



COMMONWEALTH OF AUSTRALIA

JOINT COMMITTEE

on

THE NATIONAL CRIME AUTHORITY

Public briefing

SYDNEY

Tuesday, 16 December 1997

OFFICIAL HANSARD REPORT

CANBERRA

WITNESSES

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Present

Mr Bradford (Chair)

Senator Conroy

Senator Ferris

The committee met at 9.44 a.m.

Mr Bradford took the chair.

BROOME, Mr John Harold, Chairperson, National Crime Authority, 201 Elizabeth Street, Sydney, New South Wales 2000

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CHAIR—This is a very busy time of year, and I appreciate the fact that Mr Broome and his colleagues have been able to be with us today. At this time of year members of parliament are heavily committed, but I thought it was important that we deal with these matters before the end of the year. Hence the need, I thought, for a meeting here today. I declare the public hearing of the parliamentary Joint Committee on the NCA open. Welcome to the hearing.

Section 55 of the act which established the NCA places on this committee a duty to monitor and review the performance of the NCA and its functions, including undertaking an examination of the NCA's annual report, which we received recently.

This is the third public briefing by the authority of this committee during the course of this parliament, the previous ones being in Melbourne on 22 October 1996 and in Canberra on 3 March 1997. I should point out that the Hon. Mr John Sharp has been appointed to the committee since that latter date. I was expecting Mr Sharp to be here today, but I am not sure whether he will be or not.

We have had a number of other meetings with the NCA during the year—other than formal public briefing sessions as such. We had two hearings in relation to the evaluation inquiry that we are conducting. In respect of that inquiry, I think I have indicated that we now expect our final report to be tabled in March or early April next year.

Today's briefing will be in two parts. The first session will be in public, and then that will be followed by a private session when matters of a sensitive or confidential nature may be raised. I welcome members of the press as well.

There are actually a number of matters that we should raise with the authority. In a moment I will ask Mr Broome to make an opening statement, but let me run through the items that I think we ought to discuss. There is the 1997-2000 corporate plan that has been given to the committee in the last six months or so; there is the annual report of 1996-97; there are a number of matters that will come up as a result of those and a number of

general matters that members of the committee may wish to raise with the authority.

Mr Broome, I will ask you to make some opening remarks at your leisure. We are happy for you to do that.

Mr Broome—Thank you, Mr Chairman. I will make some brief observations, if I might, and then we can leave it to questions to deal with most of the issues of concern to the committee. It is perhaps just worth noting for the record, given the amount of media discussion which has taken place about some court cases in which the authority has been involved, that the outcomes of perhaps a large preponderance of those of course have been in favour of the authority, certainly since the last time we had a general briefing.

But, just to make the point, on 26 September we saw the decision of the Court of Criminal Appeal in Victoria which arose from a reference by the Director of Public Prosecutions in Victoria from the decision of a trial judge in the prosecution of Mr Elliott and others. That Victorian Court of Criminal Appeal decision resolved 12 questions referred to it by the director in favour of the prosecution position in respect of every one of the questions. That has received, of course, some publicity. Nonetheless, it was a very substantial vindication of the way the authority conducted that investigation.

Together with a number of other decisions, which I will refer to very briefly, I believe it indicates that there is now clear and strong judicial authority to support the proposition that the authority's investigations have been conducted not only professionally but also lawfully in every one of these cases.

The second decision was that of the full bench of the Federal Court which overturned the decision of a single judge in A1 and A2 v the NCA. That decision was handed down on 16 June and has been around for some time, but special leave had been sought in the High Court to appeal that decision. I am glad to advise the committee that, last Friday, the High Court dismissed the application for special leave. Therefore, the full court decision in A1 and A2 now stands and represents the law in relation to the way in which NCA references need to be drafted. It again vindicates both the validity of the references which were under challenge and also, therefore, the investigations conducted pursuant to those references.

Perhaps it is interesting to note that the High Court did not even see fit to hear from the authority as the respondent in those proceedings. It dismissed the application, having merely heard from the applicants. The High Court was not satisfied that any argument of any substance had been made to show that the original decision of the full Federal Court had any error in it at all. So that was a very good result.

In addition to that, in Victoria in the Federal Court on 22 October there was another decision, involving a matter which is called AB v the National Crime Authority. That decision also upheld the validity of investigations which had been conducted

under an NCA reference, so what we have seen in the last six months is a series of decisions, up to and including those by the High Court, which have made it clear that what we are doing is consistent with the National Crime Authority Act and that have now removed the doubts that had been around concerning a number of the investigations we were carrying out. From our point of view, that is very encouraging.

More importantly, I hope there can now be put behind us the suggestions I have seen in some stories about the NCA being under threat or challenge and about its powers being tested in the courts and so on. Each of these full benches has made it very clear that we have been doing what we have been doing very properly and that the references have fallen well within the terms of the act and so on. And there are some very strong legal principles in those cases.

We will be discussing some of our more recent activities in greater detail in the confidential session, but the second thing I want to mention is that I think it is fair to say that we have seen in the last few months, and particularly in the last few weeks, a number of very successful operations which the authority is very pleased to have been involved with. However, I should perhaps correct something in your media release, if I may do so with the appropriate level of respect, Mr Chairman. I do not think it is fair to say that the NCA has claimed, as is noted in the third dot point of the press release, 'the smashing of the Bandidos motorcycle gang's criminal activities'. We were part of a joint operation which was largely run by the Victorian police. That is very clear from the media releases that were issued at the time, and I would not want it thought that we would agree in any way that we should or could claim the credit for what was a successful operation. Perhaps it has been slightly overstated in the media release.

I might say a little more about another comment in that media release in relation to the Adelaide bombing, if we get around to dealing with some of those issues later in the question and answer session. Suffice to say that I do not believe it is fair to say that the advice we gave to the committee concerned what the press release describes as 'the level of security in its Adelaide office at the time of the bombing'. The material we referred to—which was the subject of the committee's report—dealt with information that concerned a period two and three years before the bombing. There is no suggestion that any information ever made available to the committee about the level of security at the time of the explosion was the subject either of that report or indeed of any questioning as to the information given. I wanted to make those two points for the record.

You have mentioned the annual report. We have put a great deal of effort into this year's report—not that we have not done so in the past. We have tried to make it a more readable, more understandable document. We have adopted some different techniques in presenting information in the report. I think it has generally been very well received, and we are very pleased about that, because it is something which now helps us to explain better not only to the committee but to the public the kind of work the authority is carrying out. I do not want to take any more time on these introductory comments. I think

it is much better to leave time for us to respond to questions which the committee might have.

CHAIR—Thanks, Mr Broome. I have noted your comments about the smashing of the Bandidos motorcycle gang's criminal activity. I suppose 'smashing' is something of an emotive term, but I—

Mr Broome—If we were to use such language in anything we produced, we would no doubt be held to account. I figure that it was about making the point that this was largely a Victoria Police operation. I would not want to be seen to be in any way taking away credit from them.

CHAIR—I commend your modesty. We were also very pleased to see the NCA involved. We often look to see whether the NCA is involved. I notice that a Queensland Police Service press release of November 1997 says that five heroin networks were smashed. So the word 'smashed' was used there.

Senator FERRIS—That is Queensland for you.

CHAIR—There is still widespread concern in the Australian community about the activities of motorcycle gangs more broadly. Perhaps you could explain it. The Bandidos are one of a number that have been under investigation. This activity involving the Victoria Police had been going on for 12 months. Can you tell us a bit more about that and about the activities of motorcycle gangs? Another point that came to mind when I saw that subject raised was what had happened in Sydney only a month or so back at a dance club. There was a suggestion that motorcycle gangs had been involved in that.

Mr Broome—I will make a couple of general observations. I will then ask Mr Lamb to make some further comments. It is quite obvious from the report that for some years the authority has, under references granted by the intergovernmental committee, been examining the activities of some of these so-called outlaw motorcycle gangs. That is a style that they give themselves. Indeed, it was in relation to certain summonses to attend hearings under that reference that the challenge arose in A1 and A2. It is very well documented.

The purpose of those investigations has been to ascertain the general nature and extent of criminal activity which may or may not be being undertaken by these organisations. It is true that we have been involved in a number of investigations for some time. The general point that needs to be made—you have referred to the case in Sydney—is that, as with any other group of people in the community, an incident in which members of some organisations may be involved is not necessarily an incident involving the organisations. On occasions, the activities of individual members of any organisation might well be quite separate from the activities of the group as a group. One thing that we have obviously been examining in general terms under the references is the extent to

which some of these organisations may be involved as organisations in organised criminal activity. I would obviously prefer to talk about some of that in the in camera session. It might be worth asking Mr Lamb whether he wants to add any general comments about those references.

As is fairly well known, we have been doing work on this for some years across most jurisdictions. In every case, it has been activity which we have done in consultation and cooperation with other law enforcement agencies. It is the same model that we have been using in relation to other areas of criminal activity. In every case there have been both long-running operations and extensively coordinated operations. This recent example involved action in at least two states. It is perhaps a good example of the kind of work that the authority can be involved in. I certainly do not want to hide our light under a bushel any more than we need to. It is important to get a balance in assigning the credit.

Mr Lamb—The results of Operation Panzer thus far, which is the nationally coordinated investigation, are articulated in the annual report. You will note that it clearly sets out the number of arrests, the types of arrests and where those arrests have happened. It is probably our third priority at the moment. It is not terribly high on our list of priorities. Given our resources, we have had to focus on those of a higher priority. But we are still active in the area.

CHAIR—I notice in the annual report that you refer to a strategic intelligence assessment. That is not yet complete, though, is it?

Mr Lamb—Yes. It has been completed. It is out with the 16 agencies that are partners with us on the investigation for their adjudication. It will be back with us early in the new year. It will obviously then go to the IGC through the normal process.

CHAIR—While we are on motorcycle gangs, I understand that it may not be a No. 1 priority for you, but I think my colleagues would agree with me that, as far as the community is concerned, it is an ugly side of Australian life that we have these sort of activities going on right under our eyes. I suppose that a strategic assessment will bring some reality to bear on the question. It will indicate the extent to which it is a problem. I take your point, Mr Broome, that not everybody involved with these so-called clubs is a criminal. However, they are very visible. I suppose that people often wonder why they can be allowed to carry on their illegal activities almost with impunity. As you say, in this case, there has been considerable success.

Mr Lamb—The strategic assessment will address the majority of the issues that you raise; that is, whether motorcycle clubs or gangs are involved in organised criminal activity or whether individuals in those clubs are. It will talk about the type of criminality that they are involved in and that we have been able to identify them being involved in. It will address all those issues.

CHAIR—At some stage, we would like access to that report. Will we get that report in some form or another down the track?

Mr Broome—That will be decided essentially as has been the case for others. It is a report that goes to relevant state and federal ministers. It is a requirement under the reference that we report to them. It will then become a question of what happens after that for the main report or the executive summary.

Recently at our suggestion, the intergovernmental committee agreed that in future there will be at least a public version of the executive summaries of each of these strategic assessments. The main reports often contain a great deal of detail about individuals and individual activities. It would certainly not be appropriate to make them public. It may prejudice prosecutions and be defamatory. The IGC has agreed that, in future, we will produce a public version of these kinds of assessments that will be made available through the Internet. It is one way that we can put at least the general findings, with appropriate qualifiers on them, into the public domain. Whether in terms of this report, as with others, the full executive summary might be made available to the committee is something the committee has to take up with the minister, as chairman of the IGC.

CHAIR—This morning, I was handed a letter from the Minister for Justice which encloses the executive summary of the national strategic assessment of organised paedophile activity. It was decided that the committee should be given that document at your IGC meeting in November in Adelaide. This had been completed back in June, so we had been attempting to get it. A journalist called Tony Koch had it long before we did. An article in the newspaper tells me what is in the document.

Mr Broome—Whether or not that was the document the journalist had is something I am not prepared to speculate about. The actual assessment—as I have said to the committee previously—was the subject of probably the greatest amount of consultation that we have ever been involved with in preparing a strategic intelligence assessment. More than 60 agencies around Commonwealth and state governments were consulted about it. As part of that consultation process, drafts are made available for people to respond to.

The sensitivity with the documents is largely in relation to the circumstances of individual matters which they contain. With a subject matter such as that, it is perhaps not surprising that at least some parts of some of these documents will find their way into the public domain, in ways which I find unfortunate but understandable. I certainly do not defend that. I think it is one of those things which will happen. On the other hand, I am not prepared to change the methodology under which we operate, which is to consult widely with relevant agencies in the preparation of these documents.

We try to ensure that they are treated as confidentially as they need to be, given the subject matter of various levels of the draft. At the same time, it is counterproductive

to try to do this in some kind of isolation where you can guarantee confidentiality but lose out on the opportunity to consult with other agencies.

We will continue to do it that way. If occasionally these things become public that is the price you have to pay. I think the committee is well aware with this document that the authority's view for some time has been that it was appropriate that the executive summary of the assessment be made available to the committee. I cannot make any further comment other than that that was the kind of advice we gave. It was not until the last meeting of the IGC that the committee was able to formally resolve to make that available to you. That is a matter somewhat outside my control.

CHAIR—I understand that. Even parliamentary committees leak from time to time.

Mr Broome—Never, Mr Bradford, never.

CHAIR—I think even in this one we have had a couple of embarrassing leaks. There were a couple of others during the last year. I noticed the *Australian Financial Review* on March 7 had the headline 'Crime's Mr Bigs looking more like Big Business'. This refers to a secret NCA report. What was the background to that one?

Mr Broome—That was not secret. It was the document placed on the Internet, in this case by the *Financial Review*, without attribution, which I thought was a little unfortunate. It was copyrighted, but that did not seem to stop its use by the *Financial Review*. The document there was the executive summary of the strategic intelligence assessment into the Yakuza. It was on the basis of 'if you can't beat them, join them'. We recommended that to be the very kind of thing that should be going on the Internet, but put on by us rather than put on by somebody else. As part of the public debate about these issues, we think it is important that some of that information be made publicly available.

What we are trying to do is come up with a process which means that these major assessments, with all of their detail, go forward to the relevant agencies, but that appropriately edited summaries make sure that the conclusions and the general picture which we have ascertained are made available not only to the committee but also to the general public. That is the sort of direction we are heading in. We are conscious that you have to be careful about doing that kind of thing. I think it is better that we have an informed public debate about these issues rather than one which is less well informed. That is where we are trying to take it.

CHAIR—There were actually two articles in the *Financial Review*, but both were referring to the same matter.

Mr Broome—There was a second report which also had the same fate.

CHAIR—There was 19 February and then 7 March.

Mr Broome—The second one was in relation to the so-called East Coast Criminal Milieu. There were two that were available.

CHAIR—They were separate.

Mr Broome—I might say that those documents had, in that form, received fairly wide circulation to each jurisdiction. Because of that, ministers agreed that we should proceed down the road of developing, for public release, a version of those documents.

CHAIR—I can understand that you would want to manage the release of this information—I think that is what you are suggesting—rather than have it released in this way, but it would concern you that this has occurred.

Mr Broome—It concerns me that material which is distributed to people on a confidential basis is released. In both of those cases it can be said that there was nothing in the actual documents which was of high risk to individuals, either to their safety or that would compromise operations. What would concern me much more, and it has not occurred, would be release of information that is available in some of these documents which may prejudice prosecutions or increase the threat to those working in the area. That is much more significant and much more to be avoided. Clearly, this kind of information properly has some public interest. In the past it has not been the policy or the practice to release this material at all. We have proposed a change in that policy which has been agreed to by the IGC and, in future, that will occur. Indeed, in relation to the paedophile matter, we are now working on a version of that which can be made public in the same way.

CHAIR—Thank you. Maybe we could turn briefly to your corporate plan.

Senator FERRIS—Before we get on to the corporate plan, do you want to deal with the other issues that are external to that? I have got questions on drugs. I have got questions on the corporate plan as well.

CHAIR—All right.

Senator FERRIS—I was interested to talk to you about the drug industry and, in particular, heroin. We have heard a good deal of evidence during our inquiry this year about the increasing difficulty in trying to manage the growing risk of heroin on the streets in all of our capital cities. The evidence was actually quite depressing about the ability to deal with it.

I would like to turn to the NCA's achievements, where you have put out some press releases relating to heroin seizures and heroin busts. Would you like to make any

comment on how you see the year in relation to your ability to try to get your foot on the growing heroin trade in Australia and perhaps make any predictions, hopefully optimistic, about what might be undertaken next year to try to deal with this issue?

Mr Broome—I perhaps will not be as optimistic as you would like me to be, nor as optimistic as I would like to be. This year we have had a significant number of successes. We have been involved in a lot of operations, which have taken place over a long period of time, which have been quite resource intensive but have produced results. Of course, we always know there are going to be some which do not. That is the nature of the enterprise in which we are involved.

It is certainly the case that while there has been, not only by the NCA but by other law enforcement agencies, a significant number of successful actions involving heroin importation, nobody is naive enough to suggest that those activities are dealing with the majority of the flow of heroin into Australia. The problem, it seems to me, is simply that you have a commodity which has potential for enormous amounts of profit and the value compared with the weight of the product is such that secretion of it is very simple in various containers, devices and so on. Combine that with a growing amount of trade and a substantial number of both legal and illegal entry points in Australia, and that is a recipe for a very difficult scenario.

I think we have seen in the last 12 months increasing levels of coordination and cooperation between agencies. I think that is a very positive sign. In particular, we have been involved with the states in initiatives this year. For example, in Western Australia we are now working together with the AFP, the Western Australian police and Customs to look particularly at issues in that jurisdiction. We have obviously been working through the coordination of the task forces under the relevant references. I think that there have been some very positive signs, but I think I share your level of depression. We have had some major successes. We have dealt with significant groups that in some cases have never come to the attention of law enforcement agencies previously.

That seems to me to be a very good sign that we are adding some value to the overall law enforcement effort. But some of those cases take a long time to get through the court system. We have just seen that in relation to one operation. For most of 1995 we were involved in an investigation which led to arrests at the end of 1995. The people involved pleaded guilty in the latter half of 1997 and have now been sentenced. A lot of resources are put into an exercise of that kind. In fact, we estimate we spent around \$2 million on that operation. I think it is money well spent, but that is the kind of issue we are dealing with. These people had obviously brought in in the order of 100 kilos of heroin over a period of time, so they were a very significant importation group.

Even in recent weeks—we might talk about some of these in a bit more detail in the closed session—we have seen some very substantial successes. But it really is a difficult problem that needs a whole lot of integrated responses. The government has just

announced a national illicit drugs strategy. That attempts to link supply reduction with both demand reduction and harm minimisation. I think all of these efforts are necessary. It is not true to say that if we had unlimited resources we could solve the problem, because I do not believe that is true. But I do not think we are in danger of reaching that stage yet. There is a direct relationship with resources. Perhaps it might be worth getting Peter to mention briefly what he sees—

Senator FERRIS—I want to throw in another point that you might like to comment on. Have any of these new identified sources of drugs in Australia been shown to have come from new syndicates? Are the Asian syndicates cornering the market, as we heard in evidence from some of the state witnesses? Is it a fact that it is being controlled more by gangs of people from particular parts of the world? Could you comment on that in your answer?

Mr Broome—Perhaps Mr Lamb might like to pick up some of those points.

Mr Lamb—Yes, that of course is true in the context of where opium is produced: largely in the Golden Triangle, to a lesser extent in South-West Asia and now, of course, in South America. With the product that ends up in Australia, about 90 per cent comes from South-East Asia and about 10 per cent from South-West Asia. The production and importation is largely controlled by South-East Asian syndicates. A large proportion of the profit takers are offshore; they are not resident in Australia. Once in Australia, the distribution networks are quite diverse. They are made up of a variety of groups and people who come together from time to time. There are structured groups. We have found vertically integrated groups who have come into the country. I think we briefed the committee before on how that group came to be and, indeed, how they operate. It is quite diverse. But, yes, it is true to say that South-East Asian elements have got a corner on the market.

Senator FERRIS—It is also well established, I think, that the National Crime Authority cooperates with each of the state agencies in these sorts of operations. To what extent have any of your operations been jeopardised by the recent regrettable arrests of senior New South Wales drug force detectives?

Mr Lamb—Under the Blade national task force arrangements something like 17 agencies currently work in unison under the agreed management plan. To date, there has not been one leak, nor has there been a single operation compromised. Blade has been under way for approximately two years.

Senator FERRIS—Are you able to tell us—perhaps you may need to answer this in the closed session—whether any of the suspended members of the New South Wales police force have been involved in any of your national operations?

Mr Lamb—No, they have not.

Senator FERRIS—You are not aware of any compromise of any of your national operations as a result of any of these matters?

Mr Lamb—No.

Senator FERRIS—I would like to turn to the lists you have on page 103 of your annual report, or around there. They show the penalties handed out to some of the people you have listed. I am unable to know exactly what drugs they had, because you simply list the offence as ‘drugs’, but there are some amazing penalties there. On page 103, I think, someone on the list is shown as receiving 300 hours of community service as a penalty for drugs charges. Someone else has a fine of \$150 and another a fine of \$450. Others receive suspended sentences. Mr Broome, are you satisfied with the level of sentences for the prosecutions you bring against some of these individuals? Would you like to make any comment on the extent to which you think these sorts of sentences and fines contribute to the ongoing problem of the drug industry?

Mr Broome—There may be a great deal I would like to say, but there is little that I should say. A couple of points do need to be made. The first is that some of those low levels of penalties do reflect circumstances where there may be a variety of offences with which people have been charged. Some of the drug offences may involve possession rather than trafficking, so they might come down to someone having small amounts of drugs in their possession. In such cases the courts have been providing what may well be quite appropriate sentences. They are certainly quite different sentences from those provided to people involved in trafficking.

Generalisations are always dangerous, but I think it is fair to say that there is not an obvious degree of consistency across the country in the kinds of penalties handed out for what, at least to me, seem to be comparable cases. I accept, and I think it is a point that needs to be made very strongly, that each court will look at the circumstances of a particular matter. There are often circumstances about which the public is not aware and about which indeed we may not be aware, and those circumstances may explain why different sentences are handed down. There may be circumstances brought up in the course of submissions made to a trial judge and so on which do genuinely involve proper reasons for reducing a sentence that you might have otherwise expected to be severe.

I think one can say, though, that there are differences or that there appear to be differences across jurisdictions. Some states seem to have a tendency to hand out higher sentences for those involved in importation and trafficking than other states. I think there are some links between the deterrent effect of significant penalties, particularly in areas of criminal behaviour where it is, at the end of the day, a business. In the case of heroin—and of other drugs such as cocaine—we are talking about people who are importing and selling products because there is a substantial profit to be made. We are not talking about somebody who is involved in an assault or about something which is the result of a fight or whatever. There may be other factors which come into play.

The other general observation I would make is this: speaking for myself, I personally have had some difficulty in understanding the level of penalties which the courts have handed down in relation to money laundering offences. It seems to me that, if heroin is being imported largely for profit, then, if you logically analyse the problem, attacking the profit motive is a reasonable basis on which to deal with the problem. If you take away the profitability—or at least penalise substantially in respect of the profitability—that might have some deterrent effect.

Equally, it seems to me that you have to import before you can traffic. So it seems curious that some courts tend to deal with trafficking as a more serious offence than importation. It seems to me that if you look at cause and effect you would start with the profit motive, you would look at the importation and then you would deal with the day-to-day trafficking of the drugs in the country.

There have been occasions where that has not been the way it has been dealt with. I want to be very general in what I say because I do not want in any sense to be involved in affecting matters that may come before the courts. I am very conscious of that, given some recent publicity in New South Wales. But it does concern me that in relation to, for example, money laundering, the Proceeds of Crime Act delineates two different kinds of offences. It talks about laundering of up to \$200,000, in respect of which the maximum penalty is two years. For amounts in excess of \$200,000 the maximum penalty is 20 years imprisonment.

It seems to me that there ought to be some relationship between the amount of money involved and the level of the sentence. Yet—I think I am right in saying this—I am unaware of anyone, for example, getting a 10-year sentence for money laundering anywhere in Australia, irrespective of the amount of funds that have been laundered. I am aware of cases where we are talking about \$10 million and \$20 million that has obviously passed through the hands of particular drug dealers. I think there is something a little skew-whiff there. It may well be that at the end of the day this is a matter which the parliament has to think about in terms of the way it addresses the issue of penalties in these matters.

Senator FERRIS—Would it be fair to also then say you would like to see a more consistent approach across all of the states on drug sentencing generally?

Mr Broome—Consistency might lead to lowest common denominators, and that might not be a good thing either. What is important is even some greater explanation on occasions of why sentences of a particular size are handed out. There is an important role for the judiciary in educating people. In what seems to be a low penalty there may have been some reasons.

For example, there was a recent case in Queensland in which a person who I think was a bank manager—I cannot remember the exact facts—had provided financial expert

assistance to somebody in the laundering of drugs. However, the person concerned, immediately they were detected, had provided assistance to the prosecution. Clearly, the person did regret what had happened and provided significant help. The judge made a very substantial point of saying, 'I would normally have imposed a much larger sentence. There were a whole range of factors which I took into account in this case in coming up with a lower level of penalty.'

I think that is perfectly appropriate. Sometimes you are just left wondering why particular sentences are handed out. The differences can be quite substantial. You can see people getting head sentences of 10 or 12 or 15 years for what seem to be lesser offences than those who perhaps get half that sort of penalty.

Senator FERRIS—Would it be fair to say that you are critical of some of those lower sentences?

Mr Broome—I may not be capable of being dealt with for contempt in evidence before a committee; I am nonetheless very conscious of the problem.

Senator FERRIS—Perhaps 'disappointed' would be more appropriate.

Mr Broome—Disappointed and perplexed would be a better way to put it.

Mr Melick—You are probably aware that there are some real problems about consistency. Every state tends to be consistent, or tries to be consistent, within the state itself as to the penalties they impose. But we have a problem when a state judiciary imposes penalties for federal offences and they take the view you do not have a consistent penalty for federal offences throughout Australia—you look at the seriousness of the offence and try to be consistent within the state. In some states, New South Wales and Queensland, penalties tend to be higher than in Victoria and South Australia.

Recently in South Australia there was a \$250 fine for a 3½-kilogram possession charge in relation to cannabis, which the prosecuting agents have a lot of difficulty in understanding. John's point on money laundering is most apposite when you look at somebody who is involved in conspiracy to launder \$10 million of money in relation to heroin and gets a non-parole period of about 2½ years. My view is that the head sentence should have been 10 to 15 years, if you look at the range, and the non-parole period should have been significantly greater.

Some of the judiciary are saying, 'We are constrained by a very narrow sentencing range,' even when there have been only three or four cases. They are not prepared to have a go and say, 'This is very serious. Twelve to 13 years is what I think a person should get for this sort of offence even though it is a first offence, and we will recognise personal circumstances by the length of the non-parole period.'

Senator FERRIS—Given that you are the country's top law enforcement agency, would you believe that there was a role for you to make recommendations that might lead to greater consistency in sentencing through the state agency coordinating bodies that you are represented on?

Mr Melick—It is not for us to make comments in relation to sentencing; that is the role of the directors of public prosecution. We certainly make submissions to them, and—

Senator FERRIS—Have you made submissions to them on this issue?

Mr Melick—Yes.

Senator FERRIS—What has happened to those submissions?

Mr Melick—There have been mixed responses. Some—

Senator FERRIS—Are you disappointed by that?

Mr Melick—I think that there is ongoing useful dialogue between ourselves and various directors of public prosecutions in relation to the issue.

Senator FERRIS—Nevertheless—and I am not trying to draw you out on this—there is an illogical link between the federal government putting an enormous amount of money, quite correctly in my view, into a national drug strategy which attempts to educate the public against using drugs, but at the same time, as you have said yourselves this morning, allowing inconsistency in the penalties that are handed out to those people who are bringing about the need to spend this money. It just seems to me that as a national agency you could provide a lead in this sort of comment.

Mr Melick—There are many aspects to sentencing, but two of them are general deterrence and individual deterrence. The courts seem to be placing an enormous amount of weight on the individual circumstances of each of the offenders. I am not sure that there is a coordinated approach throughout Australia in relation to giving appropriate weighting to the aspects of general deterrence. Some judges have differing views about the worth of general deterrence, as well. Sooner or later, if the sentences remain unacceptably low in relation to money laundering—because my view is, without money laundering you are not going to have a substantial amount of the drug trafficking because if you cannot take the profits, why bother—and if the courts are not going to be consistent or effective enough in the sentences in relation to money laundering, it may be time for parliament to step in and do something which is highly undesirable, and that is impose minimum penalties.

Mr Broome—There are three players in this. There is the authority as an

investigative agency. There are independent directors of public prosecutions who do properly have the very difficult task of running prosecutions, and they are quite independent of the investigators, and they should be. There are a whole lot of very important public interest checks and balances in that kind of process. We do not prosecute; we investigate, and those points need to be reiterated.

They have to make up their minds about the appropriate role for them to play. In relation to sentencing, I think that it is fair to say that there are some differences even between the various DPPs about the proper role that the prosecutor should take in proposing the nature of particular offences. Some prosecutors do not believe that it is appropriate to direct the judge in a particular direction in terms of the level of penalties. Others seem to have fewer constraints on them in that regard.

Then, of course, there is the very important role the judiciary has to independently exercise, including sentencing. There is some sort of fundamental separation of functions, if not powers, involved in all of that. But I can see a situation—and I agree with Mr Melick that it is undesirable—in a reaction which says, ‘Let us put in place some minimum penalties.’ I think that is regressive because it means that you end up with all of the bad examples, such as ‘three strikes and you are out’ legislation.

Unfortunately, human behaviour does not fit a nice predetermined model and you need to have discretion. But if the discretion is not used consistently, then it gets called into question. A lot of this does come down to explaining why there are differences. I mean, sometimes there are very good reasons and part of the problem, of course, is in the reporting of this. A judge may hand down a very long and detailed decision in relation to sentencing and it may be reduced to three lines in a newspaper that says, ‘So and so gets X sentence.’ That may lead to a fairly ill-informed debate, particularly in the electronic media, on talkback radio, and so on, about the appropriateness of sentencing.

One does need to keep a fairly high degree, in my view, of rationality and objectivity in the debate. Equally, I think that all of the players in that process have a role to play in informing the public. In this area a significant deterrent effect can be achieved through appropriate sentencing.

Senator FERRIS—You answered very quickly when I asked you the question earlier about the involvement of the New South Wales Drug Task Force in any federal matters you work on involving state agencies. Was it coincidental that none of those suspended detectives were involved? Did you have a view that they should not be involved?

Mr Broome—I will make a general observation. I will let Mr Lamb respond to the specific question because he responded to you before. I have said to this committee on more than one occasion that I do not for one minute pretend that the authority will never

run into the problem of possibly having something compromised. It is going to happen to any organisation. Through a whole series of internal management checks and balances, staff selection processes and our rotation policy on seconded officers and so on, we try very hard to reduce the risks. I would love to think we could be successful 100 per cent of the time. I am not that naive. I am not that silly to think that we could be. But we work very hard at that. Generally, we have been able over the years to have a very good track record in that respect.

As to individual cases, a lot of it does come down to trying to make sure the people we have working for us reach the highest ethical standards. We obviously press that very strongly in the organisation. I am not sure whether we want to go any further than that. Peter, do you want to add anything to that process?

Mr Lamb—No, not really, other than to add that we have a number of joint operations with the New South Wales Police Service, but that group was not one of them.

Senator FERRIS—Speaking from my own state of South Australia, it is a sad commentary that the head of the South Australian Drugs Task Force is now serving a very long sentence for involvement in the industry. I suppose it is always an occupational hazard for people working within that part of policing operations that there is likely to be compromise. We have had evidence just in the last few months about steps that each of the states take to try to deal with that. I would imagine that, at the level you are operating, there would have to be a high degree of trust with the state agencies. I imagine that there are some internal mechanisms that you operate to try to have the checks and balances. If you were able to explain any of that to us at the later session, I would be interested. As the months go by, we see, sadly, more and more that it has been possible, because of the profit motive, to compromise individuals who work in this industry.

Mr Broome—I will just make one very general observation. We may be able to give some more detail later. Obviously, through internal auditing of various activities, very close supervision of the way operations are run and—I think it is fair to say—through a much stronger degree of control over individual operations, we have a luxury that we are working on a relatively small number of matters at any given time and with that go some advantages. Part of that is that it is easier for those who are at the senior operational level to keep some degree of control in managing these matters. But there will be times when it does not work because of the pressure on individuals. The carrot that is being dangled is a very large one.

The other thing which I think is worth making a point about is that the way we operate is essentially different from any other agency because of the multidisciplinary team approach. We have lawyers, accountants and support staff working together on a day-to-day basis with investigators. I think that changes the dynamic quite substantially. It is not a foolproof mechanism, but I think it has been shown to have a lot going for it and, when those teams work as they are designed to work, there are some further checks and

balances.

If you look at the police royal commission results in New South Wales, most of the problems—I am not saying all of them—seem to have come out of circumstances in which fairly small groups of individuals had worked together for long periods of time; they developed a trust within a small group such that they could effectively break the law and cover each other's backs. If you break up that kind of long-term relationship by having two- or three-year secondments, and you mix up the players consistently, you take away one of those opportunities. As I said, it is not foolproof, but I think it has been shown to be a technique which has had some fairly positive benefits. There will always be occasions where it breaks down for us as well as for everybody else, unfortunately.

Senator FERRIS—The loop goes back to the money laundering, doesn't it—because, while the profit motive is there and the penalties for money laundering are relatively low, as you say, the incentive for the very large carrot to be dangled continues to put at risk the whole policing operation.

Mr Broome—That is right.

CHAIR—Justice Wood dealt directly with that issue in his recent inquiry report, didn't he? He effectively said that it was all too hard and that it was too much of a temptation to the police so we should approach it from a different direction.

Mr Broome—I do not think anyone has said that it is too hard. You just do not give up on that sort of thing. But what the Wood report does show is that you need to have a whole range of internal processes: your informant management, the way you deal with funds, the way that sensitive issues are handled need to be subject to quite rigorous internal scrutiny.

As a matter of interest we went through the royal commission report and looked at the kinds of operational handling recommendations that came out of it, and we satisfied ourselves that, virtually in every area, our internal processes were already at least at the level recommended by the royal commission, and, in many cases, we were in front. We were doing things more rigorously and with more internal checks and balances than was being recommended. Again, our size helps us to do that. I think you can in large part address the problem by the way the organisation is managed, but you will never ever get to the stage where you can be 100 per cent sure, because the best systems in the world will not stop the occasional person who is prepared to compromise their integrity, and that of the organisation, for financial gain.

CHAIR—It is also true, isn't it, that you have the opportunity to select the sort of policeman that you coopt? You have said to us in the past that you do take the opportunity to be very selective. That is the case, isn't it?

Mr Broome—We try to be. We need to be as selective as possible but, at the same time, we need to also work with other agencies, and some balances have to be struck there in terms of getting staff.

CHAIR—Just on what is happening with the PIC in New South Wales—it is a bit of a diversion, I suppose, but it is a rather interesting one—I think the public stand on the sidelines, and we as politicians do, and almost tear their hair out, if they have any, to see this sort of thing happening. What was the name of that police unit that was involved here? The whole unit has more or less proved to be corrupt, hasn't it? What is the name of that unit?

Mr Lamb—It was an operation called Bax.

CHAIR—Mr Lamb, you are, or were, a senior policeman. Do you know the police involved in it?

Mr Lamb—Yes, I know most of them.

CHAIR—Are you surprised?

Mr Lamb—That is a difficult question.

CHAIR—Don't answer it.

Mr Lamb—Can I take that on notice and respond at the private session?

CHAIR—The public are surprised, I am sure—astounded and flabbergasted even, to use a Rex Mossop word. The Victorians and South Australians will not even know who Rex Mossop is.

Senator CONROY—Rex reaches across the border. Senator Ferris raised the government's drugs strategy. Could you give us a quick run-down on how you are tied in with it and your role in it?

Mr Broome—The strategy was developed by the government in response to a process where a number of agencies were involved in proposing various options to the government. We were involved in that process. The Prime Minister has announced that the strategy will consist of two parts. He has made some announcements about the first stage and he has foreshadowed a further round of initiatives at a later stage. Obviously, I cannot get into foreshadowing what they might involve.

The first round essentially consists of two parts: there is a supply reduction strategy and there is a demand reduction and also a harm reduction strategy. In that second half, a great deal of effort has been put into both the health and education level of expenditure.

From memory, there are about \$87 million that have been announced in terms of expenditure across both areas and the expenditure is split about fifty-fifty between the two halves. The matter in the supply reduction strategy of direct relevance to us is that funding has been made available to fund a more secure computer linkage between the Australian Federal Police, Customs and the NCA, but that is the only area of direct funding which we have got clearly.

In terms of the work which is being done, in terms of the drug strategies, obviously our Blade task force and the references still provide a national underpinning, and so that work is continuing. Essentially, in this round of the strategy, we have been involved in sort of information technology areas of the strategy but not directly in other parts of it.

Senator CONROY—The work you have been doing on Blade must be fairly critical to that overall supply reduction strategy though?

Mr Broome—It is certainly a fundamental part of it and it is the one in which the Commonwealth and state agencies are brought together, so we see that as an essential part of the process. I think that is a view shared broadly around the country.

Senator CONROY—Has the strategy had any other sort of side effects on the NCA in terms of resourcing?

Mr Broome—As I say, it has not affected us in the sense that there is some resourcing for us from which we will get some benefit, in terms of this information technology, but it has not directly affected us in any other way.

Senator CONROY—I was looking at your annual report where on page 2 you said:

The 1996-97 Commonwealth Budget made significant cuts to the NCA's funding which required a reduction in our operational capacity. A major re-assessment of priorities was undertaken which led to significant reductions in staffing . . .

Mr Broome—Yes.

Senator CONROY—The report continued:

. . . particularly in South Australia and Western Australia. The realignment of priorities and the allocation of available resources were made following discussions with partner agencies and members of the Inter-Governmental Committee (IGC).

On page 3 you talked about an increase in 'specific funding', but you further made the point that:

. . . our base funding was further reduced to achieve the portfolio's savings target. This means our base funding is now about 25% less than in 1994-95.

That is a fairly substantial reduction in a couple of years at the same time as you were being exhorted to increase your activities in the supply reduction strategy. That must make it difficult?

Mr Broome—Yes, it does. The Attorney recognised at the time the earlier cuts were made—indeed, I think in the context of the last budget—that these reductions would have, and they certainly have had, an impact on our operational capacity. We simply cannot do as much as we could do if we had a larger amount of money.

It is certainly true that we received some specific funding for three years which enables us to undertake a series of activities in relation to serious criminal activity that perhaps has, in addition to its organised crime characteristics, revenue implications and so on. In that sense, it has enabled us in that three-year period to have a significant, if you like, replacement of what has been lost.

My concern—and it will be post my term—is that, unless there is something done at the end of that three years to replace that substantial loss in the base, you really will have an organisation that has to go through a great deal more trauma. I would not wish what we went through last year on my successor. Aside from the human cost to people involved, it simply does make it much more difficult to maintain the relationships with other agencies and it also affects your operational capacity.

We are not Robinson Crusoe in that respect. Most, if not all, federal agencies have had some reductions—some more significant than others—and, indeed, some of our state colleagues are going through the same process. We are increasingly trying, to use the jargon, 'To do more with less', but there is a stage you reach where you end up doing less with less. It does not matter how you describe it, that is what you end up doing.

In the last 12 months we have tried to very much ensure that, by working as cooperatively as possible with other agencies, we maximise the added value we bring to the national effort—that we are helping to target things, that we have achieved results which we can demonstrate. We have a few examples to mention shortly where we can demonstrate that we have produced a result that others had not been able to achieve, not because we are better than they are but because we are different. It is the difference which I think is part of the importance. There is a growing realisation that being different is not necessarily a threat or a reason for there to be less cooperation; it is in fact the reason for there to be more cooperation. That is what we are trying to achieve, but it would be nice to have more.

Senator CONROY—It is that issue that I would like to pursue. I come back to your answer where you said that there have been no side effects on your organisation from

the government's strategy. A letter from Adrien Whiddett, the deputy commissioner, to Mr Lamb, talks about your attempts to second people. It states:

Thank you for your note of 27 October and the enclosed NCA internal document nominating the potential secondees whom the NCA prefers.

Without preempting the result of the selection process, there are limitations in providing personnel to the NCA. I reiterate my previous advice to you, and more recently in a letter to John Broome, that the AFP's critical staffing levels in Eastern and Southern regions preclude any additional resources to the NCA coming from those regions. The position is even more acute since the Prime Minister announced the details of the new campaign to combat drugs, as the backbone of the new mobile strike teams will be formed chiefly from select AFP elements on the east coast.

Accordingly, in order to expedite the selection process, I advise that secondees to the NCA will be confined to suitable AFP personnel in Central Region, with a limited capacity to draw on Western and Northern regions.

That is a fairly significant side effect, I would have thought.

Mr Broome—Except that it is very clear from that letter that the issue we are fundamentally talking about predated the national illicit drugs strategy. We have been having some discussions with the AFP about the best way to provide seconded staff to us—as we have with other police services. The facts are that the AFP itself has been through significant reductions in its budget. It has been acknowledged again by both Commissioner Palmer and certainly by the ministers that that has had an impact.

In round terms, the additional portfolio cut affected the AFP to the tune of about \$8 million in a financial year. It has to deal with that as an internal problem. The difficulty is that, in providing secondees, there are issues of training and backfilling and so on. So we have been trying to work through with the AFP, in a way which is as constructive as possible, how we can get the kind of people we need, at the same time not in any sense wanting to make it more difficult for the AFP to do the much broader range of functions it has to carry out.

We are looking at a series of options. It seems to me, however, that those kinds of discussions are much more likely to be productive for both parties involved if we can conduct them, to some extent at least, in a way which is focusing not on individual exchanges but in fact on the longer term process. We have been working this through. I am confident that Commissioner Palmer and all of his senior staff are very conscious of our needs; I am very conscious of theirs. We have just got to work this thing through. What we have been intent on doing is making sure that we keep getting the results, and I think we have been doing that.

Senator CONROY—I understand you continuing to, as you have described it, possibly do more with less. How are you filling the hole of the people that you have not

been able to get out of those regions? And perhaps, just for my information, and maybe for other committee members, can you explain those regions and where they actually are geographically? Is it as it sounds, with Queensland, New South Wales, South Australia and Victoria, or is Victoria in the central or in the eastern region?

Mr Broome—Northern region is—

Mr Lamb—Queensland and Northern Territory.

Mr Broome—Perhaps Peter can run through them for you.

Mr Lamb—Central is South Australia and western, of course, is Western Australia. Victoria is southern and New South Wales is eastern.

Senator CONROY—Can I come back to the question: where are you getting the bodies? Who is sitting at the desks?

Mr Broome—What we are doing, and what we have always done, is to have a mix of investigators who come from the AFP and from the state police services. Indeed, we have always had that mix and we always will have it; it is very important that we maintain that. So what we have been doing, as best we can, is to obtain additional resources from state police services on secondment where, in particular areas, it has not been possible for the AFP to release people at a particular time. It is always going to be an issue of who can be made available and what is the most effective and efficient way to do that.

Senator CONROY—We talked before about the fact that what you are doing is one of the critical underpinnings. Yet the Prime Minister's drug strategy is taking resources away that you need.

Mr Broome—I do not think the strategy is taking them away. I think the problem that the AFP has in providing people to assist us is much more driven by the decisions which have been taken not just over the last couple of budgets but over a series of years. I do not want to get into a debate about the AFP's resources; I have enough trouble worrying about my own. There is a fairly significant history, which I think the commissioner and others have outlined in public comments to estimates committees and so on, about AFP resource levels.

As I have said in other committees, as I have said in our case, governments of both political persuasions have been involved in significant reductions. By going back to 1994-95 I am making the point that there were reductions in budgets in those years, and there have been subsequent cuts. They do have an impact. You cannot reduce agency budgets by 25 per cent and not expect to see some impact; if you did not, then you really would have an argument for saying that the agencies were overfunded.

Senator CONROY—Sure. But this is in an area that the Prime Minister has now defined as critical, this supply reduction strategy where he has put in, I think you said, about half of the \$87 million, so that is \$44 million. Presumably, part of your computer linkage comes out of that fund?

Mr Broome—Some of that, yes, is computer—

Senator CONROY—Yet, at the same time, the AFP are saying to you, ‘We cannot let you draw from staff in certain regions.’ I am just interested in Mr Lamb’s response to Mr Whiddett:

Further to our discussions concerning this matter, given that we are unable to recruit from AFP offices on the eastern seaboard and the fact that we have not been funded for the transfer of officers from interstate to Sydney and Melbourne, obviously we are not able to take this matter any further.

Mr Lamb goes on to say:

I hope that in the not too distant future the NCA and the AFP are funded to a level sufficient to accommodate joint work across the country.

That is probably a little different from ‘no impact’ on your organisation.

Mr Broome—I am sorry, Senator, but you asked me whether there had been a direct impact apart from the initiative; and I am saying that the direct impact which we have suffered, in relation to obtaining from the AFP the kind of investigative resources we would like to have on secondment, is in my view—and this is my judgment—a consequence that flows from the reductions of \$8 million in their budget this year, rather than from anything to do with—

Senator CONROY—You probably misheard me when I asked the original question. I actually asked about ‘indirect’. You heard it as ‘direct’.

Mr Broome—I perhaps see it as a direct consequence. I do not think it is even in an indirect sense, because the AFP has been given, in the most recent announcement, some additional funding which will enable it to put together these teams—which we will no doubt be working with on a cooperative basis, anyway. Our problem has been—and we are addressing it with the AFP, and I am quite sure we will get a resolution of it satisfactorily in the not too distant future—the availability of people to assist us in the kind of work that we are doing. But, equally, we are trying to get people from the states, and we have been successful.

Senator CONROY—But you are not funded for their transfer.

Mr Broome—If I get some people from, for example, the New South Wales Police Service, then we are not paying transfer costs. The transfer costs that have been

referred to are for paying for long-term relocation costs.

Senator CONROY—Aren't there any officers on leave without pay who are available?

Mr Broome—No. What happens is that they come to us but they stay, effectively, on the payroll of the home service, and we reimburse the home service. The additional costs that we would have to meet if we, for example, transferred somebody from Perth to Sydney for two years would be the temporary accommodation allowances that would be payable in relation to those people while they are on short-term secondment. That becomes quite an expensive additional cost. It is much better, obviously, to take on secondment those people who are physically located in a particular region

Senator CONROY—This is the critical point following up on Senator Ferris's point. You are drawing from the AFP and you obviously have a fairly significant amount of confidence, whereas you cannot possibly be as confident in terms of those selection criteria, given the recent revelations, that you would want necessarily to draw on a wide range of expertise from, for instance, New South Wales. The AFP obviously have not had the same history—certainly, not publicly claimed—of problems as the New South Wales Drug Squad has been recently demonstrated to have had.

Mr Broome—But I would have significant confidence that we could acquire, from any police service in Australia, people that I would have as much confidence in as I would have in the AFP. Our processes and our relationship with those police services at the most senior level would lead me to have that degree of confidence. We have a process which means that we do have a control over those who join us. I would not want to be in any sense seen to be suggesting that any police service, from New South Wales or anywhere else, is not a source of very capable, very dedicated and very honest people. We have got a number of them working with us in Sydney right now, and they are making a very substantial contribution.

Senator CONROY—Say that the AFP had been able to allow you to second people. Obviously you have drawn up a list. Is this the wrong forum to ask how many are on the list? Is giving just a number a problem?

Mr Broome—With the AFP's agreement, we advertised for expressions of interest, and we got a significant response to that.

Senator CONROY—How many were you looking for, if that is not confidential?

Mr Broome—The number we are looking for varies, because of changes to secondments and so on. But in this latest round it is not a black-and-white thing: there are some people coming on board all the time and there are transfers, but we were looking for about 30 people across the country.

Senator CONROY—So you would now be looking for 30 people from the New South Wales state police, Victorian state police, or Queensland state police? You would be investigating those avenues now?

Mr Broome—We have the capacity in the budget to increase our investigative resources, and we are in the process of making sure we can deliver the outcomes which we are required to deliver. Part of that means getting those investigative resources, and we are taking people from a number of state forces as well as from the AFP.

Senator CONROY—That increase in resources is tied—if I could use that phrase rather than ‘our base funding is further reduced’?

Mr Broome—It is for particular kinds of activities. That is where we are seeking to increase our capacities and I believe we will be able to do so.

Senator CONROY—And that specific purpose—does that fall within the definition of supply reduction?

Mr Broome—There will be some people—I want to be fairly general about this—

Senator CONROY—Page 3 of your annual report states:

Investigations into major fraud against the Commonwealth through complex money laundering and tax evasion schemes—

Mr Broome—Can I answer it this way? On the basis of information which the committee got in the confidential session, you are aware of the kind of activities we were seeking funding for. I think I answered Mr Bradford just after the budget when he asked, ‘Did you get what you wanted?’ and I said ‘Yes’, or words to that effect. In other words, we got those resources to do the kind of work we talked to the committee about in some detail. I think that, to some extent, answers your question.

Senator CONROY—I understand the linkage. Mr Lamb, it is almost a cry for help:

I hope that in the not too distant future the NCA and the AFP are funded to a level sufficient to accommodate joint work across the country.

Did you want to—

Mr Lamb—No, I think Mr Broome has answered that adequately. We continue to get large numbers of police responding to our advertisements in their internal publications for secondment. The quality across the country is outstanding but, like every investigative agency that is dealing particularly in organised crime involving narcotics, there will be from time to time a bad apple or two, and we would be naive to think otherwise.

Hopefully our strategies and the partnership arrangements that we have will minimise that.

CHAIR—We are concerned about funding of the NCA but, in fairness, the senator quoted from page 3 where you said, Mr Broome, that your ‘base funding is now about 25 per cent less than in 1994-95’. But your next sentence says:

The overall result, however, is that significantly greater resources are available to us than in the last financial year. This has not only been welcomed by the NCA and its staff, but by partner agencies.

Mr Broome—I have said this to the committee previously and I will reiterate it. We were one of the few agencies that I am aware of that got, in the last budget, an increase in its allocation over the preceding year. I am very grateful, and not only to the ministers who fought hard to get that for us. The Attorney-General supported the bid that we put forward for resources, and I know all the members of the committee did. We are very grateful for that.

We are back in a situation where we have effectively about the same level of funding as we had in 1994-95. We have that cutback through the new policy proposal spending. I am concerned in the long term that when that three-year program runs out, there is going to be a very substantial precipice that people have got to face. I am trying to make arrangements while I am still in this place to see that base funding coming back.

CHAIR—We would like to help with that. The big ‘but’ about it was—let us be fair—that the money for that special project is not aimed at your priority area, is it? Your priority area is drugs.

Mr Broome—As I just said to Senator Conroy, a lot of the money which is being expended in that area has an impact in that kind of area. The kind of people that we deal with—I have made the comment before—do not just break one law; they tend to break a few. They do not pay their tax. They are not going to be meeting their obligations under a whole range of legislation. If you are dealing with a very significant drug dealer who has significant assets, then there is a reasonably good chance that there will be the possibility of proceeds action, that there might be tax recovery and so on. We have seen those revenue sides of the equation basically as another strategy to deal with the problem.

CHAIR—But you did not get a guernsey in the PM’s recent statement. That was disappointing, wasn’t it?

Mr Broome—I think it is fair to say that we had been given a significant guernsey in the budget, and there may have been a view that there were some other issues that need to be dealt with immediately. But I am confident—and I think I counted that it was mentioned three or four times in the Prime Minister’s speech when he launched the strategy—that there would be a second round, and I can assure you that I will be there in the second round pleading my case.

Senator CONROY—How much in terms of dollars is a 25 per cent reduction over those two or three years?

Mr Broome—Mr Hawke tells me about \$10 million.

Senator CONROY—So we had \$8 million last year from the AFP and \$10 million over a few years from yourselves, and the grand total of the money for the supply reduction strategy, if you net it out, is about \$20 million. I know it is being very crude. I am sure there are other law enforcement agencies that could add up—

Mr Broome—Yes, there are other agencies involved. Customs are involved.

Senator CONROY—And you could possibly find that all that has happened to the money over the last couple of years is that it has been rebadged and trotted out and then it has been said, ‘Here is our big drug strategy.’ You do not need to comment.

CHAIR—Just on the PM’s strategy, some money—I cannot remember how many millions—has gone to the Torres Strait. Mr Lamb might be able to answer if you like, Mr Broome. Can you tell us what that is about? Do you know what that is for? Does that ring a bell? Isn’t the AFP setting up some sort of a branch up there?

Mr Broome—I am loath to put a number on this because, if I get the numbers wrong, I will have a problem. My recollection is that, over three years, there was something like \$7.1 million—that order of magnitude—

CHAIR—Yes, that is about the figure.

Mr Broome—That was going into customs and AFP activity in the Torres Strait-North Queensland area. There is to be an AFP office opened on Thursday Island. There is obviously going to be an increased level of customs activity in that part of the world and that is seen by the Prime Minister as a significant area of concern and has been part of that supply reduction strategy. There was some money for information technology and cross-agency work. There were the Torres Strait Island elements. There was the \$15.4 million, I think, for the AFP for the strike teams and there was some additional funding for AUSTRAC to enable them to do some further development work, which we welcome mightily because that seems to me to be a very efficient way to spend the money.

CHAIR—Just on the money that is going to Torres Strait, that took me a bit by surprise. You could have obviously used that \$7 million quite effectively. I did not think there were that many drugs coming into Australia via the Torres Strait, if any.

Senator CONROY—Would you be able to table that document? It seems like it is just a summary, but it might be helpful to the committee.

Mr Broome—It is not the full strategy.

Senator CONROY—It is not the full one?

Mr Broome—No, it is just an extract.

CHAIR—The strategy is a public document.

Senator CONROY—I know. I just thought it might be helpful for this discussion right now because I have not got it handy.

Mr Broome—What this demonstrates is that there is an enhancement of AUSTRAC of \$1.5 million over three years. The other major element was cargo examination profiling. Customs have been given \$7.5 million over three years for cargo examination capacity and so on. There were some other activities going on in government in terms of the consideration of Torres Strait issues. I was not involved in those. Clearly, there is a view that it is important for both the AFP and Customs to have resources in that area.

CHAIR—With regard to money laundering, there was the incredible case where police found a briefcase hidden in a cupboard in a lady's room. When she was confronted with the briefcase and it was opened up she exclaimed, 'Oh, my God,' because there was \$433,000 in it. I suppose you would exclaim at least that, wouldn't you?

Mr Broome—I would say, 'I'll take it for the budget.'

CHAIR—That is an incredible saga. You were forced to give the money back.

Mr Broome—No, we have not been forced to give the money back. There is one difficulty in discussing this matter and that is that there is an appeal before the full Federal Court from the decision of Mr Justice Hill. Within the bounds that this will be an appeal before a full bench of the Federal Court, and because it is not a jury matter and so on, I can perhaps give you some background. This is basically information that comes from the judgment of Mr Justice Hill so I do not think I am saying anything which is not public knowledge.

As a result of a search warrant which had been issued to staff of the authority, certain premises were the subject of a search. In the top of a cupboard a briefcase was discovered which contained \$433,000. At the time the occupant of the house, who is the claimant of the money under these legal proceedings, said she had no idea where the money came from or whose it was. A similar view was expressed by the lady's daughter. I am not sure what, if anything, was said by other members of the family. The money was kept as part of the investigation which the authority was involved in.

CHAIR—One of my colleagues was just observing that somebody broke in and left it there.

Mr Broome—Subsequently, the owner of the house claimed the money as hers on the basis that the money was found in her possession. The decision, at first instance, essentially turned on whether this money could be dealt with under what are generally known as the finder's cases: that is, a series of precedents in which property that has been lost and has been found by somebody else, which have been dealt with by the courts. We had two basic problems with this matter.

Firstly, we did not believe that the money was lost at all; and we believed that, if anybody had found it, we had rather than the lady concerned. But, indeed, we think that it is wrong to see this case as one you would deal with on those principles. We think there are some other principles involved and that the courts ought to be able to show some capacity to develop, if necessary, the appropriate legal principles which might deal with these circumstances.

Secondly, the idea that the money was left before this lady occupied the house was clearly not possible as the evidence before the court was that the bag in which the money had been found was not even imported into Australia at the time that she took over the residence of these premises. Indeed, some of the notes were not even made then. Clearly, the notes and the bag postdated her occupancy of the house; therefore it is reasonable to assume that this bag had been placed in the house by somebody—who knows who—at a time after she took over occupancy.

There is a decision of the first instance judge that the money should be returned to her. We have appealed that decision. My view is that, for a range of circumstances I would not want to discuss publicly, it would be inappropriate for the money to be handed back. Our intention is to seek to have this matter overturned on appeal. If that is successful, then we can deal with the money in an appropriate way. If that is not the case, then I guess other agencies may also have some interest in the funds.

CHAIR—I do not know whether you can say publicly—you obviously will not if you cannot. The police were not there coincidentally. They had a warrant, I assume, and were acting on information of some sort?

Mr Broome—They had a warrant which had been granted by a magistrate, and the trial judge—I think I am right in saying this—indicated during the most recent proceedings involving this claim that there was no suggestion that the search was in any way illegal. In other words, it was a valid warrant and there was a proper basis to have it. One can draw one's own conclusions from that.

CHAIR—Yes, thank you. Just on the issue of effectiveness and efficiency, Mr Lamb recently visited the United States and I know that he is going to brief the committee

on that visit. I just wondered whether there was anything you might want to say publicly, if anything at all, about your visit.

Mr Lamb—Not really. Most of it is covered in the briefing that we will give later as it relates to Australia and some of the initiatives that they are taking in the US and how we might adapt some of those to our own environment.

CHAIR—So you do not really want to say anything.

Mr Lamb—Probably not.

Senator FERRIS—I have got a question on the annual report on page 56 on gender comparison. At the end of June 1995 you had eight female officers. At the end of June 1996 you had 20 and at the end of June 1997 you had 11. I note the comments that you make where you say:

The redundancy process which took place early in the reporting period should be taken into account.

I would like to know why the number of women has dropped so dramatically and, if they were the subject of redundancies, whether they were voluntary redundancies, or targeted packages. I think that I asked this question last year about the number of women in the senior positions, and I am disappointed to see that it is nearly half what it was at the end of June 1996.

Mr Broome—Senator, can I make a couple of observations? Firstly, the table 5.1 on page 56 deals with seconded police officers, and there are different statistics in relation to our Public Service Act people. Secondly, there has been a reduction obviously in the number of female police officers. Partly that is because it is an application process as well as a selection process. Thirdly,—and I want to be a little bit careful about how I put this—some areas where we have had to reduce our capacity because reductions in the budget led to lower numbers of staff for 1996-97 were areas where we may have had a slightly higher proportion of female officers—areas like surveillance, for example. So we have had a whole range of factors. The largest single factor is who applies. Certainly—

Senator FERRIS—You say that women do not want to work for the NCA?

Mr Broome—I do not think that it is as direct as that.

Senator FERRIS—That is what you are saying, isn't it?

Mr Broome—You have got to reflect in some cases the proportions in the home forces—and I think that it is fair to say that that does vary across the country. And the kind of people who are working for us are not just coming out of your normal community policing streams where I think there has been a much greater increase in the number of

women police officers in recent years. We are still selecting people from investigators and detectives where there may still not be the kind of increase that is reflected in the broader base of community policing within the police services themselves.

When you are talking about 100-odd people who are coming from a policing pool of, in theory, about 40,000, but in reality a much smaller number for the people that we are looking for, the difficulty is that it only takes a very small change in the composition of some secondments to throw the figures out. Certainly, for our part, there is a very strong policy of trying to increase the level if possible. We obviously made some significant progress between 1995 and 1996.

I think you will actually find that in a whole range of agencies—and this is not necessarily true in relation to the police officers because they were not made redundant—we returned people to home forces at the end of secondments and did not replace them, which is how we changed the police numbers. The redundancies were only offered in respect of Public Service Act staffing. What I have not looked at—but it may well be interesting—is where there is a very substantial amount of redundancies being offered across agencies. You may well find that redundancy packages—and I do not know the answer to this—may be taken up disproportionately by women anyway.

Senator FERRIS—If I could pursue this for a minute, are you suggesting that the number of women that you might select to take up the transfers is related in some way to the sort of work that you would be wanting those women to do or what their qualifications might be? In other words, you might not be getting many applications from female detectives. Is that the sort of thing you are trying to tell me?

Mr Broome—Peter is perhaps in a better position than I am. You can only select from the applicants, and if you have a potential application pool where there is a relatively low proportion of female officers then that will probably be reflected in what happens with the selection process.

Senator FERRIS—Perhaps I can ask another question that Mr Lamb might be able to answer. What were you doing between the end of June 1995 and the end of June 1996 that suddenly attracted a large increase in the number of female applicants such as to have, as I said before, eight women in 1995 and 20 in 1996? What was the situation that suddenly brought about that increase at that time, which you would have to admit was fairly dramatic? The percentages here are actually outlined and that is a significant increase.

Mr Lamb—I really cannot answer that. I would have to have a look at the specifics that relate to that period of time. But, just to reinforce what Mr Broome said, we are reliant on, firstly, who applies and, secondly, the proportion of women in the criminal investigation area of those forces that applied. We cannot go into our partner agencies and headhunt. We are totally reliant on those who apply. In some states there are not as

many—they are working at it—female detectives as there are in some other states. I cannot answer here and now, but I will look at why that occurred or what indicators there are to explain it.

Senator FERRIS—Would you agree it is disappointing?

Mr Lamb—Yes, it is, but there may well be good and valid reasons as to why it happened. I would suggest that perhaps one of the reasons is that we increased our surveillance area. I have a view about the employment of females on surveillance: they are a real asset in physical surveillance. We have downsized our surveillance capacity and that may well explain it.

Senator FERRIS—You say here that ‘the redundancy process should be taken into account’, but it seems as if it is not a redundancy process.

Mr Lamb—No, but the redundancy process applies to the Public Service Act people.

Senator FERRIS—But they are not these people—

Mr Lamb—No.

Senator FERRIS—who are police officers not covered by that. Could you direct me to where in the annual report it gives the number of women involved in the administration and whether those numbers have changed?

Mr Broome—There is a table at page 92—table B.6—which gives the commencements and cessations in each of the EEO target groups. You will see from that that the first column lists the classification of the officers concerned, and the second column gives the total separations. The next five columns are the various EEO target groups. The column after those, which is highlighted in green, lists total commencements. The last five columns give the sub-break-up. The totals down the bottom show that there were 122 people who left the organisation during the year, of whom 72 were women. Fifty-two of the 81 who joined were women. In proportionate terms, that roughly looks to me as though the total number of women joining may well in fact be higher.

Senator FERRIS—But presumably not at higher levels. I notice you have got only one woman who is at the SES level, and I presume that is an administrative person. Is that correct?

Mr Lamb—Operations.

Senator FERRIS—How does that compare with last year? Is that a promotion for one woman? Is that the only woman who has ever served at SES level?

Mr Lamb—No.

Senator FERRIS—It is a pretty low number. How many people have you got at SES level altogether?

Mr Hawke—We had one last year. As at 30 June 1996 we had one woman and 14 men, making a total of 15. I cannot find the 1997 figures.

CHAIR—We will come back to it.

Senator FERRIS—I remember pursuing this issue last year. I am disappointed to see that the number of female operational officers has dropped so significantly, although I accept that it is related in some way to the number of people who apply. But I would really like to know whether, if the number has dropped from 20 to 11, that reflects the lower number of applications or whether you are doing work that you now consider unsuitable for women.

Mr Broome—Certainly not the latter point. The work has not changed in that time frame. In terms of SES selection—I will check this out—we were not exactly in a recruitment mode in the year to which these figures relate. We were cutting about 65 people out of the organisation. In that context we are not going to see a substantial increase in the percentage of SES officers, where there simply are not vacancies. If there are, the jobs are perhaps being abolished. Unfortunately, opportunities for all staff tend to have been removed or reduced.

In terms of the year to which this report relates—and I think it has changed substantially; I have made this point to the committee previously—one of the problems has been that some of the criticism which the organisation has had to put up with has, I believe, had some impact upon people's willingness to join the organisation. If we can get some of that behind us, as I believe we effectively have, I think it does make a difference. The year to which these figures relate and, indeed, the previous year were both years in which the organisation was going backwards in terms of staffing.

It is always difficult in that environment to see positive staffing outcomes, because you are actually getting rid of staff. Often you are forced into arrangements in that process where, if it is voluntary redundancy, you certainly have no control over the take-up of those figures. Yet overall, in 1996-97 we have increased the total proportion of women joining the staff. The percentages have gone up even though the actual numbers have gone down because we are going through a downsizing.

It is a bit more difficult than if you are in a growth phase but, that said, we will see if we can do some analysis and come back to you on both the police numbers and the SES numbers. In the last six months or so we have had one female SES officer come back to us and one leave us to go on promotion to a New South Wales government agency. We

have maintained the status quo, but there have been no other vacancies that have arisen in that time where there has been a chance to change the balance.

Senator FERRIS—Can I pick up on a point you made in your response. Let me say that I am not critical of the NCA; I am just interested in the dramatic change in those numbers. You said that you thought some negative publicity towards the NCA may have had some effect on recruitment. Could you comment on whether any articles which may have appeared in the media over the last six or eight months during the course of our inquiry, and some other articles that have been perhaps more indirectly related to that, if I could put it that way, could have in any way either caused difficulties for you in your operations area or have embarrassed you in relation to material published?

Mr Broome—My assessment is that a great deal of the coverage which we have had to live through has been unbalanced and unfair and has been subsequently shown to be totally without foundation—headlines such as ‘NCA acts illegally’. What person wants to join an organisation when every time they pick up a newspaper they find statements such as ‘Organisation under threat’; ‘Organisation being challenged at every turn’; ‘It acts illegally’; ‘It misbehaves’; ‘It abuses its powers’; ‘It breaks into houses’; ‘It bugs people’s phones without warrant’? All these kinds of things have been said and reported—some have come out of evidence before this committee—and they are totally wrong.

It seems to me that it is very difficult in those kinds of circumstances to not only maintain—and I think we have done so—morale in the organisation but at the same time to make yourself an attractive organisation to want to join. It is an indisputable fact that every time we have been substantially vindicated the press coverage has been a fraction of the criticism. No-one puts out a banner headline ‘NCA vindicated’. When a judge gets 12 questions wrong and we get the kind of criticism we have had for the way we allegedly handled the prosecution that we did not even run, a matter we investigated and basically stopped investigating three years before it got to trial—

CHAIR—Is this the Elliott matter?

Mr Broome—Absolutely. We have had all the criticism in the world about that matter. Now that the jury—figuratively, because there wasn’t one—is back, we can say with great pride that we did that job very well. We did not act illegally. The evidence was not improperly gathered. That has been vindicated by a variety of appeal courts; yet the public perception is still of an organisation where, if you are able to make your comments loud enough and long enough and have them reported in the way they have been, there is a problem.

Quite frankly, I am sick to death of picking up newspapers and reading about the NCA being under threat, under challenge or whatever. I do not know what you have to do to get that monkey off your back. Our staff literally risk their lives daily and have to put up with the kind of rubbish that is sometimes put about about the way we are supposedly

behaving. The organisation is committed to behaving legally and ethically, and it does everything it possibly can to achieve those outcomes.

In relation to one of your clients, if I can put it in those terms, we have seen a rehash in recent days of matters which, as far as I am concerned, have been dealt with, and have been dealt with some time ago, ending up back in the public gaze—Adelaide. That concerns me greatly.

The facts are that, 14 months ago, we responded to this committee with detailed responses to a series of allegations. I have never been told, and neither has the authority, what conclusions, if any, the committee has reached about those matters—officially. So far as I know you are satisfied with the answers we have given, but we have not been told that is the case in a formal sense in a way that I can in fact refer to. That makes it very difficult, quite frankly, to respond to the kind of criticism which is then meted out. If I did not respond to somebody 14 months after the event, you would have me on toast—and justifiably.

So, yes, I have been concerned about some of the processes. I have been concerned about the way in which we have had to put up with this Elliott matter being dragged on and on and on when it is obvious to everybody that we have handled the matter perfectly appropriately. I make no comment about any other aspect of it, but our handling of the matter I think has now been well and truly vindicated.

It is very difficult in those circumstances to expect people to come and want to join an organisation when there is that kind of campaign of criticism which I just do not believe is justified. That is why it makes me somewhat annoyed to find that we go through this, and we have inquiry after inquiry, most of which, for a variety of reasons, do not even get resolved.

Senator FERRIS—Thank you for that contribution.

Mr Broome—I am sorry, but it just really does seem to me it has got to be said occasionally.

Senator FERRIS—I understand the frustration you are expressing there. One of the points I was trying to allude to is one of the difficulties this committee has been trying to come to grips with, and that concerns some of the unauthorised releases of documents which have appeared in the media. You have referred to some of them, but there have been others as well. I was just interested to know whether that also has caused any difficulty for you. You seem to be making your comments in relation to witnesses' evidence and related material. I just wondered if you had any comments to make, or whether it all fits in the same box.

Mr Broome—I have been around federal government agencies for 20-plus years. I

do not believe that the leak of information involving the NCA is anything like what happened, or what happens, in respect of many other parts of government. Quite frankly, I think there has virtually never been—I will not say has not been—in the time I have been with the authority, any evidence that material which has in fact made it into the public arena has come from the authority or its staff.

As I made the point earlier, we circulate things like strategic intelligence assessments to 15, 18, 20, sometimes 60 agencies. If leaks occur in that context, the report is always that it is an NCA document which is leaked. What is the implication? Where did it come from? It came from the NCA. Where is the evidence? It is never there. It is like saying that if something a member of parliament has is leaked, parliament leaks. That would be an unfair imputation to draw.

So my concern about a lot of this is that those kinds of issues have occurred, and they will occur while ever there are journalists who want to write stories, while ever there are people—for their own motives, be they politicians or others—who see it as an advantage to make information available to the media. That is going to happen all the time. I believe we have a very good record in that respect, and I do not believe that has been the cause of our problems. I do not believe anything that has been said by the committee has caused us a problem at all. I was a little concerned about the Adelaide matter, and we might talk about that in private session.

But what I think has been a problem is the way in which, over a period of time, despite the fact that issues have been, in my view, totally resolved in our favour, we seem to have to go back and revisit history all the time rather than being able to look forward. I think that is unfortunate. Perhaps it goes with the turf, but, in terms of trying to get an organisation to be forward looking and in very difficult circumstances get people focused on outcomes in the job—as many other Commonwealth agencies have been through in recent years—it is much more difficult when you are facing the kind of flak we are.

Senator FERRIS—What about this one we have just received this morning from the minister entitled ‘Operation Bodega—NCA in-confidence’? It is dated 30 June 1997 and by August it was in the *Courier-Mail*. Does that compromise your work? If it does not, why did you call it ‘NCA in-confidence’, and why have we had to wait six months for it?

Mr Broome—Because that is the way we treat the document, Senator. The way other people who are consulted about it treat it is a different matter. In fact, what was in the *Courier-Mail* was a leak of an earlier draft. It was not that document at all. It was an earlier draft which had been widely circulated to law enforcement and health and welfare agencies around Australia. Quite frankly, in the light of what was reported in the *Courier-Mail*, I did not think it was worth attempting to divert agencies such as the Australian Federal Police to try to ascertain where that document may have come from to find its way into the hands of a *Courier-Mail* journalist, because the information that was

disclosed in the particular disclosures in the press was not that significant either operationally or in terms of people's reputations or whatever. I would take a different view if the information were qualitatively different. It seemed to me that the best thing was to get on with the job.

Senator FERRIS—I am not suggesting that it came from the NCA.

Mr Broome—No.

Senator FERRIS—The point I was trying to get to was: how difficult does that sort of thing make your work? That was my question originally.

Mr Broome—It does not help because, unlike a lot of other agencies, and in fact the entire private sector, and I do not object to this, we have to go through an accountability process which is very time consuming, very resource intensive and where a significant amount of the time of all the people you see at this table is spent producing this document I am showing you, producing the corporate plan and responding to requests from ministers of every jurisdiction for information and so on. That is part of our job, and I think that is a very important part of our job. I am not in any sense complaining about it, but it does divert your attention from the main game. I do not think that kind of thing is of great concern. I am much more concerned about some of the unfair representations of what we have or have not done.

CHAIR—People are capable of reading a little between the lines of the publicity in the Elliott matter. You are sounding slightly oversensitive about it and, in the event, particularly in Melbourne, you had some big guns aimed at you.

Senator CONROY—You had Jeff Kennett, and you had Petro Georgiou in the federal parliament. You had some significant individuals, politically, weighing in on behalf of John Elliott.

CHAIR—In the end there is no doubt that, whether you get the same level of headlines or not, the authority has been vindicated, and we were pleased to hear that. I had not heard the advice you gave us earlier today that the High Court had refused leave to appeal. So the loop in a sense is now closed, really.

Mr Melick—Can you get the Victorian Premier to acknowledge that, because he seems to take a contrary view.

CHAIR—Well, I think the Victorian Premier has his tail between his legs at the moment.

Senator CONROY—He is out walking his dog.

CHAIR—Maybe. On the issue of the Adelaide bombing, I really feel that needs to be clarified slightly. Paul Filing was planning to be here today but, unfortunately, at the last minute could not be here. I think you are referring to a newspaper article quoting him as a Western Australian member as particularly—

Mr Broome—No.

CHAIR—It does not refer to him; whom does it refer to?

Mr Broome—There are a number of newspaper articles. There are a number of things I am talking about in relation to Adelaide. The brief history of this is that last year, in response to correspondence with the committee, we provided detailed information on a whole range of matters.

CHAIR—That was in response to a letter we wrote to you after we had received evidence from an unnamed source about a number of matters relating to the Adelaide bombing.

Mr Broome—We received that correspondence from the committee. We responded to it in some significant detail. It became apparent that a journalist was, quite properly, preparing a story focused on effectively the question of what happened on the day when the bomb exploded. In the course of that—this person spoke widely to not only current but also former staff members of the authority—it became apparent to me that there may have been additional information which the journalist seemed to have some possible awareness of. That is about as vague as it became. I was not aware of it. I wanted to see whether that information existed. It concerned actions taken within the authority some years before the bombing. As the committee knows, I discovered that there was some earlier material about which I was unaware. I made it available to the committee. The committee's response was to table a report in the parliament. I responded to that report in writing and made some observations about it.

At that time, there were some newspaper articles which suggested that the failure to disclose this material in the first place clearly demonstrated some kind of problem with the management of the Adelaide office. I have made it clear to those who were making those comments that the material involved on the first occasion—that is, in October last year—did not come from the Adelaide office at all. Because there were allegations, which I am convinced were totally without foundation, that concerned a number of people in that office, we did not ask those people to prepare the response. We prepared it independently of them; it was the perfectly appropriate thing to do. Therefore, while I have acknowledged, and accept the responsibility for the fact, that we gave the committee less than all the available material in October 1996, it was quite unfair and untrue to suggest that that was the fault of anybody in the Adelaide office.

Despite the fact that that detailed response was provided to the committee, there

was a revisiting of some of the same allegations in the South Australian parliament. That has led to publicity over the last few days which I think is unfortunate and which is in part possible only because there are a number of outstanding matters which I wish were no longer outstanding that concern these kind of allegations. One is the fact that there still has not been a coronial inquiry. The second is that there have been some Public Service grievance matters that remain unresolved. There has been the complaint to the committee.

It seems to me that if those matters had been resolved in this time, either by seeking more information from me or the authority or by indicating to us that you were satisfied that we had properly answered the allegations, that would have been the end of the matter. But they keep being revisited and raised because they have not been dismissed.

CHAIR—But the article in the newspaper that I saw just then was in yesterday's *Adelaide Advertiser*. The first was something done under parliamentary privilege in the South Australian parliament.

Mr Broome—That is right.

CHAIR—Obviously, we cannot be responsible for that.

Mr Broome—But they are the same matters.

CHAIR—The source is the same, obviously, as this committee's source. In answer to your question, we have not yet finalised our consideration of that matter. It is ongoing, as you said; that is part of the problem. I mentioned Paul Filing. He is one who has expressed an ongoing interest, as have the South Australian members of the committee. Mr Filing in particular was a Western Australian policeman, as was the secondee to the NCA who was killed. I would have to defend this committee's role in the handling of that matter. I will continue to keep a watching brief until somehow the matter is resolved to everyone's satisfaction. As you say, there has not been a coronial inquiry or an arrest for the murder. So there are still a lot a questions hanging over it.

Mr Broome—There are two quite separate sets of questions. There are the questions that go to the bombing itself. Who was responsible for it? What happened immediately before the bombing? Who, if anyone, can and should be charged? They are matters which will be dealt with through the criminal court process. Because someone was killed there will need to be an appropriate stage coronial inquiry conducted by the South Australian authorities. The matters to which I am referring go to allegations about, effectively, management issues in the authority before and after the bombing, which went through until last year. My concern is that it is those issues, not the bombing and its attendant circumstances, that keep getting raised and that come up time and time again. I think the responses from a whole variety of people, which that most recent press clipping demonstrates, confirm what I have said publicly: that I have utmost confidence in our regional director in South Australia.

CHAIR—Only a coronial inquiry will put those matters to rest, won't it? Those are some of the issues that will be covered by a coronial inquiry.

Mr Broome—No, they will not because they do not relate to the cause of death of Geoffrey Bowen. They do not relate to who sent the bomb. They relate to totally extraneous matters. They are linked to those circumstances but they will not be resolved by the coronial inquiry.

CHAIR—I guess we could spend a lot of time debating that point. You have to acknowledge—

Senator FERRIS—They are management issues.

CHAIR—But the management issues are the key—not the key but they are fundamental—to why the bomb ever got to where it was.

Mr Broome—No, I have to disagree. The only question of a management kind is whether the arrangements which were in place in Adelaide for security at the time were, in all of the circumstances, adequate and were relevant and responsive to the known level of risk. That is what it is about. The complaints by this person whom we are so concerned to protect by anonymity—it does not matter which other reputations are dealt with publicly—have nothing whatsoever to do with answering that question. They go to other issues entirely; they go to allegations about whether I acted properly in the way in which Adelaide staff numbers were cut as a result of the budget and they go to the actions of my predecessors. If the committee is not happy with those responses, which you have had since October, tell me and we will see what else we can provide to you. If you are happy with them and you think that they are adequate it seems to me that not only I but also the Adelaide management are entitled to get an answer to that problem. It is now December 1997.

CHAIR—The answer to the question is that we are still dealing with the matter.

Mr Broome—I appreciate that.

Senator CONROY—You made reference again in your annual report to the lack of a second board member. Could you explain to the committee the extra pressures that that brings to bear on you and Mr Melick. Are there any with which we could possibly assist?

Mr Broome—Thanks, Senator.

Senator CONROY—Do you get any sleep at night? See your wife more than once a week?

Mr Broome—No. It does make a difference. Despite the perception, the special powers of the authority can only be exercised by members of the authority. So every notice for information under the act, every summons and every hearing is conducted either by me or by Mr Melick or is issued by one of us—every single one of them. There are no delegations and there is no-one else. We cannot conduct a hearing unless one of the two of us is physically present. If we have a normal composition of three members but we are down to two then the reality is that we have less capacity. My capacity to do some of this work myself, much as I would like to, is limited by the time I have to spend on other matters. That has had an impact as well.

I understand there may well be a decision coming quite soon from the government. I have been told that for some time, and I am looking forward to it, because it does have an impact upon what the two of us are able to do and the amount of time we are able to devote to areas we would like to devote our efforts to—getting on with the main game of the authority.

Hearings are an important part of our work. Clearly, they are one of the things which distinguish us from other law enforcement agencies—other than the comparisons with the crime commissions and so on. That is an important part of our role, and an extra person to conduct that work full-time will be of assistance. That was the point I made in the annual report.

Senator CONROY—I have one question on one of your perennial favourites, which is also one of mine. Have we received any notification about Mr Elliott's damages case, or have we heard anything?

Mr Broome—No. We are seeking to take action to have the current proceeding dealt with in an appropriate way. We are, of course, in the hands of the Federal Court and its rules, but we are trying to get that matter resolved one way or the other. I can say that he has not commenced any fresh proceedings in which he has nominated any sum of money, whether that be \$200 million, \$2 million or even \$2.

Senator CONROY—On a point of information, you were reading from that document before, and I asked you to table it. I was interested in the reference you made to a dollar amount for strike forces. Could you give me that again?

Mr Broome—I think the amount is \$15.4 million. It is of that order of magnitude. It is roughly \$5 million each year for three years for the AFP.

Senator CONROY—Thank you.

CHAIR—That is probably all we have time for. There was one quick question: I notice you have a toll free number which you publicise. Do you get many calls on that?

Mr Broome—We get a variety of calls on it, I know that.

Mr Lamb—Yes. Indeed, over the last few days there have been a couple of calls that have been very significant and have resulted in a number of arrests and seizures of drugs.

CHAIR—Is this a well publicised number?

Mr Lamb—It is as well publicised as we can make it via the pink pages, the yellow pages and the traditional vehicles to publicise that type of thing.

CHAIR—What about the Chinese language toll free number?

Mr Lamb—Yes, we get quite a lot of calls on that. That is publicised in the Chinese language newspapers.

CHAIR—The calls come in in Chinese?

Mr Lamb—Yes, they do.

CHAIR—So you have someone who speaks Chinese to assist those callers?

Mr Lamb—Yes, we do.

CHAIR—On balance, Mr Broome, the committee thinks the presentation of this report is significantly improved, so I would like to congratulate the authority on that. We have discussed the content and we will go on discussing it in the future. There are lots of very pleasing features of that, but what we do notice is that you have taken note of our criticism of the presentation of past reports. This is much more reader friendly. Please be congratulated.

We might write to you about a couple of minor technical matters that are incorrect. In the list of the members of the committee I notice that we have all been elevated to the status of ‘honourables’, while our Senate colleagues have not been given that status. They have not noticed it yet, but they are offended or will be. There are a couple of minor matters.

Mr Broome—It goes without saying in the case of senators.

CHAIR—Maybe it does. We do not really want to nitpick with the report. On balance, we can say that we are pleased with the presentation of it. It will be much easier for people to read and understand. Congratulations.

Mr Broome—Thank you for that. Susan Gillett deserves a substantial amount of

the credit for that, but all the staff have made an effort to try to make this year's report more user friendly, to use the jargon. We tried to take the comments you made on board.

I know Mr McLean was concerned last year that our report was too large. It is smaller this year and, what is more, the New South Wales Crime Commission is catching up quickly. By next year they will have overtaken us and you won't be able to say theirs is a short report.

Senator FERRIS—I am sorry we have run out of time because I would have liked to ask some questions on the corporate plan. I will foreshadow that interest and at a later time we might have that chance.

Mr Broome - If you would like to write to us briefly and set out the questions we can give you some responses.

CHAIR—We have not touched at all on the corporate plan. Without your necessarily being here we can frame some questions to pass on. Hopefully we will be able to meet again not too far into next year, in any case. We appreciate your coming before us. The National Crime Authority obviously is a very important instrumentality. I think most members of the Australian public see it that way and your annual report is an important part of the process of communicating with the public and showing that you have a fairly public friendly face in the end. I think I can speak on behalf of my colleagues and the Australian public generally when I say that we value the work that you are doing and the work that your officers do, often in, as you said earlier, difficult and life threatening circumstances. We, the Australian people, appreciate that and we want to congratulate you and encourage you to keep up the good work.

Mr Broome—Thank you for those comments.

CHAIR—I declare the public session closed.

Committee adjourned at 12.06 p.m.