

THE NORTHERN TERRITORY OF AUSTRALIA

Copy No. ....

**CONFIDENTIAL**  
**CABINET DECISION**

No.....5491.....

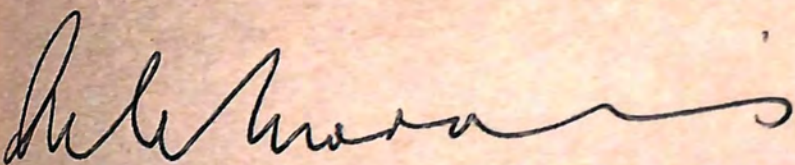
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Submission No.: 4726

Title: FORMATION OF A TWO-MAN NT POLICE FORCE GOLD SQUAD

Cabinet approved -

- (a) the formation of a two-man Police Gold Squad;
- (b) that the establishment of the Northern Territory Police Force be correspondingly increased by two;
- (c) that the establishment of the squad be conditional on a financial contribution from gold producers of 20 cents per ounce of gold produced in the Northern Territory; and
- (d) a review of the effectiveness of the Gold Squad after three years.



A. G. MORRIS  
Secretary to Cabinet.

26 February 1988

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THE NORTHERN TERRITORY OF AUSTRALIA

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FOR CABINET

SUBMISSION No: .....4726.....

Title:	Formation of a two-man Northern Territory Police Force Gold Squad.				
Minister	The Honourable S.P. HATTON, Chief Minister				
Purpose:	To seek Cabinet approval for an increase in the establishment of the Police Force of two (2), so that a two-man Police Gold Squad can be formed, consisting of 1 Sergeant and 1 Constable, who will specialise in and be fully occupied with the investigation of all criminal activity associated with the Gold Mining Industry, and security, as well as liaison with mining company staff and relevant Government Departments.				
Relation to existing policy:	Accords with the Governments existing policy and will provide an effective Police Service to the mining community.				
Timing/ legislative priority:	Early consideration is sought to commence their training in April, 1988.				
Announcement of decision, tabling, etc:	Public announcement is to be made.				
Acting re-quired before announcement:	Nil.				
Staffing implications, numbers and costs, etc:	The Gold Squad will be made up of two serving, experienced members. This will necessitate an increase in the establishment of the Police Force by two (2).				
Total cost:	<table style="margin-left: auto; margin-right: 0;"> <tr> <td style="padding-right: 20px;">First Year</td> <td style="text-align: right;">= \$214,400</td> </tr> <tr> <td>Second and Subsequent Years</td> <td style="text-align: right;">= \$163,000</td> </tr> </table>	First Year	= \$214,400	Second and Subsequent Years	= \$163,000
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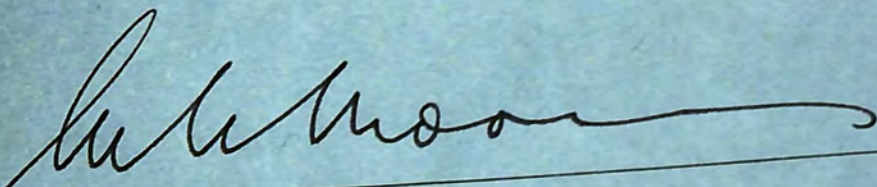
Department/Authority..... CO-ORDINATION COMMITTEE

COMMENT ON CABINET SUBMISSION No.

TITLE: FORMATION OF A TWO-MAN NORTHERN TERRITORY POLICE FORCE GOLD SQUAD

COMMENTS:

The Committee notes that the formation of a Gold Squad is already Government policy. In the light of recent advice the Committee considers that Cabinet should be informed of the likely attitude of industry to cost sharing. The Committee also feels that further justification of the proposed increase in the Police establishment is required.



SIGNED: A.G. MORRIS

DESIGNATION: Chairman

DATE: - 6 JAN 1988

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Department/Authority.....OF THE CHIEF MINISTER.....

COMMENT ON CABINET SUBMISSION No.

TITLE: .....FORMATION OF A TWO-MAN NORTHERN TERRITORY POLICE  
.....GOLD SQUAD  
.....

**COMMENTS:**

The Police Force Gold Squad was a Budget initiative. Discussion on the matter in the Legislative Assembly debate on the Budget indicated that the proposal would be funded by the imposition of a levy on the gold mining industry. The Submission states that establishment and ongoing operational expenses will be "partially offset" by a levy on Territory gold producers.

Those operational expenses are costed in the Submission at \$220 000. The Chief Minister indicated in the Legislative Assembly that the estimated costs were \$150 000.

It is not clear from the Submission whether the estimated \$220 000 is the cost to the Government as it is not clear what will be the amount raised by the levy on gold miners.

As discussions on the levy to be paid by gold miners has not been concluded, it would seem that a decision on the matter may be premature.

*Margaret P. Lyons*

SIGNED: MARGARET P LYONS  
DESIGNATION: ACTING DEPUTY SECRETARY

DATE: 23/12/87

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NORTHERN TERRITORY TREASURY

Department/Authority.....

COMMENT ON CABINET SUBMISSION No.

TITLE: ..... FORMATION OF A TWO-MAN NORTHERN TERRITORY  
POLICE FORCE GOLD SQUAD.....

COMMENTS:

The Government has already announced that it will form a Gold Squad.

The remaining issues to be decided by Cabinet are:

- (a) the extent of any contribution from the mining industry;
- (b) whether or not any additional costs should be funded by substitution.



SIGNED: N R CONN  
DESIGNATION: UNDER TREASURER

DATE: 16 DECEMBER 1987 **CONFIDENTIAL**

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Department/Authority ..... **LAW**

COMMENT ON CABINET SUBMISSION No.

TITLE: ..... **FORMATION OF A TWO-MAN NORTHERN TERRITORY POLICE FORCE**  
..... **GOLD SQUAD.**

COMMENTS:

There are no constitutuinal or legal barriers to the proposal.

*C. E. Croft*

SIGNED: **C. E. CROFT.**  
DESIGNATION: **SECRETARY, DEPARTMENT OF LAW**

DATE: **1 DECEMBER 1987**

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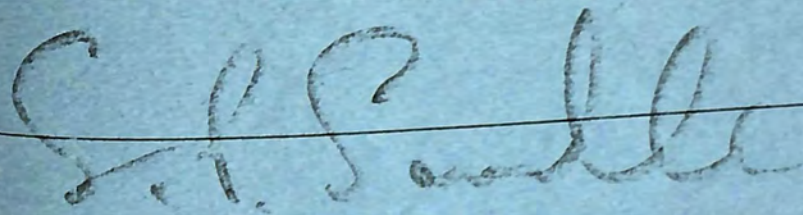
Department/Authority ..... DEPARTMENT OF LABOUR AND ADMINISTRATIVE SERVICES

COMMENT ON CABINET SUBMISSION No.

TITLE: ..... FORMATION OF A TWO-MAN NORTHERN TERRITORY POLICE FORCE  
GOLD SQUAD

COMMENTS:

This Department has no objections to this Submission.



SIGNED:  
DESIGNATION: SECRETARY  
DATE: 10 December 1987

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**CONFIDENTIAL**THE ISSUES

1. To seek Cabinet's approval for an increase in the establishment of the Northern Territory Police Force of two (2), so that a two-man Police Gold Squad can be formed, consisting of 1 Sergeant and 1 Constable, who will specialise in and be fully occupied with the investigation of all criminal activity associated with the gold mining industry and security, as well as liaison with mining company staff and relevant Government Departments.

BACKGROUND AND CONSIDERATION OF THE ISSUES

2. Over the past 12 months there has been a marked increase in the number of gold mines operating throughout the Northern Territory. Currently there are 16 mines operating whereas 12 months ago there were 11.
3. Production has increased. 5296 kilograms of gold ore, valued at \$97.3 million was mined in 1986. In 1987 it is estimated that 10000 kilograms, valued at about \$200 million will be produced. Production for 1988 suggests that the 1987 estimate will be doubled.
4. However, as the number of mines and production has increased, so has the amount of criminal activity. During the past 12 months there has been reports of thefts of large amounts of gold, resulting in major police investigations. These include:-
  - (a) In December, 1986, between \$250,000 and \$300,000 worth of amalgam (unprocessed gold) stolen from the goldroom of Nobles Knob mine at Tennant Creek.
  - (b) \$60,000 worth of amalgam stolen over a four month period from Pacific Gold Mining, NM Mine, Pine Creek.

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(c) On 17 October, 1987 \$280,000 worth of electrolyte stolen from the goldroom of the Dominion Mining's Cosmo Howley mine, near Hayes Creek.

5. The Territory Chamber of Mines estimates that the Government has lost over \$1 million in gold royalties in the past five years because of theft.
6. To date investigations have usually been carried out by members of Police stationed in the area where the thefts have occurred, or if necessary, by Detectives from the major Territory centres being flown to those areas. Experience gained here and in West Australia has shown that a specialised knowledge of gold production and a close liaison with the Chamber of Mines and Department of Mines and Energy as well as mining company staff would greatly enhance investigations. Present extended Police resources and other criminal investigation commitments have precluded any members gaining the required knowledge or liaison. It would be of great benefit if a gold squad is formed, the members of which could devote their duties exclusively to the investigation of gold thefts and other criminal activity associated with the gold mining industry; security; and liaising with mining management and other Government Departments.
7. It is proposed to base the Gold Squad's office at Minerals House, Darwin, in accommodation currently leased by Government. Following the West Australian experience it has been found necessary to remove members of the Gold Squad from the mainstream and have them work directly with the Chamber of Mines.

OPTIONS

8. The two options to be considered are:

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- (a) to continue to utilise detectives attached to Criminal Investigation Branches, on an ad hoc basis, at centres nearest to where the offences are reported; or
- (b) form a Gold Squad with members who will specialise in and be fully occupied with the investigation of all criminal activity and security associated with the gold mining industry, as well as keeping a close liaison with mining company staff and relevant Government Departments.

9. Option (b) is the preferred option. Not only will Police investigations into gold thefts be more efficient but the Gold Squad members should, very quickly, obtain the necessary expertise to carry out any of the duties necessary to combat crime in the gold mining industry.

#### PUBLIC IMPACT OF THE RECOMMENDATIONS

10. The majority of Northern Territory residents would be aware of the increasing number of gold thefts and would therefore see the formation of a Gold Squad as an essential element in improving the Police service to the mining community as well as combating crime generally. Persons contemplating gold thefts and other related criminal activity may well be deterred in the knowledge that policemen with specialised training are available to investigate the offences.

#### FINANCIAL CONSIDERATIONS

11. The cost of establishing and running the two man Gold Squad will be approximately \$214,400 for the first year and \$163,000 for the second and subsequent years. A breakdown of these costs is given at Attachment 'A'.

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It should be noted that:

- a) Housing costs will depend on the actual staff appointed to the squad and a high estimate has been given in Attachment 'A'.
- b) Because of the large amount of travelling the Gold Squad is expected to undertake, the squad's vehicle will probably need to be replaced on a yearly basis but the refund to Government will mean a new vehicle only costing about \$8,000 per year.
- c) No allowance has been made for indeterminate costs associated with telephones, electricity, etc., which will need to be absorbed in general ongoing costs.
- d) Cabinet is already aware that the costs of forming and running the Gold Squad will be partially offset by a levy on Territory gold producers. The Chamber of Mines has recommended that the amount of the levy be 20 cents per ounce of gold produced, approximately \$80,000 per year. This will mean that initially the Government will have to subsidise the formation and running of the Gold Squad until the expanding gold industry is capable of funding the Squad completely. (For example, in the first year of operation the cost to Government would be \$214,400, less \$80,000 levy = \$134,400. However, the following years will see a dramatic drop in the Government's subsidy because there will be no establishment costs and because the gold producers levy will increase.)

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**CONFIDENTIAL**EMPLOYMENT CONSIDERATIONS

12. The two members forming the Gold Squad will be selected from experienced serving members. They will be selected on the basis of having Criminal Investigation Branch experience as well as the necessary aptitude to be able to be trained to effectively carry out specialised investigations and other associated duties in the gold mining industry. This will entail two experienced investigators being taken from current levels of the Police establishment. It follows that these two positions will have to be replaced as the current establishment level cannot absorb the loss of two members.
13. This will necessitate an increase of two in the establishment of the Police Force.

CO-ORDINATION AND CONSULTATION

14. Liaison will be necessary between the Gold Squad members and the Chamber of Mines and the Department of Mines & Energy. This Submission has been sent to those organisations for comment, as well as the Departments of: Treasury; Law; Chief Minister; the Public Service Commissioner and the Co-Ordination Committee.

LEGISLATION

15. Nil

PUBLICITY

16. Considerable benefit will be achieved from a public announcement that a Gold Squad has been formed (The Government has already publicised the fact that the formation of a Gold Squad was being considered). A draft press release is at Attachment 'B'.

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TIMING

17. Early Cabinet consideration is sought so that, if approved, the members selected to form the Gold Squad can commence their training in Western Australia in April, 1988.

RECOMMENDATIONS

18. It is recommended that Cabinet approve:
- (a) the formation of a two-man Police Gold Squad; and
  - (b) that the establishment of the Northern Territory Police Force be correspondingly increased by two (2).



STEVE HATTON

DATE 12.2.88

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ATTACHMENT 'A'

GOLD SQUAD - ESTIMATED COSTSEstablishment Costs

Vehicle - Commodore	\$15,000 Approx.		\$15,000
Radios - 2 x Portable	7,000		
- 2 x Mobile (1xHF & 1xUHF)	3,000		10,000
Setting up of office			
- Furniture, answerphone, typewriter, etc	5,000		
- Facsimile machine	4,000		
- Personal computer with printer	7,000		<u>16,000</u>
			\$41,000
Training			
- 12 weeks Kalgoorlie, Western Australia assuming both Gold Squad members are married			
- First four weeks \$66.15 per day, each	3,704		
- Remaining 8 weeks \$100 per week, each	1,600		
- Plus Motel accommodation. Say \$300 per week, each	<u>4,800</u>		
	10,104	(Say) \$11,000	
- Airfares		<u>3,000</u>	\$14,000
			<u>\$55,000</u>
		TOTAL	

NOTE: If the formation of the Gold Squad is approved this Financial Year, training costs would be absorbed from existing Police funds. This is because of a lower than expected level of recruitment. For the same reason, no additional salary costs would be incurred in 1987/88.

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**CONFIDENTIAL**Personnel Related Costs (Annually)

Salary (Sergeant and Senior Constable) inc. N.T. Allowance	\$60,000	
Bonuses/Overtime/Penalty	10,000	
Leave Bonus	1,000	
Clothing and Spending Allowances	<u>2,400</u>	73,000
Payroll Tax	4,500	
Airfares	2,000	
House Rents (Estimated on high \$140 per week)	<u>14,500</u>	21,000
Sub-Total		<u>\$94,400</u>
(Plus FBT paid by Treasury \$8,000)	TOTAL	<u>\$102,400</u>

Ongoing Costs (Annually)

Field Operations		
- Travelling Allowance	\$16,000	
- Motor vehicle running costs (@ 25c km for 65,000 km)	16,000	
- Air travel	7,000	
- Car hire	<u>2,000</u>	\$41,000
Office Administration		
- Consumables	<u>2,000</u>	\$43,000
<u>Other Ongoing Costs</u>		
- FBT (Paid by Treasury)	8,000	
- Communications Charges (telephone, telex, facsimile, etc. (Paid centrally)	<u>6,000</u>	
TOTAL		<u>\$57,000</u>

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SUMMARY

Establishment Costs	\$ 55,000	(Possibly less \$14,000 training costs)
Personnel Related Costs	102,400	
Ongoing Costs	<u>57,000</u>	

FIRST YEAR \$214,400

SECOND AND SUBSEQUENT YEARS \$163,000

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**CONFIDENTIAL**ATTACHMENT 'B'PRESS RELEASE

FURTHER TO THE CHIEF MINISTER'S PRESS STATEMENT ON 28 OCTOBER 1987 ABOUT CABINET APPROVING THE FUNDING OF THE FORMATION OF THE POLICE GOLD SQUAD, THE CHIEF MINISTER, MR. STEVE HATTON ANNOUNCED TODAY THAT CABINET HAD NOW APPROVED THE ACTUAL FORMATION OF A NORTHERN TERRITORY POLICE GOLD SQUAD. THE TWO MAN SQUAD, MADE UP OF EXPERIENCED INVESTIGATORS, WILL RECEIVE SPECIALISED TRAINING AND DEVOTE THEIR DUTIES EXCLUSIVELY TO THE INVESTIGATION OF GOLD THEFTS AND OTHER CRIMINAL ACTIVITY - SUCH AS PROSTITUTION - ASSOCIATED WITH THE GOLD MINING INDUSTRY.

MR. HATTON SAID THAT THE GOLD MINING INDUSTRY WAS EXPANDING RAPIDLY IN THE TERRITORY, UNFORTUNATELY, SO WAS THE INCIDENCE OF CRIMINAL ACTIVITY - ESPECIALLY GOLD THEFTS - SOME OF WHICH HAD RESULTED IN LARGE AMOUNTS OF GOLD BEING STOLEN. IT WAS HOPED THAT THE GOLD SQUAD MEMBERS - WHO WILL LIAISE CLOSELY WITH MINING COMPANY STAFF AS WELL AS THE CHAMBER OF MINES AND DEPARTMENT OF MINES AND ENERGY - WILL QUICKLY ACHIEVE A HIGH DEGREE OF EXPERTISE IN THE INVESTIGATION OF SUCH CRIME AFTER RECEIVING SPECIALISED TRAINING BY THE WEST AUSTRALIAN POLICE.

MR. HATTON SAID THAT THE FORMATION OF THE GOLD SQUAD WAS IN ACCORD WITH THE GOVERNMENT'S POLICY OF PROVIDING AN EFFECTIVE POLICE SERVICE TO THE MINING COMMUNITY.

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