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PARLIAMENTARY JOINT COMMITTEE ON
THE AUSTRALIAN CRIME COMMISSION

REC'D:

FROM: VICTORIA POLICE

AUTHORISED FOR PUBLICATION:

SECRETARY: [Signature]

Mr Jonathan Curtis
Committee Secretary
Parliamentary Joint Committee
(Australian Crime Commission)
Parliament House
Canberra ACT 2600

Dear Mr Curtis,

Examination of the Annual Report of the Australian Crime Commission

I write in response to your letter dated 12 January, 2005 where you invite submissions to the Committee's inquiry into the ACC Annual Report. You state that the ACC's 2003-2004 Annual Report is the first opportunity to evaluate the Commission's progress, structure and effectiveness and seek my views on the ACC and its operations.

The transition from the National Crime Authority model to the current ACC model has not been an easy process for those involved. Nevertheless, the ACC is operating effectively and I am confident that as the legacies of the NCA diminish, the ACC will become a far more effective organisation. In my view the 2003-2004 Annual Report is reflective of an organisation which is growing and maturing in its role within the law enforcement milieu.

Having considered the issues of the ACC's structure and effectiveness, I believe there are two areas which require review. These areas revolve around the governance arrangements and the funding model.

The current arrangements in respect to the PJC appear to be a carryover from the time the committee had oversight of the NCA. I am of the belief that there are sufficient reporting obligations, legislative requirements and oversight by both the ACC Board and the IGC-ACC, without the need for additional layer of accountability through this PJC.

I note that currently the Chief Executive Officer of the ACC reports to the Commonwealth Minister for Justice and that in addition to the ACC Board, the ACC also has to report to this PJC and the Intergovernmental Committee on the ACC.

The Commonwealth intends to establish an independent body (likely to be called the Australian Commission for Law Enforcement Integrity (ACLEI)) to detect and investigate corruption among law enforcement officers at the national level. It is envisaged that the new body's jurisdiction will cover the Australian Federal Police and the ACC, including State and Territory secondees to the ACC. ACLEI will have a suite of powers, including own motion investigation powers. These new arrangements will provide additional scrutiny of the ACC.

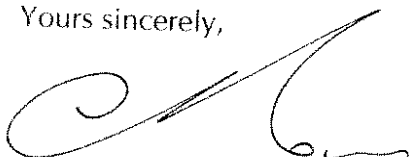
The layer of accountability provided by the PJC limits the effectiveness of the ACC through additional and unnecessary reporting. The IGC-ACC is comprised of State and Commonwealth Ministers and can effectively monitor the performance of the ACC. Furthermore, the ACC Board comprises State and Commonwealth heads of agencies and given the governance arrangements within the ACC Board, I believe the ACC is effectively monitored without the need for the PJC.

The second area which I believe needs to be examined is the Commonwealth's current ACC funding model. The current arrangements whereby Commonwealth funding is provided, but tied to a particular crime category (for instance, the determination in respect to money laundering & tax fraud whereby \$29.97m over 4 years was provided, with an expectation that approximately \$53m would be subject to tax assessment and proceeds of crime action), reduces the flexibility of the ACC and is in conflict with the governance model. Sufficient funds need to be provided by the Commonwealth for the ACC to coordinate intelligence and investigations without the funding being tied to a particular crime category.

The ACC provides advice to the ACC Board on how the resources should be allocated, according to the priorities set by the ACC Board. It is then a matter for the ACC Board to determine how the funding should be allocated, having regard to the national priorities, risks and threats. The current funding arrangements usurp the authority of the ACC Board, whereby the Commonwealth sets the agenda and prioritises the allocation of resources through tied funding.

The review of the ACC, scheduled to commence later this year, will provide additional opportunities to discuss issues at a more micro level. Victoria Police will use this opportunity to raise other matters which are not appropriate to be raised in this forum.

Yours sincerely,



Christine Nixon APM
Chief Commissioner
ACC Board member

20 / 3 / 2005