

# Together: More than just existing side by side

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Good afternoon.

I would like to begin by expressing my respect and acknowledge the Traditional Custodians of the land on which this conference takes place.

Thank you for having me here today. In some ways it may seem a little incongruous to have a former Deputy Commissioner of the Australian Federal Police and now head of the Australian Crime Commission speak at a government business conference.

It does, however, serve as a reminder of the growing holistic nature of Government business where we are all components of one system and we can share experiences and learnings that benefit all of us.

I confess that this is quite a different forum from the type I usually address, and I smiled rather wryly when I saw that the conference theme here is *Getting it Together*.

My smile broadened further when I was asked by the conference convenors to share my thoughts on how different jurisdictions can work more effectively together to achieve policy objectives, as it rather effectively sums up how the Australian Crime Commission goes about its work.

Let me reassure you that I have no intention of standing here today and giving you some sort of dry, in-depth history of the machinations of my organisation.

Instead, I will be covering a broad topic range ... from the myths of Arthurian legend and popular Australian TV crime shows; to realities such as resetting a relatively new agency in a crowded landscape and in a period of economic constraint.

The Australian Crime Commission has now been operating for almost eight years and there has been a seismic shift in the way we operate.

Articulating the myriad of lessons learned over those eight years would take far longer than the time I have to speak with you today.

Instead, I want to concentrate on what I feel are four of the most important lessons the organisation has learned.

Collectively, these four lessons have some universal value in government business.

I'll couch them in terms of the conference theme ... *Getting it Together*.

Firstly, getting your Board or executive group or steering committee together – especially when the dynamics and logistics might seem to make that an impossible task.

Secondly, getting your organisation together – that is, making your organisation relevant, desired and effective in an evolving marketplace.

Thirdly, getting staff together – to make sure, as the old saying goes, that you're all rowing together and that you build on strengths and unique capabilities and focus on continuous improvement.

And fourthly, getting your performance outcomes together to effect change that can be measured.

However, before doing this I need to give you some context and to do that I need to give you a very brief background on the Australian Crime Commission.

## *The Australian Crime Commission*

The Australian Crime Commission, otherwise referred to as the ACC, was established in 2002.

It was established as a statutory body to combat serious and organised crime such as the illicit drug trade and money laundering.

The Commission did not start with a blank sheet of paper.

It was, in fact, created by merging the National Crime Authority, the Attorney-General's Department's Office of Strategic Crime Assessment and the Australian Bureau of Criminal Intelligence.

The ACC was given new powers and a big remit ... to strengthen the fight against nationally significant organised crime within Australia.

And to do so by working in partnership with a range of federal, state and territory agencies.

To guide this new working arrangement, the National Criminal Intelligence priorities are set by the Board, a Board which has evolved in its membership and today comprises the top 15 law enforcement officers in the country – all the territory and state police commissioners, the heads of the Attorney General's

Department, ASIO, ASIC, Australian Customs and Border Protection Service, more recently the ATO and myself.

A more interesting group of people you will seldom find together in one room. But more on that soon.

The ACC – and the National Crime Authority before it – evolved out of a recognition of large scale serious and organised crime and the realisation that traditional law enforcement agencies were often ill-equipped to deal with the problem<sup>1</sup>.

Please let me be clear that I do not mean policing is weak on organised crime.

In practice, state police are under significant pressure to react to routine crime such as burglaries, assaults, or street crime, which means there is limited time and limited resources for detectives to invest in the long-term, sophisticated and often well-hidden operations of organised crime groups.

They are also focused, quite rightly, on their responsibilities for maintaining law and order within their own state borders.

But we know that for organised criminals, these borders have little bearing on their activities.

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<sup>1</sup> Paraphrased from the first NCA Annual Report 1984-1985: Page 6.

Changes and improvements in transport, communication and technology now enable criminals to commit offences in one location and quickly move to another with ease, or to commit offences concurrently across multiple locations and jurisdictions.

And here's where I'll briefly address the myth of organised crime as depicted in Hollywood scripts or television dramas.

Most of these shows make great television but their storylines are abstract, the criminals are entrenched in a particular line of business and often portrayed in a glamorous light, and they examine a finite cast of players.

In reality, organised crime is slippery, more transitory than what is portrayed on your television screens. In Australia it's characterised by very dispersed networks.

Organised criminal enterprises are entrepreneurial. Like conventional businesses they adopt methods such as risk mitigation strategies, the buy-in of expertise while remaining abreast of market and regulatory change. And they are also motivated by profit, albeit, illicit. This means they often mix legitimate and illegitimate enterprises.

Organised crime is moving out of the sphere of a powerful few at the head of tightly structured and hierarchical groups to relatively transient partnerships.

These criminals move around very, very quickly and flexibly into the most profitable and, frequently, multiple crime types they can find.

To fight them we need similar degrees of flexibility and innovation in our law enforcement methods — the ACC's special powers and unique capabilities enable us to obtain information that cannot be accessed through traditional policing methods.

So it was against this backdrop that the ACC entered the law enforcement landscape in 2002.

Not only did the organisation have to emerge from the shadows of its three predecessors under a new legislative framework, it had to find its place in the law enforcement community and avoid the danger of counterproductive duplication of effort.

## *Getting the Board together*

As I mentioned earlier, the ACC's Board comprises the top 15 law enforcement officers in the country, including all the territory and state police commissioners, the heads of the Attorney General's Department, ASIO, ASIC, Customs, the ATO and myself.

These individuals are effectively the heads of our key stakeholder agencies, and while we are focussed on working with them to achieve our day-to-day objectives, the Board has a legislative responsibility to provide strategic direction for the ACC and set the national criminal intelligence priorities.

Let me just pause for a minute to expand on one of the myths I flagged earlier.

You may be familiar with the legend of King Arthur's round table. As it was a circle, it had no head, implying that everyone who sat there had equal status. The round shape was also said to facilitate collaboration and allow those seated to contribute their particular expertise at precise moments.

Harvard Professor David Perkins has done much research into the philosophy behind the "round table", saying that traditional steep hierarchies and silos are insufficient for dealing with the complexities of modern business.

This, I would add, applies explicitly to the ACC's work.

Traditional policing hierarchies, which are rightly focussed on their particular jurisdictions are absolutely insufficient for dealing with the complexities of modern and national organised crime.

But rather than go out and order a new Board table – (ours, by the way is an oval shape) – we recognised that the success of our Board was dependant on our ability to drive effective collaboration. Effective collaboration at the Board level flows through to collaboration at the organisational level.

We can not afford to be a passive passenger in the way the Board operated... that is, a group of people who did all the administrative work and then stood back and expected the Board to make something magical happen.

Nor could the focus of our approach be simply on what the Commonwealth wanted done because we understood the Board members' dual roles as law enforcement officers in their own jurisdictions and sitting on a national body such as the ACC would always have tensions.

We needed to take some proactive leadership so we consciously changed our approach to Board papers from one centred on background information to inform individual

decisions, to one that instigated and extended timely and relevant conversations across the group. Critical to this was documenting the board's role and having a strategic framework which documents when and what the board needs to consider.

In addition, I travel around the country prior to Board meetings to discuss the Board agenda, to look at any policy issues that may be coming from various board members and their environments and to discuss the work that the ACC had been doing on particular priority areas.

In this way, Board members come to meetings informed and clear about the key issues and potential outcomes of that particular meeting.

Now we see a situation where these Board members pool their collective experience in making judgements, but the process by which they get there is also an educative one in that they are developing a collective and collegiate view as to the law enforcement situation in Australia.

This serves to contribute to national thinking rather than parochial thinking and it has provided a significant platform from which we operate collaboratively with our partners.

The lesson I think for organisations here, is to provide every opportunity to facilitate conversations with your Board or steering committee or executive, both as a group and individually. This involves the executive team doing the strategic thinking – but to a plan.

It's not as simple an approach in reality as it is on paper—in fact it is a resource intensive approach and it can make for some very animated discussions. But, I am confident that it's an approach that will deliver the best results for the agency.

### *Getting the organisation together*

“Getting the organisation together” goes to the heart of the ACC's purpose, and how we communicate and deliver on it. If you don't get the organisation together, all other efforts are wasted, and in this context I'd like to spend some time on these matters.

Building a coherent sense of corporate identity and purpose that in turn could be articulated to others has helped to position the ACC in the law enforcement market.

It has taken the agency some time to find its feet in this regard, but we are making in-roads by defining our points of

differentiation — our unique capabilities — and the value proposition that we can offer other agencies.

Scoping out and understanding our stakeholders and their perceptions of the agency has been the key.

Bear in mind that in the law enforcement environment, back then everyone was bigger than us. By way of comparison, in 2002–03, when the ACC was formed, we had 478 staff and a budget of \$34.4 million. The Australian Federal Police was about ten times our size with 3,496 staff and a budget of \$383.6 million.

We were, and continue to be, one of the smallest kids in the sandpit. But there is no skirt to hide behind when your tasked to deliver national results — we have to be good negotiators and influencers.

Sometimes, what an individual law enforcement agency wants, and our ability to meet their needs, aligns well. But sometimes it doesn't, and we can't afford to be passive in our approach — we rely on their participation to deliver nationally significant results. A partnership approach, and ensuring that we don't compete has been critical to this success.

To illustrate my points, imagine the local officer on the beat who may see a small fragment of organised crime working in

their neighbourhood but it doesn't hit their radar in terms of its seriousness, or if it does hit their radar, the bigger picture is too complex to deal with at that local level.

Meanwhile, the AFP, or other Commonwealth agencies may have looked upstream at the big transnational organised crime syndicates as threats to the border, but they may be doing so without identifying the link to the local level.

By linking those two pictures together, it becomes more than a local or state view of organised crime, or a Commonwealth view. It becomes a national view.

We add value to the intelligence we gather by assessing and analysing it, and then we share it in both an actionable and strategic form. In this way we help our partners to shape their strategic direction and future resource allocation, and prioritise and shape operational responses.

Law enforcement for the most part, is still about finding and prosecuting offenders and that is a critically important role.

While we need to foster effective relationships to develop intelligence, we are equally reliant on our partners to act on this intelligence and disrupt the targets that pose the greatest risk to the Australian community.

We therefore play a key role in coordinating joint-agency investigations nationally, through standing governance arrangements such as joint management groups established in each state and territory, and through individual multi-agency investigations that can be stood up quickly in response to issues as they emerge, such as credit card skimming for example.

A multi-agency approach has become a hallmark of the way we work, and the principle extends through our entire operating model.

We recently launched a new Criminal Intelligence Fusion Capability, which includes the full range of law enforcement, national security and related Commonwealth agencies, to maximise the effective use of public and private sector data holdings and facilitating lawful real-time intelligence sharing in relation to serious and organised crime. The model works by co-locating seconded staff with access to their home systems within the ACC – It's a model that we have previously tested in the form of our Financial Intelligence Assessment Team (FIAT), and it has delivered significant results for the agencies involved to date.

So for other government organisations I can say the lesson here is: scope your market. Understand your stakeholders and understand the unique value that you have to offer them, and how you can work collaboratively to achieve results that are meaningful for all involved.

This re-evaluation of our purpose and direction has evolved hand-in-hand with the development of a new approach for how we work.

Historically, law enforcement's efforts in tackling organised crime had been on investigating specific crime types, such as drug trafficking or fraud, and identifying and convicting suspects.

Granted that this approach contributed to much of what is now known and understood about organised crime. But it also revealed the weaknesses in such an approach.

Organised criminals don't confine themselves to one type of crime. They change their behaviour when they believe law enforcement is closing in and they're able to re-build quickly even if top level members of their organisation are jailed.

But the common denominator in all of their activities, their motive, their reasons for doing what they do ... is profit.

So in 2008 we began to look at changing the way we investigated and assessed organised crime. We started to track money movements throughout the country ... looking for the money that we knew both rewards and provides an incentive for criminals to commit further crimes.

We called this approach “Sentinel” and our focus became somewhat similar to an economic analysis rather than tactical operations.

Under Sentinel, we collect and analyse financial information provided by our partners in the private sector and by the Australian Transaction Reports and Analysis Centre.

We use forensic financial analysts and specialist accountants to map and apply risk ratings to specific movements of money.

We initiate investigations based on these risk ratings to identify which criminals are generating the most wealth and how they are hiding or shifting that wealth.

All of this information is then analysed and developed into intelligence reports that our law enforcement partners can act upon.

Such reports also identify the high risk targets that are most vulnerable to law enforcement intervention meaning that effort

and resources are being put towards dismantling groups with the highest probability of success.

Sentinel will help us maximise this return as well as deliver on what was promised to our stakeholders while being as adaptive and flexible as the criminal entities we are targeting.

And we all know the importance of return on investment in today's public sector. This is particularly so for us as a small, niche agency with considerable budget constraints.

I should point out that it doesn't mean we're only focussing on financial crime, rather Sentinel helps us identify the highest risk targets, fully aware of the range, scope and type of activity in which organised crime is involved.

As exciting as all this is, we also recognised that the ACC itself needed a new way of operating to make the Sentinel approach sustainable.

We needed an operating model that would:

- support Sentinel
- help us be more agile in adapting to emerging threats and the needs of our partners
- manage our resources for maximum return on investment, and

- ensure there are key governance points to monitor our focus and delivery.

But the key to getting all of this right was having our greatest asset onside ... our people.

### *Getting staff together*

By public-service-agency standards, the ACC's staffing model is complex. We have around 600<sup>2</sup> staff working in ACC offices around the country. This year some 80 staff were seconded from law enforcement partner agencies.

Over 100 of our people have access to either state or Commonwealth police powers, and this requires appropriate governance and risk management.

Our workforce model draws together individuals from very different work-place cultures — ranging from risk-averse public servants, to risk-tolerant law enforcement officers. Managing this balance is a challenge that we face and meet daily.

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<sup>2</sup> Actual is 616 at 30 June 2010, including 546 APS; 21 Contractors; 49 secondees (5 PS Act; 24 ACC Act and 20 funded by agencies and jurisdiction). In addition, 37 staff from other agencies were working with the ACC in joint operations/taskforces.

In late 2009, the ACC undertook its first comprehensive staff survey, to ensure that the agency understood the perspective of its people.

Over 90 per cent of ACC staff participated in the survey, which illustrates their enthusiasm for such a process. But the enthusiasm dies quickly if you can't demonstrate that the feedback is heard and acted upon.

The process has provided us with valuable guidance and a benchmark for measuring improvements, which have been focussed principally on career progression opportunities and internal communication.

Many of our staff come with extensive law enforcement expertise. They have traditionally worked around themes of crime (drugs, firearms and financial crime for example), and they have built up practical working-relationships with stakeholders. They are very effective at getting the job done.

For them, the Sentinel operating model presented a whole new way of working.

The environment in which they were working was changing — the work would become less sequential, less theme focussed. Their direction was changing and this can be quite confronting.

We needed to have staff accept and respond favourably to this new way of operating and not slip back into their old ways.

For starters, we needed strong leadership and one way of doing this was to have all our senior executives working in one place, Canberra, not at our offices in various states.

This meant they were not sitting in silos or delivering on different agendas.

We also set out a 12 month plan for transition to the new operating model.

Our initial staff consultation and feedback process alone went on for three months.

This feedback was critical in refining the operating model. I also established a change management project called Project Connect to manage transition to this new model.

Very central to this was establishing regular communication with staff through a dedicated intranet page and frequent all-staff messages to help staff understand the change and how it would impact on them.

Embedded in this communication was the constant message that organised crime groups would love for us to continue

simply concentrating on investigation of issues or themes, but we're not going to oblige them as we're better than that.

We also made incremental structural changes within the organisation rather than one massive restructure.

Workshops on specific areas of work were held over a period of three months, interspersed with general presentations on how the changeover was proceeding.

Project Connect utilised the Prince 2 project management methodology, and it was critical to ensuring that a small agency like the ACC could continue to deliver business-as-usual throughout the change. The highly structured change-management process also ensured that we continually reflected on realising the benefits of the change.

We're now coming to the end of that 12 month process and I can say that although there have been some bumps along the way, staff have generally embraced this new way of operating.

We're still working to improve the process, but so far, things are looking good.

For me, the lesson from this process has been to take the time needed to change; to gain staff trust; to help them see how the change will benefit their own work and those they serve; to

clarify roles and responsibilities; and make sure there is frequent two-way communication.

### *Getting our performance together*

Finally, our other most recent challenge has been getting our performance outcomes together and trying to find a way to more accurately measure the impact of what we do.

We don't measure our success purely in terms of arrests, convictions and confiscations recorded. And most importantly, because of our collaborative and service approach, we can't say "we've done that on our own".

Rather, our value is measured by the way our quality intelligence helps law enforcement and other agencies to target their resources and capabilities in the most effective way to dismantle high end organised crime.

It's about measuring the quality of the value we add, rather than competitive measures, that potentially double-count the results of our partners .

This is a very difficult concept to convey when you're addressing a budget appropriation committee and the numerous bodies that oversee our operations.

We are currently reviewing not only what, but how we measure our performance, and I expect that this will be a significant area of focus for us over the next six months.

We have to find a way to try and track the benefit of our intelligence reports to our law enforcement partners.

Sometimes it is very easy if the intelligence is provided on one day and actioned on the next, but where it might take months or years or where it might form part of a broader picture—it might be the last piece in the jigsaw puzzle—or it might provide opportunity for police to take a statement from somebody that they did not previously know was involved in a particular matter, it can all go to very positive outcomes that are not necessarily tabulated by arrests or seizures or charges laid.

In order to build a better picture of stakeholder satisfaction, we conducted our first stakeholder survey in late 2009 with a broad range of Commonwealth, state and territory government

departments. Over 200 individuals from 62 different agencies participated in the survey, and overall, our results were quite positive—83 per cent of all respondents agreed or strongly agreed that the ACC’s contribution enhances efforts to combat serious and organised crime.

However stakeholder satisfaction is more than just statistics. Not only have the survey findings provided us with a more accurate benchmark of where we are now, but it has helped us build a picture of where we want to be. The major aim, after all, is knowing what you are good at and getting even better at it.

This is at the heart of continuous improvement and the intent of all agencies who are focused on “getting it together”.

I thank you for your time and attention today.

I would be happy to take any questions.

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