

APPENDIX 3

THE FINDINGS OF THE AYERS INQUIRY

Summary of Findings

Ayers Report Finding 1

The AFP is in dire straits in relation to its funding and facing significant financial problems. It is currently budgeting on reductions of some 30 per cent in operational (non-salary) expenditure and, while it will continue to focus on illicit drugs it is clear that other types of investigations will decrease and that levels of service to Commonwealth agencies and other Australian police services will decline further. The AFP also faces a further decline in staffing numbers and continuing problems in relation to technical and forensic services and equipment. These problems will require the Commissioner to consider various options, including the possible closure of some regional offices on financial grounds.

Ayers Finding 2

There is no quick fix available. It will take time to implement the reforms proposed in this report and to recruit, train, and give the necessary experience to investigators.

Ayers Finding 3

There should a two-phase recovery program:

- phase 1 should occur over the next 3 years and address the most obvious gaps in staff numbers, reprofiling and workplace reforms, equipment, overtime, travel, recruitment and training. At the same time the AFP should implement the corporate management and other reforms proposed in this report;
- phase 2 should occur over the following 2 years and be aimed at developing the AFP into a law enforcement agency that is second to none in the world.

Ayers Finding 4

It will cost \$125.893m to fully implement phase 1 of the recovery program. The AFP should be able to generate internal savings of some \$50.8m through internal efficiencies during this phase. The AFP will need, therefore, additional funding of \$75.093m to implement phase 1.

Ayers Finding 5

The primary impact of phase 1 will be a significant increase in investigations associated with the AFP's core business. Funding provided under phase 1 will also enable the stabilisation of the AFP's resource base and enable it to implement key reforms.

Ayers Finding 6

As part of phase 1, the total number of AFP staff should be increased from its current level of 2,624 to 2,800. This level should be examined again at the end of phase 1. It appears likely that a further increase may be required at that time.

Ayers Finding 7

At the completion of phase 1, the AFP will be in a better position to provide management information to assist in identifying any additional funding or savings required for the implementation of phase 2.

Ayers Finding 8

During phase 1 an alternative to AFPAS should be developed in negotiations between the AFP and the AFPA. This may result in a short-term cost for a long-term gain. No provision has been made for meeting these costs by review.

Ayers Finding 9

The AFP does not have the capacity to meet the accrued debt of AFPAS in the short or long term. It should be funded to meet emerging cash requirements and liabilities in this area. To do otherwise simply means funding will have to be taken away from operational areas.

Ayers Finding 10

The AFP has done important work in positioning itself for the 21st century. But it must be understood that it has to go well beyond these reforms.

Ayers Finding 11

The Commissioner's suggestion that a corporate management specialist be appointed at Deputy Commissioner equivalent level should occur immediately.

Ayers Finding 12

An Advisory Board, comprising experts in law enforcement and financial management from inside and outside government, should be appointed to advise the Commissioner on the implementation of the reform program.

Ayers Finding 13

The AFP should establish a CSP where activities that do not need to be undertaken by AFP officers are market tested. Likely candidates for inclusion in a CSP are training and professional development services, legal services, medical and welfare services, IT services, vehicle services, communications services, and accounts and personnel services.

Ayers Finding 14

The Commissioner should consider restructuring the AFP on functional rather than purely geographic lines. The review proposes a restructuring option which the Commissioner could consider. In this process the Commissioner should examine the top echelon of the AFP to ensure that it is properly structured.

Ayers Finding 15

The Commissioner should complete, as a matter of priority, the implementation of the major financial management reforms from the AFP/KPMG, Deloitte, and Coopers and Lybrand consultancy reports.

Ayers Finding 16

AFP budgets (including salary allocations) should be devolved and managers should be required to work within budget allocations.

Ayers Finding 17

The practice of deferring bill and account payments as a means of achieving a balanced budget must stop.

Ayers Finding 18

The AFP should give priority to the production of high quality strategic intelligence to drive its decision-making. This will require an internal redirection of resources.

Ayers Finding 19

The AFP should concentrate on developing a flexible and mobile workforce

Ayers Finding 20

A structured training program in financial management should be conducted for all senior staff.

Ayers Finding 21

The AFP should commit a minimum of 4 percent of its salaries budget for training to maintain and develop skill levels. In general, the focus in training should be

on financial management, the management of investigations, and specialist skills in IT and forensic accounting.

Ayers Finding 22

The NCA and AFP should be collocated progressively outside the inner City Business Districts of capital cities. This should be achieved within five years.

Ayers Finding 23

There should be greater cooperation between the NCA and AFP in areas such as the planning and development of IT systems and technical services.

Ayers Finding 24

Changes such as the introduction of a new performance and competency-based rewards environment, the replacement of blue-collar awards and conditions, the replacement of overtime and penalty rates and a more flexible mobility approach should be negotiated with the AFPA.

Ayers Finding 25

The AFP should continue to provide ACT community policing services. Given the AFP's expanding national role, this should be reconsidered in consultation with the ACT Government following CHOGM in 2001.

Ayers Finding 26

The joint review of the current ACT policing agreement between the Commonwealth and the ACT Governments should be considered as soon as it is completed.

Ayers Finding 27

Areas of criminal activity of highest priority to the AFP are illicit drug trafficking, organised crime, serious fraud against the Commonwealth and money laundering. Emerging forms of crime involving electronic commerce, computers and intellectual property will cause concern.

Ayers Finding 28

The AFP's current core business is :

- the countering of illicit drug trafficking (especially heroin), organised crime, serious fraud against the Commonwealth and money laundering;
- the provision of community policing services in the ACT, Jervis Bay and relevant external territories;

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- the provision of protective security services for high office holders, witnesses and special events; and
 - the provision of police services for special references from the Government.

Ayers Finding 29

The NCA and AFP should remain separate agencies.

Ayers Finding 30

The AFP should continue to provide witness protection services.

Ayers Finding 31

The AFP should stop providing protection services to the Family Courts as soon as possible. This will require consultation with the Family Court on options to replace this service.

Ayers Finding 32

The AFP should continue to provide VIP protection services but this should be reviewed following the Olympic Games and CHOGM. In the meantime, there should be an examination of the funding arrangements relating to the AFP's provision of these services.

Ayers Finding 33

There is a need for a separate review of the Commonwealth's criminal intelligence effort. This should be conducted by a recognised intelligence policy expert. The objective would be to develop a strategic plan for Commonwealth criminal intelligence collection and assessment. This review should occur as soon as possible.

Ayers Finding 34

The AFP should pursue the following outcomes:

- criminal activity is deterred in areas impacting on the Commonwealth Government's interests;
- safety and security are improved for individuals and interests identified by the Commonwealth Government or the AFP as being at risk;
- policing activity creates a safer and more secure environment in the ACT, Jervis Bay and Australia's external territories;

- **the Commonwealth Government's level of commitment to improving world stability is strengthened by the AFP's contribution to international law enforcement activities; and**
- **the relationship between the AFP and the community is improved by providing an honest, ethical and accountable police service**

Ayers Finding 35

The Commissioner should report to the Minister for Justice every six months on the implementation of the review's findings.

Ayers Finding 36

The Minister for Justice should report to Cabinet annually on the implementation of the review's findings until the end of the implementation process.

