterprises	Mandatory	127
If the entity is considered by the department administered by the Finance Minister as material in nature, a statement that '[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury's website'.	If applicable, mandatory	127
Financial statements		
Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory	129–158
Other mandatory information		
If the entity conducted advertising campaigns, a statement that 'During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity's website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance's website'.	If applicable, mandatory	166
If the entity did not conduct advertising campaigns, a statement to that effect	If applicable, mandatory	n.a.

Part of report	Requirement	Page
A statement that 'Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity's website]'	If applicable, mandatory	127
Outline of mechanisms of disability reporting, including reference to website for further information	Mandatory	123
Website reference to where the entity's Information Publication Scheme statement pursuant to Part II of FOI Act can be found	Mandatory	111
Correction of material errors in previous annual report	If applicable, mandatory	127
Information required by other legislation	Mandatory	189–203

Annex A
Assumed identities
annual report 2016–17

Annex A
Assumed identities
annual report 2016–17

Annex A:

Assumed identities annual report 2016–17

Part IAC of the *Crimes Act 1914*

Pursuant to section 15LD(1) of the *Crimes Act 1914*, the chief officer of the Australian Federal Police (AFP), as soon as practicable after the end of each financial year, must submit a report to the Minister that includes the following information:

- a. the number of authorities granted during the year
- b. a general description of the activities undertaken by authorised civilians and authorised law enforcement officers when using assumed identities under Part IAC during the year
- c. the number of applications for authorities that were refused during the year
- d. the number of authorities of which control was transferred by the chief officer under section 15KV during the year
- e. the number of authorities of which control was transferred to the chief officer under section 15KV during the year
- f. a statement whether or not any fraud or other unlawful activity was identified by an audit under section 15LG during the year
- g. any other information relating to authorities and assumed identities and the administration of Part IAC that the Minister considers appropriate.

For the year ending 30 June 2017:

- a. Authorising persons from the AFP issued 139 authorities for the acquisition and use of assumed identities. In addition, there were 35 variations and 118 revocations.
- b. The activities undertaken by approved officers when using their assumed identities included functions performed covertly in the conduct of intelligence collection and investigations associated with the achievement of AFP core business outcomes.
- c. There were no applications for authorities refused.
- d. There were no authorities of which control was transferred by the chief officer of the AFP under section 15KV.
- e. There were no authorities of which control was transferred to the chief officer of the AFP under section 15KV.
- f. Three audits were conducted on records and practices relating to assumed identities. No fraud or unlawful activity was identified.
- g. There is no other information relating to authorities and assumed identities and the administration of Part IAC.

Annex A
Assumed identities
annual report 2016–17

Annex B
National Witness Protection Program
annual report 2016–17

Annex B
National Witness
Protection Program
annual report 2016–17

Annex B: National Witness Protection Program annual report 2016–17

Minister's introduction

I am pleased to submit the 2016–17 annual report on the operation of the National Witness Protection Program under the provisions of the *Witness Protection Act 1994*.

The report sets out the provisions of the legislation and relevant activity for the reporting period. The costs of the program are shown in the appendix to this report.

The task of providing witness protection is a highly sensitive area of law enforcement and I commend those involved with the administration and maintenance of the program.

This report has been prepared to provide as much detail as possible without prejudicing the effectiveness of the security of the National Witness Protection Program.



Michael Keenan
Minister for Justice
4 October 2017

Annex B
National Witness
Protection Program
annual report 2016–17

Introduction

The *Witness Protection Act 1994* (the Act) provides the statutory basis for the National Witness Protection Program (NWPP) and commenced operation on 18 April 1995.

The Act enables protection and assistance to be provided to witnesses who are assessed as being in danger because they have given, or have agreed to give, evidence or a statement on behalf of the Crown in criminal or certain other proceedings, and also to persons who have a relationship with these witnesses. This includes witnesses involved in operations run by the AFP, the Australian Commission for Law Enforcement Integrity, the Australian Criminal Intelligence Commission and authorised state and territory bodies.

NWPP operational costs are shared between the AFP and the approved authority that refers the witness for protection and assistance.

Foreign law enforcement agencies and the International Criminal Court can request that foreign nationals or residents be included in the NWPP. The Minister for Justice must approve the inclusion of foreign nationals pursuant to sections 10 and 10A of the Act.

The AFP Commissioner administers the NWPP through the Witness Protection Committee and AFP Witness Protection. The Witness Protection Committee comprises the AFP Deputy Commissioner Capability, to whom a number of responsibilities are delegated, and two senior AFP officers, National Manager Support Capability and National Manager Organised Crime and Cyber.

The Witness Protection Committee makes recommendations on witnesses' inclusion in, and exit from, the program and on the conditions of their inclusion and exit. The Officer in Charge, Witness Protection, is responsible for the day-to-day operations of the NWPP.

General operations of the NWPP

The NWPP provides an environment in which participants are able to give evidence in criminal trials that involve a significant degree of criminality at both the Commonwealth and state levels without fear of retribution.

The majority of participants in the NWPP have been accepted into the program because of their involvement as witnesses in prosecutions related to organised crime, large-scale importation of illegal drugs or corruption matters. One of the matters considered when deciding that a person be included in the NWPP is that there are no other viable methods of protecting the witness. Section 5 of the Act prohibits witnesses from being included in the NWPP as a reward or as a means of persuading or encouraging them to give evidence or make a statement.

Participants in the NWPP initially experience a restricted and arduous lifestyle because of the strict security conditions required to provide protection. These lifestyle restrictions are generally relaxed in time, once participants are integrated and self-sustainable within a community. The issue of self-sustainability is a key factor in determining the length of time that participants remain on the program.

In the year ending 30 June 2017 the NWPP managed 22 witness protection operations, providing protection and assistance to 51 people.

Two assessments continued over from the previous year and three assessments were commenced for inclusion in the NWPP, resulting in no people joining the NWPP and one person voluntarily declining to continue the assessment process. Two operations were concluded, resulting in the departure of two participants from the NWPP.

The AFP's role in law enforcement is at the national and international level, as well as the community policing level in the Australian Capital Territory. The Australian Capital Territory does not have a separate witness protection scheme. Any witnesses who fall under the *Witness Protection Act 1996* (ACT) are assessed for inclusion in the NWPP.

The Commissioner made no disclosures under section 27 of the Act during the reporting period.

Integrity and accountability of the NWPP

Safeguards in the Act help to ensure that the integrity and accountability of the NWPP are maintained. AFP employees deployed to witness protection either hold or occupy designated positions that have national security clearance of Negative Vetting Level 2.

NWPP employees are subject to AFP anti-corruption strategies, which include drug-testing, in accordance with section 40M of the *Australian Federal Police Act 1979*.

The NWPP is subject to the AFP Governance Instrument Framework, which includes instructions on auditing of financial and performance management processes and compliance with the Act.

The Officer in Charge, Witness Protection, presents applications for the placement of persons in the NWPP to the Witness Protection Committee. Officers who investigate the criminal matters that relate to the protection and assistance of the witness, as well as those AFP employees who prepare submissions to the committee, are not involved in the decision-making process for that person's inclusion in the NWPP. This separation of responsibilities helps to ensure that decisions are made independently of operational considerations.

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Complaints and reviews of decisions

The protection of information related to participants in the NWPP is of paramount concern. Therefore, decisions made under the Act are not subject to the *Administrative Decisions (Judicial Review) Act 1977*.

AFP employees who administer the NWPP are subject to the same obligations as other members of the AFP. If a complaint is received, it will be dealt with in accordance with the AFP Act. Complaints may also be the subject of investigation by the Commonwealth Ombudsman under the *Ombudsman Act 1976*.

In 2016–17 there was one Commonwealth Ombudsman investigation relating to the NWPP.

In 2016–17 the AFP Commissioner was not required to review any decisions made by a Deputy Commissioner to remove a person from the program involuntarily.

Performance and effectiveness of the NWPP

There were no avoidable incidents related to the NWPP during the reporting period. This includes recorded instances of direct physical attack on any participant in the NWPP.

In the past, certain entities that could compromise the security of participants in the NWPP have made attempts to locate and identify participants. However, no recorded instances occurred during the reporting period.

Section 28 of the Act protects participants' identities during court proceedings. The court can hold parts of the proceedings in private or it can make suppression orders on the publication of the evidence. No suppression orders were required during the reporting period.

Amendment to the Act

There were no legislative amendments to the Act during the reporting period.

Complementary witness protection legislation

The purpose of section 24 of the Act is to protect the integrity of key Commonwealth documents that are needed in order for witnesses to establish new identities. All jurisdictions have enacted complementary legislation, which has been declared 'complementary witness protection law' under section 3 of the Act. Signed section 24 arrangements are in place in all jurisdictions except Tasmania and the Northern Territory.

During the reporting period, an arrangement was made pursuant to section 35 of the *Witness Protection Act 1995* (NSW) to enable the Commonwealth to apply for New South Wales identity documents.

¹ New South Wales – *Witness Protection Act 1995*; Queensland – *Witness Protection Act 2000*; South Australia – *Witness Protection Act 1996*; Tasmania – *Witness Protection Act 2000*; Victoria – *Witness Protection Act 1991*; Western Australia – *Witness Protection (Western Australia) Act 1996*; Australian Capital Territory – *Witness Protection Act 1996*; and Northern Territory – *Witness Protection (Northern Territory) Act 2002*.

Financial arrangements

The NWPP is administered and operated by the AFP. Basic administration costs and the base salaries of AFP employees involved in witness protection activities are met from within the AFP budget.

By arrangement with the AFP, other agencies that have witnesses in the NWPP are responsible for costs, including those related to the security and subsistence needs of their witness and any operational expenses that the NWPP incurs. The AFP is responsible for costs of AFP-sponsored witnesses in the NWPP.

A table of costs for the NWPP for the previous 11 financial years is in the appendix to this report. The figures do not include the salaries and overhead costs of administering the NWPP. Figures provided are as at 30 June 2017.

Appendix: Expenditure

Table AA1 National Witness Protection Program expenditure, 2016–17

AFP expenditure on NWPP	\$1,000,069.17
Less amounts recovered	-\$341,433.00
Total AFP expenditure on NWPP	\$658,636.17

Table AA2: Total expenditure (before costs were recovered) in previous years

1 July 2015 – 30 June 2016	\$883,025.10
1 July 2014 – 30 June 2015	\$712,565.61
1 July 2013 – 30 June 2014	\$688,515.13
1 July 2012 – 30 June 2013	\$1,179,698.65
1 July 2011 – 30 June 2012	\$899,942.79
1 July 2010 – 30 June 2011	\$974,316.78
1 July 2009 – 30 June 2010	\$1,245,358.72
1 July 2008 – 30 June 2009	\$1,570,620.88
1 July 2007 – 30 June 2008	\$1,047,748.52
1 July 2006 – 30 June 2007	\$1,940,731.32

Annex B
National Witness
Protection Program
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Annex C
Unexplained wealth investigations
and proceedings, 2016–17

Annex C
Unexplained wealth
investigations and
proceedings, 2016–17

Annex C:

Unexplained wealth investigations and proceedings, 2016–17

Section 179U of the *Proceeds of Crime Act 2002*: Parliamentary supervision

Pursuant to section 179U of the *Proceeds of Crime Act 2002* (POCA), the Commissioner of the Australian Federal Police (AFP), as soon as practicable after the end of each financial year, must submit a report to the Parliamentary Joint Committee on Law Enforcement that includes the following information about unexplained wealth investigations and proceedings:

- a. the number of matters investigated in the year, by each enforcement agency, in respect of which a likely outcome may, or will, be the initiation of proceedings under Part 2-6 of the POCA and the basis for determining that number
- b. the number and results of applications in the year for:
 - (i) restraining orders under section 20A of the POCA, and
 - (ii) unexplained wealth orders
- c. any other information of a kind prescribed by regulation.

For the financial year ending 30 June 2017:

- a. There are two matters being investigated by the AFP in respect of which a likely outcome may, or will be, the initiation of proceedings under Part 2-6 of the POCA. A final decision about commencing proceedings under this Part will be made, in each of the matters, once ongoing investigative, financial analysis processes and/or related legal deliberations have been completed.
- b. Under the POCA, there have been:
 - (i) two applications for restraining orders under section 20A
 - (ii) two preliminary unexplained wealth orders.

The first application for a restraining order under section 20A was made in March 2017 in the Supreme Court of Western Australia, resulting in the making of a restraining order by the court. An application was made for a preliminary unexplained wealth order under section 179B, resulting in the making of a preliminary unexplained wealth order by the court.

The second application for a restraining order under section 20A was made in May 2017 for a separate matter in the Supreme Court of Western Australia, resulting in the making of a restraining order. An application was made for a preliminary unexplained wealth order under section 179B, resulting in the making of a preliminary unexplained wealth order by the court. An application was also made in this matter for a restraining order under section 19, which was also granted.

- c. There is no other information relating to the administration of these regulations.

Shortened forms

ABF	Australian Border Force
ACLEI	Australian Commission for Law Enforcement Integrity
ACT	Australian Capital Territory
AFP	Australian Federal Police
AFSA	Australian Financial Security Authority
AGD	Attorney-General's Department
AIPM	Australian Institute of Police Management
ANAO	Australian National Audit Office
ANZAC	Australian and New Zealand Army Corps
AOCC	AFP Operations Coordination Centre
APG	Asia–Pacific Group
APM	Australian Police Medal
app	application (computers)
ASPI	Australian Strategic Policy Institute
ATM	automatic teller machine
CACT	Criminal Assets Confiscation Taskforce
CALD	culturally and linguistically diverse
Co.	Company
CPI	Consumer Price Index
Cth	Commonwealth
D2D CRC	Data to Decisions Cooperative Research Centres
DC	District of Columbia
DCB	departmental capital budget
DFAT	Department of Foreign Affairs and Trade
DHS	Department of Human Services
DNA	deoxyribonucleic acid
Dr	Doctor
EFR	Estimated Financial Return
FBT	fringe benefits tax
FER	Functional and Efficiency Review
FOI Act	<i>Freedom of Information Act 1982</i>
GLLO	Gay and Lesbian Liaison Officer
GPO	General Post Office
GST	goods and services tax
HMAS	Her (or His) Majesty's Australian Ship
ICT	information and communications technology
IMS	Incident Management System
INSLM	Independent National Security Legislation Monitor
IPS	Information Publication Scheme
ISSN	International Standard Serial Number
IT	information technology
K9	canine

kg	kilogram
KPI	key performance indicator
LGBTI	lesbian, gay, bisexual trans and intersex
m	million
MDMA	3,4-methylenedioxymethamphetamine
MFD	multifunction device
MOSC	Management of Serious Crime (course)
MP	Member of Parliament
n	number
n.a.	not applicable
NAGS	National Anti-Gangs Squad
NLEMS	National Law Enforcement Methylamphetamine Strategy
No.	number
NSW	New South Wales
NT	Northern Territory
NWPP	National Witness Protection Program
OAM	Medal of the Order of Australia
OCOA	Offshore Criminal Operations involving Australians
OECD	Organisation for Economic Co-operation and Development
OPA	Official Public Account
PBS	Performance Budget Statements
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
PNTL	Policia Nacional de Timor-Leste
POCA	<i>Proceeds of Crime Act 2002</i>
PRS	Professional Standards
PSM	Public Service Medal
Pty Ltd	Proprietary Limited
PUE	power usage effectiveness
Qld	Queensland
RAMSI	Regional Assistance Mission to Solomon Islands
ROI	return on investment
RSIPF	Royal Solomon Islands Police Force
SA	South Australia
SBS	Special Broadcasting Service
SES	Senior Executive Service
SLG	Senior Leadership Group
SQF	Skills and Qualifications Framework
SRG	Specialist Response Group
STEM	science, technology, engineering and mathematics
Tas.	Tasmania
TLDPD	Timor-Leste Police Development Program
Vic.	Victoria
VPF	Vanuatu Police Force
WA	Western Australia

Glossary

Air Security Officer Program	established by the government following the 11 September 2001 terrorist attacks to prevent acts of violence and provide specialist in-flight security services on selected domestic and international flights
assumed identity	a fictitious identity used legitimately in support of AFP operations and authorised under Part IAC of the <i>Crimes Act 1914</i> (Cth)
Criminal Assets Confiscation Taskforce	a multi-agency taskforce led by the AFP, comprising representatives from the Australian Crime Commission, the Australian Taxation Office and the AFP and established in 2011 to disrupt, deter and reduce serious and organised crime by taking the profit out of crime
Drug Harm Index	a performance measure which puts a dollar figure on the overall damage to the Australian community that has been prevented by seizing drugs at the border
Europol	the law enforcement agency of the European Union, which aims to help achieve a safer Europe by supporting member states in their fight against international serious crime and terrorism
five-eyes partners	Australia, Canada, New Zealand, the United Kingdom and the United States in an intelligence-sharing alliance
foreign bribery	directly or indirectly providing or offering a benefit that is not due legitimately to a foreign public official for the purpose of obtaining or retaining business or a business advantage
Fraud and Anti-Corruption Centre	an AFP-led, multi-agency group that focuses on preventing, detecting and investigating serious and complex fraud and corruption against the Commonwealth, including foreign bribery and identity security offences
Functional and Efficiency Review	an independent review which comprehensively assesses the efficiency and effectiveness of all aspects of an entity's operations, programs and administration to determine whether the functions and current resourcing level of the entity align with government objectives
International Network	an AFP group that has posts in 29 countries and operates with other Australian Government and international law enforcement agencies domestically and internationally to combat transnational organised crime

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
Job Family Model	an AFP three-tier model comprising job family (major professional groups), occupational group (subgroups of the job family) and job role (primary role of the occupational group)
money-muling	an attempt to get a person to receive stolen funds into his or her bank account, and to then transfer those funds out to criminals
Pride marches	events celebrating lesbian, gay, bisexual and transgender culture and pride in diversity
National Anti-Gangs Squad	a multi-agency taskforce that aims to disrupt and dismantle criminal gang activity by supporting strike teams in state capitals
Registered Organisations Commission	an independent body, established on 1 May 2017, that monitors financial governance, records and elections within unions and employer associations registered under the <i>Fair Work (Registered Organisations) Act 2009</i> and helps them to understand their obligations
Skills and Qualifications Framework	a structure that enables the AFP to capture, record and maintain the technical skills, qualifications, training and licences of its workforce
street value	calculated according to the national median drug price for the specific drug as listed in the 2014–15 Australian Crime Commission Illicit Drug Data Report
Unity Cup	an annual football event – backed by the Victorian Government, Victoria Police, the Korin Gamadji Institute, Brotherhood of St Laurence and the Essendon, Hawthorn, St Kilda, Geelong, North Melbourne, Richmond, Western Bulldogs and Werribee football clubs – that is designed to unite Melbourne's culturally diverse communities and foster greater trust in law enforcement
victim-based crime	human-trafficking, people-smuggling, child exploitation and abuse, offshore criminal operations involving Australians, missing persons

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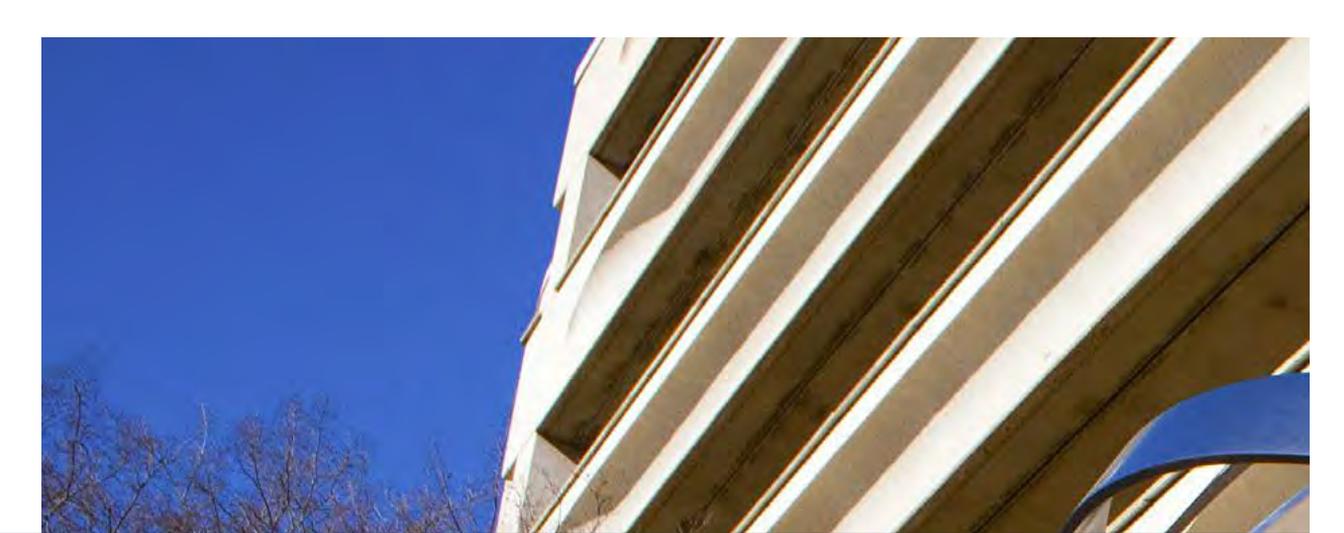
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AFP

AUSTRALIAN FEDERAL POLICE

POLICING FOR
A SAFER AUSTRALIA

