

Parliament of the Commonwealth of Australia

PAPER No	5467
DATE	11 DEC 2002
PRESENTED	
<i>Mong Kan</i>	



**PARLIAMENTARY JOINT COMMITTEE  
ON THE NATIONAL CRIME AUTHORITY**

**Examination of the Annual Report for 2000 – 2001  
of the National Crime Authority**

December 2002



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DEPARTMENT OF THE SENATE
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PRESENTED BY <i>Murray Evans</i>



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ISBN 0 642 71194 1

This document was prepared by the Secretariat of the Parliamentary Joint Committee on the National Crime Authority and printed by the Senate Printing Unit, Parliament House, Canberra.



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# CHAPTER ONE

## Introduction

### The Committee's Duty

1.1 Subsection 55(1) of the *National Crime Authority Act 1984* (the Act) sets out the duties of the Joint Parliamentary Committee on the National Crime Authority. These duties are:

- a) to monitor and to review the performance by the Authority of its functions;
- b) to report to both Houses of the Parliament, with such comments as it thinks fit, upon any matter appertaining to the Authority or connected with the performance of its functions to which, in the opinion of the Committee, the attention of the Parliament should be directed;
- c) to examine each annual report of the authority and report to the Parliament on any matter appearing in, or arising out of, any such annual report;
- d) to examine trends and changes in criminal activities, practices and methods and report to both Houses of the Parliament any change which the Committee thinks desirable to the functions, structure, powers and procedures of the authority; and
- e) to inquire into any question in connection with its duties which is referred to it by either House of the Parliament, and to report to that House upon that question.

1.2 The Annual Report of the Authority is prepared pursuant to subsection 61(1) of the Act. The Authority is required to furnish it to the Inter-governmental Committee for transmission to the Commonwealth Minister and to the Minister in each participating State or Territory. The relevant Minister is required to have the report tabled within 15 sitting- days of receipt.

1.3 The Authority's Annual Report has been tabled in accordance with section 61(5) of the Act.

1.4 Pursuant to s 55 (1) of the Act, this report examines the National Crime Authority's *Annual Report 2000-2001*. This is the first Report of the Joint Parliamentary Committee on the National Crime Authority in the 40<sup>th</sup> Parliament.

## **Public Hearings**

1.5 The Committee considered it desirable to hold public hearings prior to the preparation of this examination of the Authority's Annual Report. A public hearing where evidence was heard from the Authority was held on 24 June 2002.

## **Committee Report**

1.6 The Committee adopted this report at a private meeting held on 5 December 2002.

## **Functions of the Authority**

1.7 The National Crime Authority is a statutory body established under Part II of the Act.

1.8 The Authority's functions are set out in Division 1 of Part II. Those functions include:

- the collection, analysis and dissemination of criminal intelligence and information to government and approved bodies;
- the investigation of matters concerning criminal activities;
- the arrangement and co-ordination of task forces involving Commonwealth and State Police; and
- the investigation of matters specifically referred to it by the Minister.

## **Reporting Requirements**

### ***Statutory Requirements***

1.9 Subsection 61 (2) requires an annual report by the Authority to include:

- a) a description of the matters that were referred during that year to the Authority for investigation;
- b) a description, which may include statistics, of any patterns or trends, and the nature and scope, of any criminal activity that have come to the attention of the Authority during that year in the course of its investigations;
- c) any recommendations for changes in the laws of the Commonwealth, of a participating State or of a Territory, or for administrative action, that, as a result of the performance of its functions, the Authority considers should be made;
- d) the general nature and the extent of any information furnished by the Chair during that year to a law enforcement agency;

## THE COMMITTEE

### Members

Hon B Baird MP (**Chair**)

Mr R Sercombe MP (**Deputy Chair**)

Senator K Denman

Senator J Ferris

Senator Brian Greig

Senator S Hutchins

Senator J McGauran

Mr Peter Dutton MP

Hon Duncan Kerr MP

Mr Cameron Thompson MP

### Secretariat

Ms Maureen Weeks, Secretary

Ms Anne O'Connell, Principal Research Officer

Ms Rosalind McMahon, Executive Assistant

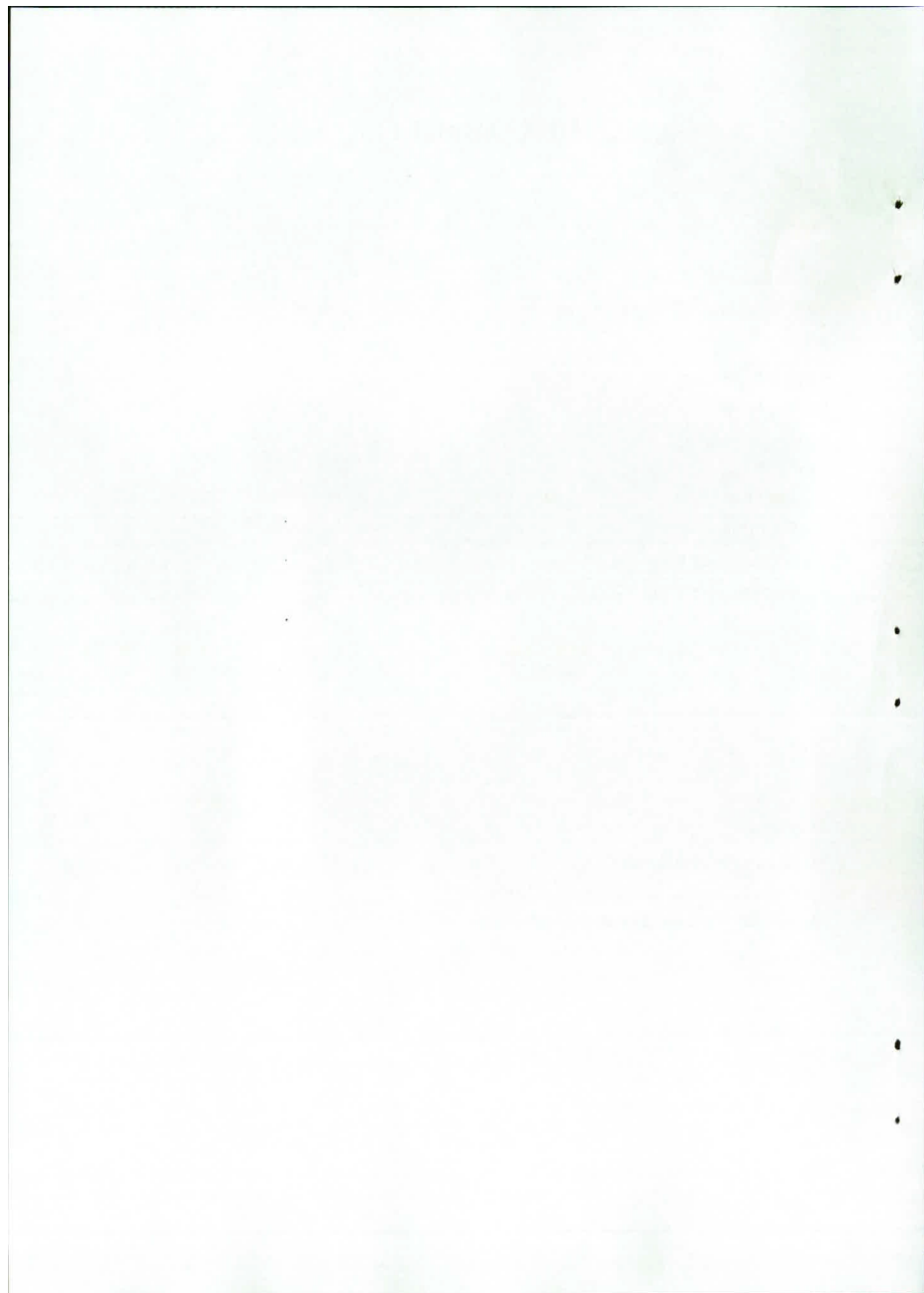
Parliament House  
CANBERRA

Telephone: (02) 6277 3598

Facsimile: (02) 6277 5866

Email: [nca.committee@aph.gov.au](mailto:nca.committee@aph.gov.au)

Internet: [www.aph.gov.au/nca](http://www.aph.gov.au/nca)



- e) the extent to which its investigations have resulted in the prosecution in that year of persons for offences;
- f) particulars of matters in respect of which the Authority has, during that year, made requests under subsection 10(1) and, subject to subsection (5) of this section, of the outcome of such requests; and
- g) particulars of the number and results of:
  - i) applications made to the Federal Court under sub-section 32 (2) (other than as it has effect because of section 32B) for orders of review in respect of decisions of the Authority; **(NOTE: This subparagraph now repealed -Act No 135 of 2001 commenced 1 October 2001).**
  - ii) applications made to the Federal Court or the Federal Magistrates Court under the *Administrative Decisions (Judicial Review) Act 1977* for orders of review in respect of matters arising under this Act; and
  - iii) other court proceedings involving the Authority; being applications and proceedings that were determined, or otherwise disposed of, during that year.

#### ***Requirements approved by the Joint Committee of Public Accounts and Audit***

1.10 These requirements were issued by the Department of Prime Minister and Cabinet in June 2001 and include a number of performance categories; they also include subcategories which are mandatory or suggested according to the agency which is reporting. The principal requirements are:

- Review by Secretary
- Departmental/ Agency overview
- Report on Performance
- Management Accountability
- Corporate Governance, including
  - External Scrutiny
  - Management of Human Resources
  - Purchasing
  - Assets Management
  - Consultants and competitive tendering and contracting
  - Provision of access to people with disabilities
- Financial Statements



- Other Mandatory Information including:
  - Occupational Health and Safety
  - Freedom of information
  - Advertising and market research
  - Discretionary Grants
  - Ecologically sustainable development and environmental performance reporting (section 516A of *Environment Protection and Biodiversity Conservation Act 1999*).

1.11 The Department or Agency is also required to provide:

- A letter of transmittal
- Table of Contents
- Index
- Glossary
- Contact officer(s)
- Internet home page and internet address for the report.

### ***Requirements from the Portfolio Budget Statement (PBS)***

#### **Portfolio Budget Statements**

1.12 In addition to its statutory accountabilities, and the annual reports requirements, the budgetary process provides in the Portfolio Budget Statements (PBS) a set of outcomes against which the performance of departments and agencies is assessed. The portfolio budget statements (PBS) for 2000-2001 identify the authority's outcome as "An integrated and national response to organised crime". For this outcome there are two output groups, each with two outputs:

Output Group 1: Understanding the criminal environment

Output 1: Intelligence product

Output 2: Law and administrative reform recommendations

Output Group 2: Investigating organised criminal activity

Output 1: Coordination and facilitation of integrated law enforcement agency activity

Output 2: Impact on organised criminal environment

1.13 The PBS includes a table which sets out the following measures of effectiveness for the Authority and which are intended to demonstrate the Authority's overall achievement of its outcome.

- Stakeholder feedback on usefulness of intelligence product;
- Progress on uniformity of laws across Australia;
- Increase in deterrence and detectability of organised crime;
- Members (people and agencies) involved in task forces and the level of participation in joint activities;
- Initiatives to enhance co-ordinated action;
- Significance of the networks disrupted; and
- Extent of disruption.<sup>1</sup>

1.14 For each output, the Authority has developed several strategies. The PBS requires the agency to include in its review the reporting of actual results against outcomes and outputs including the specific performance set out in the PBS.

### **The 2000-2001 Report**

1.15 The Authority's Annual Report consists of:

- The letter of Transmission (page 1)
- Table of Contents (page 3)
- "The Chairman's" foreword (page 4)
- Guide to this Report (page 7)
- Chapter One - Profile (page 9)
- Chapter Two - Understanding the Criminal Environment (page 21)
- Chapter Three - Investigating Organised Criminal Activity (page 37)
- Chapter Four - Corporate and Support Services (page 61)
- Seven appendices including financial statements, statistical information and details of Freedom of Information requests and complaints.

1.16 The report is completed by

- a glossary
- statements of compliance with requirements
- a list of abbreviations
- a list of figures and
- an index.

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<sup>1</sup> Portfolio Budget Statement for the National Crime Authority 2000-2001. Table 2.2.1 p. 284.



1.17 In addition, the Report indicates that its performance is aligned with:

- the Future Directions statement of May 2000;
- Authority performance in relation to the agreed outcome outputs, as described in the Performance Management Framework and Portfolio Budget Statement; and
- the delivery strategies set out in the Corporate Plan.

1.18 The financial statements are endorsed by the former Chair in accordance with Schedule 1 to the Financial Management and Accountability (Financial Statements 2000-2001) Orders made under section 63 of the *Financial Management and Accountability Act 1997*.

## CHAPTER TWO

### ISSUES ARISING FROM THE 2000-2001 ANNUAL REPORT

#### Timeliness

2.1 Section 61 of the Act provides that the Annual Report must be prepared as soon as practicable after 30 June. The Requirements for Annual Reports direct that the annual report be tabled before 31 October in the year in which the annual report is given.

2.2 However, this Annual Report was tabled well outside the prescribed time. The Chair's letter to the Minister is dated 9 November 2001. The Annual Report was tabled in the Senate on 23 March 2002 and in the House of Representatives on the same day. Due to the federal election, the Parliament did not sit until 12 February, and the Report was tabled within 15 sitting days of its receipt by the Minister.

2.3 The last sitting day of Parliament in 2001 was 27 September. Even had the Authority complied strictly with the Annual Report requirements, this Annual Report would most likely not have been tabled prior to the date on which it was tabled. However, this Committee notes that previous Annual Reports were sent to the Minister well before November: the 1997-1998 Annual Report on 14 September 1998; the 1998-99 Report on 17 September 1999 and the 1999-2000 report on 27 September 2000.

2.4 On this occasion, the practical effect has been that the data reported is up to 21 months old, and almost a full year has elapsed since the newest data was current.

2.5 At the public hearing held on 24 June 2002, the former Chair of the National Crime Authority advised the Committee that there had been some delay in having the members of the Inter Governmental Committee sign off on the Annual Report. Under subsection 61(1) of the Act, the report is forwarded to the all of the Ministerial members of the Inter-Governmental Committee which then forwards the report with its comments to the responsible Minister. The former Chair informed the Committee that the final response from an IGC Minister was received in February 2002<sup>1</sup>, some three months after it was first distributed.

2.6 In its 1995-1996 Examination of the Annual Report, this Committee's predecessor indicated that it was of the strong view "that the tabling of the Authority's

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<sup>1</sup> Evidence 24 June 2002, p. NCA 2.

Annual Report as late as December in any one year is unacceptable"<sup>2</sup>. That Committee also said:

In order to be of value as an accountability document, an annual report needs to be published as soon as practicable after the conclusion of the period under report.<sup>3</sup>

2.7 This Committee endorses that view. While acknowledging that there are administrative issues involved in gaining a response from such a diverse group as the IGC, the Committee believes that the process needs to be better managed.

2.8 The Committee views the Annual Report not only as a record of activity, but also a report to the Parliament which outlines the state of the criminal environment, and reports on the impact of legislation on that environment. It also provides accountability for the expenditure of public money. The impact of such a document is considerably diluted when the data is up to 21 months old. The opportunity for organisations to receive meaningful feedback in order to make improvements in both reporting and performance is also reduced significantly.

2.9 Mr Crooke, the then Chair of the Authority indicated that every effort would be made to have the next Annual Report completed and delivered as soon as possible.<sup>4</sup> The Committee notes the former Chair's response.

### Performance assessment

2.10 There has been ongoing concern about the nature of appropriate performance measures for the Authority for some years. In its examination of the 1994-95 Annual Report, the Committee's predecessor noted that the performance information provided in that report is not easily translated into an informed judgement as to the efficient performance of the Authority's role.<sup>5</sup> Similarly, in its *Examination of the Annual Report for 1995-1996 of the National Crime Authority* (the last report of the NCA Committee on the Authority's Annual Report) the Committee:

...drew to the NCA's attention that it can expect criticism of its cost effectiveness if its performance is not adequately described in the annual report.<sup>6</sup>

2.11 That Committee suggested that performance indicator material might be expanded to assist the reader. In fact, the Authority was obviously conscious at that time of the need to examine its performance measures. The Chair's report section of

<sup>2</sup> Parliamentary Joint Committee on the National Crime Authority: *Examination of the Annual Report for 1995-96 of the National Crime Authority*. March 1997 p.2

<sup>3</sup> *Examination of the Annual Report for 1995-96 of the National Crime Authority*. p.2

<sup>4</sup> Evidence 24 June 2002 p. NCA 8

<sup>5</sup> Parliamentary Joint Committee on the National Crime Authority: *Examination of the Annual Report for 1994-1995 of the National Crime Authority*, December 1996, p. 4

<sup>6</sup> *Examination of the Annual Report for 1995-1996 of the National Crime Authority* p. 5

the 1995-1996 Annual Report noted that the existing performance measures would be reviewed over the coming year, and the revised performance measures would provide for more "expansive and meaningful" annual reporting in the future.<sup>7</sup>

2.12 Performance measures were again addressed by a previous Committee in its Evaluation of the National Crime Authority in April 1998. The Committee's first recommendation in its report was:

That the National Crime Authority commence regular reporting on a comprehensive range of performance measures so that the PJC and the community will be better able to assess its performance.<sup>8</sup>

### ***Future Directions***

2.13 The 'Future Directions' document published by the Authority in May 2000 sought to have performance measured by the 'quality, sophistication, professionalism and ultimate effectiveness of its investigations, having regard to the difficulty and complexity of each matter.'<sup>9</sup> These measures are almost entirely qualitative. However the reporting remains quantitative. One example is this statement:

NCA investigations undertaken to establish the extent of Sydney-based syndicates allegedly engaged in interstate trafficking of heroin resulted in the arrest of three people and the dismantling of a group.<sup>10</sup>

2.14 The Committee considers that while this is clearly a record of activity, if the evidence is not there to support the charges, there will be no conviction, and the activity could not be considered a successful discharge of the Authority's role. Further, there is no indication of the environment in which this took place. There is no information on the size and significance of the syndicates, or the significance to the operation of the persons arrested, and their status within the organisation.

2.15 While groups may be dismantled, it also appears that they may re-form. The early part of the Authority's Annual Report acknowledges that:

... some organised drug trafficking syndicates form and dissolve groups of skilled and trusted persons to undertake specific roles in a particular drug importation or distribution.<sup>11</sup>

2.16 These two statements can be confusing to the reader. On one hand there is a statement that "a group" was dismantled, and on the other, the admission that groups are formed and dissolved as required. In neither case is the information in any way

<sup>7</sup> Ibid.

<sup>8</sup> Parliamentary Joint Committee on the National Crime Authority: *Third Evaluation of the National Crime Authority April 1998* p. vii.

<sup>9</sup> NCA 'Future Directions', May 2000 in Annual Report 1999-2000. p. x

<sup>10</sup> Annual Report 2000-2001, p.41

<sup>11</sup> Annual Report 2000-2001, p.22



useful as a measure of the Authority's effectiveness in its stated outcome of an "integrated and national response" to organised crime. The Committee takes the view that given the apparently transient nature of these groups, the reported activity may be only of minor significance. Without a context the information is uninformative.

2.17 The Committee was also concerned at the fact that there was a dramatic decrease in results which was not solely explicable by a change in emphasis in the Authority's work as expressed in "Future Directions" to targeting "complex national organised crime."<sup>12</sup>

2.18 Mr Crooke responded by acknowledging that there was a need for the Authority's accountability and its effectiveness to be demonstrated, and that the Authority is researching best practice to devise such a reporting system.<sup>13</sup>

2.19 It was suggested that one way of achieving this could be to develop a greater descriptive value of the work undertaken, as well as compiling the Annual Report in a way which allows the benefit to the community to be reflected in the new direction taken by the Authority.<sup>14</sup>

2.20 Mr Crooke indicated that this was being progressed through a consultancy report on the repricing of the Authority, which includes review of performance measures.<sup>15</sup> The Committee notes that this action has been taken in the period 2001-2002, which is not only outside the reporting period but years after the problem was first highlighted.

2.21 The delay in satisfactorily addressing the PJC concerns on these management issues is disturbing; the Committee hopes it is not indicative of the level of response achieved by the Authority in discharging its other duties.

### ***Performance requirements***

2.22 The Authority's performance requirements have three sources: the statutory requirements, the annual reporting requirements and the outcomes set out in the Portfolio Budget Statements (PBS).

2.23 The Annual Report includes an index listing compliance information for each of the statutory requirements, and for each of the Annual Report requirements.<sup>16</sup> The Committee believes that many of the statutory requirements are so broad that even when they are met the information provided does not provide an insight into the Authority's work for the reporting year.

2.24 For example, the requirement contained in paragraph 61 (2) (a) asks for

<sup>12</sup> Evidence 24 June 2002, p. NCA 4.

<sup>13</sup> Evidence 24 June 2002, p. NCA 4.

<sup>14</sup> Evidence 24 June 2002, p. NCA 8.

<sup>15</sup> Ibid.

<sup>16</sup> Annual Report 2000-2001 page 39

...a description of the matters that were referred during the year to the Authority for investigation.

2.25 In its response, the Annual Report provides a list of references to the various task forces but no further description. The Authority is clearly of the view that this fulfils the reporting requirements. However this level of information gives no insight into the matters that were investigated. It is merely a list of categories by taskforce names, but their significance in the overall pattern of crime in Australia and the use of resources in pursuing these investigations is not highlighted.

2.26 The Committee acknowledges that in part at least, the standard and amount of information provided is due to the statutory reporting requirements which are able to be interpreted quite broadly, and which provide little guidance as to the amount and specificity of information which is required.

2.27 Similarly, the Annual Reporting requirements prescribe things which must be included in the report, but the response can provide little detail about what actually happened.

2.28 The Committee also notes that there has been no attempt to clearly integrate or align the PBS performance measures with the Authority's statutory responsibilities. There are gaps in the reporting on the success of the strategies set out in the PBS. For example, there is no indication of stakeholder feedback on intelligence product, nor is there any information on the extent of disruption of criminal networks, except in vague terms.

2.29 The Committee observed that the PBS effectiveness measures themselves appear to be of limited use. For example, the "progress of uniformity of laws across Australia" is a matter not solely or even principally in the hands of the Authority, and its use as a measure of the effectiveness for the Authority in achieving its PBS output of "understanding the criminal environment" is questionable.

2.30 The previous Parliamentary Joint Committee has noted that quantitative measures of data such as the number of arrests, the number of successful prosecutions and the extent of custodial penalties, are not necessarily indicative of the quality of the work done, nor the agency's efficiency in meeting its objectives.<sup>17</sup>

2.31 In addition, the Committee has in the past observed that criminal investigative work is such that results in terms of successful prosecutions can be years in the making, from initiation to conviction.<sup>18</sup> There are other factors which the Parliamentary Joint Committee has acknowledged affect the assessment of the Authority's performance, including the secrecy with which much of the Authority

<sup>17</sup> Parliamentary Joint Committee on the National Crime Authority *Third Evaluation of the National Crime Authority* April 1998 pages 21-30.

<sup>18</sup> Parliamentary Joint Committee on the National Crime Authority *Examination of the Annual Report for 1995-96 of the National Crime Authority*. p.2

material must be treated, and the co-operative nature of the Authority's work which can make identifying discrete achievements of the Authority difficult.

2.32 However, the Committee takes the view that one of the Authority's key roles as determined by statute is to be a co-operative and co-ordinating organisation. It is axiomatic that its performance and accountability measures should take this into account. Instead the combination of broadly defined performance criteria and the belief that results obtained co-operatively are difficult to quantify, has allowed the reporting process to become somewhat flawed.

### ***Summary and Comment***

2.33 The performance measures for the Authority are, and have been over a period of time, clearly inadequate for describing the Authority's performance, and providing proper accountability for its activities. While they have been discussed extensively there has been no obvious attempt to provide meaningful performance information which is integrated across all performance requirements - the statutory requirements, the Annual Reporting Requirements and the Portfolio Budget Statements.

2.34 The Committee considers that the performance measures as they currently exist, do not provide adequate information about the level of success of the Authority's activities. The Committee would welcome improvements and notes the Authority through its consultant's report has been examining ways in which this can be achieved.

2.35 In the context of measuring performance, the issue arose in evidence of the complexity of the reference system under which the Authority operates. The referral of matters to the Authority is through an Inter Governmental Committee which includes the Commonwealth Minister for Justice as well as nominated ministers from each state and territory, who consider the Authority's requests for references. The system is necessary because as it stands, the Authority can only use its coercive powers where the Inter Governmental Committee has given a reference. The process can be protracted, and is clearly a source of some frustration to the Authority.

2.36 In commenting upon this, the Mr Crooke indicated that streamlining and expediting of the reference system was of paramount importance in improving the Authority's performance.<sup>19</sup>

2.37 However, in developing performance measures, the Committee emphasises that

- all accountabilities should be integrated to allow a focussed development of meaningful and informative performance measures; these measures should reflect the statutory reporting requirements, as well as the obligations imposed by the PBS; and

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<sup>19</sup> Evidence 24 June 2002, p. NCA 9



- the performance measures should be capable of being reported fully and effectively.

## **Financial Statements and Revenue and Expenditure**

2.38 The financial statements were audited by the delegate of the Auditor-General, and carry a statement that they have been prepared in accordance with audit requirements.

2.39 The Authority received \$52 895 143, including \$51 944 000 from Government for the 2000-2001 reporting year, and the Authority incurred a deficit of \$2 996 079. In the previous year, the deficit was \$308 805.

2.40 The Committee noted that the net operating deficit was almost 10 times that of the figure for the last reporting year. This was explained by the Authority as attributable principally to the write-down of fixed assets, and also the provision for the accelerated depreciation of computer equipment, and for employee liabilities.<sup>20</sup>

2.41 From the Financial Statements the amount of \$2 155 651 represented the depreciation on plant and equipment. It was not clear whether or not or to what extent the depreciation included depreciation on computer equipment.

2.42 The employee expenditure on staff increased, despite the reduction in staff. Note 13 to the Financial Statements indicates that the highest executive salary paid in the year 2000-2001 was in the range of \$420,000 to \$430,000.<sup>21</sup> In the previous financial year, the figure was in the range of \$350,000 to \$360,000.<sup>22</sup> The range of executive salaries has increased by a minimum of 10%, while the total executive salary expenditure has increased from \$3 536 334 to \$4 277 044.

2.43 The Annual Report notes that this latter amount includes the sum of \$367,642 paid as redundancy payments (up from \$145,524 the previous year) but the total number of executive staff increased from 19 to 21, and the total number of general staff was reduced from 450 in 1999-2000 to 395 in 2000 - 2001.

2.44 The Committee notes that the maximum comparable executive salaries in some other agencies are considerably lower. For example, the maximum salary paid at the executive level in the Australian Customs Service in the year 2000-2001 is in the range of \$300,001 - \$310,000. The total expenditure on executive salaries in that agency was \$4,424,522, only \$157,478 more than the Authority which has 395 employees compared to the Customs Service's 4,171.

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<sup>20</sup> Evidence 24 June 2002 p. NCA 18

<sup>21</sup> Annual Report 2000-2001 p.105

<sup>22</sup> Annual Report 1999-2000 p.96



2.45 The Committee observed that the Financial Statements show significant shifts from the previous financial year. The notes to the Statements do not contain sufficient information for the Committee to fully assess the details of the Authority's financial position. It would assist the Committee in its deliberations if such significant variations as the following could be more clearly addressed:

- an increase of 100% in the capital use charge;
- an increase in liabilities from \$7,535,478 to \$11,406,496;
- an increase in the cost of supplies from \$605,524 to \$3,885,596; and
- a write down of assets of \$0.8m.

### ***Summary and Comment***

2.46 When coupled with the decrease in the number of charges - even allowing for a shift in the emphasis of the Authority's work, towards targetting the 'Mr Bigs' of organised crime in Australia, the Committee considers that there are clearly efficiency issues which require resolution. The financial statements reinforce this, as they indicate a relatively small organisation which is "top heavy" when compared to other agencies in the public sector. There has been no reason advanced for this by the Authority.

2.47 The report contains little information on the information technology issues which affect an organisation such as the Authority. The Committee considers that some information on the Authority's activities in this area, including the development of specialised equipment, would assist in understanding the work of the Authority, as well as providing accountability for funds expended.

### **Resources**

2.48 The Authority's Annual Report notes that multi-disciplinary teams of staff undertake the investigation of organised crime with a variety of skills and backgrounds. At 30 June 2001, the Authority employed 395 persons including 128 secondees from agencies such as the Department of Customs, the Australian Taxation Office and the Police.

2.49 There has been a reduction of 55 staff from the end of June 2000. The greatest reductions were: APS level 3 from 85 to 66 positions; level 2 from 22 to 13; and SES band 1 from 12 to 9, (although as noted above, there was an overall increase in executive numbers from 19 to 21).

2.50 The report attributes this to ongoing organisational restructures, the centralisation of corporate services, and efficiencies brought about by the diversion of resources from corporate to operational activities.<sup>23</sup>

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<sup>23</sup> Annual Report 2000-2001 p. 63.

2.51 However, the Committee observed that despite these apparent reductions in staff there has been an increase in employee costs. This was explained in evidence as being due to payments to persons who left the organisation. The components of these payments included redundancy, long service payments and accumulated benefits.<sup>24</sup>

2.52 Mr Crooke indicated that the practice of two-year secondments of staff tended to limit the effectiveness of what the Authority was able to accomplish. He stated that by the time an officer had become "enculturated", it was time to return to his or her agency. The Committee was advised that the Authority is testing a program of engaging investigators on contract to overcome the problem of staff continuity.<sup>25</sup>

### ***Summary and Comment***

2.53 As previously observed, the increase in salaries at the executive level is of concern to the Committee, particularly in the light of the reduction in the number of persons charged, a decrease in staff, with a tenfold increase in the operating deficit as well as an increase in the salary bill.<sup>26</sup> It is clear to the Committee that the organisation needs a more focussed approach to its resource management together with an increase in operating efficiency.

### **Legal Developments**

2.54 The Authority's Annual Report notes some legal developments as a result of *R v Hughes* (2000) 171 ALR 155. This matter was concerned with the constitutional validity of Commonwealth officers exercising powers in relation to state matters. The effect of the subsequent legislative amendments on the Authority's activities are outside the reporting period for this Annual Report.

2.55 An area in which the Authority is pressing for change is the recovery of proceeds of crime. The Annual Report shows that in the year 2000-2001 there is approximately \$20 million obtained as proceeds of crime, which seemed to the Committee a small amount considering the Authority's scale of operations.

2.56 The Committee heard that there is at present no legislation which provides a civil-based confiscation of proceeds of crime, as there is in NSW. The Authority has been able to use state legislation in some cases, because each state has enacted its own Authority legislation. However, it is clear that the Authority's effectiveness in this area could be enhanced by the availability of civil-based proceeds of crime legislation.

2.57 The Annual Report noted that amendments to the *Telecommunications (Interception) Act 1979* have enhanced the Authority's operational capability. The amendments allowed the issue of named person warrants authorising the interception

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<sup>24</sup> Evidence 24 June 2002, p. NCA 14.

<sup>25</sup> Evidence 24 June 2002, p. NCA 6.

<sup>26</sup> Evidence 24 June 2002, p. NCA 18.

of all communications devices owned by one person, rather than issuing one warrant per device.<sup>27</sup>

2.58 The extent of this capability enhancement as compared to previous years was not clear from evidence or from the Authority's Annual Report. This was complicated by the fact that the Authority is now able to execute telephone interception warrants on behalf of other agencies but it is not possible to tell which are part of Authority operations and which are part of the operations of other agencies.

### ***Summary and Comment***

2.59 The Committee notes that passage of the *Proceeds of Crime Act 2002* will assist law enforcement bodies in recovery of assets criminally obtained. The evidence also indicated that the recent amendments concerning the obligation on witnesses to respond to questions have assisted the Authority's operational capability.<sup>28</sup> However, it would be useful to have comparative data available in the Annual Report in order that the effect of legislative amendments can be assessed accurately.

## **General Comments on the Report**

### ***Style and presentation***

There appear to be no serious omissions or errors in the Authority's Annual Report 2000-2001. However, there are some matters which if addressed, would render the document easier to read, and enable the reader more effectively to gain some insight and better appreciation of the Authority's activities. Examples include inconsistent spelling,<sup>29</sup> inconsistent formatting of the report<sup>30</sup>, an error in describing quantities of drugs<sup>31</sup>, and an indexing error.<sup>32</sup>

2.60 As noted in previous Parliamentary Joint Committee Reports, the overall standard of presentation has steadily improved. The layout and structure of the 2000-2001 report are very similar to those of the 1999-2000 report.

2.61 However, the Committee observes that the document presents a great deal of written information in a format which is not easily followed. The overall appearance is cramped, particularly graphs and charts. For example, Chart 1.1 on page 12 contains a

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<sup>27</sup> Annual Report 2000-2001, p.57

<sup>28</sup> Evidence 24 June 2002 p. NCA 13.

<sup>29</sup> Annual Report 2000 - 2001: table 3.2 p.49 "ecstasy" and p 27 "ecstasy".

<sup>30</sup> Annual Report 2000-2001 headings for "strategy" appear in different fonts at different places - see pages 23,30 and 51.

<sup>31</sup> Annual Report 2000 - 2001: p 45 - 'pounds' are used when describing a quantity of cannabis, but the decimal measure of grams and kilograms is used elsewhere in the document

<sup>32</sup> Annual Report 2000-2001: General Index, p.143, the page reference for counsel is given as 69, when it is 70.

considerable amount of text which is difficult to read and presents as a crowded graphic. The Committee suggests that it may assist comprehension if the Annual Report was presented in landscape format, or if graphs and charts were allowed more space making them easier to read and interpret.

2.62 The colours used reflect the need to keep costs contained. However, the choice of black type on a dark green background (for example Chart 1.2, Organisational Structure, page 17) makes the text difficult to see - let alone read. Chart 4.1 which appears on page 62 of the report suffers from the limitations imposed by the two-colour format. Two different items are represented by the same colour, and while being clear to commonsense, the graph loses some impact by the lack of variation. Had the chart not been placed on a light green background the light green colour could have been used instead of the duplication of the same colour representing two different staff components.

2.63 While some of these matters are aesthetic, the Committee observes that they can affect the quality of the final document, and can also undermine confidence in the document itself.

## Conclusion

The Committee notes that the Authority has addressed the various reporting requirements in its Annual Report 2000-2001. However, the Committee found itself left with material offering insufficient tangible information on which to assess the Authority's effectiveness in its discharge of its duties. Clearly the issue of well-defined, measurable performance measures is a contributing factor to the difficulty in making that assessment. The Committee again acknowledges that such measures are difficult to define, but expresses concern about the period of time the Authority has been addressing it, with little result.



The Hon Bruce Baird, MP

Chairman