

ROYAL COMMISSION INTO THE MANAGEMENT OF POLICE INFORMANTS

SECOND STATEMENT OF JEFF POPE

- 1 My first statement related to 1999 and 2000 when I was a Detective Senior Constable at the Asset Recovery Squad and I registered Ms Gobbo as an informer. This statement follows on from that period and the evidence I gave to the Royal Commission in April 2019.
- 2 The questions asked by the Royal Commission that I seek to address in this statement concern a number of issues that arose during my time as Assistant Commissioner Intelligence and Covert Support with Victoria Police. As those issues are often interrelated and/or occurred concurrently, I have prepared this statement based on addressing each of the issues.
- 3 I did not retain any documents in my own possession. In preparing this statement I had the opportunity to review documents in the possession of Victoria Police, including to organise for targeted electronic searches of the approximately 140,000 emails I sent or received during my time as Assistant Commissioner between 28 September 2009 and 26 July 2013 that were made available to me by Victoria Police. I attended at the offices of Victoria Police's solicitors to review the results of those searches and to obtain copies of documents. I have principally relied on the emails identified by those searches to refresh my memory of events. There are likely to be other relevant emails and documents that were not identified as part of these searches.

Employment history

- 4 In about August/September 2000 I applied for and obtained a secondment to the Australian Bureau of Criminal Intelligence in Canberra. This process took me to Canberra a few times before the end of 2000 for interviews and to find a place to live for my family. Planning the move dominated my last few months of 2000. With the exception of the first few working days, I had all of December 2000 and the first few days of January 2001 on paternity and annual leave.
- 5 In the first few days of January 2001, my family and I left Melbourne and relocated to Canberra. I performed various roles during this secondment and remained in Canberra, with my family, until returning to Melbourne in early January 2003.
- 6 On 1 January 2003, the Australian Bureau of Criminal Intelligence was one of the agencies that became the Australian Crime Commission (ACC). I continued my secondment with the ACC until 24 March 2004 when I returned to Victoria Police as a Sergeant Analyst at the Major Fraud Group. I performed that role until the 13 June 2004 before being appointed as the Staff Officer for Assistant Commissioner Crime, who at that time was Simon Overland. I performed that role from 21 June 2004 to 19 November 2004, when I resigned from Victoria Police to take up a role as National Director Intelligence at the ACC based in Canberra. During this short period back

in Victoria Police in 2004, I had nothing to do with Ms Gobbo or any investigation, steering committee or any discussions relating to her.

- 7 I performed various roles and carried a range of responsibilities at the ACC but was predominantly National Director of Intelligence until 28 September 2009 when, through an external recruitment process, I returned to Victoria Police as the Assistant Commissioner Intelligence and Covert Support.
- 8 My statement below relates to my time as Assistant Commissioner Intelligence and Covert Support at Victoria Police from September 2009. In about September 2011 I also assumed the role of Chief Information Officer for Victoria Police and took on a new Department and additional responsibilities. I performed both roles until I resigned and left Victoria Police on 26 July 2013. When I resigned my combined role was divided and filled by two Assistant Commissioners and that arrangement has remained in place.

#### Relevant training

- 9 I have completed the following educational courses and training:
- (a) Detective Training School with Victoria Police in 1996;
  - (b) Bachelor of Arts in Police Studies at Monash University in 1999;
  - (c) Bachelor of Laws at LaTrobe University in 2009;
  - (d) Company Directors Course with the Australian Institute of Company Directors in approximately 2007;
  - (e) a week long course in Ethical Leadership held by the St James' Ethics Centre in approximately 2008; and
  - (f) a four week intensive Advanced Management Program for senior executive leaders at Insead Business School in Singapore in 2012.

#### Tasking of Ms Gobbo

- 10 I have given evidence about my dealings with Ms Gobbo in 1999 and 2000 in my previous statement and the evidence I gave to the Commission in April 2019.
- 11 Whilst sitting on the Petra and Driver Steering Committees, I do not have any recollection of being a party to any discussions about tasking Ms Gobbo to collect information on anyone that I knew she was representing at the time.

Allegation

- 12 The allegation that I had a personal relationship with Ms Gobbo is false. I have sworn on oath that the allegation is false, including in my evidence to the Royal Commission in April 2019, and will continue to do so.
- 13 Since having the opportunity to search my emails, I identified certain emails regarding the allegation. When in October 2011 I learned that Ms Gobbo had made the allegation I asked for the allegation to be investigated. The investigation was allocated to the then Acting Deputy Commissioner Cartwright. On 25 October 2011, within a few business days of the allegation being made, I also offered and did stand aside from my role on the Driver Steering Committee whilst the investigation was undertaken and completed, which was for a period of about one month.<sup>1</sup> I was not advised that I should be removed from any other decision making relating to Ms Gobbo that was occurring outside of the Driver Steering Committee during this period. I was not shown any legal advice regarding this matter and the first I recall learning that legal advice had been sought was during my evidence to the Royal Commission in April 2019. I do not recall anybody verbally communicating anything about the legal advice to me during this period or about my involvement in making decisions regarding Ms Gobbo during this period.
- 14 I have also reviewed an email I received from Commander Fryer on 26 October 2011 advising that Ms Gobbo had contact with Senior Sergeant Buick on 26 October 2011 where she repeated the allegation (from 21 October 2011) 'with some venom'. This followed a meeting I had with Assistant Commissioner Ashton with respect to the allegation earlier that week (on a date I no longer recall). I was not and am still now not aware if any new information was raised by Ms Gobbo during the conversation with Senior Sergeant Buick on 26 October 2011.<sup>2</sup>
- 15 On 27 November 2011, when he concluded his investigation, Deputy Commissioner Cartwright stated that: "*I have not found a reason to report this matter or to take any further action*" and "*I have not found a reason to believe that a sexual relationship occurred.*"<sup>3</sup>

Rewards Committee

- 16 I was the Chair of the Rewards Committee whilst I was the Assistant Commissioner for Intelligence and Covert Support. This Committee considered applications for rewards that Victoria Police offered for the solving of crimes, and payments to be made to human sources for information that led to significant arrests or convictions. I do not recall ever being presented with a claim for payment for Ms Gobbo. I note in her letter to Chief Commissioner Lay on 30 October 2014 (after the time I left Victoria Police in July 2013) Ms Gobbo states that she has

---

<sup>1</sup> VPL.6027.0015.7298.

<sup>2</sup> VPL.6027.0015.8833.

<sup>3</sup> VPL.0002.0002.0061.

never made an application for a reward and that it was then her intention to formally apply to the Rewards Committee.

#### Settlement with Ms Gobbo

- 17 I did not have any formal role in the settlement arrangements made with Ms Gobbo in 2010. I was asked by the Legal Services Section (Finn McRae and Peter Lardiner) to be the senior VicPol representative with respect to the mediation arrangements, but when I told them of my previous dealings with Ms Gobbo in 1999 and 2000, it was agreed that it would not be the best approach.<sup>4</sup> It was decided that Assistant Commissioner Dunne would be the senior representative. My only role was to be available on the phone for Assistant Commissioner Dunne to contact me during the settlement negotiations should he have any questions about the practical implications of proposed terms of settlement. I recall receiving a call from Assistant Commissioner Dunne one evening during the settlement process asking whether Victoria Police would agree (on behalf of the SDU) not to use Ms Gobbo as a human source. I agreed to that, noting that Ms Gobbo had already been de-registered as an informer. I was not advised or briefed on any other proposed terms and had no understanding of any of the other proposed terms until, along with other relevant senior executives, I received a verbal briefing, followed by written directions, by the then Chief Commissioner Overland, advising the final terms of settlement. I then advised appropriate managers of the terms of settlement and ensured that measures were put in place to give effect to the terms, such as a dedicated contact officer in the Source Development Unit (SDU) and giving relevant directions to staff.
- 18 On 19 July 2010 I received advice that following a letter from Victoria Police to Ms Gobbo's solicitors, Ms Gobbo had received a threat via text message. I instructed that we should have the VGSO write to Ms Gobbo's solicitors to again reiterate Victoria Police's willingness to provide Ms Gobbo with reasonable protection and assistance.<sup>5</sup> My email refers to notes taken by <sup>Graham Evans O</sup> following conversations with Ms Gobbo at that time about her frustrations and Victoria Police encouraging her to enter witness protection, which she would only do on her terms.
- 19 On 12 August 2010, the day after the settlement, I sent an email to Assistant Commissioner Dunne seeking clarification of the terms of settlement (following his phone call to me as I refer to in paragraph 17), specifically with respect to what directions I needed to give to staff in the SDU and Petra Taskforce with respect to Ms Gobbo's management going forward and without breaching the confidentiality of the settlement agreement.<sup>6</sup>

---

<sup>4</sup> VPL.6027.0004.2887.

<sup>5</sup> VPL.6027.0004.2893.

<sup>6</sup> VPL. 6027.0007.8051.

- 20 On 16 August 2010 I received a written direction from Chief Commissioner Overland to confirm the verbal directions given on 12 August 2010 prohibiting members of the Petra Taskforce from initiating any further contact with Ms Gobbo.<sup>7</sup> The direction provided that the only point of contact for Ms Gobbo at Victoria Police was the Manager of the SDU. I received a similar written direction with respect to staff at the SDU.<sup>8</sup> I immediately took measures to communicate and implement these directions. Those measures included having a letter drafted to Ms Gobbo on how to contact the SDU, and on how she could manage her risk. I also had standard operating procedures drafted<sup>9</sup> and implemented within the SDU to guide the SDU management concerning any contact received by Ms Gobbo to ensure consistency with the terms of settlement.<sup>10</sup> The interpretation of the terms of settlement was clarified by Superintendent Lardner in an email on 27 August 2010.<sup>11</sup> On 27 August 2010 I communicated the direction to Assistant Commissioner Moloney in order for relevant staff in the Crime Department to be made aware of it.<sup>12</sup>
- 21 One of the other measures I put in place to preserve and secure the information relating to Ms Gobbo's time as a human source was to arrange for the four draw filing cabinet that contained the hardcopy of the Ms Gobbo file in the Human Source Management Unit, to be moved from the HMSU Office to Superintendent Paul Sheridan's office where it would remain and not be accessed without his express permission and supervision.
- 22 I was also provided with a copy of a letter from the VGSO to Ms Gobbo's solicitors dated 17 August 2010, following the settlement with Ms Gobbo on 11 August 2010, advising Ms Gobbo to reconsider entry to the Witness Protection Program.<sup>13</sup>
- 23 On 26 August 2010, the VGSO sent a letter to Ms Gobbo's solicitors advising that Victoria Police was of the view that the risk to Ms Gobbo remained high, advising her to reconsider entry to the Witness Protection Program, and asking her to contact the Officer in Charge of the SDU (Detective Inspector O'Connor) if she wished to facilitate further discussions. The letter also set out how Ms Gobbo was to contact the SDU.<sup>14</sup>
- 24 On 7 September 2010, I was copied into an email from Superintendent Sheridan advising that Ms Gobbo had contacted Inspector O'Connor saying that she wished to speak with the Witness Protection Program, and that she wished to [REDACTED] by Witness Protection, and was seeking to provide information concerning the Driver investigation.<sup>15</sup>

---

<sup>7</sup> VPL 6027.0007.9269.

<sup>8</sup> VPL 6027.0007.9270.

<sup>9</sup> VPL.6027.0007.4864.

<sup>10</sup> VPL 6027.0007.7074-6.

<sup>11</sup> VPL 6027.0007.3799.

<sup>12</sup> VPL. 6027.0007.2570.

<sup>13</sup> VPL. 6027.0007.8663.

<sup>14</sup> VPL. 6027.0007.2260.

<sup>15</sup> VPL. 6027.0007.8982.

25 I received an email on 11 October 2010 advising that a journalist was intending to write a story about Ms Gobbo's settlement with Victoria Police, and that Ms Gobbo had contacted Inspector O'Connor complaining of a breach of the confidentiality of the agreement. Victoria Police did not know who the source of the article was, but could not rule out that it was Ms Gobbo herself. In his conversation with her, Inspector O'Connor reiterated that Victoria Police did not wish to receive any information from Ms Gobbo in a source capacity. It seemed Ms Gobbo was still intent on forming some form of relationship with investigators. At that stage Ms Gobbo had also had some preliminary discussions with Witness Protection about her entering the program.<sup>16</sup>

#### Relevant overseas travel

26 In late May and early June 2010 I travelled to the UK, Canada and the USA to learn from police agencies in those countries about various matters that I had responsibility for in Victoria Police. This trip was suggested and authorised by Deputy Commissioner Sir Ken Jones. I had many meetings every day with many different agencies on matters such as intelligence management models, prioritisation models, sex offender management, covert human source models, extremism, Crimestoppers, and other related matters. It was on this trip I first learned about the Regulation of Investigator Powers Act (RIPA legislation) in the UK. I brought back a significant amount of documentary information from this trip with me.

27 In December 2010, Deputy Commissioner Jones and I travelled to Wellington to meet with senior officials from New Zealand Police where we discussed various issues including human source management models. On 13 December 2010 I sent an email to New Zealand Police after our return asking for copies of their human source management models, policies and procedures.<sup>17</sup>

#### Reviews of business units

28 Throughout my time as Assistant Commissioner Intelligence and Covert Support Department I reviewed almost every business unit within the Department and I made a number of changes to other business units when I also took on the role of Chief Information Officer in late 2011. Closing some business units was not unusual during my tenure.

29 The first business unit I reviewed was the Operations Intelligence Unit in December 2009.<sup>18</sup> On 4 May 2010 I advised the Chief Commissioner Overland and Deputy Commissioner Jones that following the formal review process, which had occurred over the preceding five months, we were closing the Unit and transitioning the 17 affected staff into other roles as per the Enterprise

---

<sup>16</sup> VPL 6027.0002.4919.

<sup>17</sup> VPL 6027.0009.0572.

<sup>18</sup> VPL 6027.0022.0329.

Agreement, and once vacated, allocating the vacant positions to the SDU and the Crime Theme Desks to bolster the capacity and capability of those units.<sup>19</sup>

30 The first major review that I instigated in 2010 was a review of the State Intelligence Division (SID) and all of the business units contained therein. This was a significant review which took about 12 months to complete. As a consequence of that review, some business units were closed, such as the Operational Intelligence Unit, the Crime Theme Desks and the Security Intelligence Group (including their [REDACTED]), and new business units were initiated, such as the Serious and Organised Crime Intelligence Unit. As part of this review, many staff were removed from their positions, new structures and position descriptions were produced, and staff then had to go through a re-selection process. The most controversial aspect of the SID Review was into the Security Intelligence Group which had been long established, had many external stakeholders and a strong culture of secrecy and not openly embracing change. To assist with this aspect of the review I convened a dedicated steering committee with its own terms of reference.<sup>20</sup> I circulated a final options paper to all Superintendents in the Department on 14 April 2011.<sup>21</sup> Throughout the year that this review was progressing I made it clear that following the completion of the SID review we would commence the review of the Covert Services Division.

31 The Covert Services Division Review was initiated in March 2012. This Division contained the Special Projects Unit, the Source Development Unit and the Undercover Unit. As I say below, this review was on foot for about 12 months. The SDU was one of the last business units to be reviewed under my tenure. All reviews were conducted to try and ensure the business units would remain relevant to the future of Victoria Police and the stakeholders they served, that the units were fit for purpose, were meeting performance expectations and they had adequate resources. The review of the SDU started out no differently to any other review, however, the outcomes started to change course throughout the review period which was informed by the outcomes of the Comrie Review. The Covert Services Review report outlined in detail (a version of which I refer to in paragraph 88 below) the various reasons for recommending the closure of the SDU.

#### Petra and Driver Steering Committees

32 I was a member of the Petra and Driver Steering Committees throughout most of 2010 and 2011 although I did not attend every meeting. On 25 May 2010, Deputy Commissioner Jones announced that he wanted me to join the steering committees and he wanted me to take primary responsibility for the Petra Task Force.<sup>22</sup> On 9 August 2010, the Petra Steering Committee decided to wind up the Petra Taskforce and to transfer all matters within its

---

<sup>19</sup> VPL.6027.0022.0328.

<sup>20</sup> VPL.6027.0020.8929.

<sup>21</sup> VPL.6027.0010.9847.

<sup>22</sup> VPL.6027.0002.2114.

responsibility into the Driver Taskforce. The transition occurred over a period of about a month. The prospect of this merger was first raised at a Petra Steering Committee meeting on 26 July 2010 with a paper produced at that meeting for discussion at the next meeting on the proposal.

- 33 In April 2010, there were ongoing concerns about the welfare and safety of Ms Gobbo as a witness (at that time known as Witness F) for Victoria Police. Staff who were in contact with Ms Gobbo at that time were encouraged to document all aspects of their contact with her (noting that Ms Gobbo did not always comply with directions that had been given to her and could be difficult to manage). At this time the Petra Task Force was continuing to update a full risk assessment and mitigation strategies for the organisation regarding the management of Ms Gobbo as a potential witness.<sup>23</sup> I believe at this time the Petra Task Force had directed Ms Gobbo that all contact with Victoria Police was to be via Detective Inspector Smith at the Petra Task Force, but it was believed that Ms Gobbo was contacting a range of other police members on a regular basis. We had to remind members whom Ms Gobbo was contacting not to engage with her, not to task her and that all contact was to be through Detective Inspector Smith (noting this arrangement changed post the settlement with Ms Gobbo in August 2010).<sup>24</sup>
- 34 On 26 July 2010 I advised Superintendent Lardner, who was coordinating Victoria Police information for the then pending settlement with Ms Gobbo, that following advice from Mr Andrew Tinney SC regarding Ms Gobbo's witness statement concerning Waters (Briars investigation), *'that it makes it clear in my mind that we have no requirement for Ms Gobbo to be a witness for Victoria Police (unless Purana have some substantial witness requirements of which I am unaware) so we should seek to sever all ties with her through the litigation process'*<sup>25</sup>, noting that by that stage Carl Williams had been murdered, and that murder charges against Paul Dale had been dropped, and the only outstanding matters being managed were the charges of Dale misleading the ACC, which was being prosecuted by the Commonwealth DPP.
- 35 On 7 September 2010<sup>26</sup> and on 15 September 2010<sup>27</sup> I received advice from Inspector O'Connor and Superintendent Sheridan that Ms Gobbo had requested to meet with Witness Protection with a view to reconsidering the possibility of entering the program.
- 36 On 14 October 2010 I sent an email to Superintendent Fryer (Crime Department) stating that I believed that some Crime Department staff were wanting to contact Ms Gobbo to advise her that she was likely to be a witness for the Dale prosecution, and that it was my view that the terms of the settlement precluded her from being called as a witness.<sup>28</sup> It was during this time that Victoria Police was grappling with whether a mediated civil settlement could override the

---

<sup>23</sup> VPL.6027.0002.9198.

<sup>24</sup> VPL. 6027.0003.1455.

<sup>25</sup> VPL.6027.0004.3388.

<sup>26</sup> VPL. 6027.0007.8982.

<sup>27</sup> VPL.6027.0003.3296.

<sup>28</sup> VPL.6027.0023.1702.

authority of an investigating officer and or a prosecuting agency to compel a witness. To add to this dilemma there were also the implications to Ms Gobbo's safety if she was compelled to give evidence, and questions about whether she was a competent witness. This dilemma remained on foot for some time.

- 37 Victoria Police was advised on 28 February 2011 that the Victorian Ombudsman had begun an investigation of its own motion into Corrections Victoria regarding the death of Carl Williams.<sup>29</sup> There were times throughout their investigation when the Ombudsman's Office asked me directly (after seeking approval from the Chief Commissioner) to confidentially coordinate the gathering of sensitive information held by Victoria Police to assist with the investigation. The searches required high levels of access to the Interpose system, which I did not have, so I asked Senior Sergeant Corbell to assist me, on a confidential basis, by undertaking a number of searches in Victoria Police's intelligence systems so I could provide the information sought by the Ombudsman. I responded to the Ombudsman's requests and did so with the knowledge of the Chief Commissioner.
- 38 On 17 March 2011, due to the retirement of Assistant Commissioner Maloney of the Crime Department, Deputy Commissioner Jones decided that I was to be responsible for Task Forces Driver, Corsair, Rossa and Briars. This was to be reviewed in 3-4 months after the appointment of a new Assistant Commissioner Crime.
- 39 On 17 October 2011 Victoria Police received a letter from Ms Gobbo addressed to Senior Sergeant Buick regarding her safety with respect to the witness summons to give evidence against Dale on 7 November 2011.<sup>30</sup>
- 40 On 4 November 2011 I was copied into an email from Assistant Commissioner Ashton to the Commonwealth DPP formally advising that the position of Victoria Police with respect to the committal hearing for Dale, which was due to commence on the following Monday, was only to proceed on the counts that did not rely on evidence of Ms Gobbo. The reason for this was the risk to the safety of Ms Gobbo posed by the disclosure obligations following a subpoena from Dale's defence.<sup>31</sup>
- 41 In mid-December 2011 I helped coordinate, on behalf of Deputy Commissioner Walshe, a draft letter to Ms Gobbo about witness protection and measures to assist her to help her protect herself if she was not going to enter the witness protection program.<sup>32</sup> This letter was signed by the Deputy Commissioner and hand delivered by his Staff Officer to Ms Gobbo on 13 January 2012.<sup>33</sup> On 25 January 2012 I received an email from Superintendent Sheridan

---

<sup>29</sup> VPL.6027.0008.6763.

<sup>30</sup> VPL.6027.0015.3745.

<sup>31</sup> VPL.6027.0015.7315.

<sup>32</sup> VPL.6027.0017.6349.

<sup>33</sup> VPL.6027.0019.8820.

advising that Ms Gobbo had been in contact with the SDU and had asked a series of questions to inform her response via letter to Deputy Commissioner Walshe.<sup>34</sup> An earlier draft of the letter is also provided.<sup>35</sup>

42 On 3 May 2012, I received advice that Inspector O'Connor had, as planned, on 2 May 2012, hand delivered another letter to Ms Gobbo from Deputy Commissioner Walshe.<sup>36</sup>

43 By 15 May 2012 the report for the closure of the Driver Task Force, to take effective on 30 June 2012, was near final draft.<sup>37</sup>

44 On 8 June 2012 I received advice from Superintendent Sheridan that Senior Sergeant Buick had advised Inspector O'Connor of his intention to serve an Inquest Brief regarding the double murder of the Hodsons on the Coroner, and that although Ms Gobbo was not listed as a witness, her relevant statement and diary notes had been attached as an exhibit and it was only fair to advise her that this was occurring.<sup>38</sup>

45 On 3 September 2012 I received an email from Superintendent Sheridan asking if we would consider changing the primary point of contact for Ms Gobbo from Inspector O'Connor to another person, due to the pending Dale trial and the Hodson Inquest, both of which were matters being managed by the Crime Department.<sup>39</sup>

#### Human Source Management

46 Human source management is a critical component of policing and is a critical intelligence source. It is a very important capability. In this role I had responsibility (through the State Intelligence Division) for the Human Source Management Unit, which is the central register of this capability across the organisation and had a very important role to play in leading the policy and procedures and much of the training. The SDU was also a critical component of this capability as it had responsibility for the [REDACTED] and [REDACTED] training courses (the [REDACTED] courses) and for the management of high-risk human sources for the organisation (and across the state). Moreover, the SDU was the conduit to Victoria Police engagement with other similar human source capabilities in other law enforcement agencies across Australia and in some cases internationally.

47 My assessment after a period of time in the role was that Victoria Police had underinvested across the organisation in the human source management capability, and I was looking to implement a range of measures to try and improve the situation. I recall forming the view (and held a range of meetings across the organisation) that Victoria Police had too few human

---

<sup>34</sup> VPL 6027.0017.7517.

<sup>35</sup> VPL 6027.0019.8113.

<sup>36</sup> VPL 6027.0028.1833.

<sup>37</sup> VPL 6027.0030.7471.

<sup>38</sup> VPL 6027.0032.3092.

<sup>39</sup> VPL 6027.0022.1264.

sources registered across the regions and within the crime squads. Another problem seemed to be that human source policies and procedures were too onerous and difficult for police members to abide by, and therefore they were potentially not bothering and were managing human sources 'under the radar' and not through the appropriate policies and procedures. I initiated a Human Source Intelligence Workshop on 1 April 2010, called "Towards 1000", with key leaders from Crime, the Regions, SDU and HSMU and Deputy Commissioner Jones to try and address these issues.<sup>40</sup>

48 Parallel to forming this view and developing a way forward, on 30 October 2009 I received an email from Superintendent Biggin about the intention of Corporate Management Review Division (CMRD) to undertake a human source management audit and some of his concerns and issues with their approach.<sup>41</sup> The audit proceeded. On 13 April 2010 I emailed Commander Terry Purton at CMRD, stating that I was pleased with the progress being made with the audit and how I intended to use the outcomes from the audit to inform further thinking and discussions about the human source management model for the future (highlighting the forum I had convened on 1 April 2010 – see paragraph 47 above). I also asked for the auditors to look at the model of having Human Source Liaison Officers (as per the South Australia Police model, who borrowed it from Kent Police in the UK), to see if this model might work from an audit/compliance perspective. I asked for objective advice about the strengths and weaknesses of the model.<sup>42</sup>

49 On 10 November 2010 I emailed Superintendent Paterson, who was responsible for the Human Source Management Model (HSMU) and associated policy, asking for a paper to be drafted for me to provide to the Victoria Police Executive on the options for models for the next 5-10 years to improve our human source management capability. I also advised that I wanted 2011 to be the year that Victoria Police overhaul its human source management, policy, and process, so that it could enhance this capability and improve its intelligence holdings and response.<sup>43</sup>

50 I was regularly reviewing and analysing Victoria Police's data on human sources with a view to lifting the organisation's capability in this area and also to have a positive impact on the crime rate at the time. I was aware of, and monitoring, a trial that was occurring at Moorabbin (Division 3, Region 1) called Operation Windmill, which was a 6-month pilot of a local human source management team. The early indications were that the pilot was reasonably successful.<sup>44</sup> In March 2011, through an Operations Committee where I was seeking to make changes to the human source management model across the 4 policing regions, there was enthusiasm for a change in the model.<sup>45</sup> This work was further considered in early 2013 when Victoria Police

---

<sup>40</sup> VPL.6027.0022.8135.

<sup>41</sup> VPL.6027.0029.0913.

<sup>42</sup> VPL.6027.0024.5266.

<sup>43</sup> VPL.6027.0025.2930.

<sup>44</sup> VPL. 6027.0005.1348.

<sup>45</sup> VPL.6027.0016.1180.

started to consider alternative methods and options for managing human sources following the closure of the SDU.

- 51 To the best of my recollection Ms Gobbo was the only human source I knew of used by Victoria Police who was subject to legal obligations of confidentiality or privilege. I have no recollection of any other such sources.

#### Source Development Unit

- 52 As I state in paragraph 46, the SDU had an important role to play as part of Victoria Police's human source capability with the primary responsibility for the management of high risk human sources across the state and the responsibility for the delivery of the [REDACTED] and [REDACTED] training courses.

- 53 Before addressing issues specific to the SDU I note the following. After having been in the Assistant Commissioner role for a few months, I became concerned about the structure that was in place managing the high-risk covert capabilities for Victoria Police, including the SDU. At that time, and for many years prior to my arrival, the entire covert capability for Victoria Police was being managed by Superintendent Biggin. In my view, despite the very high capability of Superintendent Biggin – who I hold in high regard and respect – and the enormous hours and effort he committed to this role, given the role required oversight of a significant amount of activity in a high risk and dynamic environment, it was too much for one individual. Superintendent Biggin - and any Superintendent in my view - would have been stretched too thin and would not have enough hours in the day to effectively manage the risk and activities of what was then a very large Covert Services Division. Moreover, to compound the problem, there was one Detective Inspector in charge of both the SDU and the Under Cover Unit (UCU), both of which carry high risk. These units were both in [REDACTED] premises a number of suburbs away <sup>PII</sup> [REDACTED] and the Inspector was expected to share his time between both units. The structure in my view was flawed and presented too much organisational risk, and risk to the staff of both units and it was inconsistent with the principle of intrusive supervision that is required in these areas.

- 54 To address this issue I obtained the support of Deputy Commissioner Jones to access an additional position and budget to create an additional Detective Superintendent. On 31 December 2009, I announced the creation of a new division within Covert Services, and effective 15 February 2010 Superintendent Biggin was to head the Surveillance Services Division comprising the State Surveillance Unit and the Technical Surveillance Unit and Superintendent Sheridan was to head the Covert Services Division comprising of the Special Projects Unit, Source Development Unit and the Undercover Unit. I acknowledged the hard work of Superintendent Biggin in leading such as large, diverse and high-risk working

environment which had undergone substantial growth and change over the previous 5 years.<sup>46</sup> In March 2010, acknowledging the risk and the recent issues with New South Wales Police (which I refer to below), Superintendent Sheridan and I initiated a process with Deputy Commissioner Jones to create a new Detective Inspector position to manage the SDU.<sup>47</sup> I sent an Issues Cover Sheet to Deputy Commissioner Jones dated 6 May 2010, seeking his approval to create the new Inspector position for the SDU. In this document I referred to the high risk aspects of the SDU, in particular that 'strong and constant leadership, supervision, accountability and governance were required to mitigate high levels of risk.<sup>48</sup> After obtaining the approval of the Victoria Police Executive I announced, on 27 May 2010, the appointment of Inspector O'Connor as the Inspector of the SDU, leaving the other Detective Inspector (Glow) to manage the Under Cover Unit (UCU) full time.<sup>49</sup> This then allowed both Detective Inspectors to be located full time in their respective high-risk units in their respective [REDACTED].<sup>50</sup> This new supervision model was not openly embraced by both the SDU and the UCU.

55 Parallel to this, and as I state above, following the review and closure of the Operational Intelligence Unit (OIU) in early 2010, I agreed to allocate an extra 6 positions to the SDU (x [REDACTED], x [REDACTED] x [REDACTED]) and I also allocated two vehicle from the OIU fleet to the SDU.<sup>51</sup> This was a significant increase in the SDU's capacity to help manage their workload and the wellbeing of the staff in the SDU by assisting to reduce their hours and to further enhance their effectiveness.<sup>52</sup>

56 The SDU had delivery responsibility for the [REDACTED] and [REDACTED] Human Source Management courses, which are designed for the higher end of Human Source Management. The successful completion of [REDACTED] and [REDACTED] (which was managed by the HSMU) are prerequisites for being eligible for [REDACTED] and the successful completion of [REDACTED] is a prerequisite for [REDACTED]. To the best of my knowledge the [REDACTED] and [REDACTED] training courses had not been designed by qualified adult educators and I do not believe any of the facilitators or trainers (SDU staff) had adult education qualifications. These courses operated outside the influence of the Victoria Police Education Department. The SDU also controlled and managed the selection process for applicants for both [REDACTED] and [REDACTED] courses. Applicants for vacancies in the SDU must have successfully completed the [REDACTED] course, which effectively meant the SDU were selecting the pool of applicants for vacancies in their own business unit.

57 A key part of the [REDACTED] course was for an international expert in the [REDACTED] to attend and lecture the participants. I discussed this issue [REDACTED]

<sup>46</sup> VPL 6027.0025.1795.

<sup>47</sup> VPL 6027.0004.7961.

<sup>48</sup> VPL 6027.0025.7880.

<sup>49</sup> VPL 6027.0023.0498.

<sup>50</sup> VPL 6027.0004.7961

<sup>51</sup> VPL 6027.0004.2441.

<sup>52</sup> VPL 6027.0003.7026.

██████████ In those discussions I was advised that the person who Victoria Police had been using for the last few courses, ██████████ was no longer being used by ██████████ as his material was dated and they had identified a more preferred option. I conveyed this advice to ██████████<sup>Sandy White-O</sup> upon my return. Despite this advice, I was copied into an email chain in July 2010 where ██████████<sup>Sandy White-O</sup> said he remained of the view that ██████████ was the appropriate person to use.<sup>53</sup> I expressed some concerns in an email on 12 July 2010, asking why we were continuing with the same model and expressing a view that we seemed hesitant to 'moving on'.<sup>54</sup>

58 On 13 July 2010 I sent an email to Superintendent Sheridan, copied to Inspector O'Connor, ██████████<sup>Sandy White-O</sup> Deputy Commissioner Jones and Mr Findlay McRae (Director Legal Services) outlining my request that we incorporate some legal training into the ██████████ course syllabus.<sup>55</sup> I specifically asked that we provide a greater understanding to our human source handlers on the law of agency, duty of care and where applicable promissory estoppel.

59 As time progressed, I became concerned about the ongoing viability and utility of the courses. In December 2012 I initiated work to merge the ██████████ and ██████████ course to streamline the pathway to higher levels of training and to help broaden the cadre of those wanting to be trained at a higher level in human source management, so we could grow the skill across the organisation without making it as onerous of having to go through ██████████ to access the highest levels of training.<sup>56</sup> In my view, this was a more sustainable model for the organisation.

#### Concerns about the Source Development Unit

60 I acknowledge that the SDU produced some very good results through the management of high-risk human sources which helped Victoria Police impact and disrupt serious and organised crime in Victoria. The staff in the SDU worked very hard and regularly worked long hours for the benefit of Victoria Police and the community. However, despite their good work and good results, in my time as Assistant Commissioner I began to become concerned about aspects of the SDU. These are broadly outlined below:

- (a) My first significant concern came in early 2010 when I received a phone call from a Deputy Commissioner in New South Wales Police regarding an issue where members of the SDU had travelled to NSW ██████████ without advising anybody in NSW Police of their travel. When in NSW the two SDU handlers ██████████ who gave them a large amount of illicit drugs for them ██████████. Following the meeting the handlers proceeded to transport those drugs in their carryon luggage on a commercial flight back to Victoria,

<sup>53</sup> VPL. 6027.0002.6632.

<sup>54</sup> VPL. 6027.0022.4374.

<sup>55</sup> VPL.6027.0003.1710.

<sup>56</sup> VPL.6027.0021.7747.

without any [REDACTED] as required under the legislation. This was a breach of Victorian law. I also believe the SDU handlers [REDACTED] [REDACTED] whilst in NSW, in breach of NSW law. This behaviour led to significant embarrassment for Victoria Police. I reported this matter to both the Deputy Commissioner and Chief Commissioner and to the Ethical Standards Department who investigated the conduct of the two SDU members involved. This operation was known as Operation NEIRBO. On 8 February 2010, Deputy Commissioner Owen from NSW Police formalised his complaint in writing to Victoria Police and requested further information to inform NSW Police's investigation into the incident.<sup>57</sup> Assistant Commissioner Maloney, Superintendent Biggin and myself, with an appropriate Controlled Operations certificate in place, travelled to Sydney on 12 March 2010 to meet with the Deputy Commissioner of NSW Police, returned the drugs to the safe custody of NSW Police and to apologise. Their significant concern at the conduct of our SDU members was made extremely clear. NSW Police made a number of further requests to Victoria Police to provide information, including statements from the SDU staff concerned.<sup>58</sup> I had to put new measures in place to try and prevent this from reoccurring. Following my written direction to implement changes to standard operating procedures for interstate operations, I did receive an email from <sup>Sandy White</sup> Sandy White-O [REDACTED] acknowledging the 'NSW debacle' and referring to issues with respect to a lack of response from investigators and what he saw as short comings of the [REDACTED] legislation.<sup>59</sup> The Ethical Standards Department and the OPI investigated this matter.<sup>60</sup> At the conclusion of the investigations Chief Commissioner Lay wrote to the Commissioner of the New South Wales Police Force on 19 September 2011 outlining the actions taken by Victoria Police and stating the reasons why criminal charges were not proceeding against the SDU members. This letter highlighted the failure of the SDU members, and Victoria Police more broadly, to realise that the conduct, whilst lawful and appropriate in Victoria, may not be so in other jurisdictions and that we needed to manage that risk accordingly. What the investigation revealed was that there was no criminal or corrupt intent by individual members and rather the situation was a result of unsatisfactory Victoria Police policy and training (noting all members of the SDU have completed the SDU led [REDACTED] training courses).

- (b) On 13 October 2010 I was advised that <sup>DS-Preston</sup> [REDACTED] a member of the SDU, was to be interviewed by the Ethical Standards Department about allegations of [REDACTED] and [REDACTED] of [REDACTED].<sup>61</sup> It was alleged that <sup>DS-Preston</sup> [REDACTED] had been using a police vehicle to [REDACTED] at their home addresses and his work mobile phone

<sup>57</sup> VPL 6027.0006.8955-7

<sup>58</sup> VPL 6027.0004.9140.

<sup>59</sup> VPL 6027.0005.3063.

<sup>60</sup> VPL. 6027.0003.2752.

<sup>61</sup> VPL 6027.0001.9856.

to [REDACTED] On 26 October 2010 I was advised that one of the victims was seeking an intervention order against [REDACTED] and that she was considering providing the [REDACTED] to the media.<sup>62</sup> The [REDACTED] were provided to the Ethical Standards Department. [REDACTED] was later charged with discipline offences and ultimately left Victoria Police. This all occurred whilst he was working at the [REDACTED] of the SDU.

- (c) Despite originally establishing the SDU in a police building, the unit strongly resisted having to leave [REDACTED] and return to a police building. We considered the available options to re-locate the unit to a suitable police premises. After assessing those options, it was decided to move the unit back to 412 St. Kilda Rd. Superintendent Sheridan and I wanted the unit closer to their supervisors, where more extensive supervision could be undertaken. That location would also be closer to the location of the vast majority of the unit's clients, being the Crime Squads. [REDACTED] the SDU [REDACTED] [REDACTED] were advised on 5 January 2011 of the intention to move the unit out of the [REDACTED] into [REDACTED] police premises (although the final location had not been identified at that point). Both were opposed to the move, citing significant risks to human sources.<sup>63</sup> This resulted in a report being produced by [REDACTED] [REDACTED] opposing the move and a covering report from Inspector O'Connor.<sup>64</sup> I was advised of these reports on 31 January 2011 and subsequently met with Superintendent Sheridan not long after that to seek to resolve the issue.<sup>65</sup> I did not entirely agree with the philosophy of the SDU needing a [REDACTED] and believed that the unit would benefit from stronger and closer oversight and management and would be more efficient if located closer to its main client base. This move also afforded the opportunity to save money on the lease of a [REDACTED] and use space that was not being fully utilised in an existing police building. Following the move back to the police premises some concerns were raised about the safety of SDU members. I worked with Superintendent Sheridan to put measures in place to address this, such as [REDACTED] I recall that this was also not well received.
- (d) Inspector O'Connor had a challenging time being accepted into the role as the dedicated Inspector for the SDU and was grappling with a strongly entrenched culture. This continued throughout his tenure.
- (e) Inspector O'Connor, Superintendent Sheridan and myself had a number of conversations about the lack of female representation in the SDU. It was thought by some that the expected work hours, flexibility and lifestyle was not conducive to female

<sup>62</sup> VPL.6027.0001.9122.

<sup>63</sup> VPL.6027.0011.9442.

<sup>64</sup> VPL.6027.0012.0628-9

<sup>65</sup> VPL.6027.0012.0627.

staff who had caring responsibilities. However, there were no obvious strategies being used to attract and encourage women to apply for the unit and to the best of my knowledge not many women had been trained in the [REDACTED] course which was the prerequisite to be eligible for a position in the SDU. We felt that this was having implications on the culture of the unit. In May 2010 we looked at options of quarantining a position in the SDU to be held for a female handler.<sup>66</sup> In April 2012 Superintendent Sheridan and I were looking at how we could introduce [REDACTED] into one of the [REDACTED] roles at the SDU.<sup>67</sup> She was temporarily placed in the unit, however, as I recall this didn't go as well as we hoped and she felt isolated. I believe this arrangement only lasted a few months before it became too difficult for her to continue.

- (f) In February 2012 I was copied into an email chain from Commander Fryer advising that the [REDACTED] had been in contact regarding the conduct of two SDU members who had entered the [REDACTED] on the [REDACTED] 2012, using [REDACTED] in order to [REDACTED]. After [REDACTED] that [REDACTED] the members went and spoke to a [REDACTED] by the name of [REDACTED]. This [REDACTED] was not communicated to [REDACTED]. The members were trying to persuade [REDACTED] to become a human source with respect to his [REDACTED] [REDACTED] regarding the murder of [REDACTED]. After the approach, [REDACTED] reported straight back to [REDACTED] about the approach and [REDACTED] was telling 'all and sundry' of the police approach. This compromised methodology and potentially put [REDACTED] at risk, without [REDACTED] having any knowledge of this issue until they heard it being spread [REDACTED].<sup>68</sup>
- (g) I had ongoing concerns about the terms of employment for SDU staff, in particular the potential unintended consequences of the disruption allowance which led to members wanting to stay at the SDU longer for the financial benefits, which may have longer term effects on their health and wellbeing in a demanding environment. Moreover, this was compounded by the SDU not having maximum time in position (MTIP) as part of their conditions of employment, which meant they could stay in their positions for as long as they wished (noting a number of other business units in the Crime Department had implemented MTIP). If there was MTIP, then this would have removed the potentially perverse outcome that resulted from the extra financial benefit derived from the disruption allowance. I tried to deal with these issues through the Enterprise Bargaining process in late 2011 – I refer to my email on 10 October 2011.<sup>69</sup> In that email trail I was advised by Superintendent Shane Cole, who was coordinating bargaining for Victoria Police, that The Police Association would agree to removing the

<sup>66</sup> VPL.6027.0002.6630.

<sup>67</sup> VPL.6027.0030.0436.

<sup>68</sup> VPL.6027.0028.2102-3.

<sup>69</sup> VPL.6027.0017.4417.

disruption allowance from a stand alone MOU and to placing this into the new Enterprise Agreement, which was a good step forward to better formalise the disruption allowance. The advice provided by Superintendent Cole also indicated that The Police Association understood that MTIP already existed for undercover operatives, and *'they also think it should be in place for the SDU (their view is that it should have been right from the start). They won't have a bar of retrospective MTIP but understand that members can be moved out under Regulation 21 but would be expecting salary maintenance.'*<sup>70</sup>

- (h) There were other issues that arose and that were more directly experienced by Commander Fryer or Superintendent Sheridan or Inspector O'Connor, and I describe my knowledge of some of those below.

#### Covert Services Division Review

- 61 The following broadly outlines the approach taken to the Covert Services Division Review, although I refer to the near final drafts and the final report of the review as the best references for the outcomes of the review. There are intersections between the Review and the outcomes of the Comrie Review which become intertwined in about mid-2012.
- 62 The drafting of terms of reference for the Covert Services Division Review began in early March 2012, when I provided a copy of the terms of reference used for the Security Intelligence Group (given some of the similarities) to Superintendent Sheridan for him to use as a starting point.<sup>71</sup>
- 63 On 28 March 2012 a letter was sent from Victoria Police Industrial Relations to Mr Greg Davies, Secretary of The Police Association, formally advising him of the commencement of the Covert Services Division Review and its terms of reference.<sup>72</sup> This was complemented by a newsletter to all staff in the Intelligence and Covert Services Department on 13 April 2012 which noted that the review team would meet for the first time on 23 April 2012.<sup>73</sup>
- 64 On Friday 20 April 2012 I received a report from Superintendent Sheridan outlining the health and wellbeing challenges at the SDU and the impacts and considerations relating to MTIP.<sup>74</sup> A copy of that report was provided to inform the review process.<sup>75</sup> Another report received on the same day addressed health and wellbeing issues for SDU and UCU more broadly and their resistance to management.<sup>76</sup>

---

<sup>70</sup> VPL.6027.0017.4418.

<sup>71</sup> VPL.6207.0020.6688.

<sup>72</sup> VPL.6027.0030.3066.

<sup>73</sup> VPL.6027.0030.3065.

<sup>74</sup> VPL.6027.0018.8816.

<sup>75</sup> VPL.6027.0020.8066-68.

<sup>76</sup> VPL.6027.0030.3777.

- 65 On Friday 20 April 2012 I received an email from Superintendent Sheridan advising that as part of the CSD Review, Inspector O'Connor had suggested that the SDU could come under or align with the HSMU in a new structure. I advised that we could further discuss.<sup>77</sup>
- 66 On 4 May 2012 a Victoria Police Industrial Relations Officer wrote to Mr Davies, further to the correspondence dated 28 March 2012 (which advised of the commencement of the Covert Services Division Review), advising that Victoria Police were seeking to introduce MTIP and obtaining security clearances for all staff in the Division. The letter outlined how Victoria Police intended to manage the current members of the units.<sup>78</sup>
- 67 Following ongoing discussions about the SDU (and the early findings of the Comrie Review, to which I refer below) with Superintendent Sheridan, on 24 June 2012 he sent me an email to inform my pending discussion with the Chief Commissioner regarding the SDU and the handling of Ms Gobbo. In that email Superintendent Sheridan outlined that he was in favour of winding up the SDU as it presented an opportunity to re-design an improved work group which would better manage the handling of high risk human sources, and that the Comrie Review and his own observations over the past two years gave a sound understanding of the issues that need to be addressed. He used the old Armed Robbery Squad as an analogy, and said that the SDU were more of a liability than an asset to the professional reputation of the organisation. He stated; *'what really tips the scales for me is that the handling of Witness F (Ms Gobbo) has been undertaken and managed by the best trained human source personnel within the Force. These individuals have travelled the world and been trained and educated by the best and yet they still lost their way! In short our best people in this area must be able to ensure that we do not make these mistakes in future!'* He went on to say that whilst he was disappointed with the course of action, he believed that it was the best solution in a difficult situation.<sup>79</sup>
- 68 On 5 July 2012 I received a report from Superintendent Sheridan which was his managerial assessment of compliance within the SDU. The report outlined 5-6 behavioural examples which highlighted the resistance in the SDU to managerial intervention.<sup>80</sup> More broadly, the report highlighted that the practices around the Acceptance of Responsibility (AOR) for human sources had diminished – with an audit of 10 current SDU sources indicating that only 2 had signed the document, 4 had been done [REDACTED] and the other 4 could not be located. It highlighted a practice where the AOR was becoming interspersed into general conversations with the source, which was not the policy and not best practice. The report also highlighted short comings with the staff selection process, with a culture of peer selection occurring and leading to too much control over the selection resting in the hands of a few. This peer selection had the potential to stifle independent thinking in the unit. The report stated that the Controller rank required strong independence to ensure that ethical integrity was

---

<sup>77</sup> VPL.6027.0019.0054.

<sup>78</sup> VPL.6027.0027.1524.

<sup>79</sup> VPL.6027.0032.4202.

<sup>80</sup> VPL.6027.0018.8618.

consistently reinforced through strategic decisions whereas in fact controllers were becoming too involved in source strategy. The report highlighted that the current controllers *'have to the best of their ability sought to do this they appear too focused upon personal relationships and the protection of their professional ego in the face of supervisory or managerial challenges.'* The report also addressed the issue of stress upon individuals undertaking covert human source handling. It referred to the initial project report to establish the SDU, where MTIP was to be used as a strategy to address the stressful nature of the work. This had not been implemented. Despite the risks, it seemed that some members held the view they held life tenure in their roles in the SDU if they wished.<sup>81</sup>

69 On 17 July 2012 I made the decision to cancel the planned [REDACTED] course due to the several changes that were likely to come from the Comrie Review with respect to handling high risk human sources. I reiterated the commitment to continue with the [REDACTED] course and the attendance of the lecturer [REDACTED] whose travel had already been arranged and paid. This was communicated to staff that day, and interstate agencies who had participants on the [REDACTED] course were advised.<sup>82</sup>

70 On 19 July 2012 I received an email from Superintendent Sheridan advising that he had met separately with the staff from the SDU and the UCU on that day and outlined the nature of that meeting and consultation and their feedback and his observations.<sup>83</sup> Following this meeting, I received advice on 23 July 2012 that The Police Association were invoking a dispute resolution clause under the Enterprise Agreement for an urgent hearing in Fair Work opposing Victoria Police's intention to retrospectively apply MTIP as part of the review.<sup>84</sup>

71 In August 2012 I received an intelligence appraisal of the Covert Services Division and the Surveillance Services Division which was to inform a critical component of the terms of reference of the Covert Services Division Review. This appraisal was undertaken by two highly experienced and senior intelligence officers. Broadly, the appraisal highlighted shortcomings in the gathering, use and sharing of intelligence within the Division, and under utilisation of intelligence and relevant systems. It noted that the two intelligence staff in the SDU were being used for non-intelligence related matters including delivering training and some administrative support and their roles and duties were not aligned to their intended intelligence function and skill set. Overall it outlined a lack of intelligence capability in much of the Covert Services Division which was not making the most of its intelligence rich environment.<sup>85</sup>

72 As part of the review Victoria Police considered a document which I believe was compiled by Dr. <sup>Psychologist</sup> [REDACTED] an experienced psychologist employed by Victoria Police, which outlined the

<sup>81</sup> VPL.6027.0030.3457-8.

<sup>82</sup> VPL.6027.0032.5382.

<sup>83</sup> VPL.6027.0019.8619.

<sup>84</sup> VPL.6027.0021.1660.

<sup>85</sup> VPL.6027.0032.6136.

challenges of covert policing, some of the causes of issues arising from covert policing and how other agencies manage those risks.<sup>86</sup>

- 73 On 21 August 2012 I received an email from Superintendent Sheridan outlining a confidential transition plan if Victoria Police were to close the SDU as a consequence of the review.<sup>87</sup>
- 74 On 24 August 2012 I received an email with an attached briefing note from Superintendent Sheridan outlining the matters to be addressed with the likely closure of the SDU. These included advice to The Police Association, what would occur to SDU members as per clause 16 of the Enterprise Agreement 2011, and that as per clauses 22.3(c) and (e) they would continue to receive their allowances including the disruption allowance and would maintain their current salary for 12 months from the date of placement. The placement of employees would have regard to both the organisational requirements and the employee's preferences. The email also stated that the Police Welfare and Force Psychology Unit would be notified and available to support members.<sup>88</sup>
- 75 On 30 August 2012 I received an email from Superintendent Sheridan outlining industrial relations advice about the closure of the SDU and the different option of either the Chief Commissioner declaring all staff surplus, or the option of retaining a few staff into the new model.<sup>89</sup>
- 76 On 17 September 2012 I was copied into an email from Commander Fryer to Victoria Police Industrial Relations officer seeking further industrial relations advice on the intended closure of the SDU. It stated, "*It is our view (Paul, Jeff and I) that based on the Comrie enquiry and a continued course of conduct by the current staff that highlights continued unacceptable organisational risk that the workgroup (SDU) should be closed asap.*"<sup>90</sup>
- 77 At about the same time (mid to late September 2012) I note that a document was prepared by, I believe, Superintendent Sheridan, outlining a number of circumstances where SDU personnel had strongly resisted managerial intervention and where intervention was required to ensure effective risk management. The document stated that "*SDU staff consistently fail to accept that management act as governance across the deployment of high risk human sources to ensure that the community, the organisation, the members and the human source are not placed at an unacceptable level of risk. A culture of risk taking has developed, based on ego rather than risk versus reward.*" The document codified 13 examples from May 2010 to September 2012 where there had been poor judgment by the SDU and a requirement for managerial intervention

---

<sup>86</sup> VPL.6027.0030.3779.

<sup>87</sup> VPL.6027.0019.7142.

<sup>88</sup> VPL.6027.0033.3087 and VPL.6027.0033.2600-01.

<sup>89</sup> VPL.6027.0033.6476.

<sup>90</sup> VPL.6027.0035.6723.

to either rectify the poor judgment or to mitigate the risk presented as a consequence of the SDU's judgment or proposed action.<sup>91</sup>

- 78 On 22 October 2012, Commander Fryer sent an email to the Industrial Relations section of Victoria Police outlining the process of the Covert Services Division Review and the Comrie Review and the industrial relations issues that needed to be navigated.<sup>92</sup> Attached to that email was the report by Superintendent Sheridan. The precursor to this response email by Commander Fryer was an email from Ms Cheligoy of Victoria Police's Industrial Relations section to myself, Commander Fryer and Superintendent Sheridan on 18 September 2012 asking a range of questions and seeking further information and context. The aim of both of these emails was to help navigate through the industrial relations landscape where Victoria Police had a rare situation of a formal review on foot as per the Enterprise Agreement, together with at the same time relevant recommendations from an external consultant relating to one of the units subject to the formal review, with the outcomes of the review and the recommendations from the Comrie Review intersecting and leading to the intended closure of the SDU.<sup>93</sup>
- 79 The final report for the Covert Services Division Review was provided by Superintendent Sheridan to me, Commander Fryer and Deputy Commissioner Ashton for formal endorsement on 11 December 2012.<sup>94</sup>
- 80 I provided the final report into the Covert Services Division Review to Deputy Commissioner Graham Ashton on Wednesday 6 February 2013 asking if he could brief Executive Command on the following Monday. I also advised that in the following week Victoria Police would provide a further document outlining how Victoria Police would progress human source management more broadly across the organisation.<sup>95</sup> This document, titled, Human Source Governance Committee, was provided to Deputy Commissioner Ashton on 8 February 2013 to inform his briefing to Executive Command on the following Monday.<sup>96</sup>
- 81 On 12 February 2012 I sent an email to Victoria Police Command advising them at the high level of the outcomes of the Covert Services Division Review, including the closure of the SDU, and stating that we would be embarking on a review of the Victoria Police Human Source Management Model to help take the organisation to the next level where much better governance, risk management, training, support and mentorship would be provided to ensure better outcomes for the organisation and the community.<sup>97</sup>

---

<sup>91</sup> VPL.6027.0035.5319.

<sup>92</sup> VPL.6027.0035.5313.

<sup>93</sup> VPL.6027.0036.5817.

<sup>94</sup> VPL.6027.0037.4878.

<sup>95</sup> VPL.6027.0023.1539.

<sup>96</sup> VPL.6027.0023.1261.

<sup>97</sup> VPL.6027.0037.9270.

- 82 I have reviewed a draft letter from Superintendent Sheridan to SDU staff to formally advise them of the outcomes of the Covert Services Division Review and the transition process over the ensuing six months.<sup>98</sup> Attached was an executive summary of the Covert Services Division Review report. The letter also outlined the intention to establish a Steering Committee to examine opportunities to improve the management of Human Sources and Human Source Management practices in Victoria, to identify best practices and consider moving to a decentralised human source management model – this was to be known as the Human Source Management Unit Review.
- 83 On 13 February 2013 there was an email exchange between Superintendent Sheridan and Commander Fryer discussing the outcomes of discussions with SDU staff about their placements and identifying where affected staff would like to be placed.<sup>99</sup>
- 84 In February 2013 there was a further exchange of letters between Mr Chris Kennedy, Industrial Relations Manager, The Police Association and Commander Fryer.<sup>100</sup> This exchange concerned the ability of Victoria Police to change position descriptions and introduce MTIP.
- 85 In May 2013, Superintendent Sheridan and Commander Fryer were working on new positions descriptions for the Human Source Management Unit as part of Victoria Police's new model. I provided comments on these as they evolved.<sup>101</sup> On 21 May 2013 I sent a further email about my comments on the position descriptions but also referring to other things that needed to be done before Victoria Police progressed, including getting Deputy Commissioner Ashton's support for the new HSMU structure before proceeding further.<sup>102</sup>
- 86 A version of the Covert Services Division Review can be found at VPL.6027.0023.1541-63.<sup>103</sup> I am not certain if this is the final version of the report.
- 87 I have also reviewed a draft undated letter from Commander Fryer to The Police Association advising it of the outcomes of the Covert Services Division Review, including the closure of the SDU with staff to be formally advised on Tuesday 12 February 2013.<sup>104</sup>
- 88 I have reviewed a version of the Covert Services Division Review from late January 2013 which I believe was close to a final draft of the Review and deals with the SDU (pages 5-9 inclusive) and more comprehensively outlines the reasons and rationale for the recommended closure of the SDU.<sup>105</sup> The relevant section of the Review is as follows:

---

<sup>98</sup> VPL.6027.0034.5786.

<sup>99</sup> VPL.6027.0034.7812.

<sup>100</sup> VPL.6027.0036.7620.

<sup>101</sup> VPL.6027.0022.4987.

<sup>102</sup> VPL.6027.0022.2648.

<sup>103</sup> VPL.6027.0023.1541-63.

<sup>104</sup> VPL.6027.0034.5782.

<sup>105</sup> VPL.6027.0038.3662.

*"The SDU was created after a 2003 pilot and initially the officer in charge was [REDACTED]. [REDACTED] Some years later this position was elevated to Inspector. The SDU has always been oversighted by a Superintendent from ICSC. Ironically, MTIP was in the initial position description but when advertised they were left out and never been reviewed.*

*Coincidental and independent to the CSD Review, another matter relevant to the work practices of the SDU was brought to the attention of the Chief Commissioner. The Chief Commissioner commissioned Mr Neil Comrie AO, APM to conduct a case review of a particular long term human source. The Comrie Investigation (highly protected) provided twenty seven (27) significant recommendations. Whilst some of these are specific to the particular source, many have highlighted poor work practices of the SDU, and all have significant ramifications for the organisation in designing better practices in the management of human sources, particularly those who are high risk.*

*Dr <sup>Psycholog</sup> highlighted that the risk of not implementing MTIP could lead to a long term disconnection from police identity and the organisation. Dr <sup>Psychologi</sup> cited this as of particular importance within the SDU where source handlers were in frequent contact with 'career criminals' within high pressure situations and were often at significant risk. It is the opinion of the Steering Committee that this (long term disconnection) has already occurred with many current SDU staff members.*

*Management identified rigidity in thinking, some militancy and systemic resistance to change within the SDU which has raised significant health and safety concerns for all staff. Dr <sup>Psycholog</sup> coincidentally also highlighted this type of negative behaviour as universally being common traits within the covert policing environment. The Steering Committee accepted Dr <sup>Psychologist</sup> advice*

*The Psychology Unit is required to maintain a relationship of trust and mutual respect with the personnel within the SDU. Informal access to the psychology unit is necessary to safeguard against workplace injury and it also acts as an early warning option to inform management of critical cases. Whilst every endeavour is currently being made by the Psychology Unit to maintain the health and wellbeing of the personnel within the SDU, it is unable to have positive influence on the day-to-day stressors, judgements and planning of personnel.*

*Complacency borne of long term exposure to covert policing will not always be as evident to the Psychology Unit as it is to management. Some of the specific cases in which the safety of undercover operatives and human sources were at risk due to complacency were identified in routine operations separate and isolated from psychological assessments and/or contacts. Of particular note, in the last eighteen (18) months, three (3) members from SDU have submitted requests for Regulation 21 transfers due to the stress associated with the work environment. One (1) other member resigned as a result of pending discipline charges, which revolved around*

*unethical high risk behaviour whilst on duty. These incidents were not identified (or reported) by the Psychology Unit.*

*Health and wellbeing risks [aside from complacency] include the reluctance to embrace contemporary safety measures such as intelligence checks, carrying of operational safety equipment and an aversion to intrusive supervision over operational strategy decisions.*

*There have been several cases in the last two (2) years (and long before) where SDU personnel have strongly resisted managerial intervention or direction pertaining to the registration, de-registration & handling of Covert Human Intelligence Sources (CHIS) over the past two and a half (2 ½) years. The predominate attitude by the controllers [REDACTED] and long serving handlers [REDACTED] is that, as management are not trained to [REDACTED] Human Source standard, they are not qualified to make decisions pertaining to the risks presented.*

*SDU staff consistently refuse to accept that management act as governance across the deployment of high risk human sources to ensure that the community, the organisation, the members and the human source are not placed at an unacceptable level of risk. A culture of risk taking has developed, based on ego rather than risk versus reward.*

*Managerial intervention is essential to ensure effective risk management. In the last two and a half (2 ½) years there has been at least twenty (20) occasions when significant management intervention has been required to challenge, mitigate or extinguish risk. In all of these incidences, the SDU should have recognised the risk and acted. On occasion when they did act, it wasn't to mitigate risk but to suborn senior management and perform "work arounds" to achieve their desired outcome; not managements and not the organisations. These incidents have been separately documented by Superintendent Sheridan.*

*It is apparent from the incidents, requiring management intervention, that SDU staff:*

- *Attempted to suborn the authority of management;*
- *Attempted to coerce other areas of the organisation to influence SDU management to achieve their desired outcome;*
- *Do not consider the criminal activity of CHIS;*
- *Do not consider the Victoria Police investigative requirements;*
- *Consider the CHIS protection from disclosure of criminal offending higher than rule of law and rule of justice;*
- *Refused to follow protocol in contacting potential or unregistered CHIS, exposing the CHIS, the unit and organisation to risk; and*
- *Refused to accept the decision of the Local Source Registrar (LSR) on several occasions, initiating hostility towards the Officer in Charge SOU bystaff.*

*Management at unit and divisional level has made solid progress in 'reforming' this risk taking culture, however, it remains a constant challenge. There have been significant changes*

actioned in an attempt to move the anti-establishment behaviour of the SDU. These changes have included:

- A move from [REDACTED] location to being co-housed with the Commander's Office on the 18<sup>th</sup> floor, 412 St Kilda Road;
- Significant change of vehicle policy;
- The requirement to perform external rotations; and
- Appointment of a highly experience inspector (Officer in Charge) with a brief to practice significant intrusive management.

None of these initiatives have changed the behaviour and culture of the SDU as a whole entity. It is pertinent to note that management of these issues through the PDA has not been appropriate. In the vast majority of cases, the behaviours pertain to judgement, perception and attitudinal issues. Constant PDA entries would have led to further workplace conflict and acted as further impediment to the change management progress.

Dr <sup>Psycholog</sup> highlighted, and the Review has accepted, the significant risk SDU members are exposed to, including:

- Increased familiarity with criminals and possible erosion of values;
- Lack of rest and recovery time (refer to the 3 x regulation 21 requests); and
- Disconnection from police identity and organisation.

It is the finding of the Review that the structure of the SDU should not be sustained and whilst it continues to exist it will only be a matter of time before the unit unduly exposes a CHIS or the organisation to significant risk that cannot be mitigated.

The observations of SDU management, Dr <sup>Psycholog</sup> and the Comrie investigation, all collectively form the view that the SDU needs to be closed as soon as possible - see recommendations. It is not the opinion of the Review that the SDU can be rebuilt to perform a similar function. If this was to happen, the Review panel believes the same issues would occur.

It is the view of the Steering Committee, that a decentralised model of CHIS management is required. Such a model would be governed centrally. The current SDU methodology and concept has highlighted that a centralised high risk source unit is too high a concentration of risk; the risk needs to be devolved and spread.

SDU Recommendations:

1. Engage SDU staff, welfare, HR and TPA and disband the SDU immediately;
2. Engage HR to enact alternative work locations (subject to a separate report – Liz Cheligoy) HRD and CSD (management) design agreed upon transition plan for all SDU staff;
3. Prepare an executive summary/briefing for Executive Command
4. Director of Media & Corporate Communications to develop a internal and external communication strategy for the closure of the SDU;
5. CSD management to reassign all existing CHIS to existing [REDACTED] qualified Victoria Police personnel; and

6. *Immediately commence a review of the HSMU and human source management practices both within Victoria and nationally to identify a 'best practice' decentralised human source management model."*

### The Comrie Review

- 89 The Comrie Review was a case review into 'human source 3838' which was initiated in response to issues arising from legal advice of Gerard Maguire in about October and November 2011. The advice focused on public interest immunity matters relating to information provided by Ms Gobbo as a human source, and I believe also touched on the issue of the use of a legal practitioner as a human source, and the use of Ms Gobbo as a potential witness in the Dale trial. The Comrie Review was an opportunity for Victoria Police to assess the management of Ms Gobbo and related issues and to set a course and strategy for future improvement.
- 90 At the request of Deputy Commissioner Cartwright on 16 November 2011,<sup>106</sup> I drafted the initial terms of reference for the Comrie Review and provided that draft to Mr. McRae on 21 November 2011 prior to Chief Commissioner Lay's planned meeting with Mr Comrie to discuss the review on 22 November 2011.<sup>107</sup> I received comments back from both Mr McRae and Deputy Commissioner Cartwright in the afternoon of 21 November 2011.<sup>108</sup>
- 91 On 24 November 2011, I received an email from Mr McRae suggesting that Superintendent Gleeson work on settling the terms of reference as he would be the Victoria Police support person for Mr Comrie.<sup>109</sup> Draft TORs were prepared.<sup>110</sup>
- 92 I received an email from Superintendent Gleeson on 29 November 2011 providing his thoughts on the draft terms of reference, "*including the need for some comparative analysis of what other jurisdictions have in place for the management, control, interaction for human sources including any public interest tests and trigger points that may activate such considerations*".<sup>111</sup>
- 93 I received an email from Chief Commissioner Lay on 6 December 2011, advising that he had met with Mr Comrie that morning and that Mr Comrie had agreed to undertake the review. Chief Commissioner Lay requested that I send through the scope of work for him to sign off on by 31 December 2012. I responded to the Chief Commissioner on 19 December 2012 advising him that Mr McRae and I had met with Mr Comrie on 13 December 2012, where we further refined the scope, and that an updated draft would be circulated in the coming days, that Mr Comrie's costs had been agreed, and I had begun the procurement process.<sup>112</sup>

---

<sup>106</sup> VPL.6027.0015.9005.

<sup>107</sup> VPL.6027.0015.7468.

<sup>108</sup> VPL.6027.0015.7986.

<sup>109</sup> VPL.6027.0025.9038.

<sup>110</sup> VPL.6027.0026.0628.

<sup>111</sup> VPL.6027.0026.0626.

<sup>112</sup> VPL.6027.0017.6891.

- 94 Following discussions in late January to early February 2012, I received an email from Superintendent Gleeson advising that following conversations he had with others, including Mr Comrie, <sup>Hotham-O</sup> (at that time in charge of the Human Source Management Unit) and the VGSO, he was providing a revised terms of reference was provided for my comment. I responded with some minor comments on Friday 3 February 2012.<sup>113</sup>
- 95 I met again with Mr Comrie in early February 2012 to finalise arrangements with him.
- 96 On 15 March 2012, I received an email from Superintendent Gleeson with a copy of the draft consultancy agreement with Mr Comrie regarding the review and a brief update on his progress.<sup>114</sup>
- 97 Whilst I was away, Acting Assistant Commissioner Paterson signed off on the final terms of reference. I received this advice on 17 April 2012.<sup>115</sup>
- 98 On 17 April 2012, following my return from being away from the office for about a month, I received an update from Superintendent Gleeson.<sup>116</sup>
- 99 On 30 April 2012, Mr McRae and I received an email from Superintendent Gleeson which gave an update on the progress of the Comrie Review. I responded the following day noting the concerning issues already identified.<sup>117</sup>
- 100 I also received a more fulsome written update, addressed to myself and Mr McRae and dated 1 May 2012 on the progress of the review.<sup>118</sup>
- 101 On 22 May 2012 I received an email from Superintendent Gleeson with an attachment which was the United Kingdom's Home Office Practice Guide with respect to human source management. The next day I shared this with Superintendent Sheridan and Superintendent Paterson as pre-reading before receiving the Comrie Review.<sup>119</sup> The Guide is at VPL.6027.0020.8791.<sup>120</sup> Throughout the Comrie Review I verbally updated Superintendent Sheridan, Commander Fryer and Deputy Commissioners Ashton and Cartwright on significant issues.
- 102 I understand that the final version of the Comrie Review was provided to the Chief Commissioner's Office just before or on 7 August 2012. I had a copy of the Comrie Review delivered to the OPI with a covering letter to Mr Bonighton on 16 August 2012.

---

<sup>113</sup> VPL.6027.0019.9768.

<sup>114</sup> VPL.6027.0029.2057.

<sup>115</sup> VPL.6027.0020.5162.

<sup>116</sup> VPL.6027.0029.7464.

<sup>117</sup> VPL.6027.0020.7276.

<sup>118</sup> VPL.6027.0030.2099.

<sup>119</sup> VPL.6027.0020.8789.

<sup>120</sup> VPL.6027.0020.8791.

- 103 On 13 August 2012 I advised Superintendent Sheridan that I had read the Comrie Review over the weekend and indicated that it was very worrying.<sup>121</sup>
- 104 On 21 August 2012, I advised Superintendent Gleeson that I was happy for Mr McRae to receive a final copy of the Comrie Review.<sup>122</sup>
- 105 Following discussions with Chief Commissioner Lay and Deputy Commissioner Ashton, on 29 August 2012, and at his request, I sent an email to Chief Commissioner Lay briefing him on the proposed closure of the SDU prior to his scheduled meeting with the Secretary of The Police Association Mr Greg Davies the following day. This email outlines the objective of what Victoria Police was seeking to achieve, the relevant background, the Comrie Review, the plan going forward and key messages for him to impart on The Police Association. This email was copied to Deputy Commissioner Ashton.<sup>123</sup> Deputy Commissioner Ashton provided some thoughts on the issue on 30 August 2012.<sup>124</sup> The Chief Commissioner responded to my email following his meeting with Greg Davies on 30 August 2012.<sup>125</sup>
- 106 On 1 November 2012, Victoria Police were making progress on the implementation of the 27 recommendations from the Comrie Review. Commander Fryer provided an update on those recommendations to Deputy Commissioner Ashton, noting that I had indicated the first formal update would be provided on 31 December 2012.<sup>126</sup>
- 107 On 16 January 2013 I received an email from Chief Commissioner Lay advising that he had spoken to Mr Bruce McKenzie at The Police Association about the SDU Review and that I should meet with Mr McKenzie in the coming days to take him through our proposed approach.<sup>127</sup>
- 108 On 30 January 2013, I emailed Chief Commissioner Lay and Deputy Commissioner Ashton advising them that Commander Fryer and myself had met with Mr McKenzie and Mr Kennedy from The Police Association regarding the planned closure of the SDU within the coming fortnight and that we needed to provide the Police Association with formal advice under the Collective Agreement and that we would give them 24 hours' notice prior to the SDU staff being advised.<sup>128</sup>
- 109 I have reviewed a draft letter prepared on 18 April 2013 from Chief Commissioner Lay to Mr Comrie giving Mr Comrie a high-level status update on the progress of the recommendations from his report. I do not recall seeing the final version of this letter.<sup>129</sup>

---

<sup>121</sup> VPL.6027.0021.7244.

<sup>122</sup> VPL.6027.0033.4650.

<sup>123</sup> VPL.6027.0021.8679-81.

<sup>124</sup> VPL.6027.0022.1216.

<sup>125</sup> VPL.6027.0021.8677.

<sup>126</sup> VPL.6027.0036.9539.

<sup>127</sup> VPL.6027.0020.3904.

<sup>128</sup> VPL.6027.0022.9521.

<sup>129</sup> VPL.6027.0038.5878.

Source Development Unit (closure)

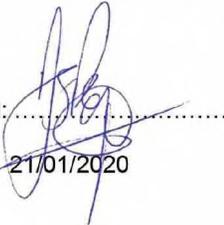
- 110 I formed the view to recommend the closure of the SDU for a number of reasons (which I refer to in this statement) and after many discussions over a range of issues relating to the SDU over a number of months. My views were informed by many discussions with Inspector O'Connor (Inspector in charge of the SDU), Superintendent Sheridan (Superintendent of Covert Services Division), Superintendent Gleeson (Superintendent who worked on the Comrie Review), Mr Fin McRae (Director Legal Services), Commander Fryer (Intelligence and Covert Services), Deputy Commissioners Ashton and Cartwright and Chief Commissioner Lay. This was not a view I formed alone nor one that I formed lightly. It took a number of months to consider all of the issues and implications. As I say in this statement there were many reasons that accumulated and contributed to the decision to recommend the closure of the SDU, with the Comrie Review being the final reason that cemented the view for me, and I believe also for others.
- 111 The reasons for my recommendation are broadly outlined in my email to Chief Commissioner Lay on 29 August 2012.<sup>130</sup> Those reasons are varied but essentially related to the culture in the SDU and, following the Comrie Review, the need to uphold the reputation of Victoria Police and the confidence of the community and the judiciary. This email was compiled at the request of the Chief Commissioner to provide him with an overview and context in advance of a then imminent meeting he already had scheduled with the Secretary of The Police Association. The request for this email followed a number of discussions where these issues had been conveyed and the decision and strategy had been broadly agreed by members of executive command to close the SDU.
- 112 Throughout this process both myself and the senior executives directly managing this change process sought advice from Victoria Police's Industrial Relations section and to the best of my knowledge and recollection we followed that advice.
- 113 I understand it has been suggested that the staff in the SDU lost their jobs as a consequence of the decision. That is not accurate. None of the staff were terminated from Victoria Police. The SDU staff in the unit at the time of the closure lost their positions (as opposed to their jobs) and they were transitioned through a process determined by the Enterprise Agreement into other vacant positions of their choosing. As I recall, all staff were entitled to retain their allowances that they were receiving at the SDU for up to 12 months even if the new role they transitioned into did not require them to work the additional hours (or justify the disruption allowance for instance). This process was followed and helped minimise any financial implications on the staff. I had no discretion over the transition arrangements as they were prescribed in the Enterprise Agreement.

---

<sup>130</sup> VPL 6027.0021.8679-81.

Departure from Victoria Police

- 114 I gave evidence in April 2019 regarding the circumstances which led to my decision to resign from Victoria Police and to apply for the State Manager and Australian Electoral Officer for Victoria for the Australia Electoral Commission (AEC).
- 115 During the period of my application process Chief Commissioner Lay and Deputy Commissioner Ashton became aware of my application to the AEC. They both had a number of conversations with me to seek to persuade me into staying at Victoria Police. I considered their advice and points of view which made my decision to leave very hard, as I felt that I was somewhat letting them down and I enjoyed my role in Victoria Police. In a final attempt to retain me at Victoria Police, Chief Commissioner Lay made an increased pay offer in writing and also offered me a seat at the Executive Command table with him and the Deputy Commissioner's. Despite his offer, and their continued efforts to talk me into staying, I felt that it was in the best interests of my career and my physical health for me to pursue the role at the AEC.
- 116 I transitioned to the AEC on 29 July 2013 and on the same total remuneration package as what I was earning at Victoria Police. My appointment at the AEC was for a period of 5 years. I have since been promoted to the role of Deputy Electoral Commissioner in December 2016 for a period of five years.

Signed:  .....

Date: 21/01/2020