

# CHAPTER 2



AFP ANNUAL REPORT 2003–2004

## Outcome 1 – National and international focus

Outcome 1, reflecting the AFP's national and internationally focused policing services provided to the Commonwealth, is the investigation and prevention of crime against the Commonwealth and protection of Commonwealth interests in Australia and overseas.

### Outputs

The AFP produces four outputs that contribute to Outcome 1:

- Investigation Services through which the AFP provides the Commonwealth with a flexible, reactive investigative capacity across a large range of Commonwealth interests;
- Protection Services through which the AFP seeks to ensure that individuals and interests identified at risk by the Commonwealth are kept safe and their dignity preserved;
- International Services through which the AFP supports the Commonwealth Government's international responsibilities by providing a range of law enforcement services; and
- Guarding and Security Services through which the AFP provides a range of user-pays guarding and related security services consistent with the Government's interests.

Table A—Funding

	Budget* (1) 2003-04 (\$'000)	Actual (2) 2003-04 (\$'000)	Variation (1-2) 2003-04 (\$'000)	Budget** 2004-05 (\$'000)
<b>Price of Agency Outputs</b>				
<b>Outcome 1</b>				
<i>The investigation and prevention of crime against the Commonwealth and protection of Commonwealth interests in Australia and overseas</i>				
<i>Output 1.1: Investigation Services</i>	262,070	242,034	(20,036)	328,690
<i>Output 1.2: Protection Services</i>	69,236	50,929	(18,307)	56,522
<i>Output 1.3: International Services</i>	193,843	169,583	(24,260)	308,135
<i>Output 1.4: Guarding and Security Services</i>	145,679	133,905	(11,774)	128,679
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<b>Total price of outputs</b>	<b>670,828</b>	<b>596,451</b>	<b>(74,377)</b>	<b>822,026</b>
Revenue from Government	557,671	543,271	(14,400)	711,535
(Appropriation) for agency outputs				
Revenue from other sources	113,157	127,169	14,012	110,491
<b>Total departmental revenue</b>	<b>670,828</b>	<b>670,440</b>	<b>(388)</b>	<b>822,026</b>
<b>TOTAL FOR OUTCOME 1</b>	<b>670,828</b>	<b>596,451</b>	<b>(74,377)</b>	<b>822,026</b>
<b>Outcome 2</b>				
<i>Policing activity creates a safe and secure environment in the ACT</i>				
<i>Output 2.1 Services to the ACT Government</i>	84,879	86,504	1,625	88,620
<b>Total price of outputs</b>	<b>84,879</b>	<b>86,504</b>	<b>1,625</b>	<b>88,620</b>
Revenue from Government	-	-	-	-
(Appropriation) for agency outputs				
Revenue from other sources	84,879	87,216	2,337	88,620
<b>Total departmental revenue</b>	<b>84,879</b>	<b>87,216</b>	<b>2,337</b>	<b>88,620</b>
<b>TOTAL FOR OUTCOME 2</b>	<b>84,879</b>	<b>86,504</b>	<b>1,625</b>	<b>88,620</b>

\* Full-year budget, including additional estimates

\*\* Budget as announced in the Portfolio Budget Statements

## Output 1.1 Investigation services

The objectives of this output are to:

- enforce Commonwealth laws and protect the integrity of Commonwealth programs;
- effectively contribute to international efforts to counteract and prevent criminal activities of major concern to the Government;
- protect the integrity of national economic and social institutions and the environment;
- ensure there is a national response where criminal activity impinges on national security and/or is of a trans-jurisdictional character; and
- provide community policing services to the Commonwealth's external territories.

Output 1.1 is measured through the:

- disruptive effect of AFP investigations on the criminal environment,
- levels of client satisfaction with AFP investigations; and
- the level of financial performance of the AFP in delivering cost-effective results.

## Performance

### Intelligence

#### National intelligence collection

Intelligence collection priorities continued to reflect the AFP's strategic direction. These priorities focus on terrorism, illicit drugs (heroin, cocaine and amphetamine-type stimulants), high-tech crime, people smuggling, economic crime, environmental crime, and transnational sexual offences. The priorities underpin the AFP's crime management strategies and provide for early identification of emerging issues with the potential to adversely impact on Australia. Reflecting the AFP's changing domestic and international operational environment, a crime management strategy for counter-terrorism was ratified.

Through the crime management strategies, intelligence is integrated into the broader AFP business planning cycle to ensure resources are allocated against high-impact crimes. Under a new Functional Model (FM) intelligence collection priorities are no longer determined by the Transnational Crime Management Team. This team was superseded by the National Managers' Group which provides high-level governance of operational priorities and resource allocation. The Intelligence Function was restructured to provide a holistic service including a high-quality strategic intelligence function, threat monitoring capability and increased intelligence support to high-priority crime types. Underpinning the service will be new processes and systems, principally in intelligence collection management and the production and dissemination of intelligence product.

#### Management of national intelligence

A National Intelligence Management Team (NIMT), comprising Intelligence Coordinators and chaired by the Manager Intelligence, was created to regularly review the strategic progress of the national intelligence portfolio. The NIMT works closely with the TCCC ensuring that intelligence activities are prioritised in accordance with wider objectives. The NIMT model is flexible and allows AFP offices a degree of autonomy on local intelligence issues and priorities while ensuring they contribute to the national intelligence picture. In line with the model a national intelligence collection effort is being developed.

#### Intelligence functions

The AFP Intelligence portfolio was structured to deliver timely, relevant intelligence in support of AFP main operational activities. Existing services, such as target development, intelligence support to operations, and collection and liaison, will be enhanced through additional staffing and centralising and prioritising tasks.

AFP offices continued to target development work, look at potential targets of local and national significance and provide ongoing support to operations. Within Headquarters, the Transnational Targeting portfolio provided target development, operational intelligence and operations support capability to underpin AFP functional areas. The

portfolio will also be closely aligned with a reconstituted strategic intelligence analysis capability to be formed under the Analytical Services stream. Strategic analysts will be responsible for specific interests but will retain the flexibility and capability to cross over to other crime types or functional streams as required. Analytical Services will be supported by an enhanced AFP Intelligence Product Service governed by national standards, centralised quality control and more coordinated dissemination processes and procedures.

A new National Counter-Terrorism Intelligence stream, combining existing AFP counter-terrorism teams with operational intelligence and threat monitoring capabilities, was established. The Threat Monitoring team would also support teams in other Intelligence Function portfolios and the AFP Executive to ensure timely threat identification.

The collection and liaison area is responsible for identifying coherent national intelligence collection requirements and defining and developing a collection management system. This area was given a new collection management capability to enable it to formalise and standardise the collection of intelligence from AFP and other law enforcement agencies in support of AFP operations. The area is the AFP's front door for all intelligence-related requests, internal or external.

## Program AXIOM

Program Axiom, the AFP's undercover policing program, received \$21.4 million in funding for four years commencing in the 2002–03 financial year.

Funding in 2003–04 (\$5.283 million) enabled Program Axiom to expand its personnel infrastructure comprising diverse areas working together to provide an effective and efficient undercover program.

Program Axiom's full-time team interfaces between management and functional areas. Team members worked with part-time covert personnel, providing high standards of evidence and intelligence collection to functional streams. Strategic gaps identified in the AFP intelligence framework were the focus of intelligence collection across a range of crime-management strategies and intelligence-collection priorities. AFP covert personnel were deployed to investigative tasks and crime types, including high-tech crime, economic crime, money laundering, illicit drugs, counter-terrorism, people smuggling, and

corruption. Their work reflected and responded to the AFP's changing priorities. Program Axiom is supported by administrative and operational services and front-line deployable human resources.

The Australian Institute of Police Management conducted a national review, *Managing the risk of psychological injury associated with undercover policing*. All Australasian undercover programs were examined and Program Axiom met or exceeded the required standards in all categories.

## Transnational Crime Coordination Centre

The Transnational Crime Coordination Centre (TCCC) is located at AFP headquarters and is part of the Intelligence function. It operates a monitoring service and a 24-hour National Assessment Centre, coordinating the flow of operational information between Australia and international partners. The Centre is located in the ICC and can be immediately activated. The TCCC recognises the important role of Interpol in combating transnational crime.

The TCCC has a team that conducts preliminary assessments of referrals made to AFP headquarters. An operations committee secretariat connects AFP operations committees in each office with the TCCC Operations Committee, the AFP's highest operational decision-making body.

## Counter-Terrorism Intelligence

### National Counter-Terrorism Intelligence Teams

Recognising the changing criminal environment, the AFP ratified its crime management strategy for counter-terrorism. Under this strategy AFP Intelligence collects, analyses and disseminates intelligence.

A National Coordinator Counter-Terrorism Intelligence (NCCTIntel) position was created and filled. NCCTIntel oversees counter-terrorism intelligence support to the JCTTs, manages AFP Headquarter's Counter-Terrorism Intelligence Teams, manages seconded counter-terrorism officers, and develops counter-terrorism policy.

Headquarter's Counter-Terrorism Intelligence Teams provided operational and strategic assessments to management, contributing to the wider Australian Government response to terrorism. They also maintained effective liaison and information sharing between the AFP and the intelligence community.

The Al Qaeda and Middle East National Counter-Terrorism Intelligence Team supports AFP counter-terrorism operations in the Middle East.

The Jemaah Islamiah/Southeast Asia National Counter-Terrorism Intelligence Team supports counter-terrorism operations in the Southeast-Asia region. One priority was to continue supporting AFP officers helping the Indonesian National Police apprehend remaining suspects for the 2002 Bali bombings.

Operational Counter-Terrorism Intelligence and Threat Monitoring teams were to be created under the crime management strategy.

## National Threat Assessment Centre

The National Threat Assessment Centre (NTAC), housed in ASIO Headquarters, was launched in October 2003 to provide round-the-clock threat assessments on Australian security issues. Two officers—one each from the Protection and Intelligence Functions—were seconded to the Centre. AFP officers, with ASIO and other counterparts, assessed the likelihood and probable nature of terrorism and other acts of politically motivated violence against Australia, against Australian citizens here and abroad and against Australian interests overseas. To achieve this, the officers and their counterparts comprehensively monitored and analysed all intelligence and information relating to terrorism available to the Australian Government.

## Joint Counter-Terrorism Intelligence Coordination Unit

The Joint Counter-Terrorism Intelligence Coordination Unit (JCTICU) was established in September 2002 to increase collaboration between agencies in combating the threat of terrorism. Hosted by ASIO, the unit comprises AFP and Australian intelligence agency representatives.

The primary responsibility of the Unit is to advise on investigative and operational opportunities that could further a counter-terrorism investigation.

The JCTICU assisted AFP counter-terrorism investigations, with referrals from JCTTs in Canberra, Brisbane, Melbourne, Sydney, Perth, and Darwin.

## Counter-Terrorism

The AFP continued to cooperate closely with international, Australian Government and State and Territory partner agencies on counter-terrorism activities, including the Attorney-General's Department (AGD), the Protective Security Coordination Committee (PSCC), the Australian Security Intelligence Organisation (ASIO), the Department of Foreign Affairs and Trade (DFAT), and State and Territory police services. Whole-of-government approaches in developing and implementing counter-terrorism measures continued to enhance Australia's capacity to combat terrorism in the region.

The AFP's strong relationship with the Australian intelligence community was critical to supporting its endeavours to combat terrorism. The National Threat Assessment Centre (NTAC) and the Joint Counter Terrorism Intelligence Coordination Unit (JCTICU), which include comprising AFP representation, were a vital component of this intelligence network.

## National Security Hotline

Of the 19,735 National Security Hotline reports prepared, the AFP referred 538 matters internally.

## Joint Counter Terrorism Teams

Joint Counter Terrorism Teams (JCTT), comprising AFP and State and Territory personnel, provided a strong, coordinated, national operational capacity for responding to domestic and regional threats and incidents.

There were 11 JCTTs with 37 AFP officers, 14 AFP-funded police officers from the States and Territories and 10 investigative support staff. CTTs drew further resources from the AFP and State and Territory police services to meet operational demands. The majority of JCTT members received formal AFP training in terrorism investigations.

## Jakarta Operations Centre

JCTTs were deployed to Indonesia to assist the Indonesian National Police (INP) on terrorism-related matters under the Jakarta Operations Centre (JOC). The team has investigative, intelligence and specialist technical skills enabling members to undertake a number of roles including deploying members to field operations to assist the INP.

## AFP counter-terrorism offshore deployments

AFP relations with international partner agencies were enhanced as part of the global response to terrorism.

Operationally, the AFP sent terrorism-related offshore deployments to countries such as Indonesia, the Philippines, Turkey, and Spain with the knowledge or invitation of the host country.

### Operation Alliance—the Bali bombings

Joint INP-AFP teams assisted in locating or apprehending a number of suspects/offenders believed to be involved in the Bali bombings; operational activities led to the apprehension of persons with significant links to terrorist group Jemaah Islamiah.

Thirty-six were arrested in relation to the bombings. Of the 33 convicted of terrorism charges, three were sentenced to death and four to life imprisonment. The remaining 26 were sentenced to imprisonment terms ranging from three to 16 years.

The AFP supported the Australian Government's arrangements for commemorations in Bali on 12 October 2003 and at Parliament House, Canberra, on 16 October 2003.

The AFP also held services and functions around Australia on 12 October 2003 to remember the 202 who died as a direct result of bombings (including 88 Australians).

### Other offshore deployments

On 10 July 2003 an explosive device was detonated in the crowded market area of Koronadal City, Mindanao, Philippines, causing three deaths and injuring 27 people. Four AFP members were deployed to provide forensic support to the Philippines National Police (PNP) and establish working relationships with PNP investigators and

intelligence officers in the General Santos City and Koronadal City regions.

On 5 August 2003 a bomb exploded outside the JW Marriott Hotel in Jakarta. At the request of the Indonesian Government, the AFP deployed 23 members to assist the INP with investigations. Members with specialist skills were drawn from Investigations, Forensic Services, the Australian Bomb Data Centre (ABDC), and intelligence areas. Thirteen were killed (no Australians) and 137 injured. One Australian received minor injuries which were treated in Indonesia.

In response to the November 2003 terrorist bombing of the British Consulate in Istanbul, Turkey, the AFP deployed one investigations member to liaise with the Turkish and British Police during investigations. One Australian was killed.

The AFP deployed a Forensic member and an ABDC member to Madrid, Spain, to assist in the investigations of the 11 March 2004 terrorist attack.

The AFP deployed three dedicated Counter-Terrorism Liaison Officers to London, Washington and Kuala Lumpur to focus on counter-terrorism and to enhance cooperative working arrangements with counter-terrorism units in these countries.

## Philippines counter-terrorism assistance initiative

The AFP signed a protocol with Philippines law enforcement authorities on 20 April 2004 to launch a \$3.65-million project to help build the country's counter-terrorism capacity.

An AusAID- and AFP-funded project is part of the Australian Government's three-year, \$5-million Philippines counter-terrorism assistance initiative. The project is designed to build the capacity of Philippines law enforcement agencies in intelligence sharing, bomb investigation techniques, forensic capacity, and other counter-terrorism areas at strategic and operational levels.

The AFP deployed an officer to Manila to help deliver the project and advise Philippines law enforcement agencies. The project illustrated the AFP's commitment to its Law Enforcement Cooperation Program (LECP) which strengthens collaboration between Australia's partners in the Asia-Pacific region and helps develop regional counter-terrorism and transnational crime capabilities.

## Jakarta Centre for Law Enforcement Cooperation

At the February 2004 Bali Regional Ministerial Meeting on Counter-Terrorism, Australia and Indonesia announced the establishment of the Jakarta Centre for Law Enforcement Cooperation (JCLEC). Australia will contribute \$38.3 million over five years to developing the Centre. The funds will be used for physical infrastructure, technical equipment, training, and gaining operational expertise.

JCLEC's key objective is to enhance the operational expertise of regional law enforcement personnel in dealing with transnational crime. A primary focus is counter-terrorism skills. The JCLEC will draw upon the benefits and experience of Indonesian and Australian law enforcement cooperation and house technical and operational experts to be deployed in response to terrorism across the region.

The AFP is the lead in providing Australia's contribution to the Centre. The Centre, due to be opened on 3 July 2004, is expected to be fully operational by the end of 2004.

The JCLEC will also strengthen relationships with relevant regional bodies such as the South-East Asian Regional Centre for Counter Terrorism in Kuala Lumpur and the International Law Enforcement Academy in Bangkok. JCLEC will be an Indonesian facility.

## 2004 Police Commissioners Conference

The 33rd Police Commissioners Conference (PCC) met in Sydney in March 2004 to discuss terrorism and national security. The AFP updated participants on its counter-terrorism offshore capabilities, operational case studies, the development of guidelines for investigating terrorist incidents, and combating identity theft and fraud-related issues following a natural disaster or terrorist incident.

## Heads of Police Counter-Terrorism Conference, May 2004

The AFP continued working closely with State and Territory counter-terrorism counterparts and, in May 2004, hosted a one-day Heads of Police Counter-Terrorism Conference in Sydney. The conference

enhanced State and Territory police understanding of AFP activities.

## Counter-terrorism training

The AFP continued developing counter-terrorism investigation training programs and delivering them at the AFP College in Canberra. Training is primarily provided to AFP and State and Territory police counter-terrorism investigators.

The AFP designed the Advanced Counter-Terrorism Investigations Program (ACTIP). Three programs were delivered at the AFP College to 49 participants including 19 from State and Territory police services and two from the New Zealand Police.

As a result of the Bali bombings, the AFP implemented a Family Liaison Program using trained Family Liaison Officers (FLO). In the year under review, FLOs contacted victims and their families to help with attendance at court in Bali and facilitate inquiries about the investigation. FLOs also coordinated the return of property to victims and families.

Thirty participants attended two FLO training courses with a counter-terrorism focus at the AFP College. AFP, South Australia and New Zealand Police members attended.

The AFP helped regional law-enforcement agencies prepare and deliver terrorism-related training. For example, following an agreement made during the ASEAN Ministerial Meeting on Terrorism and the Chiefs of Police Conference, the AFP conducted a post-blast investigations workshop in Kuala Lumpur (February 2004). Similar courses were held in Singapore.

Such workshops presented the AFP with an opportunity to strengthen cooperative arrangements with regional law enforcement agencies.

## Exercise Wyvern Primo

In September 2003 the AFP participated in a Counter-Terrorist Overseas Response Group (CTORG) exercise named Wyvern Primo. The primary objective of the exercise was to test the whole-of-government capacity to respond to an offshore terrorist incident involving Australian interests.

During the exercise, AFP members were deployed to New Zealand to an overseas response scenario alongside other Australian government agencies while staff in Canberra worked in supporting functions.

The AFP also activated the Incident Coordination Centre (ICC) at AFP Canberra Headquarters to support the exercise and test the ICC capability and functions.

This exercise was beneficial in that it tested and validated the AFP's off-shore response mechanisms with operational procedures refined for future deployments and exercises.

## Multi-Jurisdictional Exercise—Mercury 04

During March 2004, the AFP participated in the first Multi-Jurisdictional Exercise (MJEX), Mercury 04, as part of the National Counter-Terrorism Committee (NCTC) capability development program. Whole-of-government activities, such as MJEX, continued to receive strong and active AFP support. They tested response and inter-operability arrangements for terrorist incidents.

The AFP dedicated significant resources to the four participating jurisdictions. The Incident Coordination Centre (ICC), located in the Transnational Crime Coordination Centre (TCCC) at AFP Headquarters, was activated during the exercise.

The AFP tested:

- ② communications between AFP and State and Territory police commissioners (or delegates) when responding to a national terrorist situation;
- ② the role and effectiveness of the JCTT in investigating, managing, coordinating (in collaboration with other jurisdictional resources), and responding to a terrorist situation on a national scale;
- ② accurate and timely reporting of a critical incident to enable effective communication between Australian Government and State and Territory partners and support the extraction of a protected principal from an incident site;
- ② operability, capacity and integration of AFP response and coordination arrangements, with information flow and reporting primarily directed through the ICC; and
- ② integration and value of AFP intelligence efforts in national and jurisdictional intelligence response mechanisms activated to support a national terrorist situation.

## Legislative developments

The AFP worked closely with the AGD to develop and implement legislation relating to law enforcement and national security.

Legislative reform included introducing the Surveillance Devices Bill 2004, the *Anti-terrorism Bill (No. 1) 2004*, the *Anti-terrorism Bill (No. 2) 2004*, the *Anti-terrorism Bill (No. 3) 2004*, and the Telecommunications (Interception) Amendment (*Stored Communications*) Bill 2004.

The AFP investigated persons suspected of committing offences against the terrorism provisions of the *Criminal Code Act 1995*, including the activities of Willie Brigitte. Some matters are before the court.

## Terrorist financing

The AFP helps financial institutions determine whether an asset is owned or controlled by a proscribed person or entity. When assistance is sought under the *Charter of the United Nations Terrorism and Dealing with Assets Regulations 2002*, the AFP is contacted through the AFP's National Assessment Centre. During the year 110 requests for assistance were received.

## Illicit drugs

The AFP continued to give high priority to measures directed at reducing the trafficking and supply of illicit drugs to and within Australia, in cooperation with its overseas and Australian law enforcement partners.

The AFP's approach aligns with the Australian Government's Tough on Drugs initiative, which provides ongoing funding for a number of aspects of the AFP's operations against illicit drugs. The AFP also benefits from the collaborative efforts of agencies and organisations involved in the National Drug Strategy. The strategy promotes and supports ongoing capacity building of federal law enforcement agencies to disrupt criminal syndicates and create an environment hostile to drug trafficking.

## Heroin

The heroin market in Australia remained stable, at levels well below the late 1990s. A major heroin shortage became apparent in late 2000 and, while availability increased, there was not a return to the 'street markets' that existed prior to the shortage.

Research conducted by the National Drug and Alcohol Research Centre indicated that the levels of use remained less than before the shortage<sup>1</sup>. Australian Crime Commission statistical data indicated that the median purity of heroin seized by State and Territory police had been substantially lower in the years since 1999 and the advent of the heroin shortage<sup>2</sup>. Accidental deaths from opioids also remained at levels equivalent to the early 1990s, with some 600 fewer fatal overdose deaths per year than were occurring in the late 1990s.

In addition, the heroin shortage appeared to have substantially reduced the robbery rate in Australia. The New South Wales Bureau of Crime Statistics (BOCSAR) found a correlation between the rate of heroin use in the community and robbery. Robbery rates rose rapidly through the 1990s and then fell commensurate with the heroin shortage. According to BOCSAR, the heroin shortage in Australia early in 2001 led to a steep fall in the prevalence of robbery across the country and showed the importance of stemming the flow of heroin across our borders<sup>3</sup>.

As a relatively wealthy country with a known heroin market, Australia remained attractive to major syndicates interested in resuming high-level importations. Most heroin imported into Australia originates in Burma. Opium cultivation in Burma steadily declined since the mid-1990s when estimated production was 1,760 metric tons. In 2003 estimated production was only 810 metric tons.

The major opium cultivation global region is Afghanistan where production, which dropped to 185 metric tonnes in 2001 from 4,565 metric tons in 1999, returned to high levels. Opium production for the 2003 Afghan cultivation season was 3,600 tonnes and preliminary estimates for the 2004 crop was likely to exceed this. Afghan heroin is generally trafficked to Europe and the United Kingdom. There appeared to be no established major trafficking networks to bring heroin to Australia. However

trafficking syndicates are highly flexible global businesses that look to exploit opportunities for profit as they occur.

The AFP seized 67.9 kg of heroin. This was less than in recent years. The lower seizure rate reflected the continued impact on the major crime syndicates of the disruption created over the past years and a lessening demand on the reduced Australian heroin market.

AFP Intelligence was aware of traditional import syndicates and the continued interest in the Australian heroin market by development of new trafficking groups and routes. Heroin is expected to remain a considerable threat to the Australian community for the foreseeable future.

## Significant achievements

- In November 2003 two people were arrested and 21 kg of heroin seized in an investigation into a Malaysian-based narcotics distribution syndicate operating between Malaysia and Australia. The syndicate was believed to be responsible for two previous heroin importations investigated by the AFP during which 18.9 kg of heroin was seized.
- In August 2003 an investigation into the importation of 15 kg of heroin, detected in an industrial oven imported into Sydney from Shenzhen, China, took place. Three persons were arrested.
- The AFP and Hong Kong Police investigated the activities of a Hong Kong-based syndicate involved in importing large quantities of narcotics into Australia. Eight people in Australia were arrested and 76.5 kg of methylenedioxymethamphetamine (MDMA), 3.5 kg of heroin and \$702,000 seized. Inquiries into syndicate members were ongoing.

## Cocaine

Colombia, Peru and Bolivia remained the largest source countries for the supply of cocaine to global markets, including Australia. A decline in coca cultivation in Colombia began in 2001; however, despite another almost 16 per cent drop in

<sup>1</sup>Courtney, C., Degenhardt, L. & Roxburgh, A. (2003). Illicit Drug Reporting System Drug Trends: December 2003 Bulletin. Sydney: National Drug and Alcohol Research Centre.

<sup>2</sup>ACC. (2004). Illicit Drug Data Report 2002-03, Australian Crime Commission, Canberra.

<sup>3</sup>BOCSAR (2003). The impact of heroin dependence on long-term robbery trends, Media Release, 10 December 2003, New South Wales Bureau of Crime Statistics, New South Wales Attorney General's Department.  
<<http://www.lawlink.nsw.gov.au/bocsar1.nsf/pages/media101203>>

cultivation from 2002 to 2003, the country remained the largest coca grower in the world.

The emerging trend of smaller cocaine seizures and the growing use of the postal system to import cocaine into Australia continued.

Unlike the large cocaine seizures of 2000 and 2001, the past 12 months saw a reduced quantity of cocaine seized. Seizure trends highlighted that traffickers were more frequently importing lower quantities using mail and parcel post. This trend reduced the quantity of cocaine seized. The amount of cocaine seized, however, was higher than in the previous reporting period (119 kg compared with around 66 kg).

Air passenger detections in the past 12 months pointed to a trend of using multiple couriers on flights, with each courier carrying between 1 and 2 kg of cocaine. Common nationalities and the travel patterns of couriers suggested a high level of organisation.

Although the AFP continued to investigate possible importations by sea, no large-scale attempted importations by ocean-going vessels were noted, as they were in 2002–03.

NSW remained the focus of cocaine importation and consumption. Of the 703 seizures made, 600 were in the State representing 89 of the 119 kg of cocaine seized.

Smaller amounts of cocaine were seized from couriers and through international mail exchange.

### Significant achievements

- In August 2003 4.9 kg of cocaine was seized in the luggage of a passenger who arrived in Sydney from the Dutch Antilles. Efforts to identify the principal continued through the overseas liaison network.
- On 15 October 2003 an Australian passenger arrived at Brisbane International Airport from Caracas, Venezuela. His suitcase was x-rayed and 46 packages of cocaine found in a hidden compartment. The net weight of the cocaine was 5.78 kg.

### Significant sentencing decisions

- In July 2001 an investigation into the largest seizure of cocaine in Australian history began after 938 kg of cocaine was seized in an AFP operation at Dulverton Bay, Western Australia. The cocaine originated from South America and was conveyed in a fishing trawler. Two Americans and three Colombians were arrested. One American and one Colombian pleaded guilty and were sentenced to 25 years and life respectively. On appeal in May the American was sentenced to life imprisonment. In August 2003 a second Colombian was found guilty and sentenced to life imprisonment with a non-parole period of 26 years. The charges against the third Colombian were dropped by the Commonwealth Director of Public Prosecutions. The second American was deported to the United States.
- In August 2000 317 kg of cocaine was seized during search warrants in a joint operation in Adelaide, South Australia. In March 2004 the defendant was sentenced to 20 years imprisonment in relation to a Possess Prohibited Imports charge. A joint AFP-Argentine Federal Police investigation into an alleged Australian, Argentinean and Peruvian transnational organised crime syndicate resulted in the seizure of 3.7 kg of cocaine and the arrest of five people in Australia (February 2003). Ten others were arrested and 22 kg of cocaine seized in Buenos Aires, Argentina. One of the Australia-based defendants was sentenced to 13 years imprisonment and another to 12 years and six months.

### Amphetamine-type stimulants

Amphetamine, methylamphetamine and MDMA continued to be the main amphetamine-type stimulants (ATS) imported into Australia. MDMA represented the major portion of ATS seizures, in weight and number. The weight of MDMA seized fell by 10.3 per cent, from 899.9 kg (2002–03) to 807.3. The number of seizures also fell—from 334 to 283. NSW remained the focal point for MDMA importations with 73 per cent of AFP seizures.

The number and weight of ATS seized (other than MDMA) fell significantly by more than 65 per cent from the previous reporting period. In 2002-03, there were 141 seizures (459 kg) compared to 130 (153.6 kg). Very little crystalline methamphetamine (ice) was seized, in contrast to previous years which consistently saw increases (from 1999-2000).

Non-parcel post seizures in excess of 5 kg accounted for more than 90 per cent of the weight of ATS seized. However, as in previous years, the postal stream accounted for the majority of ATS seizures. While parcel posts represented only two per cent of the weight of ATS seized, this method accounted for 74 per cent of ATS seizures. This continued to highlight that the ATS threat was from organised criminal groups and amateur and speculative importers.

## Significant achievements

- In July 2003 a shipping container from the Netherlands was searched by Customs officers in Sydney. Seven blue steel water filters containing 106.6 kg of MDMA tablets were located and seized. A controlled operation resulted in the arrest of two Dutch people.
- In October 2003 a consignment of an agricultural irrigator holding a large amount of piping arrived in Sydney from Belgium by sea. Approximately 195 kg of MDMA tablets was concealed in the piping. In early November 2003 six persons were arrested in Australia and approximately \$24,000 seized. Following the arrests, Belgian authorities arrested eight persons and seized significant evidence in relation to the joint investigation and other criminal matters.
- In December 2003 the AFP, Western Australia Police and the United Kingdom National Crime Squad (UK NCS) investigated a transnational MDMA trafficking syndicate resulting in 13 arrests and the seizure of 33 kg of MDMA concealed in a consignment of refrigerators imported from the United Kingdom. AFP agents arrested nine suspects in Sydney. Two others were arrested in Darwin. Simultaneously, the UK NCS arrested two men in Britain, who were the subject of an extradition application.
- On 8 January 2004 an American arriving in Melbourne tested positive against an ion scan for cocaine. Documentation relating to an importation of an Envirotainer (refrigerated air cargo container) was found in his luggage. Subsequent investigations found 20 kg of MDMA in two Envirotainers. Three people were arrested and were before the courts.
- On 16 February 2004 approximately 36 kg of MDMA was seized in Melbourne. The MDMA was concealed in wooden crates containing antique chandeliers. Seven people were arrested, two of whom were suppliers of MDMA to the Victorian and NSW markets.
- The AFP and Queensland Police Service investigated a proposed importation of 1.5 tonnes of pseudoephedrine hydrochloride by a criminal syndicate and arrested six persons on 30 March 2004. The AFP was liaising with the Philippines Drug Enforcement Agency on the progress of the prosecution against Philippines-based offenders.
- On 9 June 2004 a multi-agency investigation into the activities of a Hong Kong- and Malaysia-based syndicate led to the seizure of a clandestine laboratory and precursors for the production of up to 1,000 kg of crystal methylamphetamine (ice) in Fiji. The investigation emerged from a multi-agency agreement between law enforcement agencies in Malaysia, Fiji, Philippines, New Zealand, Hong Kong, and Australia. It focused on the syndicate's ability to establish a clandestine ATS laboratory in Fiji and the subsequent trafficking of illicit drugs into Australia and other countries in the Asia-Pacific region. Six people were arrested and charged.
- On 18 June 2004, as a result of intelligence gathered by the AFP, Customs officers searched a shipping container in Sydney which originated in the Netherlands. Three hundred kg of MDMA powder was located between packaged Chinese wonton pastry sheets. A cooperative operation between the AFP (Sydney and Brisbane) and the Joint Asian Crime Group arrested and charged four people.

## Human source handling

As the law-enforcement environment becomes more complex, cultivating and managing human sources becomes more important. Transnational crime syndicates are sophisticated and increasingly aware

of law enforcement methodologies. Globalisation, the threat of terrorism and the impact of crime on the community have created demand for the efficient sharing of Australasian law enforcement intelligence resources through partnerships.

In some cases, traditional investigation methods are hindered and technology exploited to the detriment of AFP operations. One selectively-placed human source can negate the need for many months of investigation and the deployment of expensive specialist equipment. The AFP Human Source Management Team is negotiating with other law enforcement partners on exchanging and sharing of human resources.

The AFP established governance in relation to Human Source Management. The AFP strives to be a leader in policy and practices, with a strict regime of compliance and professional personnel administering human source management. In effecting governance, the AFP continually reviews Human Source Management policy to ensure contemporary practices are met.

Using Human Sources led to the arrest of principal organisers involved in people-smuggling operations and the interception of suspected illegal entrant vessels heading for Australia. It also led to the arrest and interdiction of persons responsible for importing illicit drugs into Australia and some destined for foreign shores.

## People smuggling

A Section 37(2) Ministerial Direction, dated 27 December 2000, requires the AFP to give special emphasis to countering or investigating organised people smuggling and contribute to implementing a whole-of-government approach to unauthorised arrivals. In accordance with the Direction, the AFP continued to investigate and disrupt organised people smuggling to Australia.

The People Smuggling Strike Team (PSST), other AFP investigation teams and the AFP Overseas Liaison Network contributed to the ongoing suppression of people smuggling by boat to Australia.

The PSST is a joint team of AFP members, DIMIA investigators and an attached AFP-DIMIA intelligence team. Recognising the value of the PSST, the 2004–05 Federal Budget provided funding for another four years.

With the decline in unauthorised boat arrivals in Australia and, as a result of Australian Government

efforts to counter them, smuggling syndicates in South-East Asia and Indonesia in particular struggled to continue. However, a people-smuggling infrastructure remained in source and transit countries and the threat of people smuggling remained significant. Syndicates targeting Australia attempted to source clients from new countries. They also explored different smuggling methods including different vessel types, embarking points and vessel routes.

People smuggling by air using falsified, forged or improperly obtained documents was an ongoing concern and the AFP continued to develop intelligence and investigate this area of crime.

Work continued on long-term investigations of major organised people smugglers which began when the PSST was established. Many were reaching fruition—two had gone through the courts, several were proceeding to trial, a major target was arrested, and another major suspect extradited. The PSST responded quickly to another target, the subject of an extradition request. The PSST also drew heavily on the work of the AFP's Overseas Liaison Network, provided significant tactical intelligence to partner agencies in Australia and overseas and, in cooperation with other agencies, contributed to the disruption of people-smuggling ventures.

Three instances of unauthorised non-citizens being transported by boat to Australian territory were detected.

- On 1 July 2003 a vessel carrying 53 Vietnamese persons arrived off the coast of Port Hedland.
- On 14 November 2003 an Indonesian vessel carrying 14 Turkish people arrived at Melville Island and was returned to Indonesian waters.
- On 4 March 2004 15 Indonesians were detected on Ashmore Island and repatriated to Indonesia.

In July 2003 the PSST helped the Royal Papua New Guinea Constabulary investigate the detection in Papua New Guinea of ten people using false travel documents. Three were convicted of immigration offences. In addition, a significant people-smuggling operation was disrupted and considerable intelligence on people smugglers in the region gathered.

To further the strategies and objectives developed by the Ad Hoc Experts Group II of the Bali Ministerial Conference of April 2003, the AFP helped fund and organise the Inaugural People Smuggling Regional Targeting Workshop in Bangkok, Thailand, on 24 and 25 May 2004.

The workshop aimed to identify transnational people smuggling or trafficking targets of interest to a significant number of participating countries. This would point to subjects for an ongoing process aimed at targeting people-smuggling/trafficking in the region. Representatives of police agencies in Sri Lanka, Singapore, Philippines, Pakistan, New Zealand, Malaysia, Macau SAR, Japan, Indonesia, Hong Kong SAR, China, Thailand, and Australia attended the workshop. Other agencies interested in the control of people smuggling, such as the International Organisation for Migration and Interpol (Project Bridge), also participated.

The AFP continued to fund the Royal Thai Police Immigration Transnational Crime-Tactical Intelligence Centre and assigned an AFP advisor to it. The Centre supports the ongoing targeting of people smuggling in the region. It also coordinates intelligence in Thailand on people smuggling. The Centre disrupted several syndicates attempting to organise travel by illegal immigrants to Australia.

## Significant achievements

- In July 2003 a Pakistani was extradited from Thailand to Australia to face charges relating to his/her alleged involvement in bringing 396 unlawful non-citizens to Australia on two boats (March and April 2001). The person's arrest followed a lengthy investigation by PSST and overseas law-enforcement agencies.
- An alleged people smuggler was successfully extradited to Australia in November 2003 to face charges over an incident relating to a vessel subsequently referred to as the *Siev X* (October 2001) in which approximately 353 people lost their lives when their vessel sank during its voyage to Australia. The man was alleged to have played an important role in the *SIEV X* venture and to have arranged the voyage of another vessel which brought 147 unauthorised non-citizens to Australia in August 2001.
- In March 2004 a man was arrested by the PSST on his arrival at Kingsford Smith Airport, following an extensive and long-running investigation by the PSST and DIMIA. He was charged in relation to his alleged role in bringing unlawful non-citizens to Australia in February 2000. It would be alleged he was the principal organiser behind the arrival of a vessel carrying 14 Turkish people.

## Significant sentencing decisions

- In March 2004, after a three-week trial in the West Australian District Court, two persons were found guilty of offences under the *Migration Act 1958* and a third person acquitted. Charges arose after the vessel *HAO KIET* arrived off Port Hedland, Western Australia, on 1 July 2003, carrying 53 unlawful non-citizens from Vietnam. An Australian and the captain of the vessel were found guilty and sentenced to the mandatory minimum five years imprisonment with a non-parole period of three years.
- On 27 December 2003 an Egyptian court sentenced a man to seven years gaol after he was found guilty of charges relating to people smuggling, including causing death through negligence, of an estimated 353 people on the vessel known as *SIEV X* in October 2001. The PSST conducted a major investigation into the incident and helped Egyptian authorities prosecute the offender. The offender lodged an appeal.
- On 19 December 2003 a man was found guilty of 12 counts of organising or facilitating the arrival of unlawful non citizens and entered a plea of guilty to one charge of presenting false documents. On 29 January 2004 he was sentenced in the Perth District Court to 12 years in jail with a non-parole period of eight years. The sentence was subject to an appeal.

## Transnational sexual offences

In October 2003, the Australian Government announced a comprehensive \$20-million package of measures to combat human trafficking (sexual servitude) and child-sex tourism. A whole-of-government strategy to combat this crime type was developed allowing for greater focus on victims of trafficking to ensure they are afforded appropriate welfare services and opportunities. An Australia wide case-management program is now in place to assist victims, and a suite of trafficking specific visas were introduced to support victims by allowing them to remain lawfully in Australia and assist in

investigations and prosecutions. A comprehensive victim reintegration program was also established for those victims wishing not to remain in Australia, preferring instead to return to their home countries.

As part of this package, the AFP received \$7 million over four years to complement existing resources from the Transnational Sexual Offence Team (\$11.7 million). The AFP established the 23-member Transnational Sexual Exploitation and Trafficking Team (TSETT) incorporating increased intelligence capacity within the TCCC in addition to supplementing investigative capability to respond flexibly and quickly to the highest priority cases. Funding was also provided to allow the AFP's School of Investigations Management to develop a Human Trafficking and Child Sex Tourism Specialist Investigation Program. Two courses have been successfully completed, involving the use of domestic and international subject matter experts.

## Human trafficking (sexual servitude)

According to the United Nations, human trafficking rates third behind the crimes of drug and firearms trafficking in terms of profit making capacity. Australia is a destination country for human trafficking, (a country that receives victims of human trafficking). The primary source of trafficking victims to Australia is South-East Asia, although a smaller number have also been trafficked from European nations to Australia. Nationalities of victims identified in Australia to date included Thai, Burmese, Indonesian, Korean, Japanese, Chinese, Malaysian, Indian, and Uzbekistani.

These females are usually recruited from countries that suffer from a poor socio-economic environment and/or experience some form of political instability. Victims are potentially attracted by the desire for better social and economic opportunities; however some are deceived by traffickers in relation to the true employment and living conditions offered to them.

Human trafficking involves highly organised transnational criminal groups. The success of trafficking groups is predicated on involvement in other criminal activities, including the production of, or access to, false documentation such as identity cards, passports and travel documents as well as knowledge of, and access to, money structuring and laundering techniques as well as an understanding of migration governance, procedures

and laws. The criminal element of human trafficking occurs in a series of phases identified as recruitment, facilitation, transportation, distribution, and the final element of exploitation.

Historically, organised groups have become involved in human trafficking based on the supply and demand for females to work within the local sex industry of a foreign country. In addition the realisation of high profits coupled with low-level risk involvement provides strong incentives for participation in this crime type.

Since the introduction in 1999 of the Criminal Code (Slavery and Sexual Servitude) Amendment Act the AFP has investigated 79 matters relating to human trafficking for the purposes of sexual servitude and slavery. However, due to the often violent nature of these crimes and the associated coercion, force and threats experienced, victims are sometimes reluctant to provide police with information which would support further investigation. Subsequently, many cases did not proceed to prosecution. To date a total of 20 victims have been identified.

### Significant achievements

- In June 2003 three people were arrested by Sydney TSETT in relation to a sexual servitude investigation. Another person was arrested in August 2003. All were charged in relation to offences against the *Criminal Code (Slavery and Sexual Servitude) Amendment Act 1999*. The matter was still before the court.
- In July 2003 four people were arrested by TSETT Melbourne in relation to a sexual servitude investigation. All have been charged in relation to offences against the *Criminal Code (Slavery and Sexual Servitude) Amendment Act 1999*. The matter was still before the court.
- In February 2004 two people were arrested by Sydney TSETT in relation to a sexual servitude investigation. All have been charged in relation to offences against the *Criminal Code (Slavery and Sexual Servitude) Amendment Act 1999*. The matter was still before the court.

## Child-sex tourism

Commonwealth Child Sex Tourism Legislation provides for the prosecution of an Australian citizen in Australia for child sex tourism offences committed overseas. It is important to note that this legislation is designed to prosecute Australian citizens when prosecution does not proceed in the country where the offence was committed. The legislation contains penalties of up to 17 years imprisonment. The Australian Federal Police (AFP) has the duty for discharging the Commonwealth's responsibility on Child Sex Tourism matters.

The AFP continued to work closely with Australian Government departments and agencies, adopting a whole-of-government approach to bringing perpetrators to justice in Australia or overseas.

Australia is classed as a sending country for child-sex tourism, ie people travel from Australia to foreign destinations that suit their sexual predilections for children. Child-sex tourism is a crime driven by push-pull factors.

Push factors in Australia include:

- ➊ comprehensive legislation criminalising child sexual exploitation;
- ➋ professionally trained domestic law enforcement agencies experienced in combating this form of abuse;
- ➌ a Government that supports and protects the development of children; and
- ➍ an educated public who, at some level, are aware of the rights of children and their susceptibility to abuse.

Pull factors in destination countries include low socio-economic conditions and poor or little education. Countries that had experienced recent civil unrest also provided child-sex offenders with a fertile environment to operate with some level of impunity. Due to Law Enforcement Authorities in Thailand and the Philippines devoting more resources to investigating child sex tourism, child sex offenders are now seeking out other destinations. This is evident by arrests of Australian nationals in Bali, Cambodia, Vietnam, Sri Lanka, Papua New Guinea, Samoa, East Timor, Solomon Islands, and Mexico.

Since 1998, 28 Australians had been charged in countries in which the abuse was committed. Of these, nine were convicted, four deported, one died

before appearing before a court, one charge was withdrawn, two were dismissed, one acquitted, and one person died following sentencing. Nine cases are ongoing.

The AFP leads international efforts to combat sexual offences against children. Through the International Network, the AFP contributed significantly to international investigations aimed at combating child-sex offences.

In 2003–04, the AFP took significant steps to gain a greater understanding of the nature and extent of child-sex tourism and human trafficking throughout our region, including conducting environmental scans in Cambodia, Indonesia, East Timor, Vietnam, Thailand, and the Philippines. Findings from these scans will guide operational and policy directions for these crime types.

Australia has signed Memoranda of Understanding (MOU) to combat sexual abuse and other serious crimes with countries in Asia, the Pacific and South America, to build cooperation and exchange information relating to child-sexual abuse that may help identify groups and individuals involved in the sexual exploitation of children.

A feasibility study conducted in Bali during 2003 focussed on emerging transnational crime issues, including child-sex tourism and sexual exploitation. The study led to the establishment of an AFP post in Bali in March 2004 to better coordinate and enhance capacity in the region.

In December 2003 Child Wise (the Australian arm of ECPAT, End Child Prostitution, Child Pornography and Trafficking of Children for Sexual Purposes) initiated an advertising campaign called Don't Let Child Abuse Travel, launched by the AFP Commissioner. The campaign aimed to make Australians aware of the extra-territorial laws and penalties regarding child-sex tourism. It provided an AFP free-call phone hotline number for reporting suspected child-sex tourists. Campaign information cards and posters were distributed to travel agents and airports throughout Australia and to all AFP Liaison Posts and Embassies overseas. Since the campaign launch in December 2003, 19 calls have been received and investigated by the AFP.

## Economic and Special Operations

Economic and Special Operations is a functional area in the AFP with portfolio responsibility for detecting and investigating major fraud against the Australian Government, investigating a range of other Commonwealth offences, providing advice and assistance to Government departments and agencies, and providing a community-policing service in the External Territories. More specifically, the portfolio is responsible for investigations into the following crime types:

- corporate and bankruptcy;
- corruption;
- counterfeit currency;
- electronic and telecommunications crime;
- environmental crime;
- External Territories;
- family law matters;
- fraud;
- general crime;
- identity crime;
- intellectual property;
- missing persons;
- money laundering and Financial Transaction Reports Act;
- multiple voting; and
- war crimes.

The portfolio contributed to the delivery of Outcome 1, focusing on national and international investigation with prevention and protection of Commonwealth interests in Australia and overseas.

The objective of the portfolio is to position the AFP nationally and internationally as the provider of choice for expert advice and best practice across the diverse range of crime types dealt with in the portfolio.

The following crime types which fall outside of the portfolio were investigated in partnership with other agencies.

### Corporate and bankruptcy

The Australian Securities and Investment Commission (ASIC) is the lead agency for enforcing corporate legislation and investigating breaches. The AFP is typically called upon to assist ASIC investigate major or complex corporate malfeasance. These joint investigations normally involve the AFP providing specialist investigative, technical and forensic support.

The Insolvency and Trustee Service of Australia (ITSA) is responsible for administering and enforcing issues relating to bankruptcy in Australia. The AFP assists ITSA meet its corporate objectives by investigating complex major bankruptcy offences. These offences are predominantly in the form of strategic strikes, selected on the basis that their successful resolution may have a major deterrent effect.

Under its service agreement with ITSA, the AFP is required to accept 95 per cent of strategic strikes. The AFP received 21 referrals; one was rejected as it did not meet strategic strike selection criteria. The remainder were being actioned.

### Significant investigations

- The AFP received a referral from the National Australia Bank (NAB) in January 2004 to investigate the alleged fraud of \$180 million (later revised to \$360 million) through unauthorised foreign exchange trading by four NAB foreign exchange options dealers—three based in Melbourne and one in London. AFP and ASIC believed that possible offences of dishonest conduct by the traders—contrary to the *Corporations Act 2001*—required further investigation. ASIC, the agency responsible for investigating breaches of the Corporations Act, undertook carriage of the investigation and the AFP continued to assist. The investigation was continuing.
- In April 2004 a matter was referred to the AFP by the ITSA, alleging a couple had sold five properties within two years of bankruptcy. The \$591,000 in property sales were not declared to the Trustee. The investigation was continuing.

### Corruption (Special References)

Within AFP headquarters, Head Office Investigations is a specialist team responsible for the investigation of sensitive matters and special references, including espionage, corruption of public officers, unlawful disclosure of Australian Government information, war crimes, and other matters that may impact on good government.

The team's primary focus is the unauthorised disclosure of Commonwealth information by Australian Government officers. This usually results

from non-adherence to Commonwealth Protective Security Manual requirements and relates to document management.

These requirements include draft secure documents not being handled as secure documents, a lack of staff training in procedures, non-adherence to best-practice principles for managing secure documentation, unlimited or unsupervised access to secure storage facilities, unaccountable photocopies of classified documents, and use of shared directories for briefing papers and associated notes.

While there was no increase in unauthorised disclosures referrals, the potential to cause harm to the Australian Government or individual departments and agencies remained significant. The AFP continued to develop an information package to identify and address issues that regularly arise from these type of referrals. The package, being delivered across Government, provided details on controlling documents and auditing document movements.

### Significant investigations

- An investigation into the unauthorised disclosure of a report relating to Iraq, authored by Mr Andrew Wilkie (an employee of the Office of National Assessments), was completed. The source of the disclosure could not be identified.
- An investigation into an alleged fraud of \$1.95 million by an employee of the National Archives was completed. The majority of the funds were recovered and court proceedings commenced against the employee.
- An investigation into an allegation that a medical researcher provided fraudulent information to the Australian Government to obtain grants of \$160,000 over four years for study was completed. The money was never obtained.

## Counterfeit currency

Before the reporting year, a significant internal review of counterfeit currency was completed. The AFP and Reserve Bank of Australia (RBA) jointly implemented the review's major recommendations during the past 12 months. Twenty-two new cases relating to counterfeit currency investigations were raised. A generic case was used for managing seizures of counterfeit notes where no AFP prosecution action was available. Intelligence was collated by classifying

counterfeit activity into regional locations and linking related offences.

The AFP and RBA continued to destroy counterfeit currency.

## Counterfeit currency statistics

The face value of counterfeit currency seized by the AFP reduced over the past two years. Table B provides statistics compiled by the AFP using monthly information supplied by offices. The number of counterfeits reported to the AFP fell but several current series of counterfeit banknotes remained of concern.

**Table B—Counterfeit currency statistics (comparison of three years)**

	2001	2002	2003
Australian notes (\$)	1,575,020	523,130	288,905
Australian coins (\$)	34	93	4,547
United States (\$)	360,000	86,650	90,030
Euro	N/A	7,300	16,950
UK (GBP)	380	55	120

### Significant investigations

- The AFP acted on information from the ACC that two suspects were allegedly producing fake Australian \$1 coins in a factory in Southport, Queensland. Search warrants were executed in the Gold Coast area and the suspects arrested and charged with producing in excess of \$4,000 in counterfeit coins. The AFP intervention prevented the production of thousands of counterfeit coins per week.
- The AFP acted on information that a large number of Australian counterfeit \$20 notes were allegedly being put through a coin change machine at a car wash in Werribee, Victoria. The AFP charged two men and seized the equipment used to manufacture counterfeit notes. The investigation determined that a group of bill verifiers could not identify the counterfeit notes. The RBA and Victorian Gaming Authority were advised and corrective action taken to reprogram the bill verifiers in February 2004.



## Electronic and telecommunications crime

Since its official launch on 2 July 2003 the Australian High Tech Crime Centre (AHTCC) experienced significant growth. The AHTCC included around 30 members and received between 50 and 100 referrals a week through its Internet site ([www.ahtcc.gov.au](http://www.ahtcc.gov.au)). It also operated a 24-hour telephone hotline and handled its own investigations and referrals from other departments and agencies.

The AHTCC was founded on cooperation between all Australian police agencies, other Australian Government departments and agencies, industry groups, and private-sector organisations that shared a common interest in fighting high-tech crime. The AHTCC is primarily staffed by AFP members, but it also includes police seconded from New South Wales, Tasmania, and South Australia. The Northern Territory, Western Australia, Queensland, and Victoria police services are seconding staff. The AHTCC also includes people seconded from the Defence Signals Directorate, ACS, ACC, Australian Bureau of Statistics (ABS), Australian Communications Authority, and the ASIC as well as representatives from the Commonwealth Bank and Westpac Banking Corporation under the Joint Banking and Finance Sector Investigations Team.

Recognising the global nature of high-tech crime the AHTCC continued developing strong relationships with partner law enforcement agencies overseas in conjunction with the AFP's International Network. As a result the AHTCC participated in operations, training programs and intelligence exchanges with organisations such as the UK National High Tech Crime Unit, the UK NCS, the United States Federal Bureau of Investigation (FBI), the US Immigration and Customs Enforcement agency, the United

States Secret Service, the Royal Canadian Mounted Police (RCMP), Interpol, the G8<sup>4</sup>, and Germany's Bundeskriminalamt.

Under the Australian Government's e-Security National Agenda, the AHTCC continued to participate in matters relating to protecting Australia's Critical National Information Infrastructure and cooperated operationally with ASIO and Defence Signals Directorate.

In cooperation with the Australian Computer Emergency Response Team (AusCERT), the AGD and State and Territory police, the AHTCC contributed to developing the 2004 Australian Computer Crime and Security Survey which reported on the security operations of Australia's private- and public-sector organisations. A copy of the report is available at [www.auscert.org.au](http://www.auscert.org.au)

During 2003 the AHTCC provided evidence to the Parliamentary Joint Committee on High Tech Crime for the ACC and to an inquiry by the Victorian Parliament's Drugs and Crime Prevention Committee into White Collar Crime.

Operationally the AHTCC conducted investigations and intelligence operations across a range of crime types, either independently or with teams from the AFP or State and Territory police. These included electronic commerce fraud, online child abuse, computer intrusions, creation and distribution of computer viruses, importation of prohibited substances, and threats against Australia's Critical National Information Infrastructure. The AHTCC also supported other areas such as counter-terrorism, protective security and the multi-agency Identity Crime Taskforce.

In May 2004 the Joint Banking and Finance Sector Investigations Team was formed to investigate electronic commerce crimes in the banking and finance sector. Partners included Australia's five major banks which are committed to seconding staff to the AHTCC. Support was also provided by the Credit Union Society Corporation Australia Limited, the Australian Bankers Association, MasterCard, and VISA International.

The AHTCC continued to provide a central contact point and coordination role with Australian and foreign online child-abuse referrals. This included Interpol, international law enforcement agencies, non-government organisations, and the public.

<sup>4</sup> The G8 is an organisation of developed democratic economies. Members meet regularly to discuss common macro-economic issues.

The AHTCC coordinated international inquiries through the AFP's International Network and Interpol.

In November 2003 a Virtual Global Taskforce (VGT) was formed between the AHTCC, the UK NCS, the RCMP, the FBI, the US Immigration and Customs Enforcement, and Interpol to combat online child abuse. The Taskforce sought to implement crime reduction initiatives across participating jurisdictions to reduce the incidence of online child-abuse activities.

With the AFP the AHTCC began exploring how offenders were using Internet-based technology to facilitate child-sex tourism activities. The Centre continued providing technical and investigative support to AFP investigations and building an understanding of the nature of online offending. These initiatives would continue to draw upon the synergies of the two areas.

## Significant investigations

- ➊ The AHTCC had a matter before the courts in which a Victorian man was alleged to have launched a denial-of-service attack against the Internet site of his former employer, allegedly affecting the company's ability to trade through the Internet. This was the first hearing under the *Cybercrime Bill 2002* which provided amendments to the *Criminal Code Act 1995* in areas of computer crime.
- ➋ Numerous investigations into Internet banking fraud and related criminal activity were conducted by the AHTCC through the Joint Banking and Finance Sector Investigations Team. In 2003 an Australian bank alerted the AHTCC that a computer in Perth was being used for the unauthorised access and removal of money from the Internet banking accounts of seven of the bank's customers. The team examined a residential computer and established that overseas criminals were controlling it with a virus and undertaking Internet banking thefts. Inquiries continued with the assistance of overseas law enforcement agencies.

## Environmental crime

The AFP and partner agencies such as the Department of the Environment and Heritage (DEH) are responsible for investigating offences relating to environmental crime. To further contribute to the



AFP's Environmental Crime Strategy, the AFP developed partnerships with key agencies and the community to promote the effective exchange of knowledge and resources.

The AFP's Hobart Office is involved in the Tasmanian Environmental Crime Working Party, comprising representatives from Australian Government and State agencies including the DEH, the Australian Maritime Safety Authority, the Australian Fisheries Management Authority, the National Oceans Office, the Australian Antarctic Division, the Australian Customs Service, the Australian Quarantine Inspection Service, the Department of Primary Industries, Water and Environment, the Department of Tourism, Parks, Heritage and the Arts, the Tasmania Police, Quarantine Tasmania, and Inland Fisheries Service.

## Significant investigations

- ➊ The AFP, with assistance from the DEH, investigated in June/July 2003 a company allegedly attempting to export computer parts in a shipping container bound for South-East Asia without a permit. Such an export is regulated under the *Hazardous Waste (Regulation of Exports and Imports) Act 1989* if the computer parts are destined for de-manufacture. The matter was with the Commonwealth Director of Public Prosecutions.
- ➋ In June/July 2003, the AFP worked with the DEH to recover fossilised dinosaur eggs from locations in Australia. Section 14 of the *Protection of Moveable Cultural Heritage Act 1986* prohibits the importation of these items into the country. It was established that the eggs originated in the Peoples Republic of China. It is an offence in China to export fossilised dinosaur eggs and the Australian Government arranged to return the eggs through the Chinese Ambassador in Australia.

- In April 2004 a man pleaded guilty to unlawfully exporting a Marshall Steam Road Locomotive and attempting to export a Fowler Stump Puller, contrary to the *Protection of Moveable Cultural Heritage Act 1986*. The investigation was complex because the purchaser resided overseas and the AFP had to recover the locomotive from that jurisdiction. The items were forfeited to the Crown and the offender convicted and fined \$1,000.
- In April 2004 a Panama-registered bulk carrier travelled through a prohibited zone in the Great Barrier Reef Marine Park off Gladstone, Queensland. The AFP responded and the Master of the vessel was convicted of operating a ship in a prohibited zone, in contravention of the *Great Barrier Reef Marine Park Act 1975*. He was convicted and fined \$10,000.

## External Territories

The AFP provides services to Christmas Island, Cocos (Keeling) Islands, Jervis Bay Territory and Norfolk Island. The AFP provides sworn members to all External Territories and uses local community members as special constables.

The AFP held a training course in Canberra for special constables to provide additional skills and enhance their ability to support AFP sworn members.

### Christmas Island

AFP staffing on Christmas Island consists of one sergeant (officer-in-charge), three constables and two locally engaged full-time staff with the assistance of four special constables. The ACS deployed two permanent members to Christmas Island to undertake customs duties. The AFP developed a close working relationship with these members and provided ACS access to the special constables in support of their functions.

The motor registry function transferred to the Christmas Island Shire.

In addition to normal policing duties AFP members continued a crime prevention and safety program; this involved lecturing on traffic safety and community responsibilities to school children.

### Cocos (Keeling) Islands

AFP staffing on Cocos (Keeling) Islands consists of one sergeant (officer-in-charge), one constable and a locally engaged full-time special member.

The AFP continued to provide community policing and customs, quarantine and immigration services. The AFP was also the first point of contact for suspected illegal entry vessels and unlawful non-citizens arriving on the Islands.

In early December 2003 the Islands were threatened by tropical cyclone Jana, a category four cyclone with winds in excess of 300 km per hour. The Cyclone Disaster Plan was activated and the AFP adopted the role of territory controller. On the evening of 9 December the Perth Bureau of Meteorology advised that Jana would pass directly over Cocos in 24 hours.

In the end Jana bypassed the islands without major damage. Community members complimented AFP members for their professionalism in handling the emergency.

An additional special member was available to assist with customs, quarantine and immigration functions, allowing AFP members to concentrate on providing community policing services.

The transfer of the motor registry function transferred to the Cocos (Keeling) Islands Shire Council.

Two more special members were engaged on the Island during the year.

### Jervis Bay Territory

AFP staffing at Jervis Bay Territory consists of one sergeant (officer-in-charge), two full-time constables and one part-time constable. There are no special members.

AFP members continued to build on the strong relationship with the local Indigenous community, including team building activities with residents from Oolong House, a local organisation helping Indigenous and non-Indigenous men suffering from drug and alcohol problems.

The AFP continued to be involved with community organisations including the Justice Advisory Group which is responsible for examining legal issues affecting the local Indigenous community at Wreck Bay.

A major bushfire in December 2003 in Booderee National Park burned approximately 70 per cent of the Territory and, although no person was injured and no houses lost, the fire severely damaged the Park and camping and picnic areas. A thorough investigation did not identify the cause of the fire.

### Norfolk Island

AFP staffing on Norfolk Island consists of one sergeant (officer-in-charge) and two constables. There are three special members.

On 15 February 2003 an investigation began into the arson of a partly constructed dwelling valued at \$500,000. The investigation had not identified offenders and the matter was before the Coroner.

The inquest into the murder of a young woman was conducted in June 2004 with the Coroner returning an open finding. Despite a substantial increase in the reward to \$300,000 no further information was supplied.

On 19 January 2003 the AFP coordinated a major search and rescue operation after receiving information that a vessel with two men was overdue returning from a fishing trip. New Zealand Search and Rescue authorities were notified and a specialist Orion aircraft flown from New Zealand to assist in the search. The men made their own way back to the island days after being reported missing.

### Family law

The AFP is the primary point of contact for all Recovery Orders, Warrants of Arrest and Writs of Possession issued by the Family Court of Australia. Each major AFP office has a small dedicated Family Law Team to facilitate court requests. Teams are also charged by the Court to place and maintain children's names on the Passenger Alert and Clearance Evaluation (PACE) system.

The AFP either executes the Orders/Warrants/Writs or, in the case of a remote locality, arranges for relevant State or Territory police to do so. Australia is a signatory to The Hague Convention which agrees to promptly return children removed from one convention country to another. The AFP is the conduit for such actions.

The AFP has an MOU with the Family Court of Australia which covers AFP responsibilities such as providing physical security at the Family Law Courts (Sydney and Parramatta), providing advice regarding court security at other locations, overseeing prisoner transfers at court, providing where necessary close personal protection for judicial and court staff, and conducting threat assessments.

**Table C—family law order and PACE alert activities**

<b>FAMILY LAW ORDERS 2003-04</b>	<b>Number</b>
Orders received by the AFP	795
Watch brief	19
Still active	45
In brief preparation	1
Before court	2
Awaiting finalisation	20
Finalised	670
Terminated	1
<b>PACE ALERTS 2003-04</b>	
Generated by the AFP	2,249
Deleted by the AFP	435

### Fraud

The AFP maintained the lead role in investigating serious and complex fraud committed on Australian Government departments and agencies as specified in the Commonwealth Fraud Control Guidelines. Fraud continued the trend of being more complex and organised, principally from high-benefit payment or revenue collection agencies.

Identity crime is a major tool used by economic crime offenders. Increasingly, false identities are used to obtain legitimate tax file numbers and fraudulently obtain significant refunds from revenue collection agencies such as the Australian Taxation Office (ATO)<sup>5</sup>. Identity crime is prevalent in the majority of Centrelink referrals to the AFP. Fraudulent bank accounts obtained over the Internet were also used by economic crime offenders.

The Crime Management Strategy for economic crime was developed to help departments and agencies counteract the activities of those involved in committing fraud. Strategic changes within the AFP would enable the more efficient allocation of resources to combat fraud in an investigative and intelligence building capacity.

The use of joint partnerships with the public- and private-sector nationally and internationally (including using out-posted agents) continued to form a significant part of the strategy to protect the economic interests of Australia.

<sup>5</sup> For example, see the third case under significant investigations.

In recent years, AFP resources for combating fraud concentrated on high-impact cases that, coupled with a vigorous pursuit of proceeds of crime action, increased the return to Government measured against the money invested in fraud related investigations.

## Significant investigations

- In January 2004 the Commonwealth Superannuation Scheme alleged there was an attempt to fraudulently transfer \$150 million from an account held with J P Morgan Chase to overseas bank accounts. The complex investigation continued and involved liaising and co-operating with other Australian Government agencies, international authorities and the private sector. There was no loss to the fund. This operation was ongoing.
  - A joint AFP, Customs and former National Crime Authority investigation started in May 2001, in relation to the alleged avoidance of \$18-million excise through the sale of duty-free purchased cigarettes and alcohol into the domestic market. Eight people were charged. Four pleaded guilty with two receiving prison sentences and two suspended sentences. The trial for the remaining four offenders was set for 31 January 2005. Mutual Assistance requests in relation to Proceeds of Crime action undertaken with Hong Kong, Belize and Lebanon resulted in the restraint of \$4.646 million including \$1.6 million returned to Australia from Lebanon on 18 April 2003.
  - A referral from the ATO was received in October 2003 concerning fraudulent income tax returns. The investigation revealed there were requested refunds totalling \$2.1 million, of which \$1.5 million had allegedly been paid into bank accounts by persons who had allegedly obtained legitimate tax file numbers using false identities. Sixty search warrants were executed and five persons were facing charges under the *Criminal Code Act 1995*.
  - A joint AFP-ATO investigation into alleged corruption in the Tax Office between October 1992 and January 2001 revealed the illegal use of ATO computer systems, false group certificates and tax returns, causing 254 fraudulent personal tax assessments to be generated for \$1,336,707.51. Five suspects, including three former ATO employees, were charged with Conspiracy to Defraud the Commonwealth. All pleaded guilty and were to appear in court in late 2004 for sentencing.
- Proceeds of Crime investigations were continuing into possibly restraining identified assets for forfeiture. This investigation was ongoing.
- In September 2003 an investigation began into two persons suspected of profiting \$10 million from investing in AMP derivatives in August 2003, immediately prior to a bid for AMP shares by the NAB. The AFP restrained \$1,177,725 in structured cash deposits into Westpac and NAB accounts. Two offenders were arrested. In April 2004 the offenders pleaded guilty to offences under the *Financial Transactions Reports Act 1988* and were committed to appear before the Melbourne County Court for sentencing. The funds restrained were the subject of Proceeds of Crime hearings.
  - The AFP, Centrelink and the ATO investigated the large-scale manufacture, distribution and sale of counterfeit brand name clothing, estimated to be worth \$3 million. Fifteen search warrants were executed and a significant quantity of counterfeit and unprinted clothing seized. Three persons were charged with offences pursuant to the *Trademark Act 1995*. Two were convicted of 15 counts of manufacturing false trademarks and 15 counts of possessing false trademarks. In June 2004, they were sentenced to 12 months imprisonment, the maximum penalty available to the sentencing Magistrate. The charges against the third person did not proceed.
  - In November 2002 the Australian Army referred a matter to the AFP, alleging a serving member of the rank of Captain who had been discharged from the army had forged documents overturning the original dismissal decision of a Court Martial. As a result the offender was reinstated into the army and received salary and other payments totalling \$132,385. In July 2003 the offender appeared before the Darwin Supreme Court and was convicted and sentenced to 12 months imprisonment, to be released after serving three months and upon entering into a good behaviour bond for two years.
  - In August 2003 Centrelink referred a matter to the AFP regarding the fraudulent claiming of unemployment and AUSTUDY benefits. An individual used 23 assumed identities to obtain benefit payments from Centrelink totalling \$416,280. The offender pleaded guilty to multiple charges and was awaiting sentencing.

## Identity crime

The use of false and stolen identities is the platform for most serious crimes including, but not limited to, major fraud, narcotic importation and terrorism. The AFP leads the investigation and disruption of criminal syndicates in this field through its role as the lead agency of Project Reflexive and the Identity Crime Task Force (ICTF).

Project Reflexive was established in January 2003 by Australian Government and State agencies to identify best practice for investigating identity-related crimes. At the end of the project the ICTF was formed. This Task Force is responsible for the investigation of identity crime-related offences and comprises 15 staff drawn from the AFP, Customs, NSW Police, the NSW Crime Commission, and the Independent Commission against Corruption.

The sophistication and technical capability of criminal syndicates involved in the manufacture, use and sale of false identity documents have increased dramatically. Technology, such as skimming devices, scanners and electronic surveillance, coupled with desk-top publishing and the Internet, assisted in the counterfeiting and acquisition of fraudulent documentation.

The ICTF employed similar leading technologies, including Facial Recognition biometrics and mobile scanning/skimming terminals, to help investigate identity-related crime.

### Significant investigations

- In March 2004 the AFP, ACC and NSW Police Service investigated a syndicate allegedly involved in using counterfeit or fraudulently obtained Medicare cards and drivers licences to facilitate the fraudulent use of counterfeit credit cards. During the investigation a man was arrested at Sydney International Airport in possession of 2,000 counterfeit credit cards, printing machines and counterfeit travellers cheques. Search warrants were executed with false and counterfeit identity documents and a counterfeit credit card production facility located. In June 2004 three persons were charged. Representatives for the banking industry estimated that the fraud could have resulted in a \$20-million loss.
- In July 2003 the ICTF investigated a suspected identity fraud involving the opening of a false name bank account in Sydney.

During the investigation the ICTF identified that the offender had more than 53 separate identities, possessed 15 high-quality counterfeit NSW driver's licences and was operating 31 bank accounts in false names. An Indonesian was charged with 36 offences and subsequently convicted and sentenced to six months imprisonment.

- In November 2003, as a result of a referral from DIMIA, a search warrant was executed on premises in Sydney for identity crime-related matters and a false identity production facility was located. Large volumes of counterfeit and altered documents were seized, including Medicare cards, blank NSW Roads and Traffic Authority change-of-address labels, forged Immigration arrival stamps, and passports from the United Kingdom, Indonesia and Australia. Further, 3,500 cheques were allegedly stolen from the mail and destined to be used to commit financial frauds. Two persons were arrested, charged and were awaiting trial.

## Intellectual Property

The AFP works with the ACS and private industry groups, such as the Australian Federation Against Copyright Theft, to evaluate and provide an appropriate response to incidents involving the importation and sale of counterfeit goods.

In May 2004 the AFP facilitated an AusAID-funded enforcement training workshop in Hong Kong on Intellectual Property Crime. The workshop enhanced the knowledge and skills of key officials in the Asia-Pacific Region on enforcement and border control of intellectual property rights. Workshop participants were from Australia, China, Indonesia, Thailand, Philippines, Malaysia, and Vietnam.

### Significant investigations

- In September 2003 Customs officers in Brisbane detected 821 counterfeit DVDs in an air cargo shipment of sound speaker stands sent from Malaysia to a Brisbane address. A further 200 destined for the same address were later seized by Customs and a search warrant executed on the premises by the AFP with an additional 211 counterfeit DVDs seized.
- A man who had previously been charged with the importation/possession offences for counterfeit DVDs was again charged by the

AFP in March 2004 when the AFP seized 206 counterfeit DVDs and charged him for exposing for sale counterfeit DVDs at a market. In June 2004 the defendant was found guilty on 28 charges under the Copyright Act 1968, sentenced to nine months imprisonment and ordered to be released after three months on a \$1,500, five-year good behaviour bond. This was the first time in Queensland an offence of this nature had resulted in an imprisonment term.

- In August 2003 a Malaysian man was arrested at Brisbane airport after Customs located 561 counterfeit DVDs in his luggage. The man was charged in relation to importing copyright material contrary to the Copyright Act 1968. He pleaded guilty and was convicted and fined \$8,000.
- In April 2003 the AFP conducted an investigation into a network that distributed copyright music via mp3 over an Internet web site. Three males were subsequently arrested and charged in Sydney on offences contrary to the Copyright Act 1968. Representatives for the music industry estimated that the distribution network had robbed the music industry of over \$50 million in potential sales. All three pleaded guilty to the offences charged and were convicted. Two were sentenced to 18 months imprisonment, suspended upon them agreeing to be of good behaviour for three years. All three were also sentenced to perform 200 hours community service.

## Missing persons (National Missing Persons Unit)

The National Missing Persons Unit (NMPU) was relocated to the AFP from the ACC on 1 July 2003 through a Machinery of Government arrangement.

The Unit coordinates and promotes a national integrated approach to reduce the incidence and impact of missing persons.

The NMPU has a strong prevention focus and conducts public awareness campaigns such as National Missing Persons Week (held the first week of August each year). This campaign reminds Australians to 'let someone know' of changes in plans and encourages families to reconnect. National Missing Persons Week 2003 promoted the four principles identified in research conducted in 1998 titled Missing

People: Issues for the Australian Community: prevention, location, education and support.

In conjunction with the Canberra Institute of Technology, the NMPU instigated a competition with the Graphic Design School to create a poster every year for National Missing Persons Week. The first poster was to have been produced in 2004. The competition provided students with an opportunity to develop and display their creative talents and have them recognised. NMPU campaigns were successful and supported by the community.

The NMPU continued to work closely with non-government tracing services and police representatives from jurisdictional Missing Persons Units around Australia. The Unit facilitates two committees—the Police Consultative Group on Missing Persons (PCGMP) and the National Advisory Committee on Missing Persons (NACMP). The PCGMP, involving officers in charge of jurisdictional Missing Persons Units, delivered a coordinated national approach to police investigation of missing persons. The NACMP includes representatives of police, non-government tracing organisations, community groups and families and friends of missing persons. It listened to and reported on the experiences of family members when they reported a person missing, highlighting areas of possible improvement.

## Money laundering

The investigation of money-laundering offences was enhanced in January 2003 with the introduction of new offences in Part 10.2 of the *Criminal Code Act 1995*. These replaced the single money-laundering offence previously found under Section 81 of the *Proceeds of Crime Act 1987*.

A matrix of 18 offences is initially created from three levels of knowledge (belief, recklessness and negligence) relating to the source of the money. Six levels of value are then created, ranging from amounts greater than \$1 million to any value involved. The maximum imprisonment penalty was increased from 20 to 25 years.

A further offence under Section 400.9 of the *Criminal Code Act 1995* replaces that formerly found in Section 82 of the *Proceeds of Crime Act 1987*. This new section creates the offence of being in possession of property reasonably suspected of being the proceeds of crime.

Investigations were completed in AFP offices relating to money-laundering offences. In many cases the offence relating to the source of the money (otherwise known as the predicate offence) and laundering the proceeds of the money were investigated and prosecuted.

#### Asia-Pacific Group on Money Laundering

The AFP continued to work closely with the Asia-Pacific Group on Money Laundering (APG). The AFP Commissioner continued as the Australian APG Co-Chair following his appointment in January 2003. Korea's term as Co-Chair expired and Japan assumed the role for a two-year period ending in 2006.

The APG is an independent regional body with 28 members. Its primary role is to facilitate the adoption and implementation by member jurisdictions of anti-money laundering and anti-terrorist financing standards and measures, as set by the global Financial Action Task Force (FATF). The FATF's 40 recommendations constitute the international benchmark for the steps to be taken to deter and detect money laundering. Its eight special recommendations set similar benchmarks on counter-terrorism financing. The APG continued to work closely with members to implement the recommendations, identify areas for improvement and provide technical assistance and capacity building for anti-money laundering and counter-terrorist financing efforts throughout the region.

The AFP Commissioner met several times with the Korean APG Co-Chair to discuss key issues and prepare for the annual meeting held in Macau, China (September 2003) and the annual meeting held in Seoul, Korea (June 2004). Annual meetings are the APG's primary decision-making forum. Meetings involve approximately 250 delegates from the law enforcement, regulatory and legal professions.

The AFP continued to participate in key FATF and APG events, providing an opportunity to contribute to policy making on behalf of the AFP and its regional partners. These included FATF plenary meetings in Stockholm (2003) and Paris (2004) and a Money Laundering Methods and Typologies Workshop in Malaysia.

The APG Secretariat continued to work closely with the AFP's LECP and the AFP's International Network and provided assistance to the APG Secretariat. In early 2004 the AFP represented Australia on a FATF technical mission to Myanmar through its liaison post in Yangon and, with the APG, attended the Pacific Roundtable on Counter-Terrorism held in New Zealand.

## Significant investigations

- ① In February 2003 a suspect was arrested for money-laundering offences and for failing to declare excess currency at Melbourne Airport. He possessed the equivalent of \$431,000 in cash, which was subsequently restrained under Proceeds of Crime legislation. In August 2003 the man pleaded guilty. As no claim was made for the return of the money, the funds were forfeited six months after the date of conviction and were later transferred to the Confiscated Asset Account.
- ② As part of a long-term money laundering investigation into substantial amounts of money being transferred through foreign exchange services in Sydney, two suspects were arrested and charged with dealing with money to the value of \$200,000, knowing it to be the proceeds of crime. This amount was later forfeited to the Australian Government.
- ③ In June 2004 a third person involved in the above investigation appeared before the Sydney District Court charged with possession of property reasonably suspected of being the proceeds of crime. The person later pleaded guilty and was sentenced to nine months imprisonment with the sentence wholly suspended and placed on a good behaviour bond for five years.
- ④ As part of a joint AFP and ASIC investigation into the marketing of an unregistered managed investment scheme, Australian and overseas-based suspects were alleged to have transferred funds from Australia to New Zealand, then received the money back into Australia. The suspects were arrested and charged with money-laundering offences. It was alleged that the suspects had laundered funds totalling \$2,500,000. This matter was before the courts.

## Proceeds of crime

This marked the first full financial year of operation for the *Proceeds of Crime Act 2002*. The introduction of the civil asset forfeiture regime enabled the AFP to conduct criminal asset recovery investigations for a range of matters, including investigations conducted by Australian Government agencies and agencies not authorised to use the provisions of the Act.

The move to a civil regime meant that asset recovery action no longer required the suspect to be charged

with a criminal offence before commencing restraint action. In circumstances where the suspected offence was serious (as defined in the Act), the suspect's assets could be restrained and eventually forfeited if it could not be shown they were obtained with lawful funds. Requests for assistance from overseas law enforcement agencies where moneys could be shown to have been transferred into Australia from the commission of a foreign indictable offence could now be progressed without the need to wait for restraining orders to be issued in the foreign jurisdiction.

The early success of the civil regime was greatly assisted by the expansion of the specialist Financial Investigation Teams in Perth, Melbourne, Adelaide, Sydney, and Brisbane. These Teams comprise experienced police investigators, unsworn investigators and financial analysts. They partner with the Criminal Asset Branches of the Commonwealth Director of Public Prosecutions to rapidly secure funds reasonably suspected of being the proceeds of crime from Australian and foreign indictable offences.

Training to further develop Team skills, particularly for new members from a general investigations background, remained a priority. A three-week Financial Investigations Program continued with approximately 48 AFP officers and 12 ACS officers attending four courses. Posting Customs officers with AFP Financial Investigation Teams progressed and focussed on customs-related investigations. Close relationships with partner agencies, including the ATO, Health Insurance Commission (HIC) and ASIC, were built and led to joint agency investigation and asset-recovery operations.

The ability to provide a dynamic response to the suspected proceeds of a criminal offence meant that criminals had less opportunity to conceal their money. The major motive for criminals to commit crimes and to undertake organised criminal activity is to derive a profit. The objective of the *Proceeds of Crime Act 2002* to target those who profit from crime yet distance themselves from the criminal act has been demonstrated on a number of occasions. By depriving the criminal group of the opportunity to enjoy the proceeds of their crime or to reinvest them into further criminal activity (including terrorist activity), the AFP is targeting a motive of crime, the money.

The Act provides for compensation applications and does not prevent the return of money to anyone who can prove they obtained the funds lawfully and own them.

### Assets restrained

More than \$77.3 million in assets were restrained, although the value of forfeited assets remains low because many cases are still before the courts.

The use of new investigative tools was extensive with the issue of 1,492 notices to financial institutions, 39 search warrants and 138 production orders. These provisions are essential to the timely tracing of funds. The extensive use of notices to financial institutions reflected the reliance now placed on this provision to enable the police investigator to discover the location of the suspects' funds where minimal information was known. The notices provide legal protection to the financial institutions making the information available. Importantly, their use is restricted to proceedings under the Act.

A summary of the restraint of assets for the 2003–04, compared with 2002–03, is at Table D.

**Table D—A summary of the restraint of assets**

	2003–04	2002–03
	(value: \$ million)	(value: \$ million)
Restrained*	77.3	21.8
Recovered	4.0	13.5
Penalty value of orders	1.8	2.3
<b>Total</b>	<b>83.1</b>	<b>37.6</b>

\*The court issues an order to prevent the disposal of an asset. Recovered assets represent the combined output from the *Proceeds of Crime Act 1987* and the *Proceeds of Crime Act 2002*. The 1987 legislation still applies to matters which began under the Act and are not yet finalised.

## Significant investigations

- On 29 April 2004, following receipt of information from NSW Police, the AFP investigated a bank suspense account suspected of being used to conceal large customer cash deposits. A bank customer and the branch manager had allegedly conspired to circumvent the reporting requirements of the *Financial Transactions Reports Act 1988* in respect of significant cash deposits. Several bank accounts were identified to which the customer was given access to operate as a signatory. In May 2004 the Supreme Court of NSW issued restraining orders under Proceeds of Crime legislation for property, including 18 bank accounts with different banking institutions (estimated value of approximately \$700,000), and 19 properties in Sydney with an estimated market value of \$12,000,000. The matter was still before the court.
- In June 2003 an Australian was arrested in Germany in relation to the seizure of 400 kg of cocaine at a Dutch port. A search warrant was executed upon the offender's bank account in Australia. The account's balance was \$1,133,232. Further inquiries revealed that the same Australian also owned an unencumbered residential property in Bondi Junction, NSW, worth an estimated \$700,000. In March 2004 a restraining order was issued under Proceeds of Crime legislation in relation to the money in the account and the property.
- Following a request from Singapore authorities, AFP investigators in Melbourne inquired into recovering money suspected to be proceeds of a company fraud committed in Singapore. Funds of \$7,000,000 were located and restrained under Proceeds of Crime legislation. A further \$22,000,000 was returned to Singapore under agreement between the Commonwealth Director of Public Prosecutions and the defendant. In March 2004 the suspect was convicted in Singapore for offences relating to the fraud and was sentenced in April 2004.
- In November 1998 Australian Customs intercepted 18 packages addressed to various people and post office boxes, containing \$Can256,200. Inquiries failed to identify the owner and the money was subsequently forfeited to the Commonwealth under Proceeds of Crime legislation. The Australian dollar value was \$269,746. Forfeiture occurred on 12 May 2004.
- A restraining order was obtained for property controlled by a suspect. The property consisted of Australian and offshore financial accounts and real estate in Western Australia with an estimated value of \$3,000,000. The suspect was alleged to have made false claims for PAYG withholding and dividend imputation rebates worth \$3,500,000. This joint investigation with the ATO was still before the courts.
- In two separate investigations in the United Kingdom and Germany, enforcement agencies requested the recovery of financial documents from Australia to assist in locating the proceeds of crime. The documents were also sought for use in the criminal prosecution of fraud offenders in both countries. In both cases assets were quickly located in Australia and immediate restraint sought on the basis that the funds were suspected of being the proceeds of a foreign indictable offence. In the German case an application for the return of the funds was made. The suspect was arrested and was awaiting extradition proceedings. Assets from Germany amount to approximately \$650,000. In the matter from the United Kingdom the full amount of \$240,000 was ordered to be forfeited to the Commonwealth in August 2004.
- A joint AFP-ASIC investigation uncovered the marketing of an unregistered investment scheme to Australian investors. Investors were transferring funds under instruction from scheme promoters to accounts overseas. The funds were suspected of having been returned to Australia and used to acquire luxury assets, including boats, cars and properties in four States, valued at \$8,000,000. The assets have been restrained in March 2004 and the matter was before the courts.

## Assisting Australian Government and other agencies

During 2003-04 the AFP continued to review and negotiate service agreements with key agencies. Agreements between the AFP and Centrelink, and the AFP and ASIC were reviewed and renewed. Service agreements with DIMIA, DFAT and ITSA were being renegotiated. Service agreements provide a statement of the services to be provided by the AFP and the respective responsibilities of each agency. The AFP entered into an arrangement

with the Queensland Police Service to release seized dangerous drugs for training purposes. The AFP was developing similar agreements with other State police services and with ACS.

The AFP continued working jointly with Australian Government and agencies on investigations to more effectively leverage resources and better use agencies' knowledge of legislation and programs. Joint investigations were conducted with the ATO, ACS, ASIC, DIMIA, Centrelink, AUSTRAC, Australian Fisheries Management Authority (AFMA), Queensland Police Service, and the Aboriginal and Torres Strait Islander Commission (ATSIC).

With the May 2002 introduction of the Commonwealth Fraud Control Guidelines, departments and agencies are no longer required to submit fraud risk assessments and fraud control plans to the AGD and the AFP for approval. Agencies must now advise the AFP annually of identified major fraud risks to help the AFP provide investigative services.

The AFP assisted other Australian Government agencies to develop capacity to deal with matters that fall within their responsibilities under the Commonwealth Fraud Control Guidelines by outposting AFP members to agencies. The outposting of AFP members gave agencies access to AFP expertise and facilitated the mutual transfer of skills and knowledge between agencies and the AFP. The presence of AFP agents also provided ready access to police powers including the execution of search warrants and arrests.

The AFP outposted 32 members to 14 agencies compared with around 60 members to 11 agencies in 2002–03 (excluding members in the External Territories, regional assistance missions or peacekeeping missions). This included outposting one member to DIMIA in Brisbane and three investigators to ASIC in Sydney to assist with investigations arising from the HIH Royal Commission. The AFP also planned to outpost nine full-time agents and one part-time agent to Centrelink's regional cash economy teams, beginning in September 2004. Negotiations were also underway to outpost two federal agents to the Aboriginal and Torres Strait Islander Services organisation.

The AFP continued providing pre-referral assistance and advice, including training, to Australian Government departments and agencies. The Brisbane Office conducted its annual Investigators Workshop attended by approximately 90 government

investigators from various agencies. The workshop covered Proceeds of Crime action, forensics, document handling, and counter-terrorism indicators.

The AFP appointed an Environmental Crime Officer in North Queensland to liaise with Australian Government and State stakeholders of environmental crime and provide advice and assistance in coordinating operational activities.

## Performance Measure 1

*Disruptive effect of AFP investigations on the criminal environment*

### Measures of effectiveness

The performance measures under the outcomes and outputs performance reporting framework were further refined. Attention was given to assessing the impact of AFP operations on the Australian community and the reporting unit—the case—was also refined. Performance measures in this annual report reflect the stages of a typical criminal investigation, including case referral, case selection, investigation, and outcome. These measures enabled the AFP to assess each stage and target remedial action appropriately. They also enabled the AFP to enhance its ability to detect and deter criminal activity.

### Case referrals

Case referral is the first step in a criminal investigation. New cases are referred from an external source (usually an Australian Government department agency) or generated internally through intelligence gathering.

The AFP received 3,670 criminal investigations for possible investigation, compared with 4,317 in 2002–03. Details are in Table 4 in the Appendixes.

Approximately 79 per cent of clients referring work were satisfied with the AFP's acceptance of work referred. With internally-generated investigations, 16 per cent resulted in the case proceeding into a legal process, compared with 32 per cent in 2002–03.

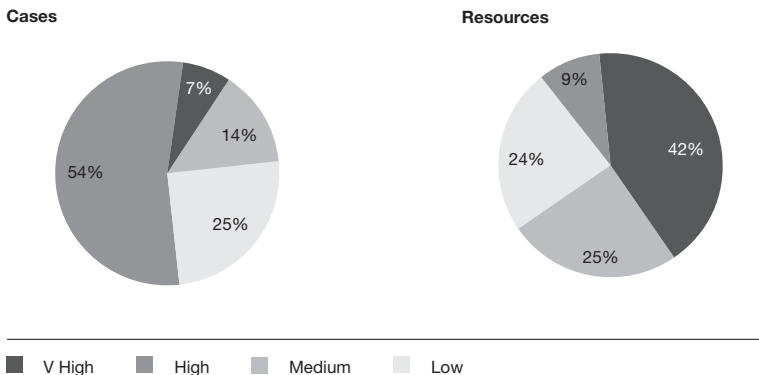
## Case selection

Case selection is the second step in a criminal investigation. The AFP uses the Case Categorisation and Prioritisation Model (CCPM) to ensure resources are effectively applied to the highest priority work. The model provides a transparent, objective and consistent basis for evaluating and comparing operational activities and provides clients with a basis for considering matters before referring them to the AFP.

The decision to investigate a matter is made by an Operations Committee (OC) on the recommendation of an Operations Monitoring Centre (OMC). In making recommendations, the OMC considers target allocations (that is, the 'cocktail') for AFP investigative and financial resources against identified criminal activity (incident types) and client needs and expectations. These are balanced against AFP assessments of the criminal environment derived through the crime management strategies.

The CCPM has proved to be effective in improving the quality, consistency, transparency, and accountability on the decision to accept or reject a case. It is also used to categorise cases as very high, high, medium, or low impact. Low impact cases comprised 54 per cent of criminal investigations by number during the year but used only nine per cent of resources. By contrast, very high and high impact cases comprised 21 per cent of criminal investigations and used 67 per cent of resources. This percentage met the AFP's PBS target of devoting 65 per cent of available resources to very high and high impact cases.

**Chart 4—Criminal investigations by case and by resources**



## Investigation

Investigation is the third step of a criminal investigation and the most readily identifiable police work. The AFP applies three accessible measures to determine the success of an investigation: (i) the number of criminal investigations resulting in a conviction; (ii) the proportion of cases reaching court that result in a conviction; and (iii) the proportion of cases reaching the legal process.

The number of investigations resulting in a conviction declined from 370 in 2002–03 to 194 in 2003–04, due in part to the AFP's policy of targeting serious and complex matters. The percentage of cases brought to court resulting in a conviction remained high at 97 per cent in 2003–04 compared with 93 per cent in 2002–03. The percentage of cases that reached the legal process declined to 49 per cent in 2003–4 from 59 per cent in 2002–03.

## Outcomes

The fourth and final stage of a criminal investigation is the physical outcome—the impact of drug investigations on the community, the return to government revenues following fraud investigations and the recovery of the proceeds of crime. Results are quantified and reported as performance measures. Client satisfaction with the outcome of the investigation is further indication that the AFP achieved its objectives.

Around 81 per cent of clients believe the AFP achieved the client's objectives. During 2003–04, 246 fraud investigations were finalised. These returned an estimated \$149.3 million in fines, monies recovered and future losses avoided.

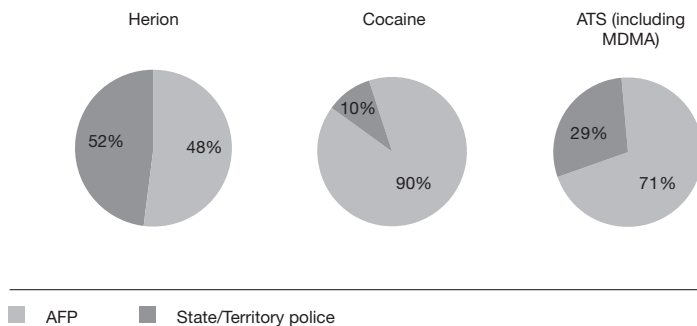
Another outcome measure is the extent to which proceeds of crime are seized, restrained or forfeited. Results for 2003–04 are in Table D, earlier in this report. In 2003–04, the AFP seized assets valued at \$81.4 million. A further \$35.2 million was forfeited.

## Benchmarking activities

The AFP benchmarks its drug law enforcement activities every two years. The most recent benchmarking exercise was conducted in June 2003 and based on information supplied in the *Australian Illicit Drug Report 2000–01*. The AFP's drug law enforcement activities were compared with those in North America, the European Union and globally.

The exercise analysed 2000–01 for domestic comparisons and 2000 for international comparisons, and was restricted to major drugs of importation. There are differences in the way illicit drugs are classified—domestically, MDMA is often grouped with amphetamines. Internationally it is not. As reported last year the AFP, in partnership with other Australian Government and international agencies, was responsible for seizing the following proportions of drugs during 2000–01: 48 per cent of heroin; 90 per cent of cocaine; and 71 per cent of amphetamine-type stimulants including MDMA.

Chart 5—Illicit drugs seized



By world standards, law enforcement in Australia had considerable success in intercepting heroin importations. When adjusted for total resident population, Australia maintained a higher heroin seizure rate than North America, the European Union and the world between 1997 and 2000. From 1995 to 2000, the heroin seizures rate increased by 278 per cent while Australia's rate increased from 8.5 kg of heroin per million resident population in 1995 to 30.4 in 2000.

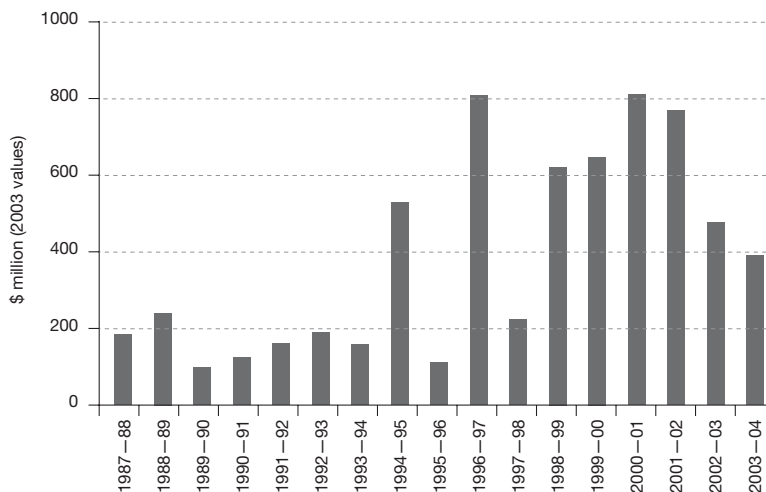
Before 2000 the AFP did not compare well in cocaine seizures, lagging behind North America, the European Union and the world. This changed recently. In 2000, Australia exceeded the global seizure rate and was not far behind the European Union. Over the years, Australia compared well in ATS (excluding MDMA) seizures. In 1995, 1996, 1999, and 2000, Australia's ATS seizure rate exceeded that of North America, the European Union and the world.

## Drug harm index

The methodology used to develop the AFP Drug Harm Index was revised. The index provides a single measure of the value to the Australian community of AFP drug seizures. It places a dollar value on the harm caused had seized drugs reached the community. The index includes domestic and international drug seizures destined for Australia where the AFP played a significant role. Seizures made in the ACT are excluded.

The original index was based on United States research which calculated that the price paid for illicit drugs in the United States in 1991 was roughly equivalent to the economic harm caused by those drugs. It was realised at the time that it would be preferable to develop estimates using Australian data. The original index was limited to major drugs of importation, ie heroin, cocaine and amphetamines. The new Index was expanded to include cannabis and economic values were converted to June 2003 equivalents using CPI movements. The revised Drug Harm Index is robust.

Chart 6—AFP Drug Harm Index



AFP seizures of illicit drugs saved the Australian community approximately \$389.6 million, similar to the impact each year since additional funding for illicit drug investigations under the National Illicit Drugs Strategy (NIDS) was introduced in 1998.

## Performance Measure 2

### *Client satisfaction with AFP investigations*

This Key Performance Indicator (KPI) is the second of the three indicators used by the Government to assess effectiveness of service delivery.

The fourth independent study of AFP client satisfaction, which gauged client attitudes and perceptions of AFP services, was finalised in June 2004. Four hundred and nine clients in Australia and overseas were surveyed compared with 470 in 2001–02. Interviews with representatives of Australian Government and State Government agencies, foreign embassies, diplomatic missions in Australia, and Australian diplomatic missions overseas were conducted by telephone.

Results indicated that levels of satisfaction with AFP investigation services under Output 1.1 remained strong—more than 89 per cent of clients expressed satisfaction with service delivery. Overall satisfaction remained consistent with the 2001–02 survey. Long-term trends since 2000–01 showed a fall in client satisfaction with service delivery. This was attributed to the perception by clients that the AFP has fewer resources to service clients in investigations because of increased pressure to address terrorism and international policing obligations. Client satisfaction ratings for other areas are in Table E.

**Table E—2003 Client satisfaction ratings**

AFP SERVICE	Client satisfaction (%)
Investigation Services (Output 1.1)	89 (consistent with 2001–02)
Protection Services (Output 1.2)	100 (consistent with 2001–02)
International Services (Output 1.3)	100 (consistent with 2001–02)

The 2003 Client Satisfaction Study concluded that the vast majority of AFP clients were satisfied.

Key clients indicated positive qualitative support for service agreements with the AFP. These clients saw improved service delivery was achieved through the agreements' articulation of an agreed level and standard of service provision.

Other positive comments reflected the views that AFP members were professional and responsive to client needs, that AFP members were knowledgeable and demonstrate expertise and accountability in policing and that the quality and accuracy of written and oral advice was good.



### Performance Measure 3

*The level of financial performance of the AFP in delivering cost-effective results*

The AFP's business planning framework continued to improve the efficiency and effectiveness of AFP services and identify areas of further improvement. The framework, introduced in 2000 and augmented in 2001, was the most recent in the series of continuous improvement initiatives put in place since 1990 to increase AFP responsiveness, flexibility and service delivery. The framework has a planning component which scans the environment in which the AFP operates, develops target allocations for investigative and financial resources against incident types and integrates these with a performance improvement and reporting system.

Information about the environment in which the AFP operates is drawn primarily from three sources: (i) an annual environment scan, crime management strategies and feedback from clients; (ii) feedback from partners and stakeholders on their needs; and (iii) expectations of AFP service delivery. The framework is used to implement the AFP's Ministerial Directions and other priorities set by Government. It also links planning components through the investigative and financial resources available to the performance improvement and reporting elements.

The framework enables the AFP to better align outputs with the outcomes specified by, and agreed with the

Government, better manage the complex environment in which the AFP operates, provide more flexible law enforcement response, and better align service delivery with realistic client needs and expectations.

By consistently applying the CCPM and setting and monitoring targets for a range of incident types, the AFP met its Portfolio Budget Statement target of devoting 65 per cent of available resources to very high and high impact cases (67 per cent were devoted).

The AFP's Business Activity Analysis (BAA), introduced in 2000-01, reviews AFP operations and examines work undertaken by business units to deliver services to agencies, satisfy client demands and implement improvements across business units.

The BAA fosters a continual performance improvement process. It ensures that different perspectives are considered, shortcomings identified, improvement strategies developed, and good performance recognised. The process helps identify best practice for operational activities.

The BAA is conducted by the AFP's Commissioner or Deputy Commissioner with the management team of each business unit. This approach ensures operational decisions are team-based and that all members contribute to, and are accountable for, business unit achievements. It also provides opportunities for exposure and staff development beyond the executive structure.

The BAA's first cycle showed a clear contribution to improving data quality on PROMIS, the Police Real-time Online Management Information System, and AFP operational effectiveness. The second focussed on operational performance measurement and improvement. The third consolidated outcomes from cycle one and two, emphasised service elements that directly influence or impact on client satisfaction. Cycle four focussed on outcomes/outputs, resource allocation and workflows. Key clients and stakeholders were to act as observers during this cycle.

Eight BAAs were completed during the financial year:

- Perth Operations, July 2003 and June 2004;
- Protective Security, September 2003 and March 2004;
- Melbourne Operations, October 2003;
- Adelaide Operations, November 2003;
- National, February 2004; and
- National Targeting, April 2004.



The BAA is now an integral component of the AFP's monitoring and reviewing processes for operational performance and drives performance improvement at all levels. It is used as a forum to identify best practice throughout the AFP.

## Output 1.2—Protection Services

The Protection Services output contributes to the outcome through the prevention of crime against Commonwealth interests within Australia and overseas.

Protection Services aims to ensure that individuals and interests identified to be at risk by the Commonwealth are kept safe and that their dignity is preserved. This is achieved in partnership with other Australian Government departments and agencies and State and Territory governments, departments and agencies.

To achieve this, the AFP provides CPP, Witness Protection and Protective Security Intelligence covering Australian high office holders, protection of non-Australian office holders, Internationally Protected Persons, visiting dignitaries, and protected witnesses.

Protection Services business planning is based on security threat assessment strategies and proactive protective security intelligence.

To achieve this the AFP:

- ▶ provides Close Personal Protection to Australian high office holders, parliamentarians and parliamentary delegations in certain circumstances, Internationally Protected Persons, members of the diplomatic community, visiting

overseas dignitaries and others assessed to be at risk;

- ▶ collects, analyses, evaluates, and disseminates security intelligence to develop threat assessments, reports and briefings on possible acts of politically motivated violence or other activities that may pose a threat to the safety of, or cause actual or perceived loss of dignity to, Australian or overseas high office holders;
- ▶ administers the National Witness Protection Program (NWPP), providing a safe and secure environment for participants who can give evidence in criminal trials relating to organised crime (such as large-scale importation of illegal drugs and corruption) which involves a significant degree of criminality at both the Australian Government and State and Territory level; and
- ▶ plans and coordinates special events of national interest with strategic partners.

Performance is measured by the:

- ▶ prevention of avoidable incidents;
- ▶ level of client satisfaction with AFP Protection Services; and
- ▶ cost-effectiveness of service delivery.

Table I (below) provides details of the numbers of matters referred to Protection Services in 2003-04.

## Close Personal Protection

The number of members and teams committed to CPP fluctuated in response to the security environment, particularly following the Bali bombings in October 2002, the instability in Iraq and the regional assistance mission to the Solomon Islands in mid-2003.

The Bali bombings remained an issue with ongoing investigations into and prosecutions of Jemaah Islamiyah members. Continued activities of Jemaah Islamiyah in the region and security concerns in Indonesia and other parts of Asia led to an increase in overseas deployments for CPP members performing Security Liaison Officer roles for Australian high office holders travelling to destinations in Asia.

At the beginning of 2003–04, 165 members were deployed on full-time CPP duties. This dropped to 132 by the end of the year.

The AFP provided full-time protection to five Australian and 10 non-Australian high office holders. During the conflict in Iraq seven Australian high office holders received ongoing CPP.

To fulfil the AFP's ongoing commitment to provide CPP to Australian and non-Australian high office holders, the AFP worked closely with Australian Government partners including the PSCC and all State and Territory Police Services. The AFP also provided protection services to forums involving DFAT and members of the Australian intelligence community.

In addition to an increase in members providing full-time CPP additional funding enabled the AFP to maintain and increase the number of CPP-trained members. Approximately 250 fully qualified members and a further 51 CPP drivers can be drawn upon to respond to any heightened threat levels within Australia.

In addition to providing protection services to Australian-based individuals, Security Liaison Officers and CPP officers were provided during 28 official visits to Australia, including by the President of the United States, Mr George Bush, the President of the Peoples' Republic of China, Mr Hu Jintao, and His Royal Highness Prince Harry.

On 32 occasions, the AFP provided CPP Security Liaison Officers to Australian high office holders and parliamentary delegations travelling overseas.

There were no serious incidents involving high office holders under CPP.

## Protective Security Intelligence

The AFP provides protective security intelligence throughout Australia, delivered by Protective Security Intelligence (PSI) teams stationed in each State and Territory (except for Tasmania).

A team's principal function is to provide timely and accurate protective security intelligence to support the CPP provided to high office holders, visiting VIPs, internationally protected persons, international delegations, and the diplomatic community in Australia. PSI teams also provide security intelligence to APS operations through the timely exchange of intelligence with Australian Government and State Government stakeholders and close liaison with the diplomatic and consular communities.

PSI teams contributed to the Australian Government's threat assessment process. They were part of the Australian group including PSCC, ASIO, Prime Minister and Cabinet (PM&C), and representatives of the United States Secret Service which covered the visit of President Bush in October 2003.

President Bush's visit met with large-scale protests in Canberra. The level of police and overall security response was based on intelligence reporting by PSI. This was achieved as a result of PSI's close liaison with issue-motivated groups which resulted in the protest activities unfolding as forecast.

Between 22 and 25 October 2003 the President of the Peoples' Republic of China visited Australia. The PSI worked with relevant Australian agencies (including PSCC, ASIO and PM&C), representatives from the Chinese Embassy and established lines of communication with protest groups to ensure the visit was without incident.

PSI officers throughout Australia continued to meet with members of the Australian Islamic community to provide it with a voice in the sphere of federal law enforcement. This contact was supported by regular meetings between senior members of the Islamic community and the AFP. The wider Islamic community welcomed this initiative.

## Witness protection

The AFP administers and delivers the National Witness Protection Program (NWPP). This required the AFP to develop and deliver ways to ensure the safety of witnesses and their families during prosecutions and ways to assimilate them back into the community.

The program was enhanced through specialised training.

The *Witness Protection Act 1994* requires the Minister for Justice and Customs to report to both Houses of Parliament on the program at the end of each financial year. The Act imposes reporting requirements on general operation, costs and the exercise of the Commissioner's powers under section 27. These requirements are met through publishing a separate annual report.

## Family Court Security

The AFP provided security services to the Family Court of Australia (FCA) and Protection Services continued to be the main liaison point. While arrangements vary from city to city, protocols with the FCA are well developed and enable the court to seek assistance directly from the nearest AFP business unit. The AFP provided the FCA with additional security when required.

## Security and law enforcement for special events

The Special Events Coordination and Executive Support (SECES) coordinates the AFP's response to major and special events impacting on the Australian Government. SECES works with State and Territory law enforcement agencies, the Australian Government, State and Territory governments, and relevant stakeholders. The primary focus is to support AFP attendance at Australian Government forums under national counter-terrorism arrangements.

SECES helped plan Protection Services involvement in Australia and Indonesia for ceremonies commemorating the first anniversary of the Bali bombings.

SECES also represented the AFP in initial planning meetings for the Commonwealth Youth Development Forum held in Queensland 10 to 13 November 2003.

SECES members were involved in planning the AFP's participation in Mercury 04 in March 2004. This was the first multi-jurisdictional exercise under the NCTC's capability development program which aimed to validate national counter-terrorism arrangements, including the National Counter-Terrorism Plan (NCTP), the National Counter-Terrorism Handbook, and relevant Australian Government, State and Territory agency-specific plans. SECES members were also involved with exercise control throughout the exercise and in operational debriefs at the completion of Mercury 04.

In May 2004 SECES members participated in the ACT tactical exercise Bold Endeavour to test and validate ACT policing and emergency responses in a multi-agency, counter-terrorism exercise.

## Rugby World Cup

The Rugby World Cup (RWC) 2003 tournament was hosted by the Australian Rugby Union from 10 October to 22 November 2003. Forty-eight matches were played in all States and Territories (except the Northern Territory).

When planning for the RWC, SECES worked with the Major Events Commonwealth Coordination Group hosted by the Department of Industry, Tourism and Resources (DITR), the Police and Security Working Group (New South Wales Police) and the Australian Government Security Working Group, holding regular meetings with all groups.

The AFP supported the integrity of the RWC by providing an Australian Government law enforcement and protective security capability.

## Athens Olympic Games

The AFP was selected as a member of the Australian Government Interdepartmental Committee for the staging of the Athens Summer Olympic Games in August 2004.

The AFP visited Athens with other Australian Government agencies to scope security planning by Greek authorities and determine how best the AFP could provide whole-of-government support. In planning for the Games, regular meetings of an inter-departmental committee were held to progress contingency planning.

The AFP planned to strengthen its intelligence and liaison arrangements with Greek authorities for the Games by deploying AFP Liaison Officers.

## Commonwealth Games Melbourne 2006

SECES was liaising with the Melbourne (M2006) Commonwealth Games Task Force and stakeholders and maintained a close relationship, particularly with the Victoria Police Commonwealth (M2006) Games Planning Unit. The AFP is a member of a number of Victoria Police working groups, involving AFP operational, forensic and tactical support that the AFP may afford during the Games.

## Performance Measure 1

### *The prevention of avoidable incidents*

Performance measures previously developed to assess the effectiveness of AFP CPP were applied. Performance measures include avoidable incidents, protection incidents and protection movements.

Avoidable incidents are those that may result in death, injury, loss of dignity, or embarrassment to individuals and interests identified by the Australian Government and the AFP as being at risk.

Protection incidents are movements or events that present a higher than average risk of an avoidable incident occurring but where one did not occur. For example, a movement of a protected person during a demonstration, unexplained traffic congestion presenting a high-risk situation or security breaches at venues/locations where a protected person is located are all defined in this way.

Protection movements are standard movements or visits by a protected person that are considered routine or low risk in terms of activity surrounding the immediate vicinity.

**Table F—CPP performance 2003–04**

	Australian office holder		Non-Australian office holder		Total	
	2003–04	2002–03	2003–04	2002–03	2003–04	2002–03
<b>Protection movements</b>	7,107	8,682	13,786	21,503	20,893	30,185
<b>Protection incidents</b>	35	71	32	53	67	124
<b>Avoidable incidents</b>	0	0		1		1

PSI measures effectiveness by the extent of its contribution to the KPIs of the CPP teams—that is the prevention of avoidable incidents. PSI value-adds to the national threat assessment process and is recognised as an effective constituent of the Australian intelligence community.

Witness Protection measures effectiveness by providing a safe and secure environment for participants of the program who are giving evidence in significant criminal prosecutions with high levels of criminality at both the Australian Government and State level and whose lives are at risk.

## Performance Measure 2

### *The level of client satisfaction with AFP Protection Services*

The AFP again commissioned an independent client satisfaction survey of key agencies and stakeholders, including Australian Government departments and agencies, Australian high office holders and representatives from several overseas missions in Australia.

Key findings indicated a high level of client satisfaction, built on outcomes from earlier years.

Key indicators of satisfaction relate to:

- ➊ AFP members providing protection services while showing professionalism in their dealings with AFP clients;
- ➋ AFP members demonstrating relevant skills, knowledge and expertise; and
- ➌ the promptness of AFP responses to requests for assistance.

The general conclusion was that the positive level of client satisfaction with AFP Protection Services was largely due to member professionalism and speed of response to client requests for assistance.

Positive feedback was received from clients and stakeholders on Protection Services work. This feedback, which built on the information provided through the Client Satisfaction Survey, indicated a high level of satisfaction with AFP services in relation to Output 1.2.

## Performance Measure 3

### *The cost effectiveness of service delivery*

The Centre for International Economics (CIE) was commissioned by the AFP on 2 June 2002 to conduct a benefit-cost analysis of CPP and PSI and to assess the return to the Australian community.

Analysis concluded that, without CPP and PSI, around five per cent of movements would become avoidable incidents (conservative estimate). The benefit-cost ratio of the program would be around \$4 in benefits to every \$1 invested (conservative estimate). The report was expected to be made available on the CIE web site at <http://www.intecon.com.au>

**Table G—Output 1.2 Protection Services: number of cases referred in 2003–04**

Category/type of case	2003–04	2002–03	2001–02
Protection of individuals at risk			
Protection—Australian office holder	208	174	141
Protection—non Australian office holder	114	134	213
Protection—witness	6	13	9
<b>Subtotal</b>	<b>328</b>	<b>321</b>	<b>363</b>
Protection—family law service			
Family law services	3	3	3
<b>Subtotal</b>	<b>3</b>	<b>3</b>	<b>3</b>
Security and law enforcement for special events			
Special events	1	0	2
<b>Subtotal</b>	<b>1</b>	<b>0</b>	<b>2</b>
<b>Total</b>	<b>332</b>	<b>324</b>	<b>368</b>

Source: Protection OMC as at 7 July 2004

## Output 1.3—International Services

The AFP supports the Government's international responsibilities through law enforcement services. This output supports the objectives of Output 1.1—Investigation Services.

The objectives of this output are to effectively:

- ➊ contribute and respond to international law enforcement efforts; and
- ➋ contribute to Australia's commitments to international peace operations.

Recognising the increasing globalisation of the criminal environment, the Australian Government in the 2002–03 Budget provided additional funding of \$47 million over four years to significantly expand the AFP's International Network. The expansion was completed with international offices established in Belgrade, Pretoria, Chiang Mai, Ho Chi Minh City, Dubai, and Bali. The establishment of the International Deployment Group in February 2004 added another dimension to the AFP's international services.

The IDG is a major boost to Australia's:

- contribution to ensuring a safe, stable and secure region and therefore the country's ability to fight terrorism and transnational organised crime;
- contribution to regional restoration of law and order assistance missions, such as the RAMSI;
- delivery of capacity-building programs under the LECP; and
- ongoing support for United Nations peace-keeping missions.

The IDG builds on and complements the Australian Government's commitment to the LECP and continues delivering mutually beneficial law enforcement outcomes and capacity building initiatives throughout the region. The importance of the AFP supporting good governance initiatives in the Pacific region, particularly in law and justice sectors, was recognised by the Government in the 2003-05 Budget through the renewal of the AFP Melanesia Program for a further four years.

More than \$1 billion in funding over five years was provided for these deployments and to allow the IDG to establish a proactive strategic approach to managing the complex and diverse challenges in the ever-changing international policing environment.

The AFP continued as Australia's policing representative for Interpol and continued to operate the NCB for the country's law enforcement agencies. The NCB continued to coordinate international inquiries for Interpol's network of 181 member countries and complemented the International Network by providing a conduit into almost every nation.

The International Network also increased support to the AGD and DFAT on international extradition and requests for mutual assistance in criminal matters. The AGD reported a significant increase in extradition and mutual assistance requests.

The performance of this output is measured by:

- the extent to which the Australian Government's international obligations are met;
- client satisfaction levels with International Services; and
- cost effectiveness of service delivery.

## Performance Measure 1

*The extent to which Commonwealth international obligations are met*

### International Network

Due to the changing nature and globalisation of the criminal environment the International Network placed greater emphasis on transnational crimes such as counter-terrorism and transnational sex offences.

In addition to the expansion of the AFP offices described earlier, extra members joining in the London, Washington and Kuala Lumpur offices focussed on counter-terrorism. Offices in Bangkok, Rangoon and Beirut increased the number of AFP officers deployed in the International Network to 65, located in 32 offices across 26 countries. This expansion enhanced the AFP's capacity to collect and disseminate criminal intelligence across all transnational crime types, and represented a stronger capacity across a diverse range of international law enforcement obligations.

The AFP continued to develop effective cooperative arrangements with partner international law enforcement agencies. The AFP formalised a number of these relationships through MOUs on combating transnational crime and developing police cooperation.

The AFP signed MOUs with the Philippines National Police, the Philippines Drug Enforcement Agency, the Philippines National Bureau of Investigations, the Colombian National Police, the Colombian Department of Administrative Security, and the Colombian Attorney-General's Department.

The AFP continued to negotiate MOUs with other key partner law-enforcing agencies.



In line with the AFP's long-term strategy to promote law enforcement cooperation in the region, TCCCs were established in Indonesia, Cambodia and Fiji, and a Joint People Smuggling Intelligence Team was formed in Thailand.

## International Deployment Group

In February 2004 the IDG was established and began consolidating under one banner the AFP's international peace operations and capacity-building efforts, including in Cyprus, East Timor, RAMSI, and the LECF. The IDG continued to deploy police to these efforts. The group also deployed police trainers to the Jordan International Police Training Center (JIPTC) as part of an international policing effort to rebuild the Iraqi Police Force.

The IDG continued to build upon and complement the AFP's International Network to combat transnational crime groups, represent Australian law-enforcement interests overseas, enhance regional security and gather and share intelligence on criminal activities and criminal groups.

When fully operational the IDG would be staffed by up to 500 personnel, drawn from AFP ranks, the APS, and negotiated staff from State and Territory police services. To ensure support to off-shore missions, support personnel would also be employed in Canberra to provide operational, administrative, logistical, health and welfare, training, and planning support. The majority would be based at the AFP's Wanggiralai Ngurrumbai Centre.

This year marks the 40th anniversary of the first deployment to Cyprus of Australian police in international peacekeeping operations. Since the first deployment around 2,700 Australian police officers served overseas, including in Namibia, Angola, Thailand, Cambodia, South Africa, Mozambique, Haiti, Somalia, and Bougainville. Sworn and unsworn police members were serving in Jordan, Timor Leste, the Solomon Islands, and Cyprus.

IDG operations oversee all Australian Government and UN negotiated deployments.

## Deployments

### Cyprus

Since May 1964 the Australian Government demonstrated ongoing commitment by providing Australian Civilian Police to the United Nations Peacekeeping Force in Cyprus (UNFICYP).

Australia's contribution to Cyprus is one of the longest serving contingents and one of the longest sustained commitments to international policing in the world.

AFP members to UNFICYP contributed to maintaining the integrity of the buffer zone dividing Greek and Turkish communities. Members worked alongside police from Ireland, Holland and India. Duties included patrolling buffer-zones, investigating human rights violations and providing the Chief of Mission (COM) with a non-military option in relation to the maintenance of the UNFICYP mandate.

The COM of UNFICYP recently travelled to United Nations (UN) headquarters in New York to plan the future of the UN in Cyprus, given the unsuccessful referendum. The result of the visit and future of UNFICYP was unknown. The UN mandate was renewed for a further six months on 15 June 2004.



### Timor Leste

The AFP maintained government-authorised deployments to Timor Leste in support of international peace operations since 1999. On 20 May 2002 AFP and State police were deployed to the United Nations Mission in Support of East Timor

(UNMISET). The number deployed was reduced in June 2004 in accordance with the UN schedule for downsizing the United Nations Police (UNPOL) element in Timor Leste.

AFP members held several key and executive level positions in UNPOL in Timor Leste, including that of Commissioner.

UNPOL's role in Timor Leste is prescribed by, and consistent with, the mandate of UNMISET. It includes providing interim law enforcement and public security, assisting with the development of a new law enforcement agency in Timor Leste—the

Policia Nacional de Timor-Leste (PNTL)—and contributing to the maintenance of the external and internal security of the country.

Events in Timor Leste highlighted deficiencies in internal security and law and order issues. The sharp increase in the frequency and magnitude of internal security-related incidents led the UN to accept that the schedule for the PNTL to assume overall responsibility for internal security and law and order matters needed adjusting. The UN Security Council adopted Resolution 1473 on 4 April 2003 which determined that the UNPOL component of UNMISET and the schedule for its downsizing during 2003–04 would be adjusted to enhance operational capability. The Resolution expired on 19 May 2004.

On 14 May 2004 the UN Security Council adopted Resolution 1543 extending the UNMISET mandate for six months to assist the consolidation phase of Timor Leste institutions including the PNTL. The mandate allowed for the provision of UNPOL Technical Advisers without executive authority.

## Participating Police Force: Regional Assistance Mission Solomon Islands

Regional Assistance Mission Solomon Island (RAMSI) is a whole-of-government, police-led, multi-national operation assisting Solomon Islanders through economic and civil recovery support.



The mission began on 24 July 2003 with the arrival in Honiara of members of the AFP, APS and the New Zealand Police. The PPF consists of police personnel from nine Pacific countries including Australia deployed in the Solomon Islands.

The senior AFP member in the Solomon Islands is the Commander of the PPF who is also sworn in as Deputy Police Commissioner of the RSIP. Mission priorities are to restore law and order, enforce a weapons' amnesty throughout the country and oversee the improvement of a professional standards regime within the RSIP.

Since deployment, the momentum of the PPF component of RAMSI exceeded expectations. Milestones included:

- arrest of 3,117 offenders on 4,524 charges, including serving RSIP officers and several key ex-militant criminals;
- removal from the community of 3,730 firearms and 306,851 rounds of ammunition;
- establishment of 16 provincial policing posts where PPF members work with local RSIP personnel and the community to restore law, order and security;
- increase in tourist numbers (by cruise ship and air);
- reopening or opening of businesses throughout the country; and
- increased community confidence in the rule of law and the legitimacy of community policing operations.

## Jordan

In late May 2004 the IDG deployed police trainers to Jordan as part of an international program to train Iraqi police. The deployment followed requests from the United Kingdom for Australian support in a United Kingdom-sponsored Coalition Provisional Authority (CPA) training initiative. This initiative would see 32,000 Iraqi police recruits trained at the Jordan International Police Training Centre (JIPTC) by January 2006 (estimated end date).

The training centre was established by the Jordanian Government, the CPA and the Iraqi Ministry of Interior in 2003. The training plan supports the reorganising and restructuring of the Iraqi Police Service to establish an effective, trained and

proactive police service in Iraq. Australian police trainers joined police trainers from other nations to deliver the new recruit training.

IDG trainers would rotate through the JIPTC in line with IDG's deployment policy and would lecture in general policing topics and practices. AusAID is funding the deployment.

## Papua New Guinea

Following agreement between the governments of Papua New Guinea and Australia at the Ministerial Forum in Adelaide on 11 December 2003, the AFP began planning to deploy approximately 210 police and support personnel to PNG as part of the Enhanced Cooperation Program. The AFP was involved in all aspects of the development of a Treaty-level agreement allowing for the deployment.

Preparations were well advanced and included staged, rolling deployments to Bougainville and Port Moresby and deployments in subsequent years to Lae, Mount Hagen and the Highlands Highway. This assistance program was developed with the Royal Papua New Guinea Constabulary (RPNGC) and designed to address law and order issues in an initial stabilisation phase together with ongoing capacity development within the Royal Papua New Guinea Constabulary. Deployments were expected to begin early in 2004–05.

## Training

The operational challenges faced by RAMSI staff during initial deployment reinforced the need for IDG personnel to undertake the Pre-Deployment Training Course.

This two-week course is scenario-based—participants simulate a hypothetical peace-keeping mission with limited access to modern amenities. Rather than teaching participants how to police or keep the peace, the course enhances the ability to live in difficult environments while achieving critical tasks and objectives. It was first established in 2001 after the AFP realised previous training programs were not adequately preparing personnel for the realities of living in different cultures and challenging environments. The course is continually reviewed to ensure it remains relevant, appropriate and meaningful.

During the year, 17 courses were held and 367 AFP staff (166 sworn, 46 unsworn and 155 APS)

completed training. A further 11 State police completed the training before being deployed to Timor Leste and 74 police from the Cook Islands, Fiji, Kiribati, Nauru, Samoa, Tonga, and Vanuatu completed it as a prerequisite to deployment to the Solomon Islands.

The IDG promoted the course throughout the world as the premier police-training program for international deployments. Officials from Thailand, Japan, New Zealand, Fiji, Timor Leste, Germany, Switzerland, and the UN visited the training complex in Canberra to gain a better understanding of the course and the IDG's philosophies.

Plans for a specially designed village to be built on remote AFP property were finalised and construction was to be finished in early 2005. The village will add to the 'foreign' training environment IDG staff will experience before actual deployment.

Australian-based IDG staff are trained in project management, inter-agency conferences and planning sessions with external stakeholders such as the Australian Defence Forces and in handling dangerous goods (which are distributed from Australia to overseas missions).

## Law Enforcement Cooperation Program

The Law Enforcement Cooperation Program (LECP) continued to contribute to developing strategic alliances with partner agencies to combat transnational crime and support the AFP's Crime Management Strategies. Based on an analysis of crime trends, the LECP continued to focus on law-enforcement partners in Asia-Pacific and deliver project activities globally. Through the LECP the AFP increased awareness and understanding of transnational crime in the international law-enforcement community.

Specifically, the LECP aims to:

- increase the quantity and quality of international law enforcement intelligence collected by the AFP;
- increase operational capacity within partner law enforcement agencies in the area of transnational crime linked to an increase in preparedness for operational cooperation and assistance with the AFP;

- increase the standard of governance in institutional policy, human resource management, ethics, and anti-corruption measures in the recipient law enforcement agency to deter future transnational crime impact on Australia; and
- continue the AFP's close collaboration with developed law enforcement agencies and demonstrate its international leadership in transnational crime.

Funding allowed the AFP to deliver high-quality training programs, provide equipment, undertake short-term attachment and/or exchange of law enforcement personnel, conduct strategic law enforcement seminars and workshops, and effect high-level representational visits.

**Table H—LECP funding appropriations for 2003–2004**

Title	2003–04 budget	\$m
NIDS		3.204
People smuggling		1.212
Melanesia		1.191
<b>Total</b>		<b>5.607</b>

The LECP undertook significant projects in partnership with foreign law-enforcement agencies and AusAID.

LECP, AusAID and the INP continued to develop the Jakarta-based TNCCC. The first three of eight crime-type portfolios in the TNCCC are now fully operational. The TNCCC provides high-level analytical support to the investigation of narcotics, counter-terrorism and people smuggling. The TNCCC was to be formally opened in Jakarta in July 2004.

LECP, AusAID and the INP completed a 12-month, capacity-building project delivering a modern forensic fingerprint laboratory and trained INP forensic staff in Jakarta. The laboratory provides forensics support to transnational crime investigations in Indonesia.

LECP and AusAID started a counter-terrorist capacity building project in Manila with the Filipino law enforcement community to develop a multi-agency investigation infrastructure for counter-terrorist activities in the Philippines. The project delivers intelligence and forensics training in the Philippines and Australia for Filipino law-enforcement personnel.

On 16 June 2004 the IDG deployed a training team to Timor Leste to assist the Government train and develop the PNTL. The project was expected to continue over the next four years.

Elsewhere in Asia, the LECP continued to lead the development of joint transnational crime teams in Thailand and Cambodia established in 2001 and 2002 respectively. Originally created to combat the threat of organised people smuggling, the teams provided significant intelligence on narcotics, identity fraud and counter-terrorism with significant arrests and seizures in both countries.

In the Pacific the LECP with partner law-enforcement agencies developed and expanded a Transnational Crime Unit (TCU) network throughout the region. TCUs are operating in Fiji, Samoa and Tonga. TCUs in Vanuatu and PNG are being developed and are scheduled for completion in late 2004. The Samoa and Tonga TCUs have already developed significant leads and information on transnational crime. The Fijian TCU, in partnership with the AFP, the Royal Malaysian Police and other foreign law enforcement agencies resolved a major transnational crime investigation spanning Asia and the Pacific in June 2004. The investigation seized a major clandestine amphetamine-type stimulant production facility in Fiji. The criminal syndicate had allegedly planned to import commercial quantities of the illegal drugs into Australia.

The LECP with its Pacific law-enforcement partners established the Pacific Transnational Crime Coordination Centre (PTCCC) in Suva, Fiji (June 2004). The PTCCC is staffed by an AFP member and members from participating Pacific law-enforcement agencies involved in the TCU network. Its role is to provide proactive transnational crime intelligence to the region and tactical and strategic advice to TCUs in participating countries.

The LECP continued to provide training and equipment to ensure future sustainability of TCUs and the TNCCCs in Asia and the Pacific. A major feature was the ongoing roll-out of a computerised Crime Management Information System (CMIS), including training. The CMIS was to be installed in all units across Asia and the Pacific providing the AFP and partner agencies with the ability to collect, manage and disseminate transnational crime intelligence bilaterally and multi-laterally between agencies, countries and across regions.



The LECP also delivered offshore law-enforcement training and expertise, providing AFP trainers and advisors globally. Training courses in intelligence, surveillance, management of serious crime, disaster victim identification, and general equipment provision were delivered in Kyrgyzstan, Serbia and Montenegro, Myanmar, the Philippines, Timor Leste, Thailand, Colombia, Vietnam, Brazil, Hong Kong, Singapore, Indonesia, Cambodia, Fiji, Samoa, and PNG.

Through LECP, law-enforcement officers from Asia, the Pacific, the Middle East, and Europe were invited to attend premier training events in Australia such as the Management of Serious Crime Course, the Police Management Development Program and the National Strategic Intelligence Course.

The LECP supported the operational exchange of members involved in transnational crime investigations including money laundering, narcotics, counter-terrorism, people smuggling, and transnational sexual offences involving Malaysia, Thailand, Cambodia, Indonesia, Fiji, Samoa, and Taiwan.

The LECP supported official visits by high-level law enforcement delegations to Australia including from Timor Leste, Indonesia, Canada, Vietnam, Malaysia, Thailand, Cambodia, Colombia, China, and Chile.

At the multi-lateral level, the LECP continued to support or sponsor high-level forums and meetings between agencies to discuss transnational crime capacity building and assistance, including the:

- ▶ South Pacific Chiefs of Police Conference, Brisbane;
- ▶ Hawaii Joint Intelligence Working Group on Transnational Crime;
- ▶ Bali 2 Process: People Smuggling Targeting Workshop, Bangkok;
- ▶ Australasian Commissioners' Drug Strategy Conference, Alice Springs;
- ▶ Interpol General Assembly Meeting, Spain; and
- ▶ Asia-Pacific Money Laundering Group Annual Meeting, Macau.

## Performance Measure 2

*Client satisfaction with International Services*

### International Network

#### AFP client satisfaction study

The 2003 AFP Client Satisfaction Survey was being finalised. Interim results indicated that client satisfaction with the International Network was high. Interim results indicated a 100 per cent client satisfaction rating with 79 per cent of clients expressing a 'very satisfied' rating.

AFP International Services represents a range of clients including Heads of Australian Missions in overseas countries, associated Australian Government agencies at Mission, intelligence-gathering agencies, and foreign law enforcement agencies. More than 50 confidential client interviews were conducted including from Australia, China, United Arab Emirates, Brazil, Colombia, Thailand, Singapore, South Africa, Malaysia, the Netherlands, Pakistan, Philippines, the United States, and Cambodia. Several confidential interviews were being conducted with Heads of Australian Diplomatic Missions. High levels of satisfaction continued in 2003 for AFP International Services from Australian and international clients.

Strong levels of client satisfaction included the willingness and capacity of AFP members to assist clients, the high quality of members of the International Network, the positive benefits of the LECP, the demonstrated skills and knowledge of AFP overseas liaison officers, and the understanding of client needs and issues by AFP members.

## Post inspections

During 2003-04, the AFP continued its inspection program of offices in the International Network, including to offices in Islamabad, Beijing, Manila, Ho Chi Minh City, and Hanoi. Visits involved comprehensive discussions with senior members of foreign law enforcement agencies who appreciated the level of service and cooperation provided by the Network. The AFP also met with Heads of Mission who expressed satisfaction with AFP work and the quality of AFP personnel.

## Visits

The large number of visits to Australia by representatives of overseas law-enforcement agencies indicated the quality of service provided by the AFP overseas and the reputation developed over time. The nature of the visits indicated the mentoring and capacity-building role of the AFP in Asia-Pacific.

Vice Minister Zhu Chun Lin, Inspector General for the Ministry of Public Security, People's Republic of China, visited Australia in March 2004 for executive briefings and meetings with the AFP to improve law-enforcement cooperation. In June 2004, 33 senior INP visited Australia and participated in an AFP Crisis Management Workshop. A high-level Vietnamese delegation visited Australia in June 2004 to establish a whole-of-government framework for dealing with transnational sexual offences based on the Australian model. The Commissioner General and other senior Executives from the Cambodian National Police (CNP) visited Australia and exchanged letters between the AFP Commissioner and Commissioner General Hok Lundy for the continued operation of the Joint AFP-CNP TCCC in Cambodia.

## International Deployment Group

### AFP client satisfaction study

The IDG was formed after the last AFP Client Satisfaction Survey. However the AFP is committed to ensuring that key stakeholders, particularly State and Territory Police Forces, are regularly briefed and updated on matters that may impact on members deployed to the IDG. This is achieved through written correspondence and briefings to Police Commissioners and Police Ministers forums.

A number of official executive level visits to IDG deployment locations took place. These enabled AFP Executives to meet with key in-country stakeholders and assess satisfaction levels with AFP deployments. Feedback was positive and confirmed through the UN frequently requesting the IDG to nominate members for key UN Police positions in missions.

The IDG developed and managed effective working relationships with a number of partner agencies, including the UN, DFAT and AusAID. To further enhance relationships the AFP placed a senior member in the UN Mission in New York and began negotiating to attach an AusAID Officer to the IDG in Canberra.

### UN assessment of AFP personnel

Performance in this area is assessed by analysing post-detachments. Assessments were provided by 18 members returning from mission with 16 listing members' performance as outstanding and two above average.

## Performance Measure 3

*Cost effectiveness of service delivery*

### International Network



The effectiveness of the International Network was measured on providing services and contributing to investigations across all crime types in Australia and abroad. Approximately 84 per cent of all high-impact work undertaken by the AFP involved the International Network. Examples of major investigations included:

- as a result of information from the Royal Malaysian Police, a major multi-lateral investigation was undertaken and resulted in the dismantling of a significant international drug syndicate and the closure of a large clandestine laboratory in Fiji;
- a joint AFP and Royal Malaysian Police investigation facilitated by the AFP Kuala Lumpur Office led to the interdiction of a container shipment from Malaysia containing 21 kg of heroin and the arrest of two foreign nationals in Melbourne;
- as a result of information received from Dutch authorities by the AFP's The Hague Office, 34 kg of MDMA was seized in Melbourne on 16 February 2004. A controlled delivery led to the arrest of five offenders on 10 March 2004; and
- the AFP Belgrade Office provided crucial support for the preparation and contingency planning for AFP involvement in the 2004 Athens Olympics and Paralympics.

An example of International Network involvement was the exchange of crucial operational intelligence from the AFP's Pretoria and Brasilia Offices which resulted in significant seizures of cocaine during April 2004. These included an investigation by the Brazilian Federal Police which resulted in the seizure of 50 kg of cocaine in Benin (West Africa) and the arrest of one offender, in addition to Brazilian authorities arresting six couriers and seizing approximately 35 kg of cocaine in Sao Paulo, Brazil. Investigators determined the couriers might have been destined for Australia.

### International Deployment Group

Components of what is now the IDG used to report under the AFP's International Network. The IDG now develops its own strategic plans in line with the AFP's new Functional Model. Central framework documents used in the IDG's planning process included the *Environment Scan February 2004—August 2005* and the *AFP Annual Report 2002–2003*, which elaborated on the AFP's business, criminal environment and internal environments.

The IDG built on and complemented the Government's commitment to the LECP. It worked with the International Network combating transnational crime groups, representing Australian law-enforcement interests overseas, enhancing regional security, gathering and sharing intelligence on criminal activities and criminal groups, and supporting other Government international responsibilities.

The value of IDG deployments was viewed in terms of overall support to Outcome 1. A large part of the success was due to the professionalism of those deployed to countries.

### Output 1.4—Guarding and Security Services

The APS delivered services in accordance with the *Australian Protective Service Act 1987* under user-pays business arrangements and through budget-funded activities specific to the security of Australia's aviation industry and in support of the RAMSI.

In July 2003, the APS deployed the first contingent of officers to RAMSI to provide protective security in the Solomon Islands. This project continued with rotating officers in and out of the country. Participating officers were selected from stations around Australia and deployed for 14 weeks. During 2003–04, 224 officers participated.

The APS continued training to maintain the Explosives Detection Canine (EDC) Program and allow for internal promotions and postings. The program maintained teams in Brisbane, Melbourne, Sydney, Canberra, and Perth. Plans were in place to maintain EDC facilities and upgrades as APS regional stations were refurbished. Further work on the kennelling EDCs at the AFP's Wanggirrali Ngurrumbai Centre at Majura, Canberra, continued and was expected to be completed in 2004–05.



The Bomb Appraisal Officer (BAO) capability at Counter-Terrorism First-Response (CTFR) airports grew significantly and included new and additional equipment and ongoing training. The BAO utility at airports remained in high demand.

EDC and BAO programs developed further and were increasingly supported by the AFP and State and Territory Police Forces and the aviation industry.

All CTFR airports were upgraded to Advanced First Response (AFR) status and maintained through ongoing recruitment and training. AFR training was an essential requirement for officers deployed to RAMSI.

The Australian Government directed that CTFR arrangements be recast from a role based on deterrence patrolling and providing a first response to one that was preventative, proactive and intelligence focused. Pending in-principle endorsement of the model by industry, Sydney Airport Corporation Ltd agreed to host a trial of the new model later in 2004. Results would be incorporated and the model presented to the aviation industry.

A key enabling capability for the new model is the Protective Security Liaison Officer (PSLO) network. Government provided \$12.7 million over four years to establish and continue the network, commencing 2004-05, at selected CTFR airports.

The APS received \$55.4 million in Budget Appropriation. Budget-funded programs were:

- continuation of the Enhanced Aviation Security, including the EDC Program agreed to in the 2002-03 Budget; and
- RAMSI deployment, \$22.7 million, agreed to by Government and provided through 2003-04 Additional Estimates.

The APS continued to establish the Air Security Officer (ASO) Program. ASO operations on domestic flights were well established and meeting the Government-approved rate of effort. International deployments to Singapore began in December. In May, following the exchange of Diplomatic Notes with the United States, the national program was expanded. Negotiations began to establish reciprocal arrangements with other destinations in the region to further expand ASO international operations.

The APS contributed to the delivery of joint law-enforcement activities with State and Territory Police Services. In March 2004 the APS worked closely with New South Wales Police and responded to a demonstration at the Prime Minister's Sydney residence.

## Performance Measure 1

*Volume of contracted user-pays guarding and security service commitments and the prevention of attempts to disrupt the safety of Australia's aviation passenger industry*

The APS grew to meet the demands of clients to whom the APS provided user-pays protective security services. All major user-pays clients were retained.

An outcome-focused agreement recognising APS operational independence was negotiated with the Senate and the House of Representatives at Parliament House. A similar agreement was established with the PSSC and negotiated with other major clients including the Department of Defence and the Australian Nuclear Science and Technology Organisation. Similar agreements with other clients were to be progressively negotiated.

New outcome-focused service delivery agreements were to be negotiated with airport operators to take into account the new CTFR operational model.

## Performance Measure 2

### *Satisfaction of clients and stakeholders with service provision*

The APS consulted regularly with airport operators, airlines and other stakeholders to gauge satisfaction levels and align service delivery to their needs. Aviation stakeholders generally expressed high levels of satisfaction with the CTFR role.

The aviation industry responded positively to the Government's direction to remodel the CTFR capability. It was anticipated that the aviation industry's satisfaction with the delivery of CTFR would increase as the new concept was developed and demonstrated.

The APS received letters of appreciation and commendation, including from the Western Australia Police Service Commissioner. The Commissioner highlighted the personal contribution of an officer who assisted with an incident at Perth's Domestic Airport and acknowledged the officer's exemplary dedication to duty, personal courage and professionalism.

The APS was also commended by representatives of some overseas countries in which it operates. For example, the Prime Minister of the Solomon Islands, Sir Allan Kemakeza, said in a January 2004 speech:

*"... I would like to specially recognise the contribution of two specialist units of RAMSI, The Australian Protective Service and the Australian Federal Police. These men and women have provided a tremendous service..."*

The Acting Secretary of the Justice Department for the Republic of Nauru expressed appreciation for the efforts of an APS Liaison Officer during training of the Nauru Police Force. The APS worked with the Republic of Nauru Justice Department, Foreign Affairs Department and Police Service on sensitive issues and provided advice.

The ASO Program provided further reassurance to the Australian community on domestic and international flights as an active deterrent and protective mechanism against the threat of terrorist activity. The aviation industry continued to praise the APS for delivery of the ASO Program.

## Performance Measure 3

### *Cost effectiveness of service delivery*

The APS achieved a surplus after tax and before dividend of \$8.9 million for 2003–04 which included a net operating profit from commercial activities of \$6.08 million. At 30 June 2004, the Enhanced Aviation Security and EDC Program had spent \$31.7 million from an allocated funding of \$32.8 million. This surplus would be carried over to 2004–05 to fund deferred activities not carried out in 2003–04.

Revenues from APS commercial activities increased from \$88.8 million in 2002–03 to \$93.5 million in 2003–04. The increase was attributed to improved economies of scale in corporate overheads, additional security measures implemented by APS's major clients and increased demand in extraneous services.

The net surplus before corporate tax and dividend for the year was \$12.05 million, the company tax equivalent was \$3.2 million and the dividend to the Department of Finance and Administration \$3.04 million.

From its commercial operations, the APS achieved a 23 per cent rate of return for 2003–04. This was 15 per cent above the required rate and reflected a noticeable improvement in the rate of return reported for 2003–04. This improvement offset the underperformance in previous financial years.



The APS continued to work closely with the aviation industry and delivered the highest level of service while limiting operating costs to those essential to maintain the volume and quality of service required. APS received an additional appropriation of \$19.08 million for RAMSI to provide additional resources to meet regional security requirements.

