

A benchmark year for AFP criminal investigations

By Michael McFadden

Senior Advisor Performance and Planning

Everyone in the AFP is aware of the growth and expansion of our responsibilities over the past few years. The successes of the International Deployment Group and counter-terrorism activities have been well documented publicly and within the AFP. The less publicly advertised success of Protection Services and the integration of the Australian Protective Service have continued unabated.

Amidst these many successes and community concern about the threat of terrorism, the performance of more traditional AFP functions such as drug and fraud investigations has perhaps received less prominence than it once did. This article considers the performance of domestic criminal investigations against a number of well established and relatively recent performance indicators.

Why measure performance?

There are two basic motivations behind the measurement of performance in the AFP. The first relates to the accountability of the AFP to the Government, the Parliament and the Australian community. Exactly what does the community and the

Government receive for its considerable investment in the AFP?

The diverse and ever-expanding range of law enforcement responsibilities has seen the AFP's budget more than double over the past four years, and the Government rightly expects us to account for this investment. In an era where government funding is necessarily tight and there are many competing demands on available funds, it is crucial that all public sector organisations demonstrate their contribution to the wellbeing of society. Over the past five years, the AFP in conjunction with a number of highly respected research institutions has attempted to set a new standard in public accountability of law enforcement activities.

The second motivation behind performance measurement is organisational improvement. By marking

The diverse and ever-expanding range of law enforcement responsibilities has seen the AFP's budget more than double over the past four years

where we have been and setting benchmarks as to where we wish to go, we can improve the overall efficiency and effectiveness of law enforcement activities.

Performance measurement feeds into a number of different management structures in the AFP through the business planning cycle. At the strategic level, the Executive Management Board and the National Managers use performance information to assist in the decision making process on resources and future directions. Office managers use similar reports to inform their decision making at a local level. The AFP has committed itself to the principle of continuous improvement and performance measurement is an important aspect of that commitment.

Overall assessment of criminal investigation activity

The nature and distribution of investigation work has changed significantly over the past five years. The introduction of the functional model, the adoption and evolution of time recording practices and a focus on serious and complex matters have all contributed to changes in work practices.

The following analysis addresses what the AFP provides in terms of criminal investigations for every million dollars of funding.

Specifically it quantifies the number of new cases accepted, cases finalised and active cases per \$ million of funding over the past five years. Funding has been discounted at 4 percent, per annum to reflect salary increases agreed under this and previous Certified Agreements. Table 1 has details of the number of new (total and external clients), finalised and on hand cases funded per \$ million.

Table 1. Workflow purchased per discounted \$ million

	2000-01	2001-02	2002-03	2003-04	2004-05
New cases - total	17.2	14.6	15.1	15.4	23.6
New cases - external clients only*	15.0	11.2	11.3	9.9	12.6
Finalised cases	15.8	17.8	12.5	14.2	17.7
Cases on hand	157.2	122.8	110.6	129.2	147.5

*Note: Interpol cases excluded due to changes in recording practices.

In 2004-05, \$1 million of funding purchased 23.6 new cases (of which 12.6 were referred externally), 17.7 finalised cases and 147.5 cases on hand. Each of these figures is higher than the

corresponding figures in the previous two financial years and represents the highest or next to highest performance of any in the five year period.

The AFP has conducted a number of studies in conjunction with other research organisations into the impact of its operations on the community at large. These studies have attempted to identify the benefits the community derives from successful law enforcement activity and are described in more detail later in this article.

The results of these studies can be used to provide an overall estimate of the return on investment of AFP investigations (refer Table 2). Table 2 also describes the proportion of investigative resource devoted to serious crime. In recent years and in line with government directives, the AFP has attempted to concentrate as much resource as possible on serious and complex crime, which is defined as that having a high or very high potential impact on Australia or its interests.



Table 2. Economic return from AFP investigations and PBS actuals

	2000-01	2001-02	2002-03	2003-04	2004-05
Overall return on investment	2.9	2.8	2.0	2.2	3.0
Proportion of hours to high/very high cases	68%	66%	61%	72%	79%

The economic benefits associated with some investigations, e.g. counter terrorism, cannot be quantified at this stage. It should be noted that these costs as well as those for investigations where the benefits can be quantified have been included in the analysis, thereby making it more difficult to achieve overall positive results. Nevertheless, the return of \$3 for every dollar invested in criminal investigations in 2004-05 is consistent with the best results of the five year period. Similarly, in 2004-05, the AFP achieved its best performance in terms of the allocation of resources against high and very high impact matters in the five year period.

The results are consistent with the interpretation that AFP investigations in 2004-05 were as efficient as at any time in the past five years. Given the increasing concentration on serious and complex matters, it is probable that the underlying level of workflow efficiency is higher than that reported.

Importation of illicit drugs

As part of its accountability to the Government and the Australian people, the AFP has undertaken a series of studies, either internally or through independent consultants, into the efficiency and effectiveness of its drug law enforcement efforts. In doing so, it had to address some of the basic questions about its supply reduction strategy.

The first issue is whether a reduction in the supply of illicit drugs results in measurable benefits to the community. In 2003, the

Australian National University was commissioned to analyse the relationship between the supply of heroin (as indicated by purity) and overdose callouts, enrolments in methadone programs and property crime. The study concluded that reducing the supply of heroin resulted in fewer overdoses, increased enrolments in treatment programs and less property crime. No evidence was found for a transfer to other deleterious substances.

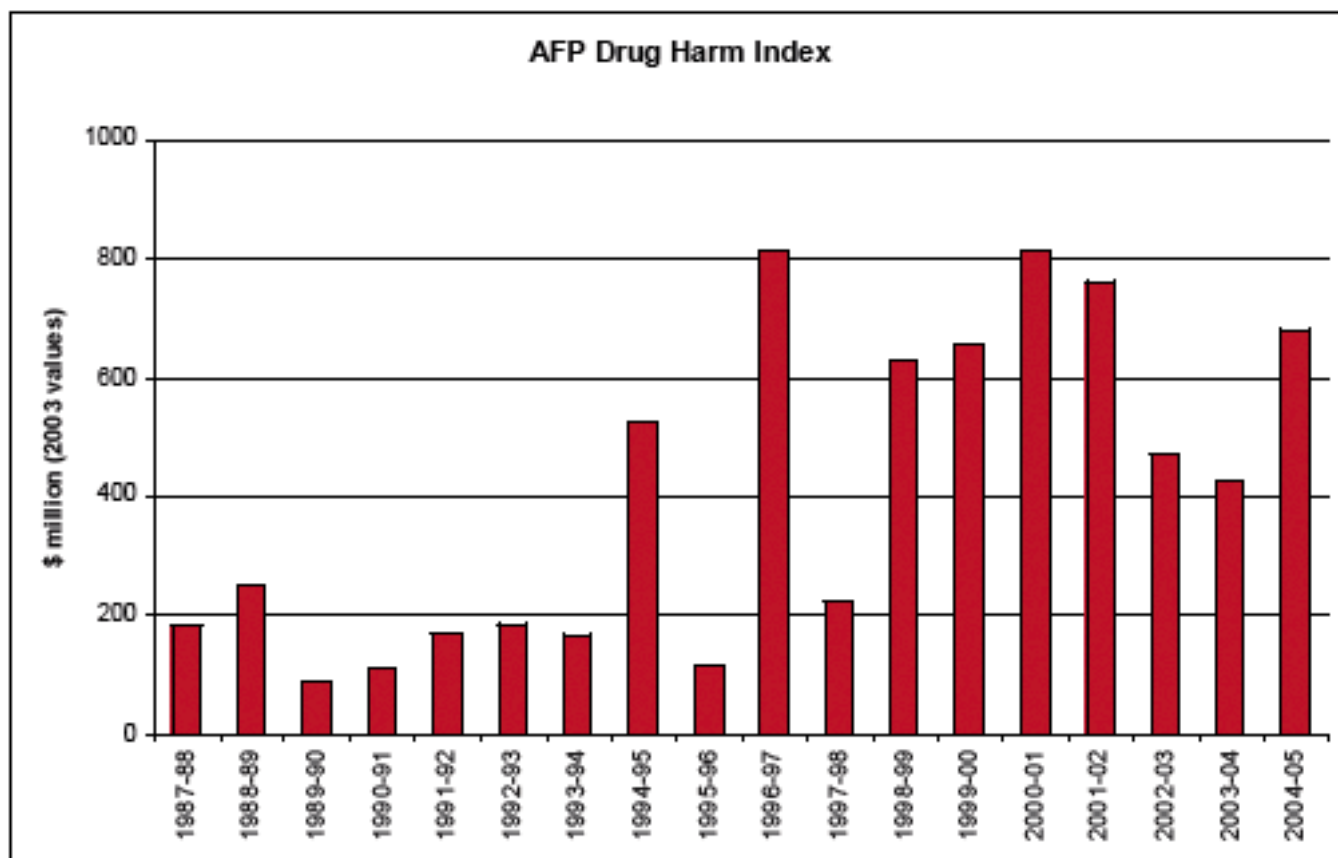
In 2004-05, the Australian National University addressed the second issue: whether Federal drug seizures actually result in a reduction in the availability of illicit drugs. In a world first for this kind of study, the results confirm that both the number and size of seizures influence the

availability of heroin. The study also found that the introduction of additional funding for drug law enforcement marked a turning point in the impact of AFP drug law enforcement activities on the level of supply.

Speaking on the ABC's *PM* program, the Director of the NSW Bureau of Crime Statistics and Research, Dr Don Weatherburn, said "the study gives us solid, credible evidence that work by the Australian Federal Police is responsible for the drop in heroin availability. In other words, that the heroin shortage is attributable in some significant measure, to the work of the Australian Federal Police in seizing heroin."

The results of these and similar studies were used to support the development of a performance indicator of AFP drug law enforcement for regular reporting purposes. The Drug Harm Index was developed to provide a single measure that encapsulates the value to the Australian community of AFP drug seizures. It was based on work by Collins and Lapsley (2002), the Australian Institute of Health and Welfare and the National Drug and Alcohol Research Centre. The results suggested that the Australian community received a benefit of \$3.2 billion from AFP drug seizures made in the five years to 30 June 2005. The AFP is collaborating with an external research body, to develop a more up-to-date and detailed version of the harm index. Other research indicates that the benefit from drug investigations represents a return of at least \$5.20 for every dollar invested in drug law enforcement.

Specific results for 2004-05 indicate that AFP seizures saved the Australian community an estimated \$668 million, an increase of 56% over the previous year (\$429 million). The AFP successfully prosecuted 115 drug cases in court, a 32% increase over the number prosecuted in the previous year (87). The year was also significant for the continuing downturn in the availability of heroin and a marked increase in seizures of amphetamines, including MDMA, and its precursors.



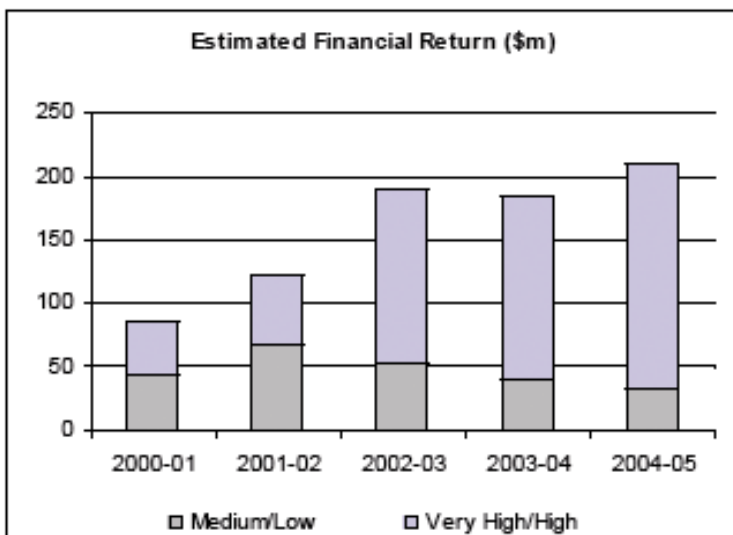
Fraud and other economic crime

The impact of fraud and other economic crime on government revenues and public and business confidence generally is perhaps self evident. The AFP is responsible for the investigation of fraud against the Commonwealth. Successful investigation of fraud cases can result in all or any of the following benefits to the Australian Government:

- the recovery of amounts fraudulently received,
- the avoidance of further loss by the Commonwealth, and
- general deterrence of like crimes in the community.

Previous research has demonstrated that AFP fraud investigations return on average \$6 to the community for every dollar invested. Again, this earlier research has formed the basis of a performance indicator, Estimated Financial Return, which can be used to estimate the benefit to the community of investigation of fraud and other economic crime.

Specific results for 2004-05 indicate that the investigation of economic crime resulted in a benefit to the Australian community of \$211 million, an increase of 25% over the previous year (\$169 million). During the year, the AFP successfully prosecuted 228 cases, an increase of 21% over the previous year (189). The improved return to the community in 2004-05 is part of an ongoing trend of improved results.



In under five years. Estimated Financial Return has more than doubled. As the chart demonstrates, this improvement has been achieved by focusing on crimes with a high or very high impact on the community. While returns from high or very high impact cases have been growing over the years, returns from smaller jobs have decreased. More appropriate responses to low level crime, such as administrative actions, have allowed the AFP to concentrate its efforts on serious and complex crime.

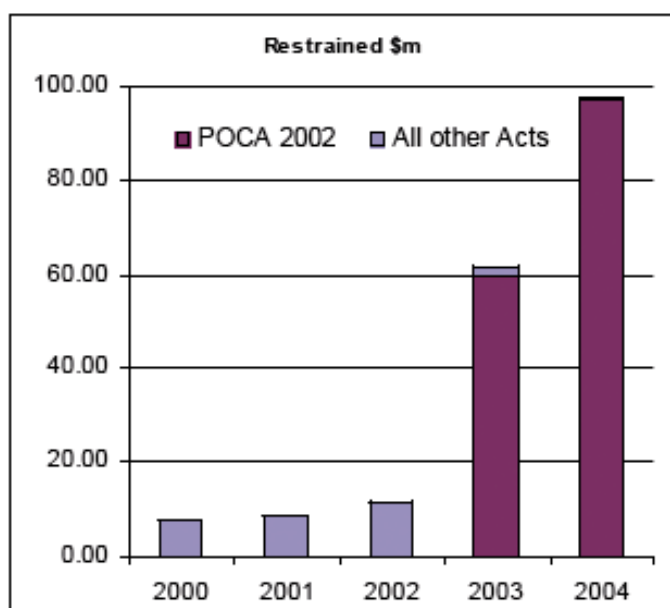
One of the most significant features of the year was the continuing success of action taken under the *Proceeds of Crime Act (2002)*. During the year, \$89.3 million was restrained which compares to \$81.3 million restrained in 2003-04, an increase of 10 percent. An internal report based on calendar year demonstrates the significant impact of the new Act. Table 3 has details of the total estimated value of all assets covered by restraining orders from 2000 to 2004 inclusive.

Table 3. Amounts restrained (\$ million)

	Total restrained	All other Acts	POCA 2002
2000	7.52	7.52	0.00
2001	8.49	8.49	0.00
2002	11.49	11.49	0.00
2003	61.59	2.28	59.32
2004	97.44	0.52	96.92

The introduction of the Act (effective from 1 January 2003) has resulted in a significant increase in the amount of proceeds restrained. In 2002, the year before the introduction of the new Act, \$11.49 million was restrained. In 2003, the first year of the Act, \$61.59 million was restrained. In 2004, \$97.44 million was restrained. The influence of the new Act has yet to flow onto forfeitures, which typically occurs a number of years after restraint.

The impact of the Act on the AFP's ability to restrain criminal assets has been highly significant with a five-fold increase in the value of restraining orders from the year before the Act took effect (2002) to the year following its introduction (2003). It is anticipated that a similar increase will be evident in forfeiture statistics in coming years.



Conclusion

By any measure, 2004-05 has been a highly successful year for the AFP. In terms of the most recent five-year period, AFP was at peak or near peak performance in the last financial year.

It is perhaps no surprise that this success has built upon traditional values within the AFP and newly introduced management reform. The introduction of the functional model and a streamlined executive structure that includes the National Managers Group and the Executive Management Board has contributed to a renewed focus on achievement within the AFP.

In the end, of course, the success really belongs to every member of the AFP working as a team. The financial year 2004-05 has set a new benchmark for performance and it will be a significant challenge to meet and a greater challenge to exceed that achievement in future years.