

CHAPTER 7

APPROPRIATENESS OF INDICATORS USED TO MEASURE AGENCY AND OPERATIONAL EFFECTIVENESS AND EFFICIENCY

The nature of performance indications in law enforcement

7.1 It is commonly argued that due to the nature of policing, police work is difficult to measure and cost.¹ This is particularly so for the NCA who argue that certain difficulties in the nature of the NCA's work, such as the time taken for results to emerge, and secrecy, create problems in terms of performance assessment.² The Australian Institute of Criminology (AIC) states that whilst police performance has traditionally been assessed in terms of statistics such as crime rates and, more recently, community satisfaction, these do not provide any information on the real performance of police forces:

...while these major approaches can provide an indication of what police *may* spend their time on, they do not directly inform us of what they *do* spend their time on.³

7.2 The AIC argues that these forms of traditional police performance indicators have certain limitations:

Such measures of police performance have also suited the traditional interpretation of the police role, which have been narrowly defined in terms of crime and law enforcement-related activities.

The main limitation of these traditional police performance indicators is that they are essentially social indicators. This means it is difficult to determine the true nature and extent of the impact of police activity on the intended result. As a result, it is often difficult to find consistent "improvement" in police performance using these indicators ...⁴

7.3 The Committee is required to consider any performance indicators or other mechanisms used to measure the overall and operational effectiveness and efficiency of the AFP and the NCA. The Committee must consider whether these measures are

1 Australian Institute of Criminology, *Police Performance and Activity Measurement*, November 2000, p. 1

2 These issues are considered in more depth below at Paragraph 7.51

3 Australian Institute of Criminology, *Police Performance and Activity Measurement*, November 2000, p. 1

4 Australian Institute of Criminology, *Police Performance and Activity Measurement*, November 2000, p. 1

appropriate and/or effective or whether they are in fact, limited, as highlighted by the AIC.

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7.4 To a great extent, the AFP no longer relies solely on traditional measures for police performance as a result of the introduction of the Police Realtime On-Line Management and Investigation System (PROMIS). According to the AFP, PROMIS provides the basis for the collection of activity-related information that underpins the 'development of meaningful performance indicators'.⁵ In addition, new cases are being evaluated according to the Case Categorisation and Prioritisation Model (CCPM) which considers the nature of the alleged crime, the impact of the criminality involved, and the resources required for the AFP to investigate the matter:

During the last year the AFP has integrated business data from PROMIS with resource data from SAP Finance and HR, and the result is a reporting tool which allows comprehensive reporting and analysis of all work undertaken. CCPM categorisations and the attribution of both hours and costs to individual cases form the basis of performance evaluation and reporting. The AFP can now measure its true cost of work and will be able, as sufficient information accumulates, to provide costing of individual AFP services.⁶

7.5 The AFP states that the current set of performance indicators are directed at investigative services which include the investigation of crime against the Commonwealth, while performance indicators for other AFP functions such as protective services and international services have only recently been developed.⁷ In addition, the AFP states that a comprehensive set of performance indicators for community policing in the ACT has been developed in conjunction with the ACT Government umbrella Policing Arrangement and the annual pricing review for provision of services.⁸ The AFP is also working to develop measures to compare AFP performance with that of other enforcement agencies, both domestically and internationally.⁹

7.6 The AFP, through systems like PROMIS, is now accounting for the hours spent by officers on specific cases. These databases are generally being used for internal accountability although, increasingly, the databases are being tested in forums such as Senate Estimates in order to account for the number of officers attached to and hours spent on, specific cases.

5 *Submission 6*, Australian Federal Police, p. 14

6 *Submission 6*, Australian Federal Police, p. 14

7 *Submission 6*, Australian Federal Police, p. 14; See also, *Submission 6*, Australian Federal Police, Appendix E-F. The AFP state that the introduction of appropriate data collection and reporting is in progress and performance reports in relation to these functions should be available by the end of 2001

8 *Submission 6*, Australian Federal Police, p. 14

9 *Submission 6*, Australian Federal Police, p. 16

Operational performance indicators

7.7 Typically, a case will be divided into various stages, such as the case referral, case selection, investigation and outcome. The AFP states that by using these separate measures, it can more effectively evaluate its success at each stage, thereby identifying the particular areas for improvement.¹⁰ For example:

1. Case referrals
 - 88% of clients referring work to the AFP are satisfied with the AFP's acceptance of work referred.
 - The proportion of internally generated cases reaching the legal process was 14% in 2000.
2. Case selection
 - Low impact cases comprised 55% of all open cases in 2000 and utilised 8% of AFP resources. By contrast, very high impact cases comprised 5% of open cases and employed 45% of resources.
 - The number of new very high-high impact cases increased by 14% in 2000.
3. Investigation
 - There was a 17% increase in apprehensions from 1,585 in 1999 to 1,861 in 2000.
 - Cases brought to the legal process increased from 33% cases finalised in 1999 to 42% in 2000.
4. Outcome
 - 91% of clients believe that the AFP has achieved the client's objectives.
 - The AFP is more effective at denying criminals access to criminal assets.
 - In 99/00, \$46.2 million of potential criminal assets were identified (\$5.1million in 98/99), \$13.1million restrained (\$5.4million in 98/99) and \$17.3million recovered (\$7.3million in 98/99).¹¹

7.8 The AFP is able to produce other such statistics including those that show the quantity and value of drug seizures and the number of cases identified with an

10 *Submission 6*, Australian Federal Police, p. 15

11 *Submission 6*, Australian Federal Police, pp. 15-16

economic value.¹² However, the AFP states that it does not generally use these sorts of statistics to assess the success of an operation, as qualitative measures are more useful:

The AFP is able to cost its investigations and is able to estimate the value of drugs seized, but these in themselves are not generally used to assess whether an operation has been successful or not. Other factors such as the level of disruption to a syndicate, or the value of intelligence gathered during an operation, are more useful indicators of the effectiveness of operations.¹³

Agency performance indicators - Accrual budgeting and outcomes

7.9 Like all Commonwealth agencies, the AFP has moved to an accrual budgeting and outcome model. The AFP originally produced a structure that included five outcomes during 1999-2000. However, it stated that the five-outcome, nineteen-output structure 'proved to be too complicated for effective internal management or external accountability'.¹⁴ The structure has been revised to include only two outcomes and was approved for use in 2000-2001. It is against these outcomes that the agency's performance is measured.

7.10 The breakdown of the new two-outcome structure has been outlined in the Attorney-General's Portfolio Budget Statements (PBS) of 2000-01 and 2000-02 as follows:

Outcome 1: The investigation and prevention of crime against the Commonwealth and protection of Commonwealth interests in Australia and overseas.

Output 1.1: Investigation Services

Output 1.2: Protection Services

Output 1.3: International Services

Outcome 2: Policing activity creates a safe and secure environment in the ACT.

Output 2.1: Services to the ACT Government

Outcome 1

7.11 The main priorities identified under Outcome 1 are:

12 *Submission 6*, Australian Federal Police, p. 16

13 *Submission 6A*, Australian Federal Police, p. 13

14 Attorney-General's Portfolio, *Portfolio Budget Statements 2000-01*, p. 267; See also, Australian Federal Police, *Annual Report 1999-2000*, p. 9

- The focusing of a high proportion of AFP resources on investigations assessed as having a high or very high impact;
- The supply reduction initiatives associated with the Tough on Drugs Strategy;
- The investigation of organised crime behind people smuggling;
- Meeting our peacekeeping obligations in Cyprus, East Timor and the Solomon Islands; and
- Moving from cooperation to collaboration with our law enforcement partners in the fight against transnational crime.¹⁵

7.12 The 2001-2002 PBS also states that Outcome 1 is measured through:

- The disruptive effects of AFP operations on the criminal environment nationally and internationally;
- The level of client satisfaction with the services the AFP provides; and
- The level of financial performance of the AFP in delivering cost-effective results.¹⁶

7.13 Performance measures of the disruptive effect of AFP operations include ‘the seizure of illicit drugs in Australia and overseas, the proportion of cases reaching the Courts, the restraint and recovery of the proceeds of crime and feedback on the AFP’s international operations’.¹⁷ In addition, the AFP has an independently conducted survey of client satisfaction and the financial performance of the AFP is measured through analysis of cost for delivering services.¹⁸ In 1997, then Commissioner Palmer noted that in fact quite complex performance measures were used:

I think the success has to be gauged against wider qualitative factors: the size and nature of the criminal syndicate that is disrupted or dismantled in the investigation, which may or may not be reflected by the size or seizure of the drugs or the number of apprehensions actually made; the deterrent nature of the activity, as evidenced by intelligence and information from other parts of the world...

The number of apprehensions I do not think in itself is a particularly significant factor...We are often, in some of our investigations, most successful when we simply deter the operation from continuing. So it is a range of factors.¹⁹

15 Attorney-General’s Portfolio, *Portfolio Budget Statements 2001-02*, p. 213

16 Attorney-General’s Portfolio, *Portfolio Budget Statements 2001-02*, p. 213

17 Attorney-General’s Portfolio, *Portfolio Budget Statements 2001-02*, p. 213

18 Attorney-General’s Portfolio, *Portfolio Budget Statements 2001-02*, p. 213

19 *Estimates Hansard*, Legal and Constitutional, 11 June 1997, p. 219

Output 1.1 – Investigation Services

7.14 The 2001-02 PBS states that:

The AFP provides the Commonwealth with a flexible, reactive investigative capacity across a large range of Commonwealth interests. The AFP contributes to the achievement of this outcome by enforcing a range of Commonwealth laws and protecting the integrity of Commonwealth programs, contributing to international efforts to counteract and prevent criminal activities impacting on Commonwealth law and protecting the integrity of national economic and social institutions and the environment. The Australian Bureau of Criminal Intelligence, Australasian Centre for Police Research and Australian Institute of Police Management assist this output.

7.15 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 identified by the Government;
- Protect the integrity of national economic and social institutions and the environment; and
- Ensure there is a national response where criminal activity impinges on national security and/or is of a trans-jurisdictional character.²⁰

7.16 The AFP state that irrespective of the type of criminality involved, successful investigative activities usually result in a disruption to the criminal environment through the apprehension of offenders, the seizure of drugs and property, or removal of illicit products from the market and the recovery of the proceeds of crime, which are then no longer able to finance criminal activities.²¹

7.17 The 2001-2002 PBS also identifies the basis on which each output is measured, in addition to the overall broad measurement of the outcome. Thus, the performance measurement for output 1.1 is considered against the same criteria as for the outcome as a whole:

- The disruptive effect of AFP investigations on the criminal environment;
- Client satisfaction with AFP investigations; and

20 Attorney-General's Portfolio, *Portfolio Budget Statements 2001-02*, p. 205

21 Attorney-General's Portfolio, *Portfolio Budget Statements 2001-02*, p. 206

- The level of financial performance of the AFP in delivering cost-effective results.²²

Output 1.2 – Protection Services

7.18 The objectives of this output are ‘to ensure that individuals identified as at risk by the Commonwealth are kept safe and their dignity preserved’.²³ Activities undertaken to achieve this objective include:

- The provision of close personal protection to Australian High Office Holders, Internationally Protected Persons, members of the Diplomatic Community and visiting overseas dignitaries assessed as being at threat;
- The collection, analysis, evaluation and dissemination of security intelligence for the development of threat assessments, reports and briefings on possible acts of politically motivated violence or other activities that may pose a threat to the safety or cause actual or perceived loss of dignity to Australia or overseas High Office Holders;
- Administration of the National Witness Protection Program, providing a safe and secure environment to participants in the program who are able to give evidence in criminal trials relating to organised crime such as large-scale importation of illegal drugs and corruption which involve a significant degree of criminality at both the Commonwealth and the State level;
- Planning and coordination with strategic partners for special events including, but not limited to CHOGM, Centenary of Federation and the Federal Election; and
- Management of the Australian Bomb Data Centre, providing technical advice and intelligence to State and Territory police services and other government agencies.²⁴

7.19 This output is measured through the prevention of avoidable incidents, the level of client satisfaction with AFP protection services and the efficiency of the service.²⁵ According to the AFP, the prevention of avoidable incidents is ‘indicated by the relationship between the number of official movements as measured against the number of potential incidents and the occurrence of preventable incidents involving protected persons, very important persons, diplomats, designated federal parliamentarians, internationally protected persons, witnesses for the AFP and other law enforcement agencies under the National Witness Protection Program’.²⁶

22 Attorney-General’s Portfolio, *Portfolio Budget Statements 2001-02*, p. 214

23 Attorney-General’s Portfolio, *Portfolio Budget Statements 2001-02*, p. 208

24 Attorney-General’s Portfolio, *Portfolio Budget Statements 2001-02*, p. 208

25 Attorney-General’s Portfolio, *Portfolio Budget Statements 2001-02*, p. 215

26 Attorney-General’s Portfolio, *Portfolio Budget Statements 2001-02*, p. 215

7.20 In relation to the measurement of client satisfaction, the AFP stated that this is assessed through a client satisfaction survey as well as anecdotal feedback from clients. The client survey addresses whether client needs were met and whether or not a client has ‘expectations for service improvements in the following key areas: AFP communication to clients, accessibility of AFP, timeliness of AFP services and resources provided by the AFP’.²⁷

Output 1.3 – International Services

7.21 The 2001-02 PBS states that effectively, the role of the AFP in this area is to support the Australian Government’s international responsibilities through the provision of a range of law enforcement services.²⁸ The objectives of this output are to:

- Facilitate an effective AFP contribution and response to international law enforcement efforts;
- Provide an effective contribution to Australia’s international peace keeping/monitoring commitments; and
- Provide community policing services to the Commonwealth’s External Territories.²⁹

7.22 This output is measured through the extent to which Commonwealth international obligations are met, client satisfaction with international services and the level of financial performance of the AFP in delivering cost-effective results.³⁰ According to the AFP, the extent to which Commonwealth international obligations are met includes ‘internationally agreed indicators of Interpol activities and the results of overseas operations’. In addition, client satisfaction is measured through official feedback from the United Nations.³¹ The AFP does not state how financial performance is measured, although it could presumably be done through the use of PROMIS.

7.23 Performance information is also considered in terms of what the AFP aims to achieve in quality, quantity and targets in its estimates.³²

27 Attorney-General’s Portfolio, *Portfolio Budget Statements 2001-02*, p. 215

28 Attorney-General’s Portfolio, *Portfolio Budget Statements 2001-02*, p. 209

29 Attorney-General’s Portfolio, *Portfolio Budget Statements 2001-02*, p. 209

30 Attorney-General’s Portfolio, *Portfolio Budget Statements 2001-02*, p. 216

31 Attorney-General’s Portfolio, *Portfolio Budget Statements 2001-02*, p. 216

32 Attorney-General’s Portfolio, *Portfolio Budget Statements 2001-02*, p. 217

Performance information for departmental outputs	
<i>Output description</i>	<i>Performance measure</i>
Outcome 1: The investigation and prevention of crime against the Commonwealth and protection of Commonwealth interests in Australia and overseas	<p><i>Price:</i> \$312.802m</p> <p><i>Quality:</i> Disruptive effect of AFP operations on the criminal environment nationally and internationally Client satisfaction with AFP services</p> <p><i>Quantity:</i> Number of cases</p> <p><i>Target:</i> 65% of available resources employed in High/Very High Impact cases</p>
Output 1.1: Investigation services	<p><i>Price:</i> \$229.202m</p> <p><i>Quality:</i> Disruptive effect of AFP investigations on the criminal environment. Client satisfaction with AFP investigations</p> <p><i>Quantity:</i> Number of criminal investigations</p> <p><i>Target:</i> 65% of available resources employed in High/Very High Impact cases</p>
Output 1.2: Protection services	<p><i>Price:</i> \$30.000m</p> <p><i>Quality:</i> Prevention of avoidable incidents. Client satisfaction with protection services</p> <p><i>Quantity:</i> The number of protection services</p> <p><i>Target:</i> 70% of available resources employed in High/Very High Impact cases</p>
Output 1.3: International services	<p><i>Price:</i> \$53.600m</p> <p><i>Quality:</i> Extent to which Commonwealth international obligations are met. Client satisfaction with international services</p> <p><i>Quantity:</i> Number of international services</p> <p><i>Target:</i> 65% of available resources employed in High/Very High Impact cases</p>

Outcome 2

7.24 Policing services are provided in the ACT under an arrangement between the AFP and the ACT Government. This outcome is dealt with slightly differently to outcome 1 in that the objectives are defined by the Purchase Agreement between the AFP and the ACT Government. A new Policing Arrangement and Purchase Agreement were established between the AFP and the ACT Government for the 2000-2001 financial year. The Policing Arrangement extends for a period of five years and the Purchase Agreement is subject to annual negotiations.³³

33 Attorney-General's Portfolio, *Portfolio Budget Statements 2001-02*, p. 218

7.25 The AFP contributes to the provision of policing services in the ACT by way of ensuring public order and community confidence.³⁴ Services include investigations, road safety, traffic enforcement, prosecution and judicial support and the provision of information services and other services within the ACT community. As a result of this arrangement, performance reporting is addressed as part of the annual renegotiations of the Purchase Agreement with the ACT Government.³⁵ The provision of community policing services is not within the terms of reference of the Committee's inquiry, except insofar as the services are considered by the AFP and AFPA as an integral part of training and development for the AFP in general.

1999-2000 Annual Report

7.26 The most recent public reporting on the performance of the AFP can be found in the AFP Annual Report for 1999-2000. This Report stated that the Attorney-General's Portfolio Budget Statement 1999-2000 identified a number of ways in which the AFP's achievement of its outcomes might be measured.³⁶ As mentioned above, during this accounting period, the AFP focused on five key performance indicators (KPIs) in assessing the success or otherwise of achieving outcome objectives:

- Disruptive effects of AFP operations on the criminal environment locally, nationally and internationally;
- Financial performance of the AFP as a cost-effective service;
- Level of accountability, honesty and dedication throughout the organisation;
- Level of client satisfaction with the services the AFP provides; and
- Ability to attract, satisfy and retain high-performing people.

7.27 As these performance indicators are no longer used, there is little benefit in considering them in fine detail. However, it is helpful to consider the performance indicators as reported in the 1999-2000 Annual Report in terms of general areas such as the disruption of criminal activities and client satisfaction.

Disruption to criminal activity

7.28 The Annual Report states that:

Since the introduction of the 'mobile strike teams', which provided the AFP with a mobile, proactive, investigative capacity, and the overall move to intelligence driven investigations, the AFP's successes in disrupting major

34 Attorney-General's Portfolio, *Portfolio Budget Statements 2001-02*, p. 220

35 Attorney-General's Portfolio, *Portfolio Budget Statements 2001-02*, p. 220

36 Australian Federal Police, *Annual Report 1999-2000*, p. 11

criminal enterprises and in the number and size of drug importations detected and seized has reached an all time high.³⁷

7.29 In addition, the 1999-2000 Annual Report states that investigations by the AFP over the year had a significant disruptive effect on the criminal environment through:

- 1443 offenders being apprehended for 3135 offences;
- 1661 kg of illicit drugs being removed from circulation;
- 3380 new cases being referred, of which 347 were assessed as having an impact on Australian society as high or very high, indicating that the AFP is focusing on disrupting high level criminal syndicates; and
- Identification of \$46.2 million, restraint of \$13.1 million and recovery of \$17.3 million in criminal assets.³⁸

7.30 As stated above, all matters referred to the AFP are evaluated in accordance with a Case Categorisation and Prioritisation Model.³⁹ The priority of an investigation refers to the degree of urgency, interest or exceptional circumstances of the matter and this indicates the immediate disruptive effect of conducting the operation.⁴⁰

7.31 The 1999-2000 Annual Report states:

The 1999-2000 financial year was the first accrual budget under the outcomes and outputs framework, which also included the introduction of agency banking. As such, it is the first year upon which we can benchmark financial performance in terms of cost effectiveness. In view of these unique issues, 1999-2000 is not a reliable year to use to benchmark future financial performance.

The AFP 1999-2000 outcome structure did not reflect best practice when compared to other Commonwealth agencies. It also had little historical data for comparisons. This resulted in several teething problems, largely in two areas: outcome and output structure, and attributing expenses to the appropriate codes.⁴¹

37 Australian Federal Police, *Annual Report 1999-2000*, p. 5

38 Australian Federal Police, *Annual Report 1999-2000*, p. 12

39 Australian Federal Police, *Annual Report 1999-2000*, p. 13; See above, paragraph 7.4

40 Australian Federal Police, *Annual Report 1999-2000*, p. 13

41 Australian Federal Police, *Annual Report 1999-2000*, p. 57

Client satisfaction

7.32 In late 1999 the AFP commissioned its first independent, national client satisfaction survey.⁴² A market research company undertook the survey on behalf of the AFP, conducting 53 in-depth qualitative interviews and focus group discussions with key clients of the AFP in Sydney, Canberra and Brisbane. Telephone interviews with 221 individual clients in all AFP operational areas around Australia were also conducted. Over 97% of respondents strongly supported the AFP and 91% were satisfied with its overall performance. However, between one quarter and one third of respondents indicated that they expected the AFP to add greater value to its services and to significantly improve its service delivery.⁴³

7.33 Major areas of client dissatisfaction included:

- Slowness in giving feedback and information;
- A general experience of poor service and delays;
- The time taken to investigate referrals;
- Lack of consistency in case officers;
- Inconsistency in the matters which are accepted by the AFP for investigation;
- Lack of accessibility to AFP members and services after hours; and
- A perceived lack of resources committed to client referrals, particularly those relating to fraud.

7.34 The AFP states that corrective strategies have been developed in:

- Improving communications with client agencies;
- Assisting client agencies to develop realistic expectations of the AFP;
- Improving AFP members' understanding of the environment and needs of client agencies; and
- Putting in place processes to ensure client focussed service delivery.⁴⁴

7.35 The AFP also outlined a number of specific actions to be undertaken to implement these strategies. A further client satisfaction survey was to be

⁴² See also above Chapter 1, Paragraph 1.27, on the range of those considered by the Australian Federal Police as clients, and also Australian Federal Police, Correspondence to the Committee, 22 August 2001, p. 2

⁴³ Australian Federal Police, *Annual Report 1999-2000*, p. 21

⁴⁴ Australian Federal Police, *Annual Report 1999-2000*, p. 22

commissioned within the next 9 to 12 months.⁴⁵ However, 99 per cent of those surveyed considered AFP personnel ethical, courteous, well presented and impartial.⁴⁶

General Performance

7.36 The AFP finalised the establishment of new electronic evidence teams in Brisbane and Canberra, adding to the existing teams in Melbourne, Perth and Sydney. This staffing increase contrasts with a loss of staff by law enforcement agencies, which are experiencing a continuing drain of computer forensic specialists. The AFP lost no specialists to the private sector during 1999-2000 and attributes this to a staff retention strategy encompassing flexible remuneration, opportunities for ongoing professional development and access to new and updated equipment.⁴⁷

7.37 In addition, the development of the certified agreement identified a range of inefficient work practices, all of which require improvements in people management practices.⁴⁸

7.38 To achieve these improvements, the AFP finalised a number of integrated strategic people management reforms in 1999-2000. In addition, throughout 1999 \$1.2 million was allocated for performance bonuses intended for 1146 personnel. The Performance Standards Group conducted 139 reviews of ratings, a process that determines if the rating granted is justified. As the AFP faced the potential loss of a number of personnel, improvements were also made in the area of recruitment.⁴⁹

7.39 The Annual Report also states that drug testing continued throughout the year, both of applicants and of existing staff. In addition, compulsory testing of all appointees was carried out where there was reasonable suspicion that they might be using illicit drugs. Only one of the 641 tests conducted gave a positive result.⁵⁰

Ongoing efforts of the AFP to develop performance indicators

7.40 As was noted in Chapter 3, the use of quantitative performance indicators, such as numbers of arrests, amounts of drugs seized, etc. can contribute to an understanding of improvements in performance. However, given the emphasis on the value of both training and technology to staff performance, qualitative indicators are required for a better understanding of achievements. Certain of these, which are presumably still in use, were outlined above.⁵¹

45 Australian Federal Police, *Annual Report 1999-2000*, p. 22

46 Australian Federal Police, *Annual Report 1999-2000*, p. 49

47 Australian Federal Police, *Annual Report 1999-2000*, p. 19

48 Australian Federal Police, *Annual Report 1999-2000*, p. 58

49 Australian Federal Police, *Annual Report 1999-2000*, pp. 60-62

50 Australian Federal Police, *Annual Report 1999-2000*, pp. 46, 77

51 See above, Paragraph 7.13

7.41 It is difficult to quantify the criminal environment in which the AFP operates and therefore somewhat hard to determine matters such as the percentage of drugs detected as compared to the amount actually imported.⁵² It might therefore be thought difficult for the AFP to assert that it had a ‘significant disruptive effect on the criminal environment’.⁵³ However, the AFP states that, to overcome this problem, it has developed the measures used in its international benchmarking exercise.⁵⁴

To date, the AFP has completed an international comparison of its drug law enforcement activities . . .

The results suggest that the AFP has significantly improved its performance in drug law enforcement as measured against the performance of agencies in the European Union (EU) and North America. Drug seizure figures were available for 18 nations and compared on the basis of either their estimated drug user population or total resident population. With regards to heroin and MDMA [ecstasy], the AFP is near or at world’s best practice, and the AFP’s performance with respect to cocaine is now equivalent to or better than the majority of North American and EU countries.

Heroin

. . .

- The AFP has improved from the middle ranks (10th place) among Western nations in 1995 to a position of leadership (second place) in 1998. This seizure rate has been maintained during 1999/2000.

Cocaine

- Prior to 2000, the AFP did not compare as well in terms of cocaine seizures. The AFP’s rate was among the lowest of the EU and North American countries.
- In 2000, the AFP’s performance in intercepting cocaine placed it above the 1998 median for the EU and North America . . .

MDMA

- Despite volatility in the MDMA seizures here and in Europe, the AFP has improved to a point where its performance is near to the best in the EU . . .

52 *Submission 6A*, Australian Federal Police, p. 13

53 See paragraph 7.28 above

54 *Submission 6A*, Australian Federal Police, p. 13

- Only two countries, the Netherlands and the United Kingdom, consistently outperformed the AFP over the period 1995-1998. This high level of performance has been maintained in 1999 and 2000.⁵⁵

7.42 The AFP also stated:

The AFP is also pursuing a range of activities to benchmark its other functions. These include discussion with overseas agencies to develop a suitable methodology for the comparison of the provision of protective services . . . The AFP is also engaged in discussion with private companies to establish a suitable methodology for the benchmarking of its fraud investigations.⁵⁶

7.43 Information provided by the AFP in July 2001 states that performance measures in relation to protection services and international services (the Overseas Liaison Network, Interpol services and Peacekeeping and monitoring) are ‘still works in progress’. The measures proposed for Protection services are:

- Client satisfaction (established through survey of clients); and
- Avoidable incident rate.

7.44 For the latter, amendments have been made to PROMIS to capture:

- Movements of persons under protection considered routine or low risk;
- Movements of persons under protection with a higher than average risk of a preventable incident occurring; and
- Preventable incidents that could have been avoided through physical action or intelligence and which result in death, injury, loss of dignity or embarrassment to the person under protection or diplomatic mission.

7.45 The performance indicator would be the ratio of the number of preventable incidents to the total number of movements and the number of movements with a higher than average risk of a preventable incident occurring.

7.46 The performance indicators currently proposed for the Overseas Liaison Network are:

- The number of new ‘international liaison’ cases;
- The involvement of Overseas Liaison Officers (OLOs) in Medium to Very High Impact investigations; and
- The involvement of OLOs in significant drug seizures.

55 *Submission 6A*, Australian Federal Police, p. 17

56 *Submission 6A*, Australian Federal Police, p. 17

7.47 The success of Interpol activities is measured in terms of trends in workload and compliance with agreed targets for processing Interpol notices. It is anticipated that, just as assessments are provided for peacekeepers under the UN procedures in East Timor, so future International Peacekeeping and Monitoring performance measures would include individual assessments.⁵⁷

Conclusions

7.48 The Committee acknowledges the efforts made by the AFP in attempting to detail how the agency has performed. The Committee would particularly like to make mention of the professional way in which the AFP dealt with the teething problems of this form of accountability in the 1999-2000 financial year and the swift development of a more manageable outcome and output structure.

7.49 The Committee is impressed by the ongoing effort of the AFP 'to develop and enhance its performance measurement tools'.⁵⁸ The Committee considers AFP performance indicators, such as comparisons with comparable foreign agencies, client surveys and the analysis of financial performance, to be particularly useful indicators of efficiency and effectiveness.

7.50 The one possible criticism that the Committee would make of the AFP performance measurement is that the AFP Annual Report for 1999-2000 did not make any marked use of the analysis of financial performance as a performance indicator for outcomes and outputs, although this information is available for individual operations under CCPM.⁵⁹ The Committee hopes that future AFP Annual Reports make more use of this sort of information to indicate what the AFP is spending its time and funds on. The public is interested in and entitled to know what the AFP is allocating its resources to, whether this use is effective and whether the efficiency of the AFP in particular areas has increased.

National Crime Authority

7.51 The *Third Evaluation of the National Crime Authority*, issued by the PJCNCA in April 1998, stated that the NCA, like many other agencies, did not collect and publish a comprehensive set of performance information.⁶⁰ The PJCNCA stated that the NCA was not unique among law enforcement agencies in finding performance measurement difficult.⁶¹ In addition, the PJCNCA mentioned that the AFP had published a range of new performance indicators. These were primarily qualitative, rather than quantitative, and marked a significant departure from the simple statistical

57 *Submission 6E*, Australian Federal Police, pp. 1-2.

58 *Submission 6A*, Australian Federal Police, p. 13

59 *Submission 6*, Australian Federal Police, p. 14

60 Parliamentary Joint Committee on the National Crime Authority, *Third Evaluation of the National Crime Authority*, April 1998, p. 20

61 Parliamentary Joint Committee on the National Crime Authority, *Third Evaluation of the National Crime Authority*, April 1998, p. 21

processing measures of performance mentioned earlier (eg, number of arrests, convictions, length of sentences, crime rate, reported crime).⁶²

7.52 The NCA believes its work brings certain difficulties to performance assessment. These were listed in the PJCNCA report as being:

- Time for results to emerge;
- Unreported crime;
- Secrecy;
- Clarity of role;
- Distinguishing the NCA's work (having regard to its role of cooperating with others); and
- The need for quality as well as quantity.⁶³

7.53 The PJCNCA stated that it would be possible to judge the efficiency and effectiveness of some organisations by analysing the performance data in their annual report and their aspirations as outlined in corporate plans. However, reporting of NCA performance has been limited, with little obvious, direct nexus to the performance indicators in the corporate plans.⁶⁴ The NCA annual reports, although addressing the work undertaken, only consist of performance reporting in the broadest sense. Some of the information in the classified operational reports given by the NCA to the PJCNCA, and including resource usage for each matter, could be useful for more public performance reporting. The PJCNCA was of the view that consideration of the NCA's effectiveness and efficiency would be improved by the adoption of a comprehensive range of performance measures. The PJCNCA also said that little data was available on the efficiency of the NCA.⁶⁵

7.54 The PJCNCA stated that the NCA's Corporate Plan for July 1997 - June 2000 contained new fields of performance information but said that earlier corporate plans contained both strategies and performance indicators without there being any

62 Parliamentary Joint Committee on the National Crime Authority, *Third Evaluation of the National Crime Authority*, April 1998, p. 22 . The latest NCA Corporate Plan also contains a range of 'Key Performance Information' which relate to quality as well as quantity

63 Parliamentary Joint Committee on the National Crime Authority, *Third Evaluation of the National Crime Authority*, April 1998, pp. 22-28

64 Parliamentary Joint Committee on the National Crime Authority, *Third Evaluation of the National Crime Authority*, April 1998, p. 28

65 Parliamentary Joint Committee on the National Crime Authority, *Third Evaluation of the National Crime Authority*, April 1998, p. 28

reporting on the indicators. The PJCNCA was concerned at the continued delay in developing regular reporting against an adequate range of performance measures.⁶⁶

7.55 The PJCNCA recommended that the NCA commence regular reporting on a comprehensive range of performance measures so that the PJCNCA and the community would be better able to assess its performance.⁶⁷ The Government response to the PJCNCA⁶⁸ report stated that the Government was progressing arrangements for improved accountability for Commonwealth departments and agencies generally. The Government response also stated that it had introduced an accrual budgeting framework and required government departments and agencies to report on performance indicators and output/outcome measures. All departments and agencies, including the NCA, had developed performance indicators and output/outcome measures in preparation for that year's budget.

Agency performance indicators – Accrual budgeting and outcomes

7.56 The 2001-2002 PBS describes the nature of the work of the NCA:

The NCA's outputs are clearly interrelated and largely focus on, and flow from, the investigative activities of the organisation. Investigative activity is necessarily applied to priority work in response to budgetary constraints. Investigations vary in magnitude and duration (frequently more than one year) and the outputs are difficult to predict. Law reform issues may arise or may not feature. An investigation may result in intelligence on particular organised criminal activities, but may not lead to arrests, seizures or proceeds actions. Some investigations may uncover significant organised criminal networks and their principals, who may or may not reside in Australia.⁶⁹

7.57 The breakdown of the NCA outcome and output structure is as follows:

Outcome: An integrated and national response to organised crime.

Output 1: Understanding the criminal environment

- Intelligence product; and
- Law administrative reform recommendations

Output 2: Investigating organised criminal activity

66 Parliamentary Joint Committee on the National Crime Authority, *Third Evaluation of the National Crime Authority*, April 1998, p. 29

67 See Recommendation 1, Parliamentary Joint Committee on the National Crime Authority, *Third Evaluation of the National Crime Authority*, April 1998, p. 30

68 The Government Response to the PJC Report was tabled on 7 December 2000

69 Attorney-General's Portfolio, *Portfolio Budget Statements 2001-02*, p. 283

- Coordination and facilitation of integrated law enforcement agency activity
- Impact on organised criminal environment.⁷⁰

7.58 In addition, the 1999-2000 Annual Report includes the *Future Direction of the National Crime Authority*.⁷¹ The *Future Direction* document was developed by the Chairman of the NCA in May 2000 and outlines the NCA's function, the threat posed to society by organised crime, how the NCA is addressing this national problem and what the NCA will focus on in attempting to combat this threat. The NCA intends to move toward the following goals over the next couple of years:

- Concentrate its resources upon the investigation of major serious and complex organised crime;
- Embark upon investigations directed to pursuing those at the pinnacle of a criminal organisation;
- Re-direct its resources to embark upon fewer investigations than at present but of a longer and more intricate nature;
- Make strategic use of its special powers to advance investigations in areas where the extent of powers granted to police services would constitute a limitation;
- Utilise multi-disciplinary teams with the most appropriate technology and training;
- Call in aid any available legislation relating to civil-based recovery of proceeds of crime;
- Make full use of available financial information as an investigative tool;
- Work in partnership and cooperation with other law enforcement agencies, including its national coordination function; and
- Seek to have its performance measured not by quick arrests or seizures but by the quality, sophistication, professionalism and ultimate effectiveness of its investigations, having regard to the difficulty and complexity of each matter.⁷²

7.59 The NCA conducts its activities in order to meet its targets in accordance with the outcome and output structure and the Chairman's *Future Direction* document. The Committee points out that when the proposed goals of the NCA are achieved, its Outcome should be expressed in terms of 'major serious and complex organised crime' instead of the current simple reference to 'organised crime'.

70 Attorney-General's Portfolio, *Portfolio Budget Statements 2001-02*, p. 279

71 National Crime Authority, *Annual Report 1999-2000*, pp. x-xi

72 National Crime Authority, *Annual Report 1999-2000*, pp. x-xi

Performance measurement

7.60 The NCA states that, in addition to external reporting against the Department of Finance and Administration Outcomes and Output management framework, the NCA too has adopted the Police Real-time On-Line Management and Investigation System (PROMIS) developed by the AFP for intelligence, case management and performance reporting. Certain operations are assessed via an operational assessment process, which evaluates the conduct and outcomes of an investigation.⁷³ The NCA also provide many quantitative measures of performance in its annual report and have been consulting with the AFP on a range of benchmarking activities against comparable national and international organisations.⁷⁴

7.61 The NCA 1999-2000 Annual Report stated that the NCA had introduced the PROMIS case management system in November 1998 following a project with the AFP to develop an investigative case management system.⁷⁵ In January 2000, the NCA received the report of an external review it had commissioned into its information technology capability. As a result it set up a project team to invigorate its adoption of PROMIS.⁷⁶

7.62 The NCA states that it is developing a new framework for identifying adequate performance measures with the aim of developing an integrated performance measurement system that meets external reporting requirements as well as internal management practices:

The agency is currently developing a resource management system that will enhance the accuracy and efficiency of budgeting and costing, and consequently contribute to an overall improvement in the NCA's performance reporting capability.⁷⁷

7.63 As with the AFP, the resource planning part of the NCA's proposed system will use hours as a unit of measurement and will enable the NCA to measure and report on such aspects as:

- Capacity to investigate crime;
- Caseload, ie. the amount of work according to the operational category;
- Current work on hand by operational category;
- Work to be completed by operational category; and

73 *Submission 7*, National Crime Authority, p. 29

74 *Submission 7*, National Crime Authority, p. 29

75 National Crime Authority, *Annual Report 1999-2000*, p. 66

76 National Crime Authority, *Annual Report 1999-2000*, p. 67. See also, Chapter 3 above

77 *Submission 7*, National Crime Authority, p. 29

- Caseload vs. capacity.⁷⁸

7.64 According to the NCA, the new system will be able to gauge the progress of each case, whether additional resources are required and which areas need attention to produce better outcomes.⁷⁹ The new system will also have the potential to cost outcomes by attaching a monetary value to each hour worked.⁸⁰

Outcomes

7.65 The 1999-2000 Annual Report outlines a number of strategies developed to contribute to achieving its outcome.⁸¹ The 2001-2002 PBS sets out the performance information for the outcome.⁸²

Effectiveness — overall achievement of the outcome	
<i>Effectiveness indicators</i>	<i>Measures</i>
Understanding the criminal environment	Stakeholder feedback on usefulness of intelligence product Progress on uniformity of laws across Australia Increase in deterrence and detectability of organised crime
Investigating organised criminal activity	Members (people and agencies) involved in task forces and the level of participation in joint activities Initiatives to enhance coordinated action Significance of the networks disrupted Extent of disruption

78 *Submission 7*, National Crime Authority, p. 29

79 *Submission 7*, National Crime Authority, p. 30

80 *Submission 7*, National Crime Authority, p. 30

81 See National Crime Authority, *Annual Report 1999-2000*. Strategy 1.1 is to establish and maintain liaison and cooperative relationships with Australian and international law enforcement agencies. Strategy 1.2 aims to identify and assess strategic issues and disseminate information and intelligence to relevant agencies. Strategy 1.3 is designed to encourage and participate with other agencies in the development and exchange of specialist equipment, information, expertise and innovative techniques. Strategy 1.4 aims to systematically produce and develop operational assessments addressing potential intelligence and law reform issues. Strategy 2.1 has been developed to identify potential legislative and administrative reforms (including international laws, financial transaction laws and administrative practice reforms) for further research, comment and recommendation. Strategy 3.1 is designed to identify, coordinate and conduct investigations into priority areas using, where appropriate, multi-disciplinary teams, multi-jurisdictional task forces, references and special powers. Strategy 3.2 is designed to develop and maintain innovative, flexible and effective investigative methodologies to identify and counteract emerging trends and technologies. Strategy 3.3 is designed to contribute to a concerted attack on the profit motive in organised crime and the recovery of proceeds of crime and evaded taxation revenue, in partnership with the DPP and the ATO. Strategy 3.4 is designed to acquire through hearings and investigations, information and admissible evidence to develop high quality briefs of evidence for prosecution. Strategy 3.5 is designed to contribute to the global action against organised criminal activity by working in partnership with international agencies. Strategy 4.1 is designed to implement innovative and integrated management policies and practices, based on best practice and devolved responsibility for productivity and performance. Strategy 4.2 is designed to flexibly allocate resources to maximise accountability and responsiveness to priorities and to ensure asset maintenance and functionality of NCA offices.

82 Attorney-General's Portfolio, *Portfolio Budget Statements 2001-02*, pp. 284-286

Performance information for departmental outputs	
<i>Output Description</i>	<i>Performance Measure</i>
<p>Outcome 1.1: Understanding the criminal environment</p> <p>Output 1.1.1: Intelligence product</p>	<p><i>Price:</i> \$3.339m</p> <p><i>Quality:</i> Recipient use of/feedback on disseminations</p> <p>Level of stakeholder acceptance of assessments</p> <p>Level of support in feedback on seminar/conference contributions</p> <p>Potential impact and value of law enforcement strategies developed</p> <p>Significance or potential impact of criminal methodology identified</p> <p><i>Quantity:</i> Disseminations to other agencies</p> <p>Reports and assessments prepared</p> <p>Seminar/conference contributions</p> <p>Disseminations to NCA</p> <p>Law enforcement strategies developed to counter organised crime</p> <p>New criminal methodologies identified</p>
<p>Output 1.1.2: Law and administrative reform recommendations</p>	<p><i>Price:</i> \$1.173m</p> <p><i>Quality:</i> Recipient use of or level of support in feedback on recommendations</p> <p>Level of acceptance by relevant authorities or partner agencies of need to make changes</p> <p>Level of support in feedback on seminar/conference contributions</p> <p>Source of reform proposals (ie. Intelligence activities, investigation, coordination process)</p> <p><i>Quantity:</i> Reform recommendations advanced to relevant authorities</p> <p>Reform recommendations accepted by relevant authorities</p> <p>Opportunities taken to promote recommendations</p> <p>Seminar/conference contributions</p> <p>Reform exercises by external agencies to which NCA contributes</p>
<p>Outcome 1.2: Investigating organised criminal activity</p> <p>Output 1.2.1: Coordination and facilitation of integrated law enforcement agency activity</p>	<p><i>Price:</i> \$4.799m</p> <p><i>Quality:</i> Level of support in feedback on effectiveness of coordination processes</p> <p>Level of stakeholder acceptance of assessments</p> <p>Level of support in feedback on seminar/conference contributions</p> <p>Comments on level of support for NCA in press coverage</p> <p>Level of support in feedback on effectiveness of information exchanges</p>

	<p>within task forces</p> <p><i>Quantity:</i> Individuals and agencies in task forces and coordination groups</p> <p>Seminar/conference contributions</p> <p>Units of equipment/persons borrowed/lent by NCA</p> <p>Reports and assessments prepared in response to task force agency needs</p> <p>Operations carried out as joint exercises</p> <p>Seminar/conference contributions</p>
<p>Output 1.2.2: Impact on organised criminal environment</p>	<p><i>Price:</i> \$50.139m</p> <p><i>Quality:</i> Significance of networks disrupted</p> <p>Outcome of briefs of evidence</p> <p>Level of partner interest in involvement of taskforces in their investigations</p> <p>Level of support in partner feedback on investigations</p> <p>Increase in understanding of criminal methodologies</p> <p>Value of information from use of special powers</p> <p>Type of conviction and length of sentence</p> <p><i>Quantity:</i> Arrests, charges and networks disrupted</p> <p>Quantity and value of seizures of drugs and other goods</p> <p>Proceeds and taxation assessments</p> <p>Operations</p> <p>Briefs of evidence prepared by NCA for prosecution</p> <p>Post operational assessments</p> <p>Use of special or other powers</p> <p>Disseminations (shared indicator with 'intelligence')</p>

7.66 The IGC also shapes the NCA's investigative priorities by referring matters to the NCA for investigation.⁸³ The current order of priorities is reflected in the suite of multi-jurisdictional, multi-agency task forces coordinated by the NCA:

Priority One

SEAOC [South-east Asian Organised Crime], particularly heroin trafficking (Blade Task Force)

Fraud against the Commonwealth: money laundering, tax evasion and predicate offences, particularly drug trafficking (Swordfish Task Force)

Priority Two

ECN [Established Criminal Networks] (Freshnet Task Force)

83 National Crime Authority, *Annual Report 1999-2000*, p. 31; See also, Chapter 2 above

Priority Three

OMCG [Outlaw Motor Cycle Gangs] (Panzer Task Force)

Priority Four

Italo-Australian Organised Crime (Cerberus Task Force)

7.67 A principal objective of the Blade Task Force was to disrupt South-east Asian Organised Crime (SEAOC) activity. The NCA state that in recognising their limitations in depicting the whole picture, quantitative measures such as numbers of arrests and amounts of heroin and profits of crime seized, are evaluated for their strategic significance in disrupting criminal identities and groups.⁸⁴

7.68 During this period of 1999-2000 the Australasian Police Ministers' Council Senior Officers Group (APMC-SOG) considered the Fourth Annual review of performance of the Blade Task Force. APMC-SOG noted that investigations conducted by law enforcement agencies under the Task Force umbrella during the period September 1998 to August 1999 resulted in agencies seizing 553 kg of heroin and \$7 million in profits of crime. Importantly, the NCA state that a number of importations and high-level interstate heroin trafficking networks were dismantled.⁸⁵ In addition, indications are that the fifth year of the task force (September 1999-August 2000) would sustain the level of heroin seizures (over 520kg) and increased levels of profits of crime action (over \$11 million), whilst maintaining the impact on heroin importation and interstate trafficking networks.⁸⁶

7.69 Regarding the Swordfish Task Force, the NCA stated that caution should be exercised in adopting purely quantitative measures as a means of measuring performance. It may be that a single arrest of a key figure has much greater effect than the arrest of numerous people down the chain. Key results include:

- 35 people convicted of 133 offences, with the majority receiving significant prison sentences.
- 26 others charged with 599 offences.
- Criminal briefs of evidence prepared or in preparation against 547 additional persons. It is expected that all of them will be charged with serious tax fraud and that nine of them will also be charged with money-laundering related offences.
- Tax assessments for \$126.7 million have been issued against over 2200 individuals and companies, of which \$37.8 million has already been collected by the ATO and a further \$20.6 million is expected to be recovered.

84 National Crime Authority, *Annual Report 1999-2000*, p. 32

85 National Crime Authority, *Annual Report 1999-2000*, p. 32

86 National Crime Authority, *Annual Report 1999-2000*, pp. 32-33

- Additional revenue of \$93.93 million is estimated to have been paid ‘voluntarily’ to the Commonwealth as a result of increased tax compliance flowing from the deterrent effect of Swordfish Task Force activity in one operation.
- An ACS demand for \$1.68 million has been issued in relation to excise evaded under a fraudulent alcohol and tobacco export substitution scheme.
- Additional tax assessments for \$69.1 million have been issued in a Swordfish Task Force operation led by the AFP, of which \$5.1 million has already been recovered by the ATO and a further \$11.9 million is expected to be recovered.
- Assets valued at \$ 6.25 million have been forfeited under proceeds of crime legislation.
- Additional assets valued at \$5.19 million are currently restrained under proceeds of crime legislation.⁸⁷

7.70 Whilst the above figures highlight an impressive record for the NCA, certain other information relating to its performance is missing. The NCA stated that ‘26 others were charged with 599 offences’ but the NCA does not provide details of the outcomes of those charges. At another point, the NCA stated that ‘tax assessments for \$126.7 million have been issued’. However, the NCA does not outline what the possible extent of tax evasion is and, therefore, does not provide any information with regard to its performance.

7.71 The disruption of drug trafficking and organised criminal enterprises that depend upon money laundering, tax evasion and illegal currency transactions, has been a fundamental outcome of many task force investigations. According to the NCA, investigations into the evasion of tax have detected and curtailed a number of complex and sophisticated schemes.⁸⁸

7.72 Regarding the Freshnet Task Force, the NCA state that its investigations confirm the increasing involvement of Established Criminal Networks (ECNs) in the importation and distribution of cocaine and designer drugs, and have uncovered a number of extremely sophisticated trafficking and concealment techniques.⁸⁹

7.73 In relation to the Panzer Task Force, the NCA state that it has largely played a monitoring role over the last three years. Investigations and intelligence available to task force agencies continue indicate increased rivalry between Outlaw Motorcycle Gangs (OMCG). The task force expects to become involved in a heightened rate of support for jurisdictional anti-OMCG crime operations should current levels of gang violence continue.⁹⁰

87 National Crime Authority, *Annual Report 1999-2000*, pp. 34-35

88 National Crime Authority, *Annual Report 1999-2000*, pp. 34-35

89 National Crime Authority, *Annual Report 1999-2000*, pp. 35-36

90 National Crime Authority, *Annual Report 1999-2000*, pp. 36-37

7.74 Specific Western Australian references were issued in 1999 to assist task force investigations into violent conflict between OMCG. The NCA conducted a 'financially based investigation' under these references in support of WA task force investigations. Specific operations aimed at a prominent member of the feuding gangs resulted in a significant taxation assessment being raised. The Western Australian Police Service (WAPS) task force, supported by the State Panzer reference, preferred charges of murder, assault, drug and firearm offences. The combination of these investigations and continuing pro-active measures undertaken by law enforcement agencies has seen a significant decline in overt OMCG activity in WA.⁹¹

7.75 The NCA states that the Cerberus Task Force has continued to monitor national and international activity relating to Italian influenced organised crime in Australia but that Cerberus investigations are mostly completed.⁹²

7.76 The 1999-2000 Annual Report outlines the NCA contribution to National Task Force investigative outcomes in 1999-2000.⁹³ The more significant outcomes in the multi-jurisdictional field were:

- 8 members of a heroin trafficking syndicate operating across Australia have been charged and 7 kg of heroin seized.
- 3 people, including the supplier of commercial quantities of heroin to the NSW market, were arrested and 1 kg of heroin and \$45,300 in cash were seized during an investigation into interstate heroin trafficking between Sydney and Adelaide.
- An investigation by Western Australian Police Service, NSW Crime Commission (NSWCC), AFP and NCA resulted in the arrest of a significant Freshnet identity on charges relating to interstate drug trafficking between Sydney and Perth.
- 88 kg of heroin was detected and three people arrested.
- A major interstate drug trafficking network was uncovered by task force investigations involving NSW Police, NSWCC and the NCA. Several significant Freshnet identities were arrested in NSW and Victoria and 1.3 kg of amphetamine and a quantity of ecstasy were seized.
- A joint investigation into an organised network involved in trafficking significant quantities of high-grade heroin in a number of jurisdictions led to the arrest of 29 people and a total of 161 heroin-related charges, including 12 of trafficking.
- A significant national heroin distribution syndicate operating between Melbourne and Perth was identified. 2 people were charged with possessing 2.6

91 National Crime Authority, *Annual Report 1999-2000*, pp. 36-37

92 National Crime Authority, *Annual Report 1999-2000*, p. 37

93 National Crime Authority, *Annual Report 1999-2000*, pp. 38-39

kg of imported heroin. One received a sentence of 16 years gaol and the other is proceeding through the courts. Others have been charged.

- An investigation of a large national criminal network involved in interstate heroin trafficking to several States led to a 500g seizure.

7.77 The 1999-2000 Annual Report also reported on the results of operations that often have a significant state, rather than national, basis. However, the NCA states that it is retreating from this area to focus its scarce resources on national operations where restrictions, jurisdictional or otherwise, confront State law enforcement partners.⁹⁴

7.78 The 1999-2000 Annual Report then deals with investigative results by reference to charges and drug seizures. It displays 2 comparative tables covering several years but warns that although the quantitative results shown in them demonstrate an overall increase, caution is urged in using such a quantitative approach as a definitive yardstick. For example, the arrest and successful charging of, say, a ringleader, on a single charge may have a more significant effect on law enforcement than the combined effect of the arrest and charging of many lesser individuals. From the point of view of NCA's future direction, its concentration on investigations of complex, national organised crime will inevitably lead to lower statistics. With the Department of Finance and Administration and others, the NCA is currently exploring the formulation of meaningful performance measures to assess its progress in achieving its new direction.⁹⁵

7.79 The Annual Report also discusses the NCA's Strategy 3.2,⁹⁶ and gives examples of its activities without specifically discussing the methodologies (as might be expected). In one case, tax evasion schemes and money laundering activities using Vanuatu's tax haven and bank secrecy laws were investigated. In another case, the investigation identified the sophisticated secretion of amphetamine in motor vehicles.⁹⁷

7.80 During 1999-2000, Swordfish recovered assets valued at \$4,071,457 under State confiscation legislation, obtained pecuniary penalty orders for \$139,434 under State legislation and had suspected criminal assets valued at \$2,226,042 restrained under Commonwealth and State legislation pending the determination of confiscation proceedings. In addition, \$1,002,573 was forfeited under Irish proceeds of crime legislation. In the three years of the Swordfish initiative to 30 June 2000, total assets forfeited amount to \$6, 250, 320.⁹⁸

94 National Crime Authority, *Annual Report 1999-2000*, p. 39

95 National Crime Authority, *Annual Report 1999-2000*, pp. 42-44

96 Strategy 3.2 is designed to: 'Develop and maintain innovative, flexible and effective investigative methodologies to identify and counteract emerging trends and technologies'

97 National Crime Authority, *Annual Report 1999-2000*, pp. 44-45

98 National Crime Authority, *Annual Report 1999-2000*, p. 47

7.81 The NCA produced other quantitative measures including tax assessments issued to Swordfish targets, the total of assessments issued to individuals and companies by task force officers in 1997-98, 1998-99 and 1999-2000 and ATO estimates of voluntary tax payments. Further quantitative measures include the number of witnesses summonsed to appear before the Authority at hearings and the number of notices issued requiring documents to be produced.⁹⁹

7.82 The 1999-2000 Annual Report shows a chart of prosecution results for the three years from 1997-98 to 1999-2000.¹⁰⁰ The NCA states that the chart shows a shift away from non-custodial sentences, fines and cases withdrawn in favour of custodial sentences. The number of custodial sentences of more than 10 years has been declining over the past year, whereas custodial sentences of up to 6 years have increased over the last three years. Again, the NCA warns that because of a variety of influences on the results, the figures need to be considered with caution in drawing strong conclusions.¹⁰¹

7.83 The NCA stated that the cost of salary advancements directly linked to performance assessments for the 1998-99 Performance Recognition Program (PRP) cycle was \$390,713.¹⁰² The current program, which combines salary advancement and performance pay, resulted in 61.5% of staff being eligible for a salary increase. This was seen as an improvement on the previously existing situation when salary increases were virtually automatic, assuming satisfactory performance. Performance payments for SES staff for the 1998-99 PRP cycle were \$65,733 or 16.8% of total performance payments.

State influence on performance

7.84 The former Chairman of the NCA, Mr John Broome, stated that as the NCA is a national body, the States, quite rightly, have a certain influence.¹⁰³ However, any coordination of federal government outcomes with State priorities is more a coincidence than a planned result:

While the Commonwealth now provides virtually all of the NCA's budget, the States and Territories still believe that the NCA is very much a national body over which they can and should exercise a degree of control.

While Commonwealth ministers, and other Commonwealth agencies have not often understood this dynamic, the reality is that State cooperation with the NCA is dependent upon State ministers and their police services being satisfied that they are gaining a real benefit from the relationship. If these outcomes coincide with those of the Federal Government, it is more a matter

99 National Crime Authority, *Annual Report 1999-2000*, pp. 47-48

100 National Crime Authority, *Annual Report 1999-2000*, p. 51

101 National Crime Authority, *Annual Report 1999-2000*, p. 50

102 National Crime Authority, *Annual Report 1999-2000*, p. 61

103 *Submission 2*, Mr John Broome, p. 17

of coincidence than of national law enforcement planning and priority setting.¹⁰⁴

7.85 Mr Broome stated that the NCA has no externally imposed performance indicators at the individual operational level – operational outcomes are determined as operational possibilities are identified.¹⁰⁵ In addition, assessments are made of the likelihood of success, the extent to which the operation would accord with NCA priorities and the demands imposed by partner agencies.¹⁰⁶ The idea that the NCA does not have any externally imposed performance indicators for individual operations, but rather internal performance assessment, was highlighted further:

During my period as Chairperson, the NCA constantly examined operations to ensure that there remained a strong likelihood of a successful outcome and that the level of resources deployed was commensurate with the scale and nature of the operation. On occasions, decisions were made to terminate operations without a successful result because the judgement was made that the continued use of resources was less likely to produce a result than the diversion of those resources into a new investigation.¹⁰⁷

7.86 Mr Broome expressed his concern that whilst the NCA may be accountable to the IGC, it is also important that its activities be in accordance with national objectives related to long term strategic law enforcement policy decisions. He stated:

...the reality is that ministers are aware of the work of being undertaken by the NCA, the results of those investigations (through regular reporting to the IGC) and the results achieved by the NCA. Many other government agencies are in fact less accountable because of the generality of their reporting obligations, usually through annual reports alone.

But in my view, notwithstanding the accountability mechanisms in place, it is important that Australian law enforcement efforts, particularly in relation to organised crime, are designed to meet clearly articulated national objectives. These must be determined by conscious decisions of government identifying threats and agreeing to responses to those threats.¹⁰⁸

104 *Submission 2*, Mr John Broome, pp. 17-18

105 *Submission 2*, Mr John Broome, p. 18

106 *Submission 2*, Mr John Broome, p. 18

107 *Submission 2*, Mr John Broome, p. 19

108 *Submission 2*, Mr John Broome, p.18

Conclusions

7.87 The NCA 1999-2000 Annual Report shows the previous objective of the NCA as being:

To counteract organised criminal activity and reduce its impact on the Australian community in partnership with other agencies.¹⁰⁹

7.88 That annual report also shows the 1999-2000 outcome for the NCA as:

An integrated and national response to organised crime.¹¹⁰

7.89 The outcomes prior to and following the introduction of accrual budgeting systems appear to be quite similar for the NCA.¹¹¹ The previous Key Work Area of Corporate and support services was incorporated in the 1999-2000 outputs. It should be noted that the NCA made minimal changes in moving to the new procedure, which appears to have presented no particular difficulties. On the other hand, the AFP made numerous changes in moving to the new procedure and had many difficulties, so has moved back to the categories it was using under the old procedure.

7.90 However, the fact that the NCA made minimal changes in moving to the new procedure suggests that it has not made any significant progress in terms of better indicators for reporting on performance. At first glance, the NCA does not appear to have adequately addressed the recommendation of the PJCNCA. To date, the information on the performance of the NCA has really only been quantitative measures which do not provide any real information on the effectiveness or efficiency of the agency. In this sense, there are no *actual* performance indicators for the NCA other than statistics.

7.91 It appears that the NCA, like the AFP, has identified the need to develop more qualitative measures and has used the 'disruptive effect' as a means of doing this. However, it appears not to have considered if performance measures appropriate to the AFP are in fact relevant to its operations. It might be that it could fruitfully compare its performance with that of similar foreign organisations.

7.92 The Committee is conscious of the NCA's proposed model of performance information and does not underestimate the value of such a tool when it is implemented. However, the Committee does not think that time allocation, as a performance measurement, would necessarily be applicable to the NCA. Whereas time allocation would provide important information about the performance of the AFP, this might not apply to the performance of the NCA, given that it is not a police force and that its role is to collect and analyse information about complex organised crime (see paragraph 1.31 above). Time allocation indicators would no doubt prove

109 National Crime Authority, *Annual Report 1999-2000*, p. 14

110 National Crime Authority, *Annual Report 1999-2000*, p. 14

111 See *Submission 2*, Mr John Broome, p. 17

useful to the NCA in terms of internal management; however, a preferred external indicator of performance would be an analysis of the NCA's statistics and a quantified estimate of the 'criminal environment', together with comparisons of the NCA's performance with like foreign agencies.

Recommendations

Recommendation 2

The Committee **recommends** that the NCA implement its proposed integrated performance measurement framework (referred to in paragraph 7.58 above) as a matter of priority

