

Chapter 3

Australian Federal Police Annual Report 2010–11

Background

3.1 The Australian Federal Police (AFP) is the primary law enforcement agency through which the Australian Government enforces Commonwealth law. Established by the *Australian Federal Police Act 1979*, its functions include provision of policing services in relation to Commonwealth laws and property, and safeguarding of Commonwealth interests. The AFP provides community policing services to the Australian Capital Territory, while the AFP's Australian Protective Service is the Australian Government's specialist protective security provider.¹

3.2 As Australia's national police force, the AFP provides a range of investigation and operational support, security risk management, security vetting and information services to assist the public. The nature of the AFP and what is required of it, has changed significantly in recent years, with a greater focus on national and international operations. The new challenges the AFP faces include counter terrorism, human trafficking and sexual servitude, cyber-crime, peace operations, protection and other transnational crimes.²

3.3 In 2010, the then Minister for Home Affairs and Justice, the Hon Brendan O'Connor, issued a new Ministerial Direction, outlining the Minister's expectation of the AFP and key strategic priorities. The 2010 Ministerial Direction is included at Appendix 3.

Key events of interest in 2010–11

3.4 The Commissioner's review of 2010–11 highlights a number of key events that occurred during that year. These include:

- a focus on reinvigorating the AFP's investigative and operational capabilities;
- delivery of crisis support during and following the Queensland floods, Cyclone Yasi and the New Zealand earthquake;
- two major seizures of cocaine, totalling 640kg in all, working in combination with partner agencies;
- development of counter-terrorism capabilities;
- establishment of the Criminal Assets Confiscation Taskforce;
- establishment of a liaison post in New Delhi, India;

1 ANAO, *Management of the implementation of new policy initiatives*, Audit Report No. 29, 2010–11, p. 11.

2 AFP, <http://www.afp.gov.au/what-we-do.aspx> and <http://www.afp.gov.au/about-the-afp.aspx> (accessed 12 July 2011).

- continuation of the mission to the Solomon Islands, where democratic elections were held;
- recognition of the AFP as the top public sector organisation for the 2011 Australian Employer Quality Index award;
- continued implementation of the All-In airport policing model; and
- the official opening of the AFP's new national headquarters.

Annual reporting and compliance

3.5 Annual reporting by government agencies is based on an 'outcome and program' structure which, in the AFP's case, is set out in the Attorney-General's Portfolio Budget Statements.

3.6 The AFP's annual report is required to fulfil a number of statutory requirements, as well as guidelines for annual reports prepared by the Department of Prime Minister and Cabinet and approved by the Joint Committee of Public Accounts and Audit. The report's compliance with these requirements is set out in a compliance index³.

3.7 In addition, Subsection 67(1) of the *Australian Federal Police Act 1979* (AFP Act) states that:

(1) The Commissioner shall, as soon as practicable after each 30 June, prepare and furnish to the Minister a report on the administration and the operations of the Australian Federal Police during the year that ended on that date.

(1A) The report must contain, in respect of the year, prescribed particulars about:

- (a) the AFP conduct issues that were dealt with under Part V during that year; and
- (b) the action that was taken, during that year, in relation to AFP conduct issues that were dealt with under Division 3 of Part V.

(2) The Minister shall cause a report furnished to him or her under subsection (1) to be laid before each House of the Parliament within 15 sitting days of that House after the report is received by the Minister.

3.8 Based on the committee's assessment of the report, it fulfils these requirements.

AFP structure and reporting framework

3.9 Commencing in the 2010–11 Budget, the AFP revised its program structure. The revised structure complements the Australian Government's response to the recommendations contained in the Federal Audit of Police Capabilities (Beale Review), which was publicly endorsed by the government in December 2009 and has

3 AFP, *Annual Report 2010–11*, p. 202.

been under active implementation. Further, the portfolio budget statement notes that the revised structure positions the AFP well to respond to the challenges identified in the National Security Statement, the Commonwealth Organised Crime Strategic Framework, and the 2010 Counter Terrorism White Paper.⁴

3.10 The AFP delivers two outcomes. Outcome 1 changed somewhat from the previous year, to become 'reduced criminal and security threats to Australia's collective economic and societal interests through cooperative policing services. The programs within this outcome have been restructured into four programs:

- Program 1.1: National Security – Policing;
- Program 1.2: International deployments;
- Program 1.3: Operations – Policing; and
- Program 1.4: Close operational support.⁵

3.11 Outcome 2, which is 'a safe and secure environment through policing activities on behalf of the Australian Capital Territory Government is achieved through a single program, Program 2.1: ACT Policing.⁶

Performance against Key Performance Indicators for Outcome 1

3.12 The AFP met 30 out of 32 Key Performance Indicators (KPIs) for Outcome 1. Unmet KPIs related to external satisfaction regarding operational coordination and internal satisfaction regarding the provision of close operations support.⁷

Program 1.1: National Security – Policing

3.13 Program 1.1 comprises Aviation, Counter Terrorism and Protection, bringing together elements that were previously spread across three programs (criminal investigations, protection services and aviation services).

3.14 The annual report described a number of achievements for this program in 2010–11, including:

- successful prosecution of three people for terrorism offences, relating to Operation Neath;
- establishment of a dedicated Terrorism Financing Investigations Unit;
- establishment of a Countering Violent Extremism Team; and
- contributing to the establishment of a multi-agency Counter Terrorism Control Centre.⁸

4 AFP, Portfolio Budget Statement, p. 164.

5 AFP, Portfolio Budget Statement, p. 165.

6 AFP, Portfolio Budget Statement, p. 165.

7 AFP, Annual Report 2010–11, p. 16.

8 AFP, Annual Report 2010–11, p. 24.

3.15 The AFP tested the overall level of external client and partner satisfaction with this program's performance through the AFP Business Satisfaction Survey. The result was a satisfaction rating of 90 per cent, which exceeded the target of 85 per cent.⁹

3.16 The other KPIs within this program were specific to two AFP functions – Aviation and Counter Terrorism. All KPIs were met or exceeded. Within the counter terrorism stream:

- 96 per cent of time was spent on high-impact to very high-impact cases;
- 100 per cent of counter-terrorism investigations were preventive (not responsive);
- 82 per cent of time was spent on operational activity (versus capacity development activity); and
- 100 per cent of counter-terrorism investigations resulted in a prosecution, disruption or intelligence referral outcome.¹⁰

3.17 In the aviation stream:

- 77 per cent of Aviation network users were satisfied or very satisfied by the contribution of the AFP to aviation law enforcement and security;
- 93 per cent of resources were used to undertake proactive and intelligence-led counter-terrorism, crime management, public order and first response operations; and
- the percentage of responses to aviation law enforcement and/or security incidents in accordance with priority response times was within the targeted range.¹¹

Program 1.2: International deployments

3.18 Program 1.2 relates to the activities of the International Deployment Group. Established in February 2004, the International Deployment Group (IDG) provides the Australian Government with a standing capacity to deploy Australian police domestically and internationally to contribute to stability and capacity development operations. The IDG contributes to Australia's United Nations (UN) commitments, as well as regional security and rule of law interests.

3.19 The annual report described a number of achievements for this program in 2010–11, including:

- UN missions in Cyprus, Sudan, Timor-Leste and Afghanistan;

9 AFP, Annual Report 2010–11, p. 18.

10 AFP, Annual Report 2010–11, p. 18.

11 AFP, Annual Report 2010–11, p. 18.

- capacity development programs in Cambodia, Timor-Leste, Vanuatu, Samoa, Tonga, Papua New Guinea, Nauru and other members of the Pacific Island Forum;
- the Regional Assistance Mission to the Solomon Islands; and
- domestic deployments as part of the Northern Territory Emergency Response and to external territories.¹²

3.20 Performance for this program, as measured by key performance indicators was as follows:

- 100 per cent of international clients and 91 per cent of Australian clients and stakeholders were satisfied or very satisfied with the program;
- positive feedback was received in the course of quality assurance reviews conducted by internal and external parties;
- the University of Queensland project on measuring the impact of IDG's contribution to peace operations and international capacity building was finalised;
- 94 per cent of mission resources were committed to countries with rule of law indicators below the international median;
- 92 per cent of mission resources were committed to countries in the Asia-Pacific region; and
- the number of police committed to support multilateral missions exceeded the international average on a per capita basis.¹³

Program 1.3: Operations – Policing

3.21 The AFP Crime Program was created in response to the Commonwealth Organised Crime Strategic Framework to enable a holistic approach to combating organised crime both nationally and internationally. Nationally the Crime Program has teams in Darwin, Perth, Adelaide, Hobart, Melbourne, Canberra, Sydney, Brisbane and Cairns; internationally it has teams in 30 countries.¹⁴ The Crime Program's structure comprises the crime operations and serious and organised crime subunits. The latter includes the AFP International Network.

3.22 Achievements in 2010–11 included:

- The seizure of over 5 tonnes of illicit drug and precursor chemicals;
- The restraint of \$41 million in proceeds of crime;
- Establishment of the Criminal Assets Confiscation Taskforce; and

12 AFP, Annual Report 2010–11, pp 36–37.

13 AFP, Annual Report 2010–11, p. 19.

14 AFP, Annual Report 2010–11, p. 47.

- The seizure of \$16 million and the arrest of 12 people for money laundering through the high risk funds strategy.¹⁵

3.23 This success of the program is measured through the following key performance indicators:

- 80 per cent of external clients or stakeholders were satisfied or very satisfied with operational and investigative collaboration;
- 51 per cent of serious and organised crime operations were conducted under joint agency agreements;
- The return on investment for investigation of transnational crime was reported by the AFP to be \$13 for each \$1 expended;
- 18 per cent of cases targeted the criminal economy; and
- 99 per cent of cases before court resulted in a conviction.¹⁶

3.24 One KPI within this program, relating to partner agency satisfaction, was not met. 71 per cent of partner agencies were satisfied or very satisfied with operational coordination of joint policing activities around border-related crime, falling short of a target of 80 per cent.

Program 1.4: Close operational support

3.25 The Operations Support function provides:

- centralised monitoring and initial response, coordination and communications support to AFP operations;
- management of the AFP's corporate business process strategies and related relationships with internal and external stakeholders;
- delivery of the next generation of systems and processes to align business with information technology functionality; and
- delivery of security networks for the handling and management of intelligence and sensitive information.¹⁷

3.26 The performance of this program is measured through the following key performance indicators:

- 84 per cent of external clients or stakeholders were satisfied or very satisfied with this program;
- 79 per cent of internal clients or stakeholders were satisfied or very satisfied with this program;
- National Association of Testing Authorities Accreditation remained current in all relevant forensic disciplines;

15 AFP, Annual Report 2010–11, p. 47.

16 AFP, Annual Report 2010–11, p. 20.

17 AFP, Annual Report 2010–11, p. 61.

- 91 per cent of technical intelligence was provided to the AFP and partner agencies within five business days;
- The number of forensic service requests completed met the desired target;
- 100 per cent of scheduled deliverables were completed for offshore capacity-building projects;
- 95 per cent of time spent on technology crime investigations related to high-impact to very high-impact cases;
- 73 per cent of technology crime investigations that came before court were high or very high impact;
- The conviction rate for technology crime investigations was 97 per cent;
- 64 per cent of law enforcement personnel completed technology-related (tier 1) training; and
- 82 per cent of those who participated in a post-presentation survey indicated increased awareness of technology-related crime.¹⁸

Performance against KPIs for Australian Capital Territory Policing (Outcome 2)

3.27 The AFP policing activities in the Australian Capital Territory (ACT) are very briefly summarised in the report, as the AFP is accountable to the ACT's Minister for Police and Emergency Services, for whom a separate more detailed annual report is prepared.¹⁹

3.28 The AFP met 29 of 34 KPIs for this outcome, an improvement from the previous year.²⁰

Staffing and Resources

3.29 The AFP's total net resourcing from payments made in 2010–11 was almost \$1.5 billion.²¹ The majority of its expenses came from Outcome 1, totalling \$1.28 billion, which exceeded the budgeted amount by \$9.5 million. Of the four programs within that Outcome, actual expenses were as follows:

- National Security – Policing: \$367 million;
- International Deployments: \$364 million;
- Operations – Policing: \$266 million; and
- Close Operational Support: \$282 million.²²

18 AFP, Annual Report 2010–11, p. 20.

19 Available on www.police.act.gov.au

20 ACT Policing Annual Report 2010–11, p. 67.

21 AFP, Annual Report 2010–11, p. 133.

22 AFP, Annual Report 2010–11, pp 134–135.

3.30 The AFP employed a grand total of 6898 staff members during 2010–11, compared to 6715 in the previous year. 47 per cent were sworn officers, 15 per cent were Protective Service Officers, and the remaining 38 per cent were unsworn staff members.²³

3.31 Over half of AFP staff were based in Canberra, while 6 per cent were posted overseas.²⁴ 34 per cent of AFP staff members were female, with the majority of female staff members serving in unsworn positions.²⁵

3.32 The average staffing level for Outcome 1 was 5769, compared to 963 for Outcome 2 (ACT Policing).²⁶

Issues addressed during examination

Complaint handling

3.33 In 2010–11, there were 920 complaints made against the AFP. This represented a 15 per cent increase in the number of complaints made compared to the previous year.²⁷

3.34 Of the 920 complaints, there were 156 Category 1 complaints, which are conduct issues that relate to minor management, customer service and performance matters. There were 501 Category 2 complaints, which are conduct issues that include minor misconduct and unsatisfactory performance. There were 233 Category 3 complaints, which are conduct issues are serious misconduct matters that do not involve corruption but may give rise to employment termination, breaches of criminal law and serious neglect of duty. Finally, 30 complaints related to corruption issues.²⁸

3.35 Over half of the complaints reported were from another AFP member. Mr Andrew Wood, Chief Operating Officer of the AFP, noting this fact, stated:

When we do look at the sorts of matters that have been reported internally, they do reflect that people are well aware of the commissioner's orders, the commissioner's instructions and the level of expectation that we have in relation to the behaviour of the Federal Police force. Obviously, we expect our members to maintain higher standards than those of the broader community and higher standards than those of other parts of the broader public sector. So the level of complaint does, in my view, reflect a strong commitment to maintain a high level of integrity in the organisation so people do feel it is the right thing to do to report behaviours that they are not comfortable with.²⁹

23 AFP, Annual Report 2010–11, p. 126.

24 AFP, Annual Report 2010–11, p. 127.

25 AFP, Annual Report 2010–11, p. 129.

26 AFP, Annual Report 2010–11, pp 135–136.

27 AFP, Annual Report 2010–11, p. 120; AFP, Annual Report 2009–10, p. 185.

28 AFP, Annual Report 2010–11, p. 120.

29 Mr Andrew Wood, AFP, *Committee Hansard*, 2 March 2012, p. 3.

3.36 The committee also notes that 173 of the 920 complaints related to an audit that the AFP undertook of the leave and time-recording systems.³⁰

Timeliness of complaint handling

3.37 The committee discussed the timeliness of the AFP's complaint handling in last year's annual report examination, after the Ombudsman recommended that the AFP conduct further analysis to determine the cause of delay in finalising complaints against the agency. The committee heard that the AFP had put in place measures to improve the speed of complaint handling, and undertook to monitor the situation.³¹

3.38 The Ombudsman's most recent report, however, again raises issues relating to complaint handling, stating:

The timeliness of managing and finalising complaints continues to deteriorate – particularly in relation to the most serious complaints. We have often raised this issue in our reviews, but to date the measures that the AFP has taken to address the issue have not proven to be effective. More recently the AFP has indicated to us that timeliness is improving and that certain new initiatives have cleared a large backlog. We will see at our next review if there has been any substantial improvement.³²

3.39 During 2010–11, the Ombudsman also recorded 15 administrative deficiencies against the AFP under Section 15 of the *Ombudsman Act 1976*. This was an increase from six in 2009–10 and four in 2008–09.³³

3.40 The committee sought a response from the AFP on these matters, and was told that the majority of these administrative deficiencies were in relation to an unreasonable delay in the resolution of complaints.³⁴

3.41 The AFP sets benchmarks for the investigation and completion of complaints, which are:

- Category 1 complaints – 21 days;
- Category 2 complaints – 45 days; and
- Category 3 complaints – 180 days.³⁵

3.42 The Ombudsman noted that the percentage of cases finalised within these benchmarks had deteriorated over time. This is shown in the graph below, reproduced

30 Mr Andrew Colvin, Acting Commissioner, AFP, *Committee Hansard*, 2 March 2012, p. 3.

31 PJC-LE, Examination of the Australian Federal Police Annual Report 2009–10, pp 11–12.

32 Commonwealth Ombudsman, Annual report on the Commonwealth Ombudsman's activities under Part V of the *Australian Federal Police Act 1979*, For the period 1 July 2010 to 30 June 2011, November 2011.

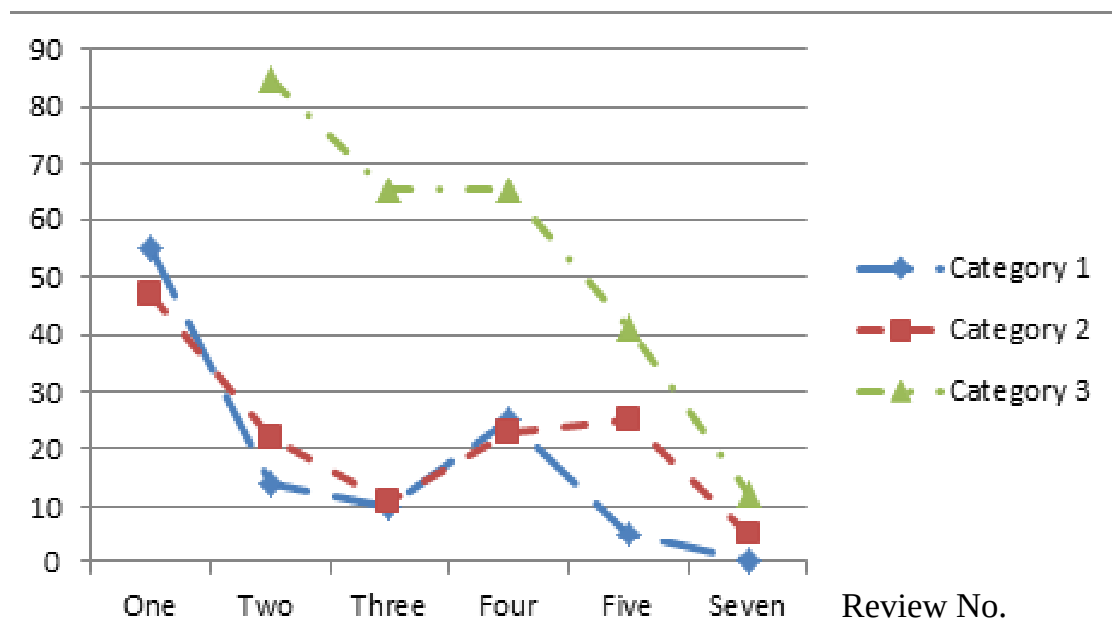
33 AFP, Annual Report 2010–11, p. 176.

34 AFP, answer to question on notice 5, 2 March 2012 (received 28 March 2012), p. 1.

35 Commonwealth Ombudsman, Annual report on the Commonwealth Ombudsman's activities under Part V of the *Australian Federal Police Act 1979*, for the period 1 July 2010 to 30 June 2011, November 2011, p. 14.

from the Ombudsman's report, showing the percentage of cases finalised within benchmarks over the last seven reviews (considering records from December 2006 onwards).

Figure 1: Percentage of cases finalised within benchmark during first seven reviews by Ombudsman (2006–2011)³⁶



3.43 The AFP noted that it is currently reviewing the benchmarks for complaint handling timeframes, as they were established at the implementation of Part V of the AFP Act when limited data was available.³⁷

3.44 The AFP informed the committee that, while it recognised that more work was needed, there was some evidence of an improvement in the timeliness of complaint handling. The AFP cited timeliness in finalising Category 3 and 4 complaints, indicating that 310 had been finalised in the first half of 2011–12, compared with 166 for the entire previous year. In addition, Category 3 complaints submitted in 2011 have an average run-time of 196 days compared to those submitted in 2009 and 2010 (644 and 421 days respectively).³⁸

3.45 The AFP further noted that more time would be needed to observe the impact of measures taken to reduce the backlog in complaints handling.³⁹

36 Commonwealth Ombudsman, Annual report on the Commonwealth Ombudsman's activities under Part V of the *Australian Federal Police Act 1979*, for the period 1 July 2010 to 30 June 2011, November 2011, p. 14.

37 AFP, answer to question on notice 6, 2 March 2012 (received 29 March 2012), p. 2.

38 AFP, answer to question on notice 5, 2 March 2012 (received 28 March 2012), p. 1.

39 AFP, answer to question on notice 6, 2 March 2012 (received 29 March 2012), p. 1.

3.46 The committee is concerned about the deterioration in the average run-time of complaint cases and will continue to monitor this issue. The committee recommends that the average run-time statistic be included for all categories of complaint in subsequent annual reports.

Recommendation 1

3.47 The committee recommends that the AFP annual report include the average number of days taken to resolve cases for each category of complaint, to enable the committee to better monitor the timeliness of complaint resolution.

3.48 The committee also notes that one way to drive improvement in complaint handling timeframes may be to include them as a Key Performance Indicator. This may be an appropriate approach if the current steps being taken by the AFP are not successful at reducing complaint handling timeframes.

External and internal complaint establishment rates

3.49 The Ombudsman also drew attention to the disparity in the establishment rates of internal and external complaints. While the overall internal establishment rate was 60 per cent, the same rate for external complaints was only seven per cent.⁴⁰

3.50 The AFP noted that, anecdotally, this disparity was similar in other jurisdictions, explaining that there were a number of reasons why the internal and external complaint establishment rates might be different. These include:

- A number of external complaints received are from people who, at the time of the incident, were affected by alcohol and other drugs, which may impact on the reliability of the evidence they provide;
- Often, external complaints arise from situations where people have been arrested or otherwise taken into custody, or from people who are suffering forms of mental illness. Again, whilst not discounting the probability of legitimate complaints, this may impact on the reliability of the evidence they provide;
- In terms of internal complaints, staff tend only to complain when the issue is clear and evidence related to internal complaints are generally easier to obtain due to rigorous AFP control systems such as e-mail audits etc.; and
- Police are trained to provide evidence and information in a structured and logical manner, including during the course of submitting a complaint.⁴¹

40 Commonwealth Ombudsman, Annual report on the Commonwealth Ombudsman's activities under Part V of the *Australian Federal Police Act 1979*, for the period 1 July 2010 to 30 June 2011, November 2011, p. 8.

41 AFP, answer to question on notice 6, 2 March 2012 (received 29 March 2012), p. 2.

Favouring evidence given by an officer

3.51 The Ombudsman's review reiterated a view from previous inspection periods, that it was evident that not all of the witnesses reasonably available to the PRS investigation were interviewed, stating:

Our impression was that investigators and decision-makers tended to prefer the evidence of an AFP member over that of a complainant and did not always seek confirmatory evidence either way when it was available (although this was not always the case). We remain of this view based on the results of this review.⁴²

3.52 The Ombudsman accepted that there may be good reason to prefer AFP members' version of events – for example sometimes this was because the complainant was considered to be affected by alcohol or drugs at the time. However, the Ombudsman indicated that the reason for the investigating officer's decision to accept one version over another needs to be clearly elaborated on the record, and the investigator also needs to demonstrate that sufficient effort was made to gather and test corroborating evidence from other members present or other witnesses.⁴³

3.53 The AFP agreed with the Ombudsman on this point, accepting that investigation reports should clearly articulate the reasons for critical decisions, including the avenues of enquiry undertaken when investigating complaints and drawing conclusions from the information gathered.⁴⁴

3.54 The committee notes that, in response to the Ombudsman's comments, the AFP has improved training of Professional Standards Investigators in regard to the writing of investigations reports so the statement of reasons for a recommendation is clear in regard to the balancing of evidence.⁴⁵

Finalisation of corruption issue investigations

3.55 In its examination of the 2009–10 ACLEI annual report, the Parliamentary Joint Committee on the Australian Commission for Law Enforcement Integrity noted that the rate at which external agencies conclude inquiries appears to significantly contribute to the large number of unresolved corruption issues at the end of each financial year. The AFP, while concluding 16 investigations in 2010–11 (compared to 4 in the previous year), carried over 40 incomplete investigations into 2011–12, representing a substantial proportion of the total number of issues carried forward in ACLEI's statistics.

42 Commonwealth Ombudsman, Annual report on the Commonwealth Ombudsman's activities under Part V of the *Australian Federal Police Act 1979*, for the period 1 July 2010 to 30 June 2011, November 2011, p. 18.

43 Commonwealth Ombudsman, Annual report on the Commonwealth Ombudsman's activities under Part V of the *Australian Federal Police Act 1979*, for the period 1 July 2010 to 30 June 2011, November 2011, p. 18.

44 AFP, answer to question on notice 6, 2 March 2012 (received 29 March 2012), p. 2.

45 AFP, answer to question on notice 6, 2 March 2012 (received 29 March 2012), p. 2.

3.56 The AFP noted that the investigation of corruption complaints, the fourth category of complaint within the AFP framework, involves complicated matters which may take considerable time to investigate thoroughly. Furthermore, the AFP informed the committee that, as a result of continued dialogue between the AFP and ACLEI, it has been notifying ACLEI of more matters each year as understanding of potential corruption issues increases.⁴⁶

3.57 The AFP reported to the committee that, in cooperation with ACLEI, it has continued a trend in increasing the numbers of finalised matters each year. From 1 July 2011 to 7 March 2012, 48 matters have been finalised.⁴⁷ The committee will examine ACLEI's statistics in the next round of annual reports to assess the impact of this increased effort by the AFP.

Transition to All-In aviation policing model

3.58 The committee sought an update on the transition from the Unified Policing Model to the All-in model at Australia's major airports. This transition from state, territory and federal arrangements to a single federal model is expected to enhance security and create efficiencies within the aviation sector.⁴⁸

3.59 This new arrangement, staffed by sworn AFP members, involves the construction of new purpose-built AFP premises and canine facilities. In 2010–11, one canine facility was completed, construction of two purpose-built AFP premises commenced and interim AFP premises were occupied.⁴⁹

3.60 The AFP informed the committee that, as of March 2012, of the 673 police officers at the airports, there were 42 remaining state and territory police. In addition, 160 Protective Service Officers remained within that number, either awaiting transition or redeployment.⁵⁰

Ombudsman's inspection of controlled operations records

3.61 The Ombudsman found that in 2010–11, the majority of controlled operations records held by the AFP demonstrated compliance with Part IAB of the *Crimes Act 1914*. The AFP demonstrated improved compliance in relation to the recording of details for controlled operations and in its reporting obligations to the Minister.⁵¹

3.62 The Ombudsman found that some improvement was still required, with issues relating to:

46 AFP, answer to question on notice 8, 2 March 2012 (received 29 March 2012), p. 1.

47 AFP, answer to question on notice 8, 2 March 2012 (received 29 March 2012), p. 1.

48 AFP, Annual Report 2010–11, p. 29.

49 AFP, Annual Report 2010–11, p. 29.

50 Mr Andrew Colvin, Acting Commissioner, AFP, *Committee Hansard*, 2 March 2012, p. 7.

51 Commonwealth Ombudsman, A report on the Commonwealth Ombudsman's activities in monitoring controlled operations 2010–11, January 2012, p. 2.

- the AFP ensuring applications for authorities specify the identity of each civilian participant and the conduct in which they may engage;
- the AFP ensuring its general register contains all of the information required under the Act, in order to demonstrate that controlled conduct occurred under a valid authority; and
- the AFP not providing Commonwealth Ombudsman inspecting officers with requested documents relevant to an inspection in a timely manner.⁵²

3.63 The committee received a private briefing on these matters from the Acting Commonwealth Ombudsman, Ms Alison Larkins, on 19 March 2012.

Drug Harm Index

3.64 In the committee's examination of the AFP's 2009–10 Annual Report, it provided detail on the composition of the drug harm index, an estimation of the social harms around narcotics and the broader return to the community resulting from investment in law enforcement.⁵³

3.65 The Drug Harm Index was not included as a Key Performance Indicator in 2010–11, although at over \$1 billion, it was more than double last year's result (\$473 million) and exceeded last year's domestic target of \$886 million.⁵⁴

3.66 The Drug Harm Index has instead been used to inform a different measure, return on investment. This figure appears as KPI 19: return on investment for investigation of transnational crime. The main components of this calculation are the estimated financial return from fraud and drug investigations (\$249 million) and the Drug Harm Index.⁵⁵

ANAO reports

3.67 One relevant ANAO report was tabled during the reporting period. ANAO Report No. 43 related to the AFP Protection Services and made no recommendations. The ANAO concluded that the services provided by the AFP Protection Service are being managed effectively. The functional integration of the APS into the AFP has largely been completed, with key elements such as recruitment, training and human resource management delivered and monitored through common AFP-wide systems.⁵⁶

3.68 The ANAO noted that while management oversight and service delivery are generally sound, there are a number of weaknesses in some of Protection's supporting administrative arrangements that have the potential to impede effective management decision-making and the allocation of resources. In particular, the ANAO was of the

52 Commonwealth Ombudsman, A report on the Commonwealth Ombudsman's activities in monitoring controlled operations 2010–11, January 2012, p. 2.

53 PJC-LE, Examination of the AFP Annual Report 2009–10, p. 8.

54 AFP, Annual Report 2010–11, p. 17.

55 AFP, Annual Report 2010–11, p. 17.

56 ANAO, Australian Federal Police Protection Services, Audit Report No. 43, May 2011.

view that there would be benefits to both Protection and its clients in increasing the transparency of Protection's cost-recovery arrangements, strengthening its reporting arrangements to clients, and improving the performance information for both the Protection function as a whole, and for individual clients. Staff surveys have found that Protection staff have lower job satisfaction and feel a sense of disengagement from the rest of the organisation, which indicates that there is still work to be done to achieve greater functional and workforce integration into the AFP.⁵⁷

57 ANAO, Australian Federal Police Protection Services, Audit Report No. 43, May 2011.