



AUSTRALIAN
**CRIMINAL
INTELLIGENCE
COMMISSION**

2018—19 ANNUAL REPORT

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We welcome feedback on our annual report, particularly about its readability and usefulness. Please send your feedback to <annualreport@acic.gov.au>.

An electronic version of this report, along with further information about the ACIC and our work, is available on our website at <www.acic.gov.au/about-us/corporate-documents>.

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ACIC at a glance



Our vision

A safer Australia that is better connected, informed and capable of responding to crime.



Our role

National criminal intelligence agency with investigative, collection, analysis and information delivery functions.

Part of the national collaborative response to crime affecting Australia.



Our approach

Connect, **discover** and **understand** to improve the national ability to **respond** to crime impacting Australia.



Our work

- ▶ Enhance the national picture across the spectrum of crime by developing strategic criminal intelligence assessments and advice on national crime.
- ▶ Work with international and domestic partners to disrupt the activities of serious and organised crime targets and reduce their impact on Australia.
- ▶ Conduct special operations and special investigations addressing priority areas.
- ▶ Develop and maintain national information and intelligence sharing services and systems.



Our 2018–19 purpose

Make Australia safer through improved national ability to discover, understand and respond to current and emerging crime threats and criminal justice issues, including the ability to connect police and law enforcement to essential criminal intelligence, policing knowledge and information through collaborative national information systems and services.

About our report

This report summarises the performance of the Australian Criminal Intelligence Commission for the financial year ending 30 June 2019.

As a statutory agency within the Home Affairs portfolio, we manage our performance through the outcome and program structure in the annual portfolio budget statements.

This report reviews our performance against the performance measures in our portfolio budget statements and our corporate plan, and provides information on our financial performance, accountability and management of people and resources, as required by the *Public Governance, Performance and Accountability Act 2013*.

Our corporate plan and a link to our portfolio budget statements are available from our website at <www.acic.gov.au>.

How we assess our performance

Our performance indicators this year reflect our strategic outlook and directly align with our *Strategic Plan 2018–23*, *Corporate Plan 2018–19 to 2021–22* and *Portfolio Budget Statements 2018–19*.

Those indicators, through both quantitative and qualitative measures, are used to demonstrate how we have performed in our work to connect, discover and understand to improve the national ability to respond to crime impacting Australia.

How the nature of our work affects our reporting

For operational reasons and because much of our work is classified, we cannot publicly report on some activities.

When activities are no longer sensitive or constrained by legal or statutory requirements, and wherever possible, we are committed to being open and transparent and providing information to the public. This includes our intention to produce additional reports each year, in both classified and unclassified forms, to enhance understanding of what we do.

In addition, elements of our work are long term, so results occur months or years after our initial involvement. Examples include court decisions, policy and law reforms, and changes in industry and community behaviour that inhibit or prevent criminal activities.

► Summary of performance in 2018–19

ACIC performance criteria		Result	Comments
DISCOVER	The picture of crime impacting Australia is improving because the ACIC is discovering crime threats, vulnerabilities, patterns, methods and trends previously unknown.	✓	Met —Our discovery of previously unknown targets was in line with our results in 2017–18; our discovery of targets that had been previously known but were identified in a new area of criminality increased significantly. Our types of new discoveries continued at slightly higher levels than in recent years, and remained focused on key crime themes.
	The understanding of the picture of crime impacting Australia is increasingly more comprehensive, integrated, and relevant.	⌚	Partially met —We improved the understanding of the national picture of serious and organised crime impacting Australia through a broad range of products. The number of analytical intelligence products produced was below four-year trends, reflecting the ACIC’s strategic decision to prioritise development of high-value and high-quality products. Stakeholder survey results indicated that the ACIC is producing thorough and actionable intelligence products. However, the survey recorded a decline for this measure due to stakeholders indicating that they want us to address a greater depth of topics in our products.
RESPOND	The understanding of the picture of crime impacting Australia is increasingly used to influence strategies and responses to crime.	✓	Met —Our intelligence across a wide range of criminality informed and guided strategies at a similar level to previous years. This was supported by our stakeholder survey results, particularly the number of stakeholders agreeing or strongly agreeing that our intelligence products inform policy/legal responses to criminal activity.
	The ACIC better informs and influences collaborative efforts to harden the environment against crime.	✓	Met —Our intelligence informed and influenced activities to harden the environment against serious and organised crime at similar levels to previous years. This was supported by our stakeholder survey results.
	The ACIC is conducting collaborative investigations and intelligence operations, and producing intelligence with and for partners that is effective in disrupting, disabling and dismantling serious and organised crime.	✓	Met —Our performance measures that track the impact of our intelligence produced by our investigations and intelligence operations, which enable partners to disrupt serious and organised crime, were largely in line with long-term trends.
CONNECT	ACIC partners are better informed and enabled to undertake policing and community safeguarding activities through access to national information systems and services.	✓	Met —We informed and enabled our partners to protect the community, through delivery of our national information systems and services. This was supported by our positive stakeholder survey results.
	Existing ACIC systems and services are accessible, used and reliable.	✓	Met —We continued to provide our services to a broad range of agencies with a high level of availability.
	Through effective collaboration, enable the delivery and implementation of new and enhanced ACIC systems and services that satisfy the needs of stakeholders and users.	⌚	Partially met —While we delivered new and enhanced services and made substantial progress towards the delivery of others, due to a decline in stakeholder satisfaction we did not fully meet the criterion.
	The ACIC is sharing increasing volume, breadth and formats (mediums, platforms) of criminal intelligence and information, police information, and other relevant information.	✓	Met —Overall our performance this year reflected a similar level to previous years, with increasing volumes of information and new data sources shared.

2018–19 highlights

We **DISCOVER** and **UNDERSTAND** more about the picture of crime impacting Australia through our intelligence collection and analysis, investigations, operations and collaborations



95 previously unknown targets discovered



177 intelligence products containing examination material finalised



200 potential new Australian Priority Organisation Targets assessed and **12** listed



99 analytical intelligence products finalised



193 examinations to discover new information about serious and organised crime conducted



key reports on **gangs**, **cybercrime**, **wastewater drug data** and emerging **threats to sports entities** produced



81% of stakeholders surveyed agreed that the ACIC provides information and intelligence on changes in the crime environment (such as new crime threats, methods, trends and patterns)

Through discovering, understanding and connecting, we improve the national ability to **RESPOND**, including by preventing and disrupting serious and organised crime, and protecting the community



28 criminal entities disrupted overall



\$2.3 billion street value of drugs and precursors seized



607 charges laid and **169** people arrested



174 entities involved in **22** financial referrals totalling **\$46.7 million** of offences



3 Australian Priority Organisation Targets disrupted following partner law enforcement activity



76% of stakeholders surveyed agreed that our intelligence and information informs policy and legal responses to criminal activity threatening Australia

We **CONNECT** police and law enforcement to essential criminal intelligence, policing knowledge and information, unite our partners and share knowledge



17 systems that help our partners prevent, detect and reduce crime in the community provided



Information and intelligence products disseminated **8,440** times with more than **220** stakeholders



National Firearms Identification Database upgraded



3 National Wastewater Drug Monitoring Program reports released



89% of stakeholders surveyed that used our services and systems agreed or strongly agreed that our information and intelligence services were valuable to the work of their organisation

Our **FINANCIAL PERFORMANCE** is underpinned by an accountable and transparent governance framework



\$232.957 million total revenue
\$235.262 million total expenses



\$4.263 million capital funding from other agencies



\$99.970 million operating appropriation



\$9.144 million unfunded depreciation



\$132.987 million own source income



\$2.305 million operating loss
\$2.576 million adjusted surplus

Our **PEOPLE** are skilled, experienced and diverse



770 staff and **38** secondees from partner agencies



22% of staff from non-English speaking backgrounds



391 male, **379** female and **0** indeterminate staff



80.9% retention rate



8 offices around the country

Letter of transmittal



AUSTRALIAN
**CRIMINAL
INTELLIGENCE
COMMISSION**

18 September 2019

The Hon Peter Dutton MP
Minister for Home Affairs
Parliament House
Canberra ACT 2600

Dear Minister

I am pleased to present the annual report of the Australian Criminal Intelligence Commission (ACIC) for the year ending 30 June 2019, prepared in accordance with the requirements of the *Public Governance, Performance and Accountability Act 2013*.

The report outlines the ACIC's performance for 2018–19 and includes audited financial statements.

Section 46(1) of the Act requires me to provide you with a report for presentation to the Australian Parliament.

In addition, I certify that I am satisfied that the ACIC has undertaken all appropriate fraud control measures as set out in section 10 of the *Public Governance, Performance and Accountability Rule 2014*.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'M Phelan', is written over a light blue horizontal line.

Michael Phelan APM
Chief Executive Officer
Australian Criminal Intelligence Commission

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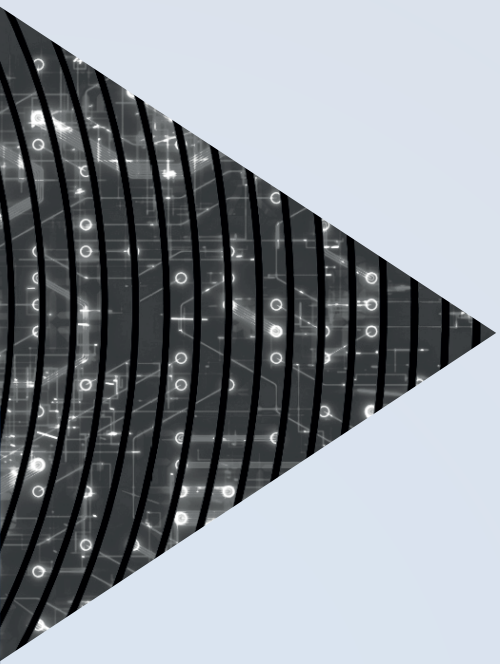
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Section 01

Agency overview

Who we are and what we do

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We are Australia's **national criminal intelligence** agency with **investigative** and **information delivery** functions.

Chief Executive Officer's review

Michael Phelan APM



Throughout 2018–19 we have taken great strides in supporting our partners to ensure a safer and more secure Australia. This is something we will continue to strive towards as we work within the Home Affairs portfolio as a member of the National Intelligence Community.

It is my vision for the ACIC to be the agency of choice when it comes to law enforcement intelligence. Our goal is for the ACIC to become the trusted partner for fighting organised crime and source of criminal intelligence for our partners. Engagement with our partners has identified areas of opportunity where we must build capability to effectively meet current and future operational and strategic needs.

We are one integrated agency, and building our reputation as the source of criminal intelligence is fundamental to our future. We want to be the 'centre of excellence' for criminal intelligence. Building a comprehensive strategic picture of serious and organised crime activities in Australia is central to our ability to connect, discover, understand and respond to crime impacting Australia.

Significant developments in 2018–19

The Australian Priority Organisation Target list is a seminal document for our partners both here in Australia and overseas. The list focuses on offshore targets impacting Australia, detailing the top-tier international and transnational targets that play a significant role within Australia's serious and organised crime environment. It has been gratifying to see our state and territory partners work with us to create their own Regional Priority Organisation Target lists.

The development of the National Criminal Intelligence System (NCIS) continued to progress throughout 2018–19. This important national capability will give Australia's law enforcement and intelligence agencies the first truly national and unified picture of criminal activity. Its successful delivery is our agency's number one priority.

Full funding to support delivery of the NCIS's Tranche 1 was secured in 2018–19. The first tranche will deliver the foundation of NCIS. It focuses on frontline services and aims to improve officer safety by providing a national view of crime. It will provide targeted, timely, relevant, prioritised national policing information, improving our ability to work together across jurisdictions and agencies.

We are now working in close collaboration with the Department of Home Affairs, which has come on board as our senior supplier. The joint ACIC–Home Affairs Program Team has been working to set up the program, define Tranche 1 in detail, work with partners to develop an integrated work schedule, and establish the technical underpinnings.

The NCIS is just one of the many ways we connect our partners to the information, intelligence and policing knowledge they need. This information is not only crucial in equipping the 70,000 police and non-police users to perform their jobs; it is also critical in keeping them safe while working on the front line.

This financial year we have made many ICT improvements to our internal systems as well as those that support our partners. In addition to meeting our system availability targets for all systems in 2018–19, we delivered enhancements to many national policing information systems and completed several internal infrastructure capability and consolidation projects.

We partner with Australian police agencies to provide the National Police Checking Service (NPCS). The NPCS enhances the safety of the community by providing accurate and timely police information that helps organisations to make informed decisions about the suitability of applicants for a range of employment, registration, licensing and other entitlements. The NPCS Transformation Program has been working with our police partners this year to commence a body of work that will modernise the service to enhance service delivery.

Part of our work this financial year has focused on ensuring that we are the most efficient and effective agency we can be. We needed to ensure that our skills and people were in the locations that best allowed us to deliver on the agency's national and international focuses as Australia's centre of excellence and partner of choice for criminal intelligence. We implemented a new structure with a 'greenfield' approach, which was framed by the question 'If we were creating the ACIC today to deliver on current and future priorities, what would it look like?'

I am confident that our new structure puts us in good stead to better coordinate and build our national capacity and capability across the intelligence continuum, allowing us to better facilitate business outcomes for our partners.

Outlook for 2019–20

Looking forward, our focus will remain on further strengthening our relationships within the National Intelligence Community and responding to the criminal risks facing Australia, through three key areas of delivery: criminal intelligence capability, national criminal intelligence, and policing information services and the NPCS. You can read more detail about these planned activities in our corporate plan for 2019–20.

Looking back at our achievements over the past year, it is clear that the ACIC is strongly positioned to continue its important work of supporting our partners and creating a safer Australia that is better connected, informed and capable of responding to crime.



Michael Phelan APM
Chief Executive Officer
Australian Criminal Intelligence Commission

► About us

The Australian Criminal Intelligence Commission (ACIC) has a vision of a safer Australia that is better connected, informed and capable of responding to crime.

We work with our partners on investigations and to collect intelligence to combat serious and organised crime, cybercrime and national security threats. We are the conduit for sharing criminal information and intelligence between all state, territory and Commonwealth law enforcement agencies.

We began operating on 1 July 2016. The ACIC is a statutory agency within the Home Affairs portfolio, in which the Department of Home Affairs is the central policy department.

Purpose

Our purpose is to make Australia safer through improved national ability to discover, understand and respond to current and emerging crime, including the ability to connect police and law enforcement to essential criminal intelligence, policing knowledge and information through collaborative national information systems and services.

Role

We are uniquely equipped as Australia's national criminal intelligence agency with investigative and information delivery functions. Our role includes reducing serious and organised crime threats of most harm to Australians and the national interest and providing national policing information systems and services.

To perform our role and achieve our purpose, we work closely with national and international partners to:

- collect, correlate, analyse and disseminate criminal information and intelligence
- maintain a national database of criminal information and intelligence
- provide and maintain national information capabilities and services to support policing and law enforcement
- provide strategic criminal intelligence assessments and advice on national criminal intelligence priorities
- conduct investigations and intelligence operations into federally relevant criminal activity
- provide nationally coordinated criminal history checks.

Approach

Our strategic and corporate plans are framed around four key elements.

- ▶ **DISCOVER**—We generate and collect intelligence about new and emerging serious and organised crime. We integrate and analyse all available information to discover new crime threats.
- ▶ **UNDERSTAND**—Our role as the national criminal intelligence hub enables us to create a full and enriched national picture of crime. Our strategic intelligence assessments and insights inform national decision-making on crime.
- ▶ **RESPOND**
 - **Prevent**—Our information services inform and protect police, the community and potential victims of crime. We work with our partners to make it harder for criminals to operate by informing legislative change and preventative strategies.
 - **Disrupt and protect**—We provide critical intelligence contributions to partners that drive the disruption, disabling and dismantling of serious and organised criminal enterprises. We provide police with timely access to police information when they are investigating crime and safeguarding the community.
- ▶ **CONNECT**—We are a conduit between the states and territories and Commonwealth for the sharing of criminal information and intelligence. We facilitate deconfliction and collaboration among partners. We develop and maintain innovative national information and intelligence sharing services.

Culture and values

We promote a culture that strives for excellence, enables personal and professional growth, values workplace diversity, models respectful behaviour, and achieves agency unity through collaboration and inclusiveness.

We value our professionally diverse people as our greatest asset. We engage with each other and our stakeholders ethically, and with integrity and respect. We are capable, agile, innovative, adaptable and service focused.

We are committed to the Australian Public Service values of being impartial, committed to service, accountable, respectful and ethical.

► Our organisation

We are a Commonwealth statutory agency, established under the *Australian Crime Commission Act 2002* with roles and functions underpinned by supporting legislation in each state and territory.

Structure

Figure 1.1 sets out the organisational structure of the agency. Section 3 of the report provides more information on the members of our executive, our staffing and the locations of our activities.

Figure 1.1: Organisational structure at 30 June 2019



* The ACIC Chief Executive Officer is also Director of the AIC.

Board

The ACIC Board represents Commonwealth, state and territory law enforcement, and key regulatory and national security agencies.

The board is responsible for providing strategic direction to the ACIC, setting strategic priorities and approving our use of special coercive powers. The board is also responsible for determining the ACIC's special operations and special investigations.

As a powerful law enforcement and national security body, the board provides a significant platform to drive the collegial approach necessary to make Australia better connected, informed and capable of responding to crime.

Specialist capabilities

The capabilities that enable us to perform our functions include:

- ▶ **National criminal intelligence data holdings**—We collect criminal intelligence and combine it with information and intelligence from partner agencies to create and share a comprehensive national picture of criminality in Australia.
- ▶ **National information and intelligence sharing services and systems**—We provide timely and reliable police and law enforcement information services and, through consultation and collaboration, we develop new and innovative capabilities.
- ▶ **Coercive powers**—Our coercive powers, similar to those of a royal commission, are used in special operations and special investigations to obtain information when traditional law enforcement methods are unlikely to be or have not been effective.
- ▶ **International collaboration**—We work in collaboration with international networks and have deployed ACIC officers to countries of strategic importance in our efforts to counteract serious and organised crime impacting Australia.
- ▶ **Strategic products**—Our strategic intelligence products build a comprehensive picture of criminality in Australia to support our partners in decision-making, strategic targeting and policy development.
- ▶ **National target management framework**—Our national target management framework guides law enforcement in establishing and sharing organised crime priorities and targets. This framework and our Australian Priority Organisation Target list support nationally coordinated operational strategies for dealing with multijurisdictional and transnational serious and organised crime investigations.
- ▶ **Legislative framework allowing appropriate data sharing**—By sharing intelligence, information, resources and expertise with our partners, and with private industry where permitted and appropriate, we maximise the collective impact against crime. We are a conduit between the states and territories and the Commonwealth for the sharing of criminal information and intelligence.
- ▶ **Specialist technology and skills**—Our work is underpinned by sophisticated and tailored intelligence gathering and analysis capabilities.

Relationship with the Australian Institute of Criminology

We support and collaborate closely with staff of the Australian Institute of Criminology (AIC). Our CEO is also Director of the AIC, and AIC staff have transferred to the ACIC under a machinery of government process. The AIC is co-located with the ACIC, and ACIC staff are seconded back to the AIC, to ensure that criminological research and evidence remain central to law enforcement's collective response to crime. The ACIC also provides shared administrative services to the AIC, including finance, people and ICT.

While the AIC operates independently, its high-quality research is important to our work.

► Our outcome

Our annual portfolio budget statements detail our outcome and program structure. Within that framework, the ‘outcome’ is the intended result, impact or consequence of our actions. We work towards our outcome through the activities that make up our program.

Our outcome and program structure is shown in Figure 1.2, along with its relationship to our *Strategic Plan 2018–23* and *Corporate Plan 2018–19 to 2021–22*. Both plans and a link to our *Portfolio Budget Statements 2018–19* are at <www.acic.gov.au/publications/corporate-documents>.

Figure 1.2: ACIC portfolio, corporate and strategic performance framework 2018–19

STRATEGIC PLAN	<p>PURPOSE: To make Australia safer through improved national ability to discover, understand and respond to current and emerging crime, including the ability to connect police and law enforcement to essential criminal intelligence, policing knowledge and information through collaborative national information systems and services.</p> <p>APPROACH: We connect, discover and understand to improve the national ability to respond to crime impacting Australia.</p>
PORTFOLIO BUDGET STATEMENTS OUTCOME AND PROGRAM	<p>Outcome 1</p> <p>To make Australia safer through improved national ability to discover, understand and respond to current and emerging crime threats and criminal justice issues, including the ability to connect police and law enforcement to essential criminal intelligence, policing knowledge and information through collaborative national information systems and services.</p>
	<p>Program 1.1 Australian Criminal Intelligence Commission</p> <p>The ACIC will improve the national ability to respond to crime and criminal justice issues affecting Australia through the discovery and understanding of new and emerging crime threats—working with and connecting partners to build the picture of crime impacting Australia. The ACIC will respond to serious and organised crime threats by developing new prevention and disruption strategies that disable or dismantle criminal groups through enforcement, as well as contributing to or informing regulations, policy or legislative responses that make Australia safe from crime threats. The ACIC will contribute to or lead nationally coordinated actions and activities through board-approved special investigations, special intelligence operations and joint task forces. The ACIC will provide high-quality national policing knowledge and information systems, and services that support the Australian policing community and will ensure controlled access to appropriate information, including by accredited third parties in relation to criminal history checks.</p>

CORPORATE PLAN PERFORMANCE OBJECTIVES	<p>DISCOVER We build the picture of crime impacting Australia by: Collecting information; and Combining information; to discover new areas of national focus.</p>	<p>UNDERSTAND We improve our understanding of the picture of crime impacting Australia by undertaking analysis to guide a better response.</p>	<p>RESPOND We improve the national ability to prevent and disrupt crime and protect the community.</p>	<p>CONNECT We help our partners by: Providing them with systems and services; Sharing criminal intelligence and information, policing and other relevant information; and Connecting partners to us and each other.</p>
CORPORATE PLAN AND PORTFOLIO BUDGET STATEMENTS PERFORMANCE CRITERIA	<p>Discover 1: The picture of crime impacting Australia is improving because the ACIC is discovering crime threats, vulnerabilities, patterns, methods and trends previously unknown.</p>	<p>Understand 1: The understanding of the picture of crime impacting Australia is increasingly more comprehensive, integrated and relevant.</p> <p>Understand 2: The understanding of the picture of crime impacting Australia is increasingly used to influence strategies and responses to crime.</p>	<p>Respond 1—Prevent: The ACIC better informs and influences collaborative efforts to harden the environment against crime.</p> <p>Respond 2A—Disrupt and protect: The ACIC is conducting investigations and intelligence operations, and producing intelligence with and for partners that is effective in disrupting, disabling and dismantling serious and organised crime.</p> <p>Respond 2B—Disrupt and protect: ACIC partners are better informed and enabled to undertake policing and community safeguarding activities through access to national information systems and services.</p>	<p>Connect 1: Existing ACIC systems and services are accessible, used and reliable.</p> <p>Connect 2: Through effective collaboration, enable the delivery and implementation of new and enhanced ACIC systems and services that satisfy the needs of stakeholders and users.</p> <p>Connect 3: The ACIC is sharing increasing volume, breadth and formats (mediums, platforms) of criminal intelligence and information, police information, and other relevant information.</p>

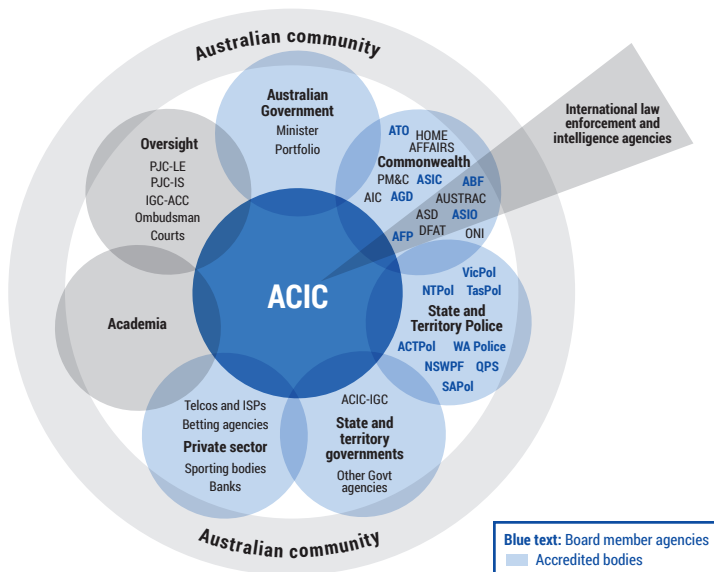
► Our stakeholders

We work with a wide range of stakeholders to achieve a shared national outcome of a safer Australia, as shown in Figure 1.3. Our stakeholders include:

- **Australian Government**—National law enforcement and intelligence agencies, national security and border security agencies, national regulators, national service delivery agencies and national policy development agencies.
- **States and territories**—State and territory law enforcement and intelligence agencies, and state and territory regulators and courts.
- **International agencies**—International law enforcement and intelligence agencies.
- **Accredited organisations**—Australian Government agencies, private sector businesses, not-for-profit organisations and screening units for working with children or vulnerable people who access the National Police Checking Service.
- **Private sector and community**—Private industry, research bodies and academia, and the community.

Due to the collaborative nature of our work, our stakeholder relationships are critical to achieving our purpose. Our stakeholders are important to us, so we seek their feedback regularly. Their feedback contributes to our performance measurement and informs our ongoing engagement. Stakeholder research findings for 2018–19 are summarised on page 73.

Figure 1.3: ACIC stakeholders



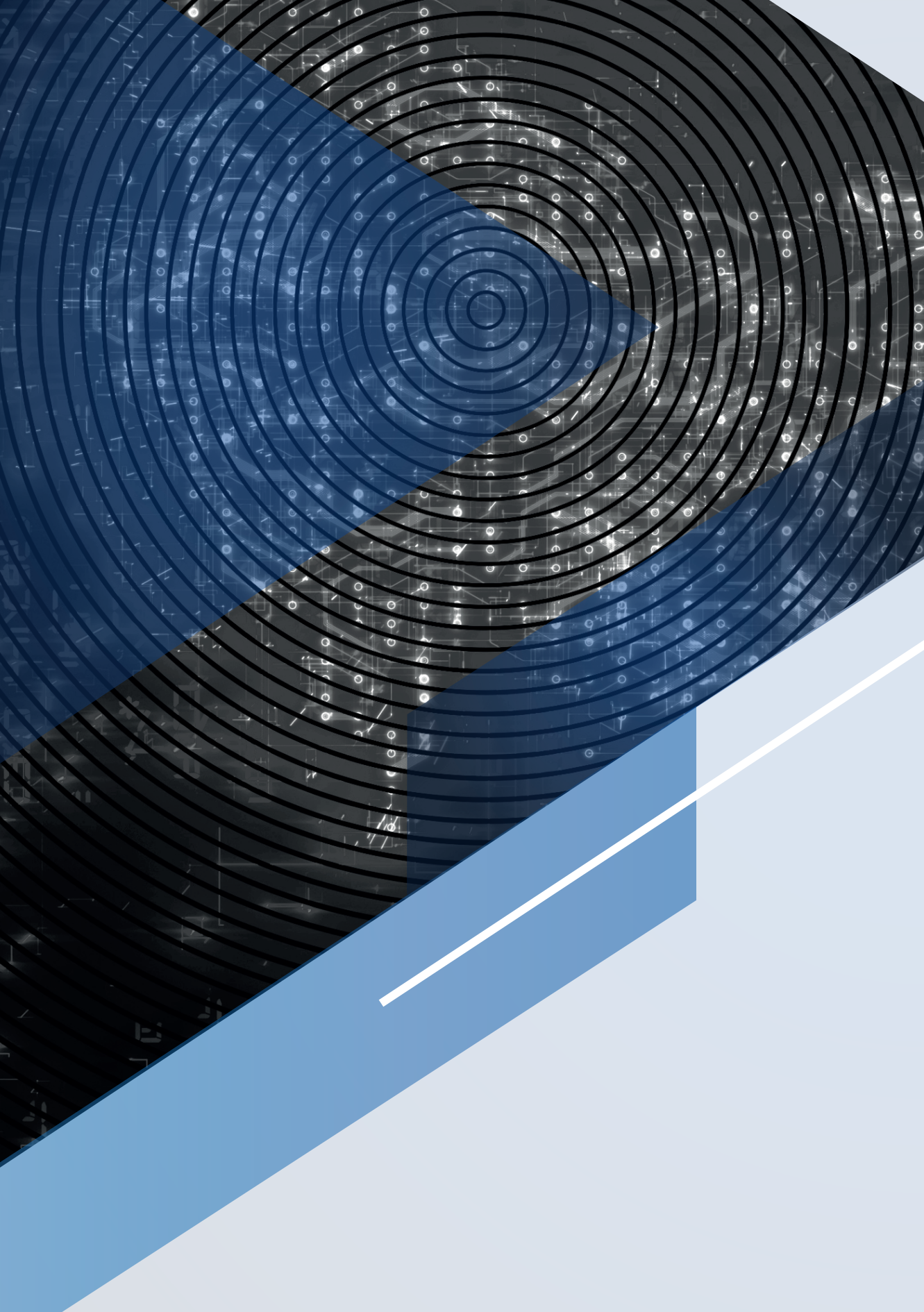
ABF = Australian Border Force, ACIC-IGC = Australian Criminal Intelligence Commission-Inter-Governmental Committee, ACTPol = Australian Capital Territory Policing, AFP = Australian Federal Police, AGD = Attorney-General's Department, AIC = Australian Institute of Criminology, ASD = Australian Signals Directorate, ASIC = Australian Securities and Investments Commission, ASIO = Australian Security and Intelligence Organisation, ATO = Australian Taxation Office, AUSTRAC = Australian Transaction Reports and Analysis Centre, DFAT = Department of Foreign Affairs and Trade, IGC-ACC = Inter-Governmental Committee on the Australian Crime Commission, ISPs = internet service providers, NSWPF = New South Wales Police Force, NTPol = Northern Territory Police, ONI = Office of National Intelligence, PJC-IS = Parliamentary Joint Committee on Intelligence Security, PJC-LE = Parliamentary Joint Committee on Law Enforcement, PM&C = Department of the Prime Minister and Cabinet, QPS = Queensland Police Service, SAPol = South Australia Police, TasPol = Tasmania Police, VicPol = Victoria Police, WA Police = Western Australia Police

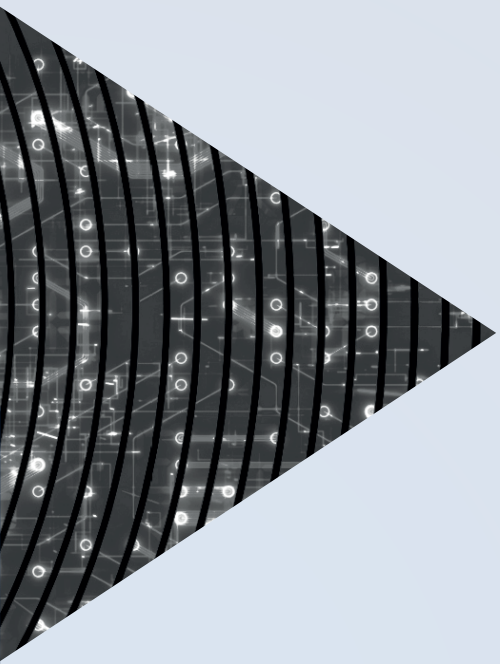
► Australia's criminal environment

We operate in a complex environment. Understanding the dynamic and changing criminal environment is critical to determining how Australia responds. Our work is central to ensuring an informed, collaborative and connected national response to serious and organised crime impacting Australia.

The main features of serious and organised crime as it affects Australia are as follows:

- **Big business**—The Australian Institute of Criminology estimates that serious and organised crime cost Australia up to \$47.4 billion in 2016–17, including \$31.5 billion in direct costs and \$15.9 billion in prevention and response costs. In 2011, the United Nations Office on Drugs and Crime estimated that global profits from transnational organised crime in 2009 were around US\$870 billion—a figure that has undoubtedly grown since.
- **Destructive, pervasive and complex**—Serious and organised crime is touching the lives of Australians in unprecedented ways. Criminal threats are more complex and pervasive than ever before. Criminals seek to exploit vulnerabilities, emerging technologies and perceived gaps in law enforcement. The impact on the lives of Australians is clear, from devastated families and damaged communities to lost income, damage to health, social impacts and the erosion of public trust.
- **Globalised**—Our intelligence indicates that around 70 per cent of Australia's serious and organised criminal threats are based offshore or have strong offshore links.
- **Concealed**—Serious and organised criminals corrupt officials, employ professional experts to advise on complex methods and techniques, use violence and intimidation, and blend criminal activity with legitimate business to support and conceal their criminal enterprises.
- **Resilient**—Criminal groups are enduring and resilient, collaborating for mutual gain and quickly dispersing or shifting focus when disrupted.
- **Cyber-savvy**—Significant technology advances have offered new opportunities for serious and organised crime. Crime penetrates and capitalises on technology and the cyber environment. Criminal groups can now target thousands of Australians simultaneously from anywhere in the world and use increasingly sophisticated technologies to counter law enforcement efforts.
- **National security threat**—Enhanced counter-terrorism efforts are being made throughout Australia, but the links between terrorism and broader organised crime and volume crime in Australia are unprecedented. This includes Australians who finance terrorist activities, leave Australia to support terrorist causes or return intending to harm the Australian community. It also includes Australians recruited by organised crime groups that are seeking the skills developed in foreign conflicts. We support our partners in identifying previously unknown individuals and groups, including domestic terrorism threats from 'lone actors'.
- **Diversified**—New forms of business are emerging in addition to traditional organised crime activities. This diversification into multiple criminal markets provides consistent revenue streams to finance higher risk ventures and enables criminal enterprises to respond to shifts in supply and demand.





Section 02

Annual performance

How we achieved our purpose and managed our finances

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**A safer Australia that is better connected,
informed and capable of responding to crime.**

► Annual performance statement

Statement by the accountable authority

As the accountable authority of the Australian Criminal Intelligence Commission (ACIC), I present the 2018–19 annual performance statement of the ACIC, as required under paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

In my opinion, this annual performance statement is based on properly maintained records, accurately reflects the performance of the entity, and complies with subsection 39(2) of the PGPA Act.



Michael Phelan APM
Chief Executive Officer
Australian Criminal Intelligence Commission
23 September 2019

Purpose

The purpose of the ACIC is to make Australia safer through improved national ability to discover, understand and respond to current and emerging crime, including the ability to connect police and law enforcement to essential criminal intelligence, policing knowledge and information through collaborative national information systems and services.

The ACIC delivers its purpose in accordance with the *Australian Crime Commission Act 2002*, the *Public Governance, Performance and Accountability Act 2013*, the *Public Service Act 1999* and other legislation.

Our purpose is stated in the ACIC's *Corporate Plan 2018–19 to 2021–22* and *Strategic Plan 2018–23*, and is aligned with Outcome 1 and Program 1.1 in the ACIC's *Portfolio Budget Statements 2018–19* (PBS), as shown in Figure 2.1.

Figure 2.1: ACIC outcome and program framework 2018–19

Strategic and corporate plans	Portfolio budget statements
<p>Purpose</p> <p>Our purpose is to make Australia safer through improved national ability to discover, understand and respond to current and emerging crime, including the ability to connect police and law enforcement to essential criminal intelligence, policing knowledge and information through collaborative national information systems and services.</p>	<p>Outcome 1</p> <p>To make Australia safer through improved national ability to discover, understand and respond to current and emerging crime threats and criminal justice issues, including the ability to connect police and law enforcement to essential criminal intelligence, policing knowledge and information through collaborative national information systems and services.</p>
<p>Approach</p> <p>We connect, discover and understand to improve the national ability to respond to crime impacting Australia.</p>	<p>Program 1.1 Australian Criminal Intelligence Commission</p> <p>The ACIC will improve the national ability to respond to crime and criminal justice issues affecting Australia through the discovery and understanding of new and emerging crime threats—working with and connecting partners to build the picture of crime impacting Australia. The ACIC will respond to serious and organised crime threats by developing new prevention and disruption strategies that disable or dismantle criminal groups through enforcement, as well as contributing to or informing regulations, policy or legislative responses that make Australia safe from crime threats. The ACIC will contribute to or lead nationally coordinated actions and activities through board-approved special investigations, special intelligence operations and joint task forces. The ACIC will provide high-quality national policing knowledge and information systems, and services that support the Australian policing community and will ensure controlled access to appropriate information, including by accredited third parties in relation to criminal history checks.</p>

Performance measurement framework

Our performance in achieving our purpose is measured against detailed criteria set out in the corporate plan and PBS. The measures in the two key planning documents are exactly aligned, as shown in Figure 2.2.

Figure 2.2: ACIC performance measurement framework 2018–19

Corporate plan		
	Portfolio budget statements	
Approach	Performance criteria	Measurement
DISCOVER We generate and collect intelligence about new and emerging serious and organised crime. We integrate and analyse all available information to discover new crime threats.	The picture of crime impacting Australia is improving because the ACIC is discovering crime threats, vulnerabilities, patterns, methods and trends previously unknown.	The ACIC collects qualitative and quantitative performance data. The ACIC monitors and analyses trends in quantitative data against relevant performance criteria, where appropriate, which include: <ul style="list-style-type: none"> ▶ comparative statistics on information and intelligence systems and services availability, usage and support levels; ▶ demonstrated delivery and implementation of planned systems and services satisfy stakeholders and users; ▶ comparative statistics on volume and breadth of intelligence shared; ▶ the level and type of our activities to discover and understand crime impacting Australia; ▶ the level, types and results of our responses to disrupting serious and organised crime; and ▶ annual stakeholder survey results that form an overall assessment against the performance criteria.
UNDERSTAND Our role as the national criminal intelligence hub enables us to create a full and enriched national picture of crime. Our strategic intelligence assessments and insights inform national decision-making on crime.	The understanding of the picture of crime impacting Australia is increasingly more comprehensive, integrated and relevant. The understanding of the picture of crime impacting Australia is increasingly used to influence strategies and responses to crime.	
RESPOND Prevent Our information services inform and protect police, the community and potential victims of crime. We work with our partners to make it harder for criminals to operate by informing legislative change and preventative strategies.	The ACIC better informs and influences collaborative efforts to harden the environment against crime.	
Disrupt and Protect We provide critical intelligence contributions to partners that drive the disruption, disabling and dismantling of serious and organised criminal enterprises. We provide police with timely access to police information when they are investigating crime and safeguarding the community.	The ACIC is conducting collaborative investigations and intelligence operations, and producing intelligence with and for partners that is effective in disrupting, disabling and dismantling serious and organised crime. ACIC partners are better informed and enabled to undertake policing and community safeguarding activities through access to national information systems and services.	
CONNECT We are a conduit between the states and territories and Commonwealth for the sharing of criminal information and intelligence. We facilitate deconfliction and collaboration among partners. We develop and maintain innovative national information and intelligence sharing services.	Existing ACIC systems and services are accessible, used and reliable. Through effective collaboration, enable the delivery and implementation of new and enhanced ACIC systems and services that satisfy the needs of stakeholders and users. The ACIC is sharing increasing volume, breadth and formats (mediums, platforms) of criminal intelligence and information, police information, and other relevant information.	

Analysis of performance against purpose

In 2018–19, we fully met seven of our nine performance criteria and partially met the remaining two. Our results show that our intelligence informed and influenced activities across a wide range of crime themes to harden the environment against serious and organised criminal activities.

Our stakeholder survey asked our stakeholders to rate our general performance on a scale from one to 10. We achieved an overall rating of 6.9, an improvement on the 6.6 achieved in 2017–18.

We have received pleasing feedback indicating that development of quality intelligence products is something that the ACIC did particularly well over the past year. Our intelligence informed and influenced activities across a wide range of crime themes to close off opportunities for criminal exploitation that may exist.

Due to the complexity of the criminal environment in which we operate, we have focused our efforts on disrupting high-priority serious organised crime threats. This has resulted in some decreases to quantitative results as we have focused on a smaller number of higher priority threats. As a consequence, declines in overall numbers of products and use of coercive powers are not unexpected.

An example of the focus on high priority threats is the APOT strategy. This strategy is an ACIC-led initiative focused on identifying, assessing, designating and coordinating operational responses to the transnational serious and organised crime targets that pose the greatest threat to Australia's interests. The intent of the strategy is to improve understanding and facilitate disruption, in collaboration with our domestic and international law enforcement and intelligence partners within local, regional and global contexts, to enhance community safety in Australia.

We assessed approximately 200 potential Australian Priority Organisation Targets (APOTs), and the number of APOTs discovered during the financial year rose by half, from eight in 2017–18 to 12 in 2018–19.

We continued to develop products aligned with ACIC Board-agreed priority crime themes. The number of products finalised on each theme each year fluctuates in response to changing organisational priorities. On the whole, the numbers of products produced in 2018–19 were in line with historical averages.

We continued to collaborate with partners at the state, federal and international levels. Pleasingly, negative sentiment around the idea that the ACIC works on investigations in parallel to partners and encroaches on their turf has almost wholly disappeared.

Our stakeholder results in relation to the value to stakeholders of our information and intelligence services remained high overall and rose in some cases. This is a key measure for us as it relates to our role in supporting our partners, particularly police, in the wide range of roles they undertake to protect the community from crime.

Analysis of performance against purpose (continued)

ACIC systems met all board agreed benchmarks for availability. By providing our systems and services reliably, and ensuring that they are accessible and used by the appropriate police, law enforcement and intelligence agencies, we contribute to the effectiveness of our collective efforts to keep Australia safer from crime.

Stakeholder feedback indicates that our information and technology projects are of great value to their role (with 94% agreeing or strongly agreeing with this statement). In order to maintain this high result we will ensure that we continue to focus on improving our stakeholder engagement as well as our delivery of systems and support. The establishment of business hubs is intended to address gaps in how the agency engages with and delivers services to internal and external stakeholders, clients and partners.

The number of police checks conducted by the National Police Checking Service (NPCS) continues to grow steadily each year. The timeliness results for urgent police checks improved but still did not meet the board-agreed target. The timeframe for completion of police history checks is not only an ACIC performance measure, but also a measure shared by our police partners in providing this service to the wider community and other agencies. We continue to work with partners to improve the timeliness results.

Overall, we assess that we met our purpose with demonstrated achievement of the majority of our performance measures. There are some areas for improvement with regard to stakeholder consultation and partner collaboration on the development of products, systems and services. Future work in this area will ensure that we continue to meet the needs of our stakeholders going forward.

Results against performance criteria

Performance results across the nine performance criteria set out in the corporate plan and PBS are provided in this section.

The information reported in this section does not include our classified achievements. Our performance at a classified level is reported to the ACIC Board.

This year we have focused on providing fewer qualitative highlights but more details about the effectiveness of each of our activities, to give greater insight into the performance of the ACIC.

For statistical results, we include up to five years of data, where available, to enable comparative assessment of performance.

The result against each performance criterion is summarised at a glance, using the following symbols.



Met




Partially met



Not met

Discover

We build the picture of crime impacting Australia by: Collecting information; and Combining information; to discover new areas of national focus.

PERFORMANCE CRITERION	SOURCE	RESULT
Discover 1 The picture of crime impacting Australia is improving because the ACIC is discovering crime threats, vulnerabilities, patterns, methods and trends previously unknown.	<i>Corporate Plan 2018–19 to 2021–22, page 12</i> <i>Portfolio Budget Statements 2018–19, page 90</i>	

Analysis

While our performance in discovering previously unknown targets in 2018–19 was in line with our results in 2017–18, our discovery of known targets operating in a new area of criminality increased significantly.

The measure of previously unknown criminality was introduced in 2017–18, and a significant increase in discovery is expected to occur as data capture becomes more systematic across the agency. For this reason, the results reported this year are likely to form a baseline going forward.

The ACIC has taken a decision to focus its efforts on high-priority serious and organised crime threats to Australia. The development of the APOT list is a key element of this work. In 2018–19, 12 targets were added to the APOT list, an increase in comparison to eight targets added in 2017–18.

Our special coercive powers are used to discover new insights into serious and organised crime in Australia. Numbers of examinations and intelligence products generated as a result of those examinations were similar to four-year trends.

Our stakeholder survey results were strong, with 81 per cent of those surveyed agreeing that the ACIC provides information and intelligence on changes in the crime environment.

Achievements

By discovering and sharing intelligence on previously unknown threats, we are contributing to national understanding so that we and our partners can better respond to crime impacting Australia and make Australia safer.

Identifying new threats

During 2018–19, our gathering and analysis of intelligence led to substantial outcomes in discovering, preventing and disrupting previously unknown criminal threats to Australia. The following examples demonstrate some of our contributions.

In late 2018, ACIC intelligence indicated that a group of foreign nationals arriving in Australia were part of a foreign syndicate in the final stages of establishing a sophisticated fraud scheme. The ACIC and joint task force partners executed search warrants and located several EFTPOS terminals, merchant receipts, airline boarding passes, money transfer receipts, financial documents, electronic devices and mobile phones.

An inspection of the mobile phones located multiple conversations between syndicate members relating to fraud operations in Australia. As a result, further search warrants were executed at business premises leased by the syndicate and the foreign nationals were taken into custody and charged.

As part of an investigation into drug importation, the ACIC identified intelligence relating to a property development syndicate that was using a number of legislative and regulatory loopholes to evade tax liabilities. The group was involved in phoenix-type activity and was utilising complex corporate structures to avoid detection. The ACIC was able to demonstrate both the existence of a significant taxation liability and the recoverability of those funds, by analysing the pattern of activity.

The ACIC also developed and shared intelligence about the increasing use of daigou business (also known as ‘surrogate shopping’) to launder money and avoid financial regulations and restrictions. We discovered a technique that exploits daigou business that was not previously known and shared it with an international partner. The international partner indicated that the information we provided made a positive contribution to their ongoing investigations.

The ACIC exploited knowledge gained from coercive examinations to identify and advise partner agencies of an innovative illicit drug and drug precursor manufacturing process. This unique intelligence was tested by an ACIC specialist in a forensic laboratory, leading to the development of a more detailed and comprehensive intelligence product which has been shared across Australia and internationally. The chemical which underpins the manufacturing process has been proposed for scheduling in Commonwealth legislation to prevent its diversion to the illicit market.

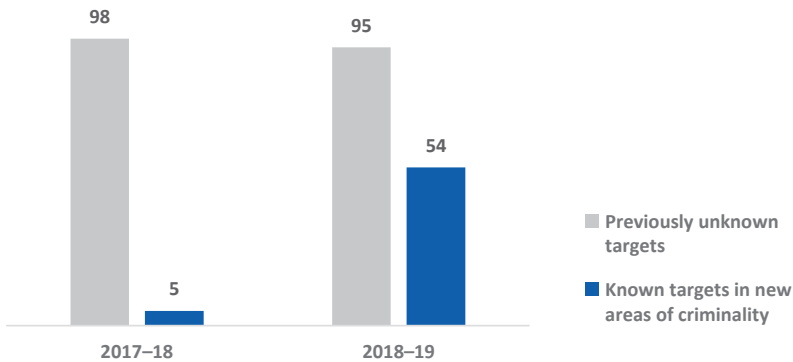
During 2018–19, we participated in a multiagency task force, with domestic and international law enforcement partners, aimed at disrupting the ongoing use of the Pacific region as a strategic transit point for the trafficking of illicit drugs into Australia. As a key member of this task force, the ACIC collected and shared timely and targeted criminal intelligence on emerging threats and vulnerabilities in the region, working with our counterparts to build a richer understanding of offshore drug trafficking in the Pacific.

The ACIC derived significant new insights about the structure and methodologies of drug trafficking syndicates in the region, including high-value criminal targets within the organisations. The ACIC used these insights to support the development and implementation of operational responses, including through providing investigative and specialist resources to its policing partners, to disrupt the flow of illicit drugs and investigate and prosecute key members of drug trafficking syndicates.

These efforts have strengthened our relationships and collaboration with international partner agencies, enhancing the ACIC’s ability to identify and leverage strategic opportunities to create a more hostile environment for transnational serious and organised crime impacting Australia. The ‘Drug seizure in Solomon Islands’ feature on page 23 provides further information.

Identifying criminal targets

In addition to the 95 previously unknown criminal targets identified in 2018–19, 54 previously known targets with involvement in new areas of criminality were identified, as shown in Figure 2.3.

Figure 2.3: Criminal targets identified

Note: The definition for this measure was expanded in 2017-18 and equivalent data for prior periods are not comparable. The historical average will be added from 2019-20.

The APOT strategy is an ACIC-led initiative focused on identifying, assessing, designating and coordinating operational responses to the transnational serious and organised crime targets that pose the greatest threat to Australia's interests. The intent of the strategy is to improve understanding and facilitate disruption, in collaboration with our domestic and international law enforcement and intelligence partners within local, regional and global contexts, to enhance community safety in Australia. In 2018-19, we assessed approximately 200 potential targets, resulting in the addition of 12 new targets to the APOT list, an increase compared to the addition of eight new targets during 2017-18.

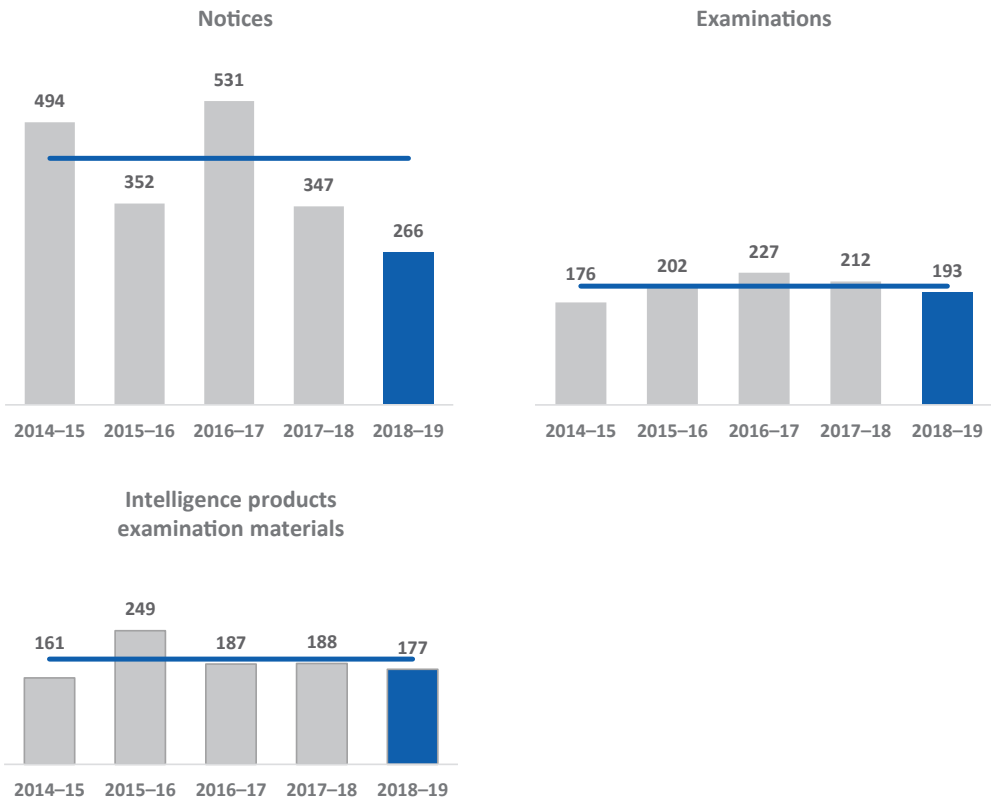
Identifying and understanding APOTs is an important focus for Australian law enforcement. This was highlighted by the identification of a previously unknown transnational serious and organised crime syndicate operating in Canada and Hong Kong and impacting Australia during 2018-19. The ACIC adopted a proactive approach to understand the key entities, which were subsequently assessed as operating at APOT level. Ongoing operations further improved understanding of the syndicate, including its international and domestic linkages, and developed contemporary intelligence relating to methodologies, facilitators and locations relevant to their drug distribution and money-laundering activities. A significant amount of drugs were seized and several members of the domestic syndicate were disrupted as a result of resolution activities by the ACIC and enforcement partners in Sydney in 2018-19.

Work to reform the National Criminal Target List was the subject of ongoing discussions of the National Criminal Intelligence Capability Committee and the Serious and Organised Crime Coordination Committee.

Using coercive powers

We use coercive powers in special operations and special investigations to discover new information about serious and organised crime, by conducting examinations and issuing notices to produce documents or items. We share with partners our intelligence products containing discoveries and any understanding gained through the use of coercive powers. Results of this work are shown in Figure 2.4.

Figure 2.4: Notices, examinations and intelligence products derived from examinations



Note: The trendline represents the four-year historical average.

Stakeholder survey results

'The ACIC has done very well leveraging off the international partner relationships and, as a consequence, has developed a good understanding of the drug trafficking around the globe.'—Australian Government stakeholder, 2019 Stakeholder Survey

Table 2.1: Stakeholder survey results—Discover 1

Survey statement	Proportion of respondents who agreed or strongly agreed			
	2018-19	Change	2017-18	2016-17
ACIC provides information and intelligence on changes in the crime environment (such as new crime threats, methods, trends and patterns)	81%	+3	78%	82%

Feature: Drug seizure in Solomon Islands



In September 2018, we worked with domestic and international partners on a joint investigation that resulted in the seizure of approximately 500 kilograms of cocaine hidden in a yacht in Honiara, Solomon Islands.

The complex organised crime investigation, Project Sontag, involved the ACIC, the Australian Federal Police, the Australian Border Force, the New South Wales Police Force and, internationally, the Royal Solomon Islands Police Force and the United States Drug Enforcement Administration.

Project Sontag's role was to investigate a syndicate based in Columbia and believed to be transporting cocaine in a sailing vessel from South America to Australia. A yacht called the *Vieux Malin* was identified and, with the assistance of the Australian Border Force, was tracked through the Pacific.

The syndicate planned to drop the drugs about 200 nautical miles off the east coast of Australia. From there, the cocaine would be collected and delivered to Sydney. If the drugs had made the journey, they would have had a potential street value of up to \$300 million in Australia.

Australian Federal Police officers and forensic crime scene investigators were deployed to Solomon Islands to work alongside the Royal Solomon Islands Police Force to search the yacht and assist with collecting evidence, locating approximately 500 kilograms of cocaine hidden inside the vessel.


In addition to the drug seizure, the joint agency investigation also resulted in the arrest of two men in Sydney for their alleged roles in facilitating and financing the importation.

Our agency provided the intelligence to commence the investigation, surveillance, covert strategies and covert resources and was instrumental in bringing the investigation to a successful resolution.

Those efforts have strengthened our relationships and collaboration with our international partners, enhancing our ability to identify and leverage strategic opportunities to create a more hostile environment for transnational serious and organised crime impacting Australia.

Understand

We improve our understanding of the picture of crime impacting Australia by undertaking analysis to guide a better response.

PERFORMANCE CRITERION	SOURCE	RESULT
Understand 1 The understanding of the picture of crime impacting Australia is increasingly more comprehensive, integrated and relevant.	<i>Corporate Plan 2018–19 to 2021–22, page 13</i> <i>Portfolio Budget Statements 2018–19, page 90</i>	

Analysis

We improved the understanding of the national picture of serious and organised crime impacting Australia through a broad range of products. We produced comprehensive, relevant and integrated products that increased the understanding of the picture of crime impacting Australia, in line with the priority crime themes identified by the ACIC Board.

The number of analytical intelligence products finalised was below four-year trends, reflecting the ACIC’s strategic decision to prioritise development of high-value and high-quality products. Our statistical results show variance across the criminal intelligence priority themes, which is expected as we focus on different areas from year to year. Work to improve the capture of the product themes within the performance database has resulted in fewer products being assigned to the ‘other’ category.

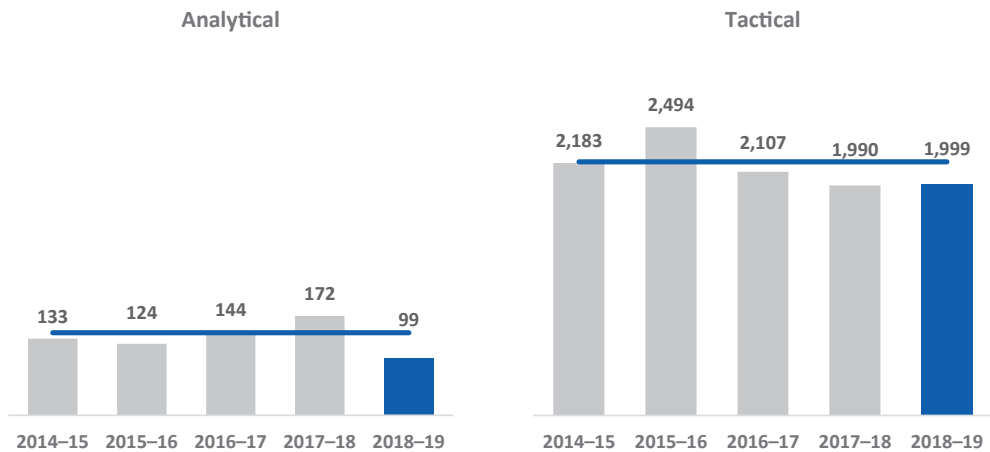
Many respondents to the stakeholder survey cited the production of quality intelligence products as something that we did particularly well in 2018–19, and said that they had found the reports to be informative, thorough but to the point, and actionable.

However, the survey reported a six percentage point decline in stakeholders agreeing that ‘ACIC intelligence products provide a comprehensive and relevant understanding of crime impacting Australia’. While the reports currently produced by the ACIC are generally seen to be of high quality, many stakeholders feel that there are more crime types for which the ACIC could provide intelligence products. This indicates that our focus on quality products is welcomed but stakeholders would like to see intelligence products across more diverse themes.

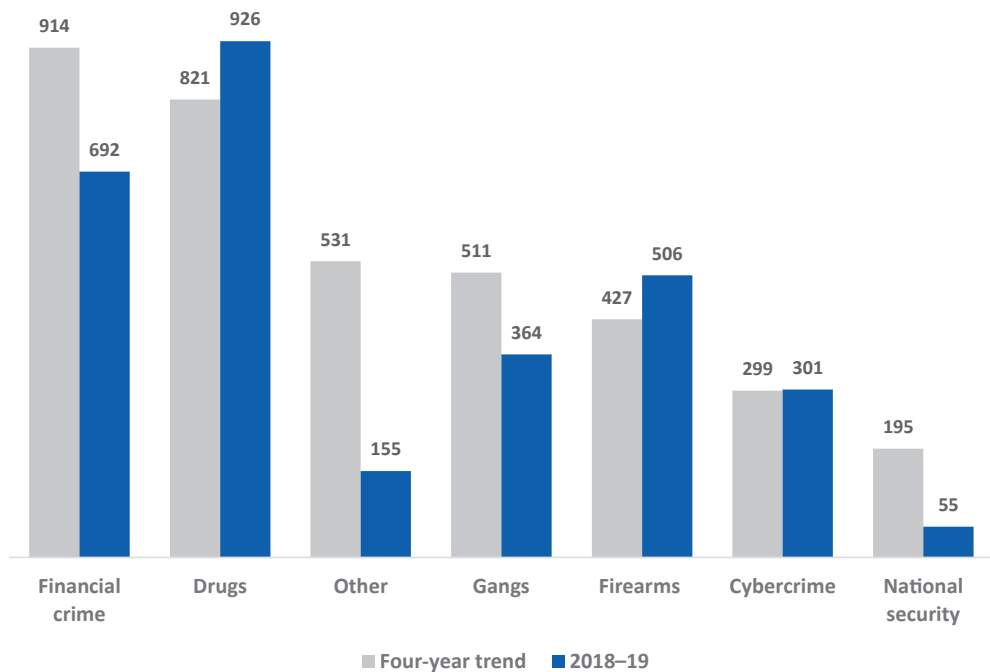
The survey findings also suggested that boosting engagement and collaboration with partners is a valuable opportunity to increase the value that ACIC intelligence products deliver to partners. The decline in the overall results of our stakeholders’ assessments of products contributed to this criterion being deemed only partially met.

Achievements

We collected criminal intelligence and combined it with information and intelligence from partner agencies to create and share a comprehensive national picture of criminality in Australia. Figures 2.5 and 2.6 show the numbers of unique products that we finalised.

Figure 2.5: Analytical and tactical intelligence products finalised

Note: The trendline represents the four-year historical average.

Figure 2.6: Intelligence products focused on priority crime themes

Note: The figures above represent the numbers of intelligence products based on their priority crime themes. As some products relate to multiple priority categories, the total of these categories is higher than the overall number of unique intelligence products.

Work was undertaken in 2018-19 to improve the capture of products' priority crime themes within the performance database. As a result, products which had been recorded as 'other' but were in fact related to an identified priority crime theme were assigned to the relevant theme. Therefore, the number of 'other' products has declined. Intelligence products related to a board-agreed priority crime theme but outside of the categories outlined continue to be captured as 'other'.

Significant serious and organised crime

We maintained the National Target System, National Criminal Target List and APOT list, and delivered automated alerts to our partners on the activities of highest risk criminals. In addition, we produced intelligence to improve the understanding of high-risk criminals, including criminal brokers and professional facilitators; the potential impacts of overseas drug importations; and vulnerabilities to criminal exploitation.

For example, the Sports Betting Integrity Unit produced a wide range of intelligence products demonstrating the scope and complexity of the sports integrity environment. These products supported the unit's stakeholders and covered topics such as exploitation of sports governance structures; the presence of foreign individuals potentially engaged in match fixing in Australia; suspicious money movements; domestic links to corrupt offshore sporting events; and the criminal exploitation of bookmakers.

Financial crime

We produced intelligence to improve understanding of money laundering impacting Australia; investment and financial services crime; card fraud; revenue fraud and tax evasion; and commonalities in junket representatives.

For example, the ACIC provided a submission to the Victorian Commission for Gambling and Liquor Regulation's Sixth Review of the Casino Operator and Licence, highlighting vulnerabilities related to junket operations. The submission informed a recommendation made by the commission in its report, released in July 2018, that casino operator Crown undertake (with external assistance) a robust review of relevant internal control statements to address money laundering risks.

Cybercrime

We produced intelligence to improve understanding of business email compromise scams; malware; anonymity features in cryptocurrencies; encryption on the Darknet; cybercriminal exploitation of government systems; and unique Australian Cybercrime Online Reporting Network (ACORN) data insights.

In 2018–19, the Cybercrime Intelligence Hub applied crime scripting to cybercrime to identify opportunities for prevention, intervention and disruption. This was the first time this technique had been applied in a cybercrime or operational context. Partner agencies responded by forming a working group to identify how the scripts could be used to guide and inform cybercrime investigations.

A state police force provided feedback stating that cybercrime crime scripts were directly relevant to a current investigation and would be used to develop investigative training packages. The scripts were instrumental in developing a coordinated Australia and New Zealand response.

A workshop was held with over 60 participants representing 16 law enforcement or government agencies across three countries. The crime scripts provided the foundation for the workshop discussion and the framework for best practice and coordinated responses to cybercrime targeting Australia.

Illicit drugs

We produced intelligence to improve understanding of illicit drug precursors; anabolic steroids and performance-enhancing drugs; the Darknet opioid drug market; prescribing patterns of opioids; bulk carrier transport of illicit drugs; and the outlook for and potential expansion of the Australian heroin market.

In collaboration with the Australian Federal Police and Department of Home Affairs, we developed a consultation draft strategic assessment on illicit gamma hydroxybutyrate (GHB) and other drug precursors. The assessment identifies regulatory gaps and weaknesses which contribute to the illicit trafficking and use of chemical precursors to illicit drugs, focusing on a range of precursor chemicals associated with different drug types.

Gangs

We produced intelligence on gangs to improve understanding of fraudulent use of identities; welfare fraud; ownership of thoroughbreds; and undeclared income.

The inaugural ACIC *National Gangs Report*, a classified report that promotes a clearer picture of the Australian gang landscape, was released to Australian and international partners. Development of the report involved significant liaison with state and territory law enforcement partners to develop a comprehensive picture of gangs currently operating in each jurisdiction.

Illicit firearms

We produced intelligence to improve understanding of blank-firing firearms; firearm types linked to organised crime groups and outlaw motorcycle gangs (OMCGs); firearm trafficking vulnerabilities within Australia; handguns in the Australian illicit firearm market; and the illegal manufacture of firearms in Asia.

Information on the likely availability of a particular type of illicitly manufactured handguns in Australia was provided to the Department of Home Affairs in the form of an updated version of a 2006 intelligence report. Since the initial report, approximately 15 such items have been referred to the ACIC's National Firearm Trace Program by various jurisdictions. It is likely that the illicit manufacturing of firearms to serve the illicit market will continue, and that a number of the items identified in the original report are still in circulation.

Other criminal threats to Australia

We produced intelligence to improve understanding of criminal threats to Australia such as threats to national security; the emerging threats to sports entities within Australia; vulnerabilities to terrorism financing; visa and migration fraud; child exploitation material; corruption risks; and the use of high-end secure communications by serious organised criminals.

The ACIC played a pivotal role in informing the Review of Australia's Sports Integrity Arrangements (the Wood Review). We provided a briefing and submission to the review team, outlining the current and emerging threats to the integrity of Australian sport, with a focus on domestic links (including organised criminal links) to offshore unregulated wagering platforms and the consequent threats to the integrity of Australian sport. Follow-up briefings were provided to the Minister for Sport and ministerial officers from across government, including the Prime Minister's Office and the Department of the Prime Minister and Cabinet, following the release of the Wood Review.

Stakeholder survey results


‘ACIC intelligence products are always well-written and topical.’—Australian Government stakeholder, 2019 Stakeholder Survey

‘The ACIC is continuing to focus on the quality and utility of its intelligence reports.’—Australian Government stakeholder, 2019 Stakeholder Survey

Table 2.2: Stakeholder survey results—Understand 1

Survey statement	Proportion of respondents who agreed or strongly agreed			
	2018–19	Change	2017–18	2016–17
ACIC intelligence products provide a comprehensive and relevant understanding of crime impacting Australia	69%	–6	75%	75%

Understand (continued)

PERFORMANCE CRITERION	SOURCE	RESULT
Understand 2 The understanding of the picture of crime impacting Australia is increasingly used to influence strategies and responses to crime.	<i>Corporate Plan 2018–19 to 2021–22, page 13</i> <i>Portfolio Budget Statements 2018–19, page 90</i>	

Analysis

Our performance in guiding partner and stakeholder strategies by providing information and intelligence continued across a range of crime themes and was strengthened by our National Wastewater Drug Monitoring Program reports and the APOT list.

We continued to collaborate with Australian and international partners through formal and informal arrangements. We received particularly good feedback from stakeholders on the quality of our collaboration with partners.

Our stakeholder survey results remained steady for the proportion of respondents who agreed that 'ACIC intelligence and information inform policy/legal response to criminal activity threatening Australia', at 76 per cent.

The proportion of stakeholders agreeing that 'ACIC intelligence products on crime impacting Australia influence their approach to tackling crime' rose by 3 percentage points.

Achievements

Building understanding of the picture of crime impacting Australia and influencing strategies and responses to crime are core elements of achieving our vision of a safer Australia. The ACIC produces intelligence, shares intelligence with partners and participates in multiagency task forces. These collaborative actions support partners and improve our collective ability to make Australia safer.

In the second half of 2018, the ACIC provided intelligence to support multiagency activity looking into financially motivated phishing campaigns targeting Australia. Our timely and innovative intelligence discovery produced multiple outcomes for domestic and international partners. Most notably, it illuminated the global reach of SMS phishing activity and opened new avenues for inquiry.

The ACIC has established a project that aims to make Australia unattractive for the promotion and use of abusive financial arrangements. This work has identified institutions that are suspected of being used for criminal activities, including tax evasion, cybercrime, foreign exchange fraud, Ponzi schemes, and the laundering of the proceeds of those crimes. Work in this area is continuing and involves collaboration with Australian and international partners.

For some time, law enforcement agencies have sought to understand the status and methodologies of OMCGs operating in Australia. The need to improve this understanding was highlighted by a spate of violent OMCG-related incidents during 2018–19. The ACIC adopted a proactive response and used a wide range of strategies to respond. The work resulted in an improved understanding of the membership and leadership structures of key OMCGs, and developed contemporary intelligence relating to methodologies, facilitators and locations relevant to their drug distribution, firearms and money-laundering activities.

The ACIC's international focus includes long-term and short-term deployments to international partner agencies. This has included joint operations with overseas partners against offshore serious and organised crime threats targeting Australia through the importation of illicit goods, cybercrime activity, and the movement of illicit funds through money laundering. The deployments also provide significant opportunities to collect intelligence by gaining access to large amounts of data, intelligence products, capabilities and expertise.

The deployments have extended the ACIC's international engagement beyond the agencies that host ACIC secondees. The ACIC is able to access additional law enforcement agencies in the host country and develop relationships with other countries' law enforcement agencies operating in the host country.

During 2018–19, secondees supported a range of activities, including:

- ▶ identification of APOTs and other major serious and organised crime entities
- ▶ mapping of the interconnectedness of serious and organised cybercrime groups targeting countries in the Five Eyes intelligence alliance (Australia, Canada, New Zealand, the United Kingdom and the United States)
- ▶ investigations and intelligence activities into Darknet vendors selling illicit drugs to Australian customers
- ▶ international tax crime intelligence activities conducted through the Joint Chiefs of Global Tax Enforcement
- ▶ Five Eyes Law Enforcement Group joint strategic intelligence activities into serious and organised crime impacting Five Eyes countries.

The 'Regional international drug enforcement conferences' feature on page 32 outlines an important aspect of building relationships with agencies in Australia and international partners to combat drug trafficking and organised crime.

The ACIC firearms subject matter expert collaborated with authorities from two Pacific nations to contribute towards establishing United Nations funded firearms databases to assist those nations to meet reporting requirements of the international Arms Trade Treaty.

We also supplied the current firearms make-and-manufacturer list used within our National Firearms Identification Database to the Department of Foreign Affairs and Trade. This will allow Pacific island countries which are signatories to the Arms Trade Treaty to use common naming conventions within their annual reports.

Since early 2018, the ACIC has facilitated two-monthly Dare-to-Share (DTS) sessions, providing an opportunity for collaboration between foreign law enforcement and intelligence community members based in Australia and their Australian counterparts. The DTS group currently has more than 40 members, representing more than 20 countries.

At each session, the ACIC, Australian Border Force, Australian Federal Police and Australian Transaction Reports and Analysis Centre present information on the latest trends, developments and products relevant to the home agencies of the foreign representatives. The sessions enable the exchange of information and best practice, community and network building, and potential for bilateral or multilateral cooperation. To date, the DTS sessions have delivered multiple international (operational and strategic) collaboration opportunities for our agency.

Stakeholder survey results

‘The ACIC’s strategic intelligence products are of a high standard and informative and are relied upon for my organisation’s decision-making.’—Australian Government stakeholder, 2019 Stakeholder Survey

Table 2.3: Stakeholder survey results—Understand 2

Survey statement	Proportion of respondents who agreed or strongly agreed			
	2018–19	Change	2017–18	2016–17
ACIC intelligence and information inform policy/legal response to criminal activity threatening Australia ^a	76%	+1	75%	80%
ACIC intelligence products on crime impacting Australia influence their approach to tackling crime	67%	+3	64%	63%

^a This survey statement is used in the performance results for two criteria, Understand 2 and Respond 1—Prevent, as they both relate to guiding strategies and preventative responses.

Feature: Regional international drug enforcement conferences

In 2018–19, Australia agreed to host two Far East Region International Drug Enforcement Conferences (IDECs) on behalf of the United States Drug Enforcement Administration (DEA). We worked together with the Australian Federal Police and the DEA to arrange two successful events.

Regional IDECs are held around the world in order to exchange information and strengthen regional relationships to combat drug trafficking and organised crime. They provide an opportunity for our senior executives to meet and develop working relationships with colleagues from the ACIC's Asian law enforcement partners and the DEA.



We jointly hosted the first regional IDEC in September 2018, in Cairns. The acting United States Ambassador to Australia, James Carouso, officially opened the meeting, which was attended by 95 senior law enforcement officials from 15 countries, including Australia, the United States and countries across Asia.

In March 2019, 110 delegates from 16 countries attended the second regional IDEC, in Perth. The Minister for Home Affairs, the Hon Peter Dutton MP, opened the event and spoke on the conference theme of cooperation and collaboration in the region.


The highlight of the event was a special presentation by former DEA agents Javier Pena and Stephen Murphy, who helped capture Colombian drug lord Pablo Escobar. Their story is told in the first season of the Netflix series *Narcos*. Javier and Stephen told the audience the true story behind Colombia's infamously violent and powerful drug cartels.

Delegates also heard presentations on illicit tobacco, our National Wastewater Drug Monitoring Program and trends in maritime smuggling, as well as receiving updates on the drug situations in Cambodia, Hong Kong, the Philippines, Myanmar, Korea and Japan and attending bilateral meetings to discuss drugs and cooperation.

The opportunity to host the regional IDECs has continued to strengthen the relationships between our agency, the Australian Federal Police and the DEA. The Republic of Korea will host the 2019–20 regional IDEC meetings.

Respond

We improve the national ability to prevent and disrupt crime and protect the community.

PERFORMANCE CRITERION	SOURCE	RESULT
Respond 1—Prevent The ACIC better informs and influences collaborative efforts to harden the environment against crime.	<i>Corporate Plan 2018–19 to 2021–22, page 13</i> <i>Portfolio Budget Statements 2018–19, page 90</i>	

Analysis

An important element of our work is protecting the community by closing off opportunities for serious and organised crime to be undertaken. To achieve this, we use our intelligence and experience to participate in public inquiries or make submissions for legislative reform, and provide intelligence to partners which assists them to develop or implement compliance regimes which close off opportunities for criminal exploitation.

In 2018–19, we collaborated with our law enforcement and national security partners on key whole-of-government initiatives to ensure a stronger, safer and more secure Australia. This included participating in national policy responses, informing reviews and national forums and contributing to parliamentary inquiries.

Our results show that our intelligence has informed and influenced activities across a wide range of crime themes to harden the environment against serious and organised criminal activities. This is supported by our strong stakeholder survey results.

By informing and influencing responses to harden the environment against crime, we contribute to the shared efforts to prevent crime impacting Australia and to make Australia safer.

Achievements

We measure our performance against this criterion through our achievements relating to informing partners and hardening the environment against crime, and instances where we have contributed to preventing crime. Our qualitative assessment of those achievements includes results from the annual stakeholder survey.

Legislation and national policy

During 2018–19, we were actively involved in a range of national policy issues and responses. For example, we worked with the Department of Home Affairs and other portfolio agencies to develop the *Telecommunications and Other Legislation Amendment (Assistance and Access) Act 2018*, which became law in December 2018. This Act equips law enforcement and intelligence agencies with the tools they need to effectively operate in the digital era and keep the Australian community safe.

In late 2018, the ACIC worked with the Department of Home Affairs to re-make the *Australian Crime Commission Regulations 2018*, to better support the operation of the *Australian Crime Commission Act 2002* and national policing information systems that the ACIC administers.

The ACIC also supported the development of the *Office of National Intelligence Act 2018*, which established the Office of National Intelligence to lead and coordinate the expanded National Intelligence Community, of which the ACIC is a member.

We contributed to the *National Strategy to Fight Transnational, Serious and Organised Crime*. The strategy will strengthen Australia’s efforts across governments (domestically and internationally), the private sector, community, civil society and academia to combat the evolving threats from transnational serious and organised crime.

We contributed to the ‘Whole-of-Government Drug Strategy’ Budget measure to support the Australian Government’s commitment to tackle drug and alcohol abuse and minimise the associated harms to individuals and the community. To support the implementation of the strategy, the ACIC received funding in the 2019–20 Budget, including ongoing funding for the National Wastewater Drug Monitoring Program and the Australian Gangs Intelligence Coordination Centre.

Reviews and parliamentary inquiries

The ACIC has worked closely with the Department of Home Affairs and other operational agencies to support the portfolio’s engagement with the comprehensive review of the legal framework governing the National Intelligence Community (Richardson Review), which commenced in May 2018. The Richardson Review will prepare a classified report and recommendations for the Australian Government by the end of 2019.

The ACIC has also engaged with the ongoing review of arrangements for the protection and management of identity information in Australia, which commenced in September 2018. The review seeks to determine ways to enhance or strengthen arrangements that support and govern the protection and management of identity information.

In February 2019, the ACIC provided a submission to the Parliamentary Joint Committee on Intelligence and Security, supporting the passage of the *Telecommunications and Other Legislation Amendment (Assistance and Access) Act 2018*. In particular, we provided information in relation to the threat posed by exploitation of encrypted technologies by criminal syndicates and the benefits that the Act will provide in assisting the ACIC to efficiently and effectively gather intelligence to investigate and disrupt serious and organised crime impacting Australia.

In March 2019, the ACIC provided a submission to the New South Wales Special Commission of Inquiry into the Drug ‘Ice’. Our submission focused on the methylamphetamine and MDMA markets and outlined the operational implications of any proposal to decriminalise or legalise amphetamine-type stimulants or other illicit drugs. In particular, we highlighted the likely increase in transnational and domestic serious and organised crime groups in these markets, and noted the importance of a coordinated, national response to drugs policy.

Stakeholder survey results


‘The ACIC’s national wastewater reporting continues to assist government decision-making.’—State government stakeholder, 2019 Stakeholder Survey

Table 2.4: Stakeholder survey results—Respond 1—Prevent

Survey statement	Proportion of respondents who agreed or strongly agreed			
	2018–19	Change	2017–18	2016–17
ACIC intelligence and information inform policy/legal response to criminal activity threatening Australia ^a	76%	+1	75%	80%

^a This survey statement is used in the performance results for two criteria, Understand 2 and Respond 1—Prevent, as they both relate to guiding strategies and preventative responses.

Respond (continued)

PERFORMANCE CRITERION	SOURCE	RESULT
Respond 2A—Disrupt and protect The ACIC is conducting collaborative investigations and intelligence operations, and producing intelligence with and for partners that is effective in disrupting, disabling and dismantling serious and organised crime.	<i>Corporate Plan 2018–19 to 2021–22, page 13</i> <i>Portfolio Budget Statements 2018–19, page 90</i>	

Analysis

This performance criterion directly relates to our role working with our partners to disrupt serious and organised crime. There can be many influences on the trends in these results, particularly changes in priorities, staffing numbers, funding cycles and operational cycles, and it is usual to see results increase and decrease from year to year. In particular, individual seizures can spike a year's result.

Overall, our 2018–19 performance results in relation to disruptions, seizures and proceeds of crime are all in line with four-year historical averages. Our recorded results for numbers of persons charged and charges laid are lower than average but in line with our increasing focus on the high-threat and international targets impacting Australia, which will decrease the numbers recorded against this measure.

Our stakeholder survey results for this criterion are strong, with 94 per cent of respondents agreeing that ACIC investigations were valuable to them.

Achievements

We measure our performance against this criterion in terms of the year's statistics on entities disrupted; apprehensions and convictions; seizures and confiscations of drugs and cash; and tax assessments and recoveries of assets. We also include stakeholder survey results.

Disruptions

A disruption is assessed as 'severe' if it results in the complete disruption or dismantling of a crime entity and the cessation of its serious and/or organised crime activities. A 'significant' disruption achieves a significant impact but not the complete disruption or dismantling.

In 2018–19, we contributed to partner law enforcement agencies' disruptions of 28 criminal entities, which included one severe disruption and 27 significant disruptions. This compares with 22 disruptions, three severe and 19 significant, in 2017–18.

Over the course of 2017–18 and 2018–19, the ACIC and partner agencies produced an environmental scan on the use of Phantom Secure devices in Australia. The ACIC was at the forefront of the matter, undertaking a strategic environmental scan of the encrypted communications environment relating to Phantom Secure and providing it to the Five Eyes Law Enforcement Group for consideration.

The ACIC continued to work closely with partners in Five Eyes and domestic agencies to effect the local resolution activities in Australia. This included a number of warrants executed by the ACIC in Queensland and New South Wales. In May 2019, the CEO of Phantom Secure was sentenced by the United States District Court for the Southern District of California to nine years imprisonment for selling encrypted devices used by criminals internationally, including in Australia, to facilitate murders and drug trafficking.

Three APOTs were disrupted in 2018–19 following successful law enforcement activity, including operations involving various Australian law enforcement partners. Four APOTs were disrupted in 2017–18.

The ‘Drug trafficking at Sydney Airport’ feature on page 43 provides a case study of the ACIC’s contribution to disrupting criminal activity in Australia.

Multiagency task force activities

The ACIC participates in a wide range of formal and informal task forces, including multiagency task forces approved by the ACIC Board.

Multiagency task forces involve a broad range of partners working together to disrupt criminal enterprises through intelligence-led responses. Partners may include representatives from law enforcement, the regulatory sector, peak bodies and the private sector. Our role in multiagency task forces ranges from leading or jointly coordinating task forces to supporting task forces led by partner agencies.

National Task Force Morpheus

National Task Force Morpheus is a joint initiative of all Australian law enforcement agencies and Commonwealth partners to facilitate collaborative targeting of the highest OMCG risks to Australia. Morpheus was approved by the ACIC Board in September 2014, and is coordinated through the Australian Gangs Intelligence Coordination Centre (AGICC), housed in the ACIC.

The AGICC provides a dedicated intelligence capability for the National Anti-Gangs Squad led by the Australian Federal Police and provides intelligence and support to state and territory police anti-gangs squads under the auspices of Morpheus. Intelligence produced by the AGICC informs response strategies and future initiatives to tackle OMCGs.

In 2018–19, the task force’s achievements included:

- ▶ 2,454 arrests, summonses and court attendance notices and 5,704 charges
- ▶ seizure of 318 firearms and \$5.3 million in cash.

Vestigo Task Force

The ACIC leads the Transnational Criminal Intelligence Task Force (Vestigo Task Force), which provides a framework for enhanced collaboration and engagement with Australian and international partners to share information and intelligence.

Rather than consisting of a particular program of work, the Vestigo Task Force acts as an enabler for collaborative work across various investigations and operations. This means that the task force’s results are incorporated within and reflected throughout the intelligence-led outcomes that we have achieved with partners, as described in this annual performance statement.

Criminal Assets Confiscation Taskforce

The Criminal Assets Confiscation Taskforce is led by the Australian Federal Police and includes the ACIC and the Australian Taxation Office. The task force is a Commonwealth initiative dedicated to taking the profit out of crime by targeting criminals and their assets derived from unexplained wealth. It was established in January 2011 to enhance the identification and pursuit of criminal wealth, where there is a link to a Commonwealth offence.

Our agency provides intelligence analysis and legal support, intelligence gathering, and strategic advice on illicit money flows impacting on Australia, and helps to generate and prioritise criminal targets for proceeds of crime action.

Results achieved from ACIC referrals on financial matters are detailed in Table 2.5. The increase in the entities involved is a result of a single referral that involved more than 60 separate entities. In addition to these results, 23 audits were ongoing as a result of ACIC referrals at 30 June 2019.

Table 2.5: Financial referrals to the Criminal Assets Confiscation Taskforce and other partners

Detail	Four-year historical average	2018–19
Referrals	20	22
Entities involved	115	174
Total value of offending (\$ million)	91.69	46.72

Serious Financial Crime Taskforce

The Serious Financial Crime Taskforce (SFCT) forms part of the Fraud and Anti-Corruption Centre led by the Australian Federal Police. The SFCT brings together the knowledge, resources and experiences of federal law enforcement and regulatory agencies to identify and address serious and complex financial crimes.

The SFCT's remit is to target the serious financial crimes of the highest priority. They include international tax evasion and criminality related to fraudulent phoenix activity, trusts and superannuation. Phoenix fraud involves a company deliberately liquidating assets to avoid paying debts to creditors, taxes and employee entitlements.

The SFCT focuses on conducting operations, collecting and sharing intelligence and identifying reform measures, with the aim of removing wealth from criminal activity, prosecuting facilitators and promoters of serious financial crime and deploying deterrent and preventative enforcement strategies.

Support provided by the ACIC included the development of:

- ▶ *Tax Crime Enablers in Australia 2018*, outlining the nature and extent of key enabling activities—technology, offshore service providers, and phoenixing activity
- ▶ a strategic threat assessment relating to superannuation fraud methodologies.

Illicit Tobacco Taskforce

It is illegal to grow tobacco in Australia, and excise is payable on all legally imported tobacco products. The Illicit Tobacco Taskforce (ITTF) was established in July 2018 to protect Commonwealth revenue by proactively targeting, disrupting and dismantling serious actors and organised crime syndicates that deal in illicit tobacco.

The ITTF is led by the Australian Border Force and draws on the expertise and advanced capabilities of the Department of Home Affairs, the ACIC, the Australian Transaction Reports and Analysis Centre, the Commonwealth Director of Public Prosecutions and the Australian Taxation Office. The ITTF has a full array of powers to effectively investigate, prosecute and dismantle international organised crime groups that are profiting from the illicit tobacco trade.

In support of the ITTF's activities in 2018–19:

- ▶ The ACIC provided intelligence support between the Australian Taxation Office and Australian Border Force during warrant activity when more than 17 acres of illegal tobacco crops and 6 tonnes of tobacco leaf, with a combined estimated excise value of \$13.3 million, were uncovered in the Northern Territory.
- ▶ The ACIC provided ongoing intelligence and tactical support to an investigation of a syndicate suspected to be importing illicit tobacco. The ITTF noted the importance of outcomes achieved via ACIC surveillance activities in support of operational activities.
- ▶ ACIC members and ITTF partners jointly executed a Commonwealth excise search warrant at a rural property in Victoria, where almost 17 acres of illegal tobacco crops, with an estimated excise value of \$6.6 million, were uncovered.

Phoenix Taskforce

The Phoenix Taskforce was established in 2014 to provide a whole-of-government approach to combatting phoenix activity. It comprises 37 Commonwealth, state and territory government agencies, including the ACIC, the Australian Taxation Office, the Australian Securities and Investments Commission, the Fair Work Ombudsman and the Department of Employment, Skills, Small and Family Business.

The Phoenix Taskforce has developed sophisticated data-matching tools to identify, manage and monitor suspected illegal phoenix operators. The task force supports businesses who want to do the right thing and will deal firmly with those who choose to engage in illegal phoenix behaviour.

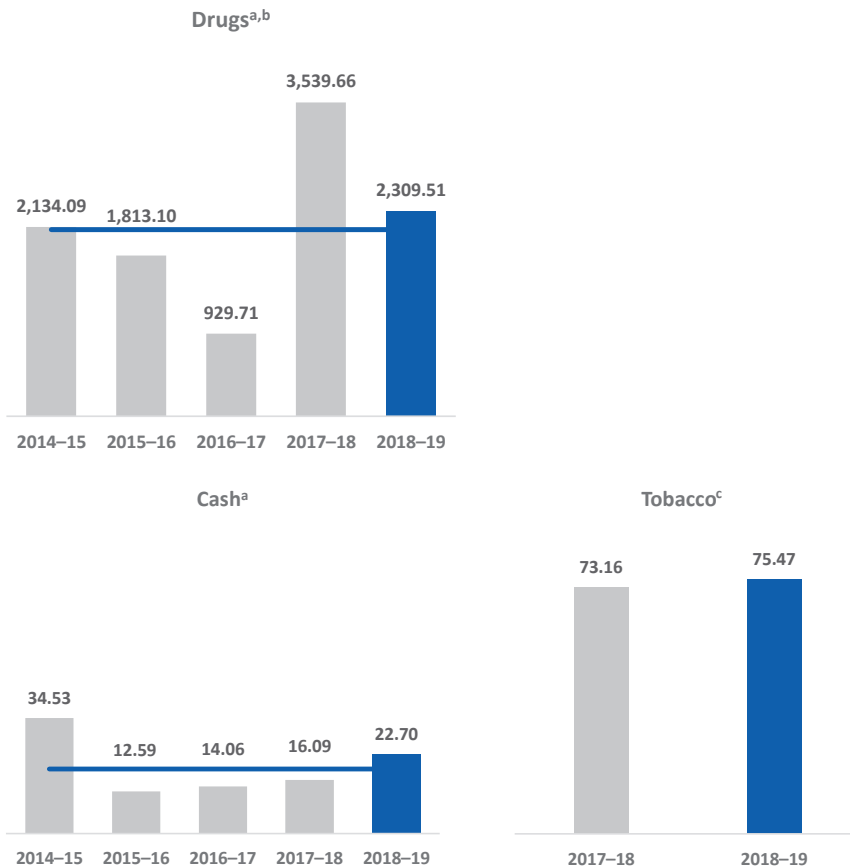
Joint organised crime task forces

The ACIC cooperates with joint organised crime task forces in Victoria, Western Australian and Queensland. These task forces investigate, collect intelligence on and disrupt high-risk entities, either domestically or offshore, to reduce the threat of high-risk targets operating regionally and impacting nationally.

Seizures

Figure 2.7 shows the total monetary value of illicit drugs and drug precursors, cash and tobacco seized by our national and international partners as a result of ACIC intelligence.

Figure 2.7: Drugs, cash and tobacco seized (\$ million)



^a The trendline represents the four-year historical average.

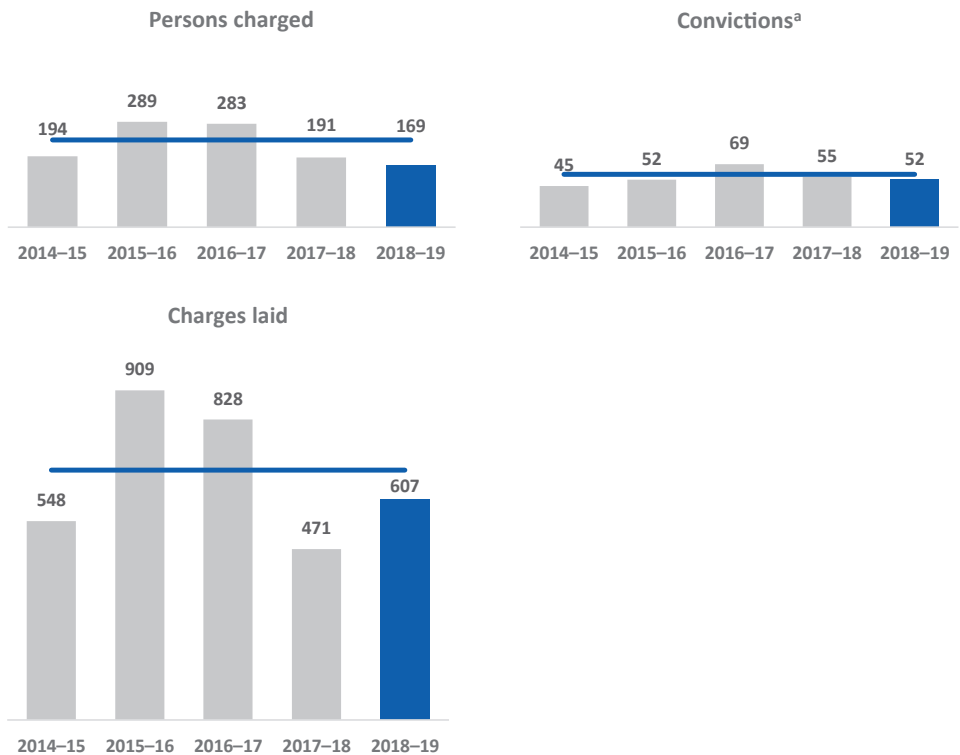
^b Estimated street values of illicit drugs and precursor chemicals, based on drug price data contained in the *Illicit Drug Data Report 2016-17*.

^c Tracking of tobacco seizures commenced in 2017-18. The historical average trendline will be added from 2019-20. Tobacco excise has been estimated using rates provided on the Australian Taxation Office website.

Arrests and convictions

Figure 2.8 provides details of the numbers of people charged, charges laid, and convictions achieved by our partners as a result of ACIC intelligence.

Figure 2.8: Persons charged, charges laid and convictions



^a Conviction results are based on sentencing during each financial year and can be related to charges in the current and previous financial years.
Note: The trendline represents the four-year historical average.

Stakeholder survey results

‘The ACIC has been a significant contributor to outcomes achieved involving joint operations. The national remit of the ACIC has been a valuable source of timely, actionable intelligence which has delivered great outcomes. Whereas previously the ACIC would jealously guard information, their approach has been far more open this year, to the benefit of our respective agencies.’—State government stakeholder, 2019 Stakeholder Survey

Table 2.6: Stakeholder survey results—Respond 2A—Disrupt and protect

Survey statement	Proportion of respondents who agreed or strongly agreed			
	2018-19	Change	2017-18	2016-17
ACIC investigations collaborate with their organisation in the effective disruption of serious and organised criminals	69%	Nil	69%	71%
ACIC investigations were of value or great value to them	94%	-5	99%	84%

Respond (continued)

PERFORMANCE CRITERION	SOURCE	RESULT
Respond 2B—Disrupt and protect ACIC partners are better informed and enabled to undertake policing and community safeguarding activities through access to national information systems and services.	<i>Corporate Plan 2018–19 to 2021–22, page 13</i> <i>Portfolio Budget Statements 2018–19, page 90</i>	

Analysis

This performance criterion relates to our role supporting our partners, particularly police, in the wide range of roles they undertake to protect the community against all types of crime, in a range of circumstances, including national disasters. This is distinct from the Respond 2A criterion, which relates specifically to responding to serious and organised crime.

It is not possible for us to measure the extent to which the systems and services we provide assist our partners to achieve outcomes that contribute to our shared purpose of keeping Australia safer—the relevant information is not available to us. Instead, we measure our performance under this criterion in terms of how well we have informed and enabled our partners through access to our national information systems and services.

An increase in system matches was seen for ballistic and fingerprint matches. In 2017–18, a number of profiles were added to the National Criminal Investigation DNA Database (NCIDD) due to a rule change within a jurisdiction. This resulted in a spike in the number of matches for 2017–18. Though the increase was smaller than in 2017–18, the 2018–19 matches for the NCIDD also show an increase over the historical trend.

Our performance results indicate that we have informed and enabled our partners through our delivery of national information systems and services, and this is supported by our positive stakeholder survey results. There was a small drop, to 89 per cent, in the proportion of stakeholders agreeing that ‘ACIC information and intelligence services were valuable to the work of their organisation’.

Achievements

Our performance assessment for this criterion is driven by the results of our stakeholder survey. We also draw on data on system availability, service provision, service usage and service breadth, and measure data matches delivered through our frontline, biometric and forensic services.

Services provided

Our frontline services enable police agencies to share essential policing information with each other in relation to people, vehicles, firearms and ballistics. This can assist them to undertake a broad range of community policing and criminal investigations. We also help police to solve crimes through our biometric services, including fingerprint and DNA systems. In addition, we provide services that assist police to identify missing persons, human remains and disaster victims.

Our protection services assist police to manage child offenders and identify child exploitation images. Our new Court Portal enables police and courts across Australia to access orders in relation to domestic violence. We also provide access to nationally coordinated criminal history checks and cybercrime reporting.

Service enhancements

We continue to enhance firearm identification data contained within the National Firearms Identification Database. The data-cleansing process has involved removing approximately 1,900 make-and-manufacturer templates identified as being multiples of other records, incorrectly spelled or unable to be recognised as existing manufacturers. The process has also reviewed calibre listings and linked each make and manufacturer with metadata. Since 1 July 2018, we have also been recording the country of manufacture. The removal of incorrect firearm descriptors and the addition of extra firearm information to the existing datasets will support higher quality results from searches of the database.

The ACIC disclosed systems data to a police jurisdiction which advised that the information and a previously disclosed ACIC information report had directly assisted investigations by identifying several firearms that had been seized around Australia. The jurisdiction added that the ability of the ACIC’s National Firearm Trace Program to obtain firearm history and seizure details in a timely manner and provide them in an easy-to-understand format was greatly appreciated.

Positive data matches

With some of our services, we can capture the moment when a user makes a positive data match. Though this does not give full insight into the discoveries that our partners make when using the services we provide, it gives an indication of positive results from the system usage.

For all measurable services, the numbers of matches in 2018–19 were above the historical average, as shown in Table 2.7.

Table 2.7: Positive data matches found

Service type	System name	Four-year historical average		2018–19
Frontline	Australian Ballistic Information Network	75	↑	90
Biometric and forensic	National Automated Fingerprint Identification System	83,275	↑	99,524
	National Criminal Investigation DNA Database	77,744	↑	86,784

↑ Result 5% or more above historical average

Stakeholder survey results

Table 2.8: Stakeholder survey results—Respond 2B—Disrupt and protect

Survey statement	Proportion of respondents who agreed or strongly agreed			
	2018–19	Change	2017–18	2016–17
ACIC information and intelligence services were valuable to the work of their organisation	89%	–3	92%	90%
ACIC information and intelligence services and systems were of value, or of great value, to them or their business area	94%	+3	91%	95%
ACIC national policing and intelligence systems enabled them to do their jobs more effectively	79%	+12	67%	64%

Feature: Drug trafficking at Sydney Airport

In April and May 2019, we worked with our partners to shut down a drug trafficking ring operating at Sydney Airport.

A joint operation involving the ACIC, the Australian Federal Police, the Australian Border Force, the New South Wales Police Force and the Department of Home Affairs began to investigate the activities of an alleged criminal syndicate in February 2019.

On the basis of extensive investigations, detectives allege that a 50-year-old man from Oran Park who worked for a service provider at the airport was using his airside access to import cocaine in the baggage holds of commercial flights. The investigations also identified two men, aged 42 and 47, who allegedly received the bags once they had been removed from the aircraft.

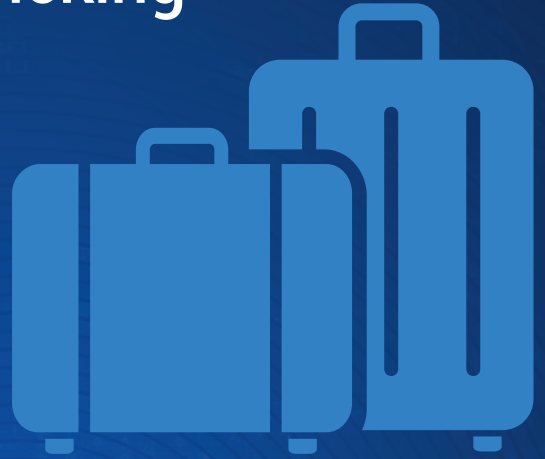
On 15 April 2019, Australian Federal Police officers arrested the 42-year-old man near Sydney Airport. Police allege that a search of the man's vehicle uncovered a black duffel bag containing about 27 kilograms of vacuum-sealed packages believed to contain cocaine. The man was arrested and charged with trafficking a commercial quantity of a border-controlled drug.

Investigations continued, and on 22 May 2019 police arrested the 50-year-old airport employee near the airport. He was found in possession of a bag containing about 28 kilograms of a substance believed to be cocaine. Later the same day, the 47-year-old man was arrested outside his Moorebank house for his alleged role in receiving the drugs from the Oran Park man.

That evening, investigators executed search warrants in the Sydney suburbs of Oran Park, Moorebank, Hoxton Park and Revesby. Approximately \$8 million in cash was seized at a Hoxton Park location linked to the 50-year-old Oran Park man.


The two men arrested on 22 May were each charged with six counts of importing a commercial quantity of border-controlled drugs. If convicted, they could face life imprisonment.

This investigation proves the value of intelligence-led policing and law enforcement partnerships. Our intelligence uncovered this alleged drug trafficking ring and allowed Australian authorities to disrupt a criminal network causing immense harm to the community. Investigations are ongoing.



Connect

We help our partners by: Providing them with systems and services; Sharing criminal intelligence and information, policing and other relevant information; and Connecting partners to us and each other.

PERFORMANCE CRITERION	SOURCE	RESULT
Connect 1 Existing ACIC systems and services are accessible, used and reliable.	<i>Corporate Plan 2018–19 to 2021–22, page 12</i> <i>Portfolio Budget Statements 2018–19, page 90</i>	

Analysis

By providing our systems and services reliably, and ensuring that they are accessible and used by the appropriate police, law enforcement and intelligence agencies, we contribute to the effectiveness of our collective efforts to keep Australia safer from crime. During 2018–19, we continued to provide our services to a broad range of agencies and with a high level of availability.

Our system usage statistics have dropped for some systems. However, many of the reductions in usage are due to quality assurance work and the decommissioning of systems, and do not reflect a decline in system performance. In particular:

- ▶ The number of accredited bodies serviced by the NPCS has dropped due to more stringent requirements resulting in some bodies terminating accreditation, and to some states consolidating their service programs into a smaller group of accredited bodies.
- ▶ We completed audits of user accounts in the National Child Offender System, National Police Reference System and NCIDD, which resulted in the removal of user accounts that were inactive, unnecessary or no longer authorised.
- ▶ The National Firearms Licensing Registration System and National Names Index are being decommissioned and, as expected, the numbers of users and searches have declined for those systems.

Our stakeholder survey results show an improvement in the reliability of services, consistent with our data. Other survey results are consistent with previous years and remain strong.

Achievements

We group our systems into broad service categories:

- ▶ Frontline systems enable police agencies to share essential policing information with each other in relation to people, vehicles, firearms and ballistics. This can assist them to undertake a broad range of community policing and criminal investigations.
- ▶ Biometric and forensic systems help police to solve crimes through our biometric services, including fingerprint and DNA systems, and assist police to identify missing persons, human remains and disaster victims.
- ▶ Protection systems assist police with finding information on domestic violence orders, managing child sex offenders and identifying child exploitation images.
- ▶ Criminal intelligence systems facilitate dissemination and sharing of criminal intelligence, including databases of intelligence holdings that can be accessed and analysed by approved users.

We measure our performance against this criterion by assessing:

- ▶ system availability—the proportion of time systems were available (maintaining system availability ensures reliable access to related services)
- ▶ service beneficiaries—the range of agencies to which we provide services
- ▶ service usage—the number of users in partner agencies and the number of system searches
- ▶ stakeholder survey results—responses to specific questions related to system performance in our stakeholder survey.

Availability

System availability reporting provides the percentage of time systems were available, excluding scheduled outages. National availability is calculated based on user notifications of outages impacting multiple jurisdictions. As many of our systems are integrated or routed via partner agency systems, issues unrelated to our service can also affect availability.

An agreed availability benchmark is developed by the ACIC Board for each of our frontline systems and other systems that directly support police operations, including police checks. Benchmarks are based on usage requirements.

Results against the availability benchmarks are set out in Table 2.9.

Table 2.9: System availability

Service type	System	Board-agreed benchmark (%)	Historical average ^a (%)		2018–19 (%)	
Frontline	National Police Reference System	99.5	99.51	✓	99.85	✓
	National Names Index	99.0	99.78	✓	99.99	✓
	National Firearms Identification Database	96.0	99.67	✓	99.88	✓
	National Firearms Licensing Registration System	99.0	99.74	✓	99.98	✓
	Australian Ballistic Information Network	95.0	99.95	✓	100.00	✓
	Australian Firearms Information Network	none	99.20	n.a.	99.86	n.a.
	National Vehicles of Interest System	99.0	99.78	✓	99.98	✓
Biometric and forensic	National Automated Fingerprint Identification System	99.4	99.69	✓	99.97	✓
	National Criminal Investigation DNA Database	99.0	99.63	✓	99.79	✓
	National Missing Persons and Victim System	96.0	99.74	✓	100.00	✓
Protection	National Child Offender System	99.5	99.59	✓	99.76	✓
	Child Exploitation Tracking System	96.0	99.92	✓	100.00	✓
Checking	National Police Checking Service/NPCS Support System ^b	99.0	98.86	✗	99.68	✓
Cybercrime reporting	Australian Cybercrime Online Reporting Network	96.0	99.34	✓	99.84	✓
Criminal intelligence	Australian Law Enforcement Intelligence Network	none	99.89	n.a.	100.00	n.a.
	Australian Criminal Intelligence Database ^c	none	99.99	n.a.	100.00	n.a.
	National Target System	none	99.94	n.a.	100.00	n.a.

✓ Benchmark met

✗ Benchmark not met

n.a. not applicable

^a Historical averages are based on two to four years of data. This measure was not used uniformly across all systems in previous years, so we are still building up data for a full four-year historical trend on some systems.

^b During 2017–18, two significant incidents affected National Police Checking Service/NPCS Support System availability, leading to 96.63% availability. This atypical result has lowered the four-year historical average to below the board-agreed benchmark of 99.00%.

^c The Australian Criminal Intelligence Database system also hosts the Violent and Sexual Crime Database and Clandestine Laboratory Database.

Service beneficiaries

Our frontline, biometric and forensic, and criminal intelligence services are provided to all Australian police forces. Appropriate access is also available to some other agencies, including the Department of Home Affairs, the Australian Securities and Investments Commission, and state-based crime and corruption bodies.

The NPCS is designed to assist employers and authorising bodies to make informed decisions about the suitability of staff and applicants. It is also used by police and ACIC-accredited bodies, including government agencies, private sector businesses and brokers, not-for-profit organisations, and screening units responsible for the assessment of people who apply to work with children or vulnerable people.

During 2018–19, 63 accredited bodies left the NPCS and 20 new accredited bodies joined. The introduction of more stringent identity-proofing requirements caused some accredited bodies to terminate their accreditation. Some states have introduced centralised service programs which have reduced the numbers of state-based government accredited bodies.

The number of bodies for whom checks were performed decreased during 2018–19, but remained in line with the historical average, as shown in Table 2.10.

Table 2.10: Stakeholder bodies for whom criminal history checks were performed

Stakeholders	Four-year historical average		2018–19
Bodies for whom the ACIC performed criminal history checks	221	↔	210

↔ Result within 5% of historical average

Our web-based Court Portal enables domestic violence orders in the National Police Reference System to be shared between police and courts across Australia. In 2018–19, the system was searched 7,733 times.

The public reported instances of cybercrime via ACORN up until 30 June 2019, when the Australian Signals Directorate's 'ReportCyber' system replaced ACORN. ACORN attracted 387,331 visitors in 2018–19, over 87,000 more than in 2017–18. We referred 35,512 ACORN reports to law enforcement agencies for appropriate action, as shown in Table 2.11.

Table 2.11: Australian Cybercrime Online Reporting Network reports received and referred

Measure	Three-year historical average		2018–19
Number of reports received	47,763	↑	64,528
Number of reports referred to police	35,512	↑	48,210
Percentage of reports referred to law enforcement agencies	74.3%	↔	74.7%

↑ Result 5% or more above historical average

↔ Result within 5% of historical average

Service users

Table 2.12 provides details of the numbers of users of our systems in 2018–19.

The Child Exploitation Tracking System is used by only a limited number of users. This is intentionally limited due to the nature of the work the system supports, to minimise the emotional impact on staff caused by explicit materials. As a result, the number of users is not an effective performance measure, and the system is not included in the table.

The reduction in National Child Offender System users is the result of actions to remove inactive and unnecessarily created user accounts to meet the software licensing requirements. This work commenced during 2017–18 and was completed early in 2018–19.

The National Firearms Licensing Registration System was decommissioned during 2018–19. Police partner agency users have transitioned to the more sophisticated Australian Firearms Information Network. The final police partner agency will be migrated to the new network during 2021–22.

An audit of users was conducted on the NCIDD during 2018–19, purging individuals no longer authorised to access the system.

ACORN is also not included in the table, because the system is publicly available via the internet and user statistics do not relate to users in partner agencies.

The National Criminal Intelligence System (NCIS) interim solution is not yet an established system. The interim solution has over 700 active users.

Table 2.12: System users

Service type	System	Historical average ^a		2018–19
Frontline	National Police Reference System	75,881	↔	74,633
	National Names Index	6,638	↑	7,527
	National Firearms Identification Database	56	↓	39
	National Firearms Licensing Registration System	8,339	↓	453
	Australian Ballistic Information Network	123	↓	94
	Australian Firearms Information Network	449	↑	927
	National Vehicles of Interest System	9,459	↑	10,584
Biometric and forensic	National Automated Fingerprint Identification System	709	↔	694
	National Criminal Investigation DNA Database	193	↓	118
	National Missing Persons and Victim System	603	↑	795
Protection	National Child Offender System	2,429	↓	903
Criminal intelligence	Australian Law Enforcement Intelligence Network	3,772	↑	5,873
	Australian Criminal Intelligence Database ^b	2,038	↑	3,067
	National Target System	778	↑	961

↑ Result 5% or more above historical average

↓ Result 5% or more below historical average

↔ Result within 5% of historical average

^a Historical averages are based on two to four years of data. This measure was not used uniformly across all systems in previous years, so we are still building up data for a full four-year historical trend on some systems. Only the National Police Reference System, Australian Law Enforcement Intelligence Network, Australian Criminal Intelligence Database and National Target System have full four-year historical trend data so far.

^b The Australian Criminal Intelligence Database system also hosts the Violent and Sexual Crime Database and Clandestine Laboratory Database.

Note: Totals displayed above represent either 'total' or 'active' users of each system, depending on which system statistics are available.

Searches

Table 2.13 provides details of searches conducted by users of the ACIC's established systems. Between July 2018 and June 2019, the NCIS interim solution attracted more than 54,353 searches.

During 2017–18, there was a substantial drop in National Police Reference System searches, which appeared to be due to technology changes in some of our partner agencies. Though the number of searches in 2018–19 was below the historical average, it was 21 per cent higher than in 2017–18.

The downturn in National Names Index and National Firearms Licensing Registration System searches was expected and is consistent with phasing out this capability. The large increase in Australian Firearms Information Network searches was expected as users are transitioning to the Australian Firearms Information Network from the National Firearms Licensing Registration System.

A significant spike in Australian Criminal Intelligence Database searches in 2017–18, due to some users initiating bulk searches, has significantly increased the historical average. Outside of that year's spike, the number of searches in 2018–19 shows an increase over the other historical years' results.

Table 2.13: Searches recorded

Service type	System	Four-year historical average		2018–19
Frontline	National Police Reference System	38,083,162	↓	33,496,382
	National Names Index	1,498,087	↓	1,114,503
	National Firearms Identification Database	19,378	↓	12,137
	National Firearms Licensing Registration System	266,437	↓	192,821
	Australian Ballistic Information Network ^a	n.a.	n.a.	3,817
	Australian Firearms Information Network	6,728	↑	108,219
	National Vehicles of Interest System	8,400,091	↓	7,379,585
Biometric and forensic	National Automated Fingerprint Identification System	1,375,792	↑	1,647,519
Criminal intelligence	Australian Criminal Intelligence Database ^b	961,995	↓	564,502

↑ Result 5% or more above historical average

↓ Result 5% or more below historical average

n.a. not available

^a Processes were implemented during 2018–19 to capture statistics from the Australian Ballistic Information Network. Previously, search information was automatically deleted by the system, so only a partial result for 2018–19 is shown.

^b The Australian Criminal Intelligence Database system also hosts the Violent and Sexual Crime Database and Clandestine Laboratory Database.

Nationally coordinated criminal history checks

The number of police checks conducted through ACIC systems continues to steadily increase by approximately 5 per cent to 10 per cent each year. In 2018–19, it exceeded 5.6 million, as shown in Table 2.14.

Table 2.14: Police history checks submitted

Measure	Four-year historical average		2018–19
Number of criminal history checks submitted	4,584,978	↑	5,630,364

↑ Result 5% or more above historical average

The NPCS timeliness measure shown in Table 2.15 is not only an ACIC performance measure, but also one shared by our police partners in providing this service to the wider community and other agencies.

When an initial search reveals a potential match (as occurs in approximately 30 per cent of checks), it is referred to the relevant jurisdiction for confirmation. If police confirm a match, they apply the relevant spent conviction legislation and/or relevant information release policies to determine what information can be disclosed, before finalising the check and returning the information directly to the accredited body, agency or individual who lodged the check. This process may be complicated and, in a small number of cases, may cause delays beyond the agreed timelines.

Table 2.15: Police history checks completed on time

Measure	Board-agreed benchmark		Four-year historical average		2018–19
On time—standard checks Target: 10 days	95.0%	✓	96.1%	✓	95.7%
On time—urgent checks Target: 5 days	95.0%	✗	91.3%	✗	92.7%


✓ Benchmark met
✗ Benchmark not met

Stakeholder survey results

Table 2.16: Stakeholder survey results—Connect 1

Survey statement	Proportion of respondents who agreed or strongly agreed			
	2018–19	Change	2017–18	2016–17
ACIC national policing and intelligence systems and services are reliable	73%	+6	67%	67%
ACIC national policing and intelligence systems and services are accessible	78%	–1	79%	73%
The ACIC is trustworthy in handling our partners' information	83%	Nil	83%	82%

Connect (continued)

PERFORMANCE CRITERION	SOURCE	RESULT
Connect 2 Through effective collaboration, enable the delivery and implementation of new and enhanced ACIC systems and services that satisfy the needs of stakeholders and users.	<i>Corporate Plan 2018–19 to 2021–22, page 12</i> <i>Portfolio Budget Statements 2018–19, page 90</i>	

Analysis

This measure primarily relates to stakeholders' satisfaction with the delivery and implementation of new or enhanced systems and services. While we have delivered new and enhanced services and made substantial progress towards the delivery of others, we have only partially met the criterion, due to a decline in stakeholder satisfaction with our delivery of new and enhanced policing and intelligence systems.

Survey feedback indicates that 94 per cent of stakeholders find our information technology projects to be of value or great value to their role. In order to maintain this high result, we will ensure that we continue to collaborate with stakeholders on the delivery of new and improved systems and services. The establishment of business hubs is expected to assist stakeholders to engage and collaborate with us.

Achievements

By delivering and implementing new and enhanced national systems and services, we increased the capability of our partners and contributed to the effectiveness of our collective efforts to make Australia safer from crime.

Projects delivered to partners

In 2018–19, the ACIC completed vendor support agreements to enable the National Automated Fingerprint Identification System to continue to deliver fit-for-purpose biometric matching services.

We also finalised a high-level future operating model for the NPCS that has been endorsed by our police partner agencies. The collaborative stakeholder approach will continue into Tranche 2 of the NPCS Transformation Program to ensure successful delivery of capability.

The National Firearms Identification Database was upgraded to enable significant improvement in the identification and recording processes used by the Commonwealth and our state and territory partners.

The trial of the Biometrics at the Border System to improve the ability of Australian Border Force officers to perform security checks on travellers has ended. The capability is managed by the Department of Home Affairs and is supported by the National Automated Fingerprint Identification System.

Projects progressed

We have finalised the business case—outlining the preferred option, associated costs and delivery timeframes—for an online solution to aid law enforcement in preventing the diversion of precursor chemicals and equipment into illicit drug manufacture in Australia. Requirements for recording the purchases of precursor chemicals and equipment, known as ‘end user declarations’, are being developed with advice from a national working group in which the ACIC is represented. States and territories are considering legislation to support online declarations.

Significant progress has been made on the business case for a child exploitation materials management system to replace the Child Exploitation Tracking System with a solution that provides improved capabilities to identify children at risk of sexual abuse and enable timely intervention strategies for victims. The business case will be ready by the middle of 2019–20.

We also completed a business case for an upgrade of the National Missing Persons and Victim System platform which will improve access to and functionality of the service.

Projects planned

The initiation and planning phases for Tranche 1 of the NCIS are complete and we have commenced program delivery activities pertaining to the mobilisation of police and law enforcement project teams. The ACIC is the lead agency accountable and responsible for delivering the NCIS, while the Department of Home Affairs will take a key role in delivering the NCIS capability.

The development of the Working with Children Checks National Reference System was completed in 2018–19. Integration with state and territory screening agencies will occur from July 2019, to ensure that legislation and policies are updated and aligned with the new system. The service supports decisions to approve applicants to work with children, including the national provision of negative notices to relevant stakeholders. The project will be completed by the end of June 2020.

We have substantially completed the development and implementation of a new platform for the National Vehicles of Interest System. Users are in the process of being transitioned from our aging mainframe platform to the new platform, which will be fully implemented by the end of 2019. This work will ensure that the system can manage expected future increases in queries and usage.

Our ongoing work to deliver improved jurisdictional availability to the Australian Law Enforcement Intelligence Network, as part of a larger activity to transition all business systems to a new network with improved performance, will also be completed by the end of 2019.

We decommissioned the National Firearms Licensing Registration System user interface in 2018–19. Police partner agency users are transitioning to the Australian Firearms Information Network, which is more sophisticated and holds richer, higher quality data. The final police partner agency will be migrated to the new network during 2021–22.

Projects changed

We paused our scoping study to improve the National Target System following stakeholder feedback that identified the need for the future (criminal target) operating model to be firstly refined and agreed in consultation with our stakeholders.

We also amended our delivery approach for the National Policing Information Hub so that it will be delivered as part of Tranche 1 of the NCIS. In conjunction with the Department of Home Affairs NCIS delivery team, we identified a new architectural direction for the completion of the master data management capability, using an existing departmental solution.

Stakeholder survey results

‘The ACIC has worked hard to learn from the Biometric Identification Services experience, and the governance work on the National Criminal Intelligence System and the successful pilot have been a good start.’—Australian Government stakeholder, 2019 Stakeholder Survey

‘The ACIC has improved its engagement and communication, especially regarding projects underway.’—State government stakeholder, 2019 Stakeholder Survey


‘The set-up of the National Police Reference System Data Quality Project seems to have been done well, and it seems to be willing to address the big issues.’—State government stakeholder, 2019 Stakeholder Survey

‘The ACIC has kept us informed of developments, particularly with regards to the National Child Offender System. We are invited to stakeholder meetings and consulted on any changes or updates, which is appreciated.’—Australian Government stakeholder, 2019 Stakeholder Survey

Table 2.17: Stakeholder survey results—Connect 2

Survey statement	Proportion of respondents who agreed or strongly agreed			
	2018–19	Change	2017–18	2016–17
New and enhanced ACIC national policing and intelligence systems are being developed and improved to meet their organisation’s needs	57%	–4	61%	65%
The ACIC systems meet the criminal information and intelligence needs of their organisation	48%	+3	45%	54%
Our information technology projects are of value or great value to their role	94%	+10	84%	97%

Connect (continued)

PERFORMANCE CRITERION	SOURCE	RESULT
Connect 3 The ACIC is sharing increasing volume, breadth and formats (mediums, platforms) of criminal intelligence and information, police information, and other relevant information.	<i>Corporate Plan 2018–19 to 2021–22, page 12</i> <i>Portfolio Budget Statements 2018–19, page 90</i>	

Analysis

By increasing the information available to our partners—so that it can be used by the appropriate police, law enforcement and intelligence agencies—we contribute to the effectiveness of our collective efforts to make Australia safer from crime.

Our performance in 2018–19 reflects similar levels to previous years, with generally similar or steadily increasing levels of information and intelligence and volumes of data available and being shared with an increasing number of national and international stakeholders.

The total disseminations of analytical products declined, due to a lower number of analytical products being produced. However, the average number of disseminations per product increased.

Australian Criminal Intelligence Database alerts continued to have system issues, which appear to rest with the external service provider. When those alerts are excluded from reporting, the total number of alerts in 2018–19 is above the three-year trend.

We have reduced the number of records in the National Firearms Identification Database by removing duplicate and erroneous information, improving data quality. Work has commenced on quality assurance reviews of records in the National Gangs List.

We continued to develop and make publicly available the annual Illicit Drug Data Report, releasing the 15th edition, and the National Wastewater Drug Monitoring Program reports, releasing the fifth, sixth and seventh reports, during 2018–19.

Achievements

We measure our performance against this criterion by the volume of data we share and make available to our stakeholders. We also record our development of new formats for sharing.

We share our information by:

- ▶ providing systems that our stakeholders can search to find the information they need
- ▶ disseminating intelligence and other information directly to our partners
- ▶ providing public, unclassified information and intelligence.

The results for service provision and usage reported under the Connect 1 performance criterion are relevant to our performance in relation to sharing information and intelligence under this criterion; please see tables 2.9 to 2.15.

Information and intelligence shared

We shared criminal information and intelligence with more than 220 national and international law enforcement partners and other stakeholders during 2018–19. Figures 2.9 and 2.10 provide details of how we delivered that information.

Figure 2.9: Analytical and tactical intelligence products disseminated

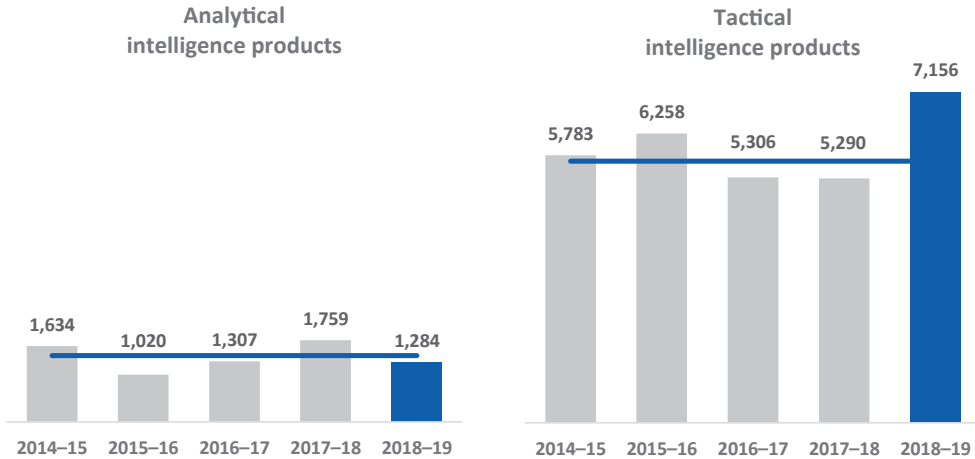
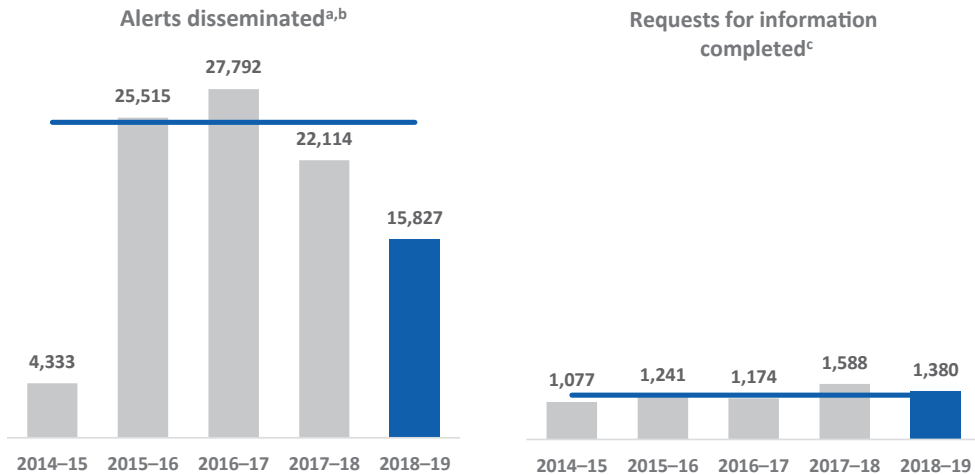


Figure 2.10: Alerts disseminated and requests for information completed



^a The 2018–19 result for alerts disseminated is below the historical average due to a system issue.

^b The alerts disseminated trendline represents the three-year historical average as the service commenced in December 2014.

^c The requests for information completed trendline represents the four-year historical average.

Volume of data accumulated

We include statistics and trends on the volume of data available to our stakeholders as one aspect of our performance in connecting our partners to the information they need to make Australia safer.

Table 2.18 provides details of the numbers of records held in our systems at 30 June 2019. Because the number of records in each system is expected to increase each year, comparisons are made to the previous year only. We have aggregated different categories or types of records where appropriate, to calculate the total number of records held by each system.

Table 2.18: System records held

Service type	System	2017–18	Change		2018–19
Frontline	National Police Reference System	11,796,411	273,745	↔	12,070,156
	National Names Index	10,132,428	334,075	↔	10,466,503
	National Firearms Identification Database	22,311	–9,339	↓	12,972
	National Firearms Licensing Registration System	8,378,786	74,009	↔	8,452,795
	Australian Ballistic Information Network	78,391	5,428	↑	83,819
	Australian Firearms Information Network	10,477,137	427,122	↔	10,904,259
	National Vehicles of Interest System	3,645,127	189,394	↑	3,834,521
Biometric and forensic	National Automated Fingerprint Identification System	9,086,764	947,701	↑	10,034,465
	National Criminal Investigation DNA Database	1,225,082	99,493	↑	1,324,575
	National Missing Persons and Victim System	2,962	421	↑	3,383
Criminal intelligence	Australian Criminal Intelligence Database	4,960,812	376,978	↑	5,337,790
	National Target System	16,685	–734	↔	15,951

↑ Result 5% or more above previous financial year

↓ Result 5% or more below previous financial year

↔ Result within 5% of previous financial year

In the case of the National Firearms Identification Database, we have been working with our partners to improve the quality of the information available and remove duplicate and erroneous information, so the decline in the total number of records is a sign of success. This work commenced in 2017–18 and was completed in 2018–19. Please see further details of this improvement in data quality under ‘Service enhancements’ on page 42.

The decline in National Target System records was due to records updates, following the revision of the National Gangs List business rules (as endorsed by National Task Force Morpheus), and quality assurance reviews of OMCG membership data conducted by jurisdictions. This decrease is likely to continue throughout 2019–20 as jurisdictions continue their quality assurance processes.

At 30 June 2019, the NCIS interim solution contained more than 600 million available records.

Publicly available information provided

Illicit Drug Data Report

The *Illicit Drug Data Report 2016–17* was released in September 2018. It is the 15th edition of the report and includes arrest, detection, seizure, purity, profiling and price data. The format and structure of the report have been changed, providing a more concise report while retaining key illicit drug market information and insights.

In November, for the first time, some of the information and data from the Illicit Drug Data Report was made available on the Australian Institute of Criminology’s Crime Statistics Australia website. This provides greater access to the unique and valuable data contained in the report.

National Wastewater Drug Monitoring Program reports

The National Wastewater Drug Monitoring Program released three reports in 2018–19: Report 5, in October 2018; Report 6, in February 2019; and Report 7, in June 2019.

The National Wastewater Drug Monitoring Program provides leading-edge, coordinated national research and intelligence on illicit drugs and licit drugs that can be abused.

Wastewater analysis is widely applied internationally as a tool to measure and interpret drug use within national populations. The Australian Government recognises the considerable benefits of wastewater analysis and has drawn on established scientific expertise within Australian academic institutions to implement a national program based on international models.

The National Wastewater Drug Monitoring Program is a key initiative in establishing an objective evidence base on illicit drug use and the levels of use of a number of legitimate substances. Further details about the latest report are provided in the ‘Wastewater analysis’ feature on page 58.

New techniques and formats for sharing

The ACIC launched its new, streamlined range of intelligence product templates in July 2018. The product templates have been modernised, are targeted and satisfy a broad range of ACIC stakeholder needs.

Feature: Wastewater analysis

Our National Wastewater Drug Monitoring Program continued in 2018–19 with the release of the fifth, sixth and seventh in a series of reports.

The program measures drug use across Australia by testing wastewater samples for the metabolites of various legal and illegal drugs. The substances found in wastewater reveal the levels of drug consumption in different regions of the country, enabling governments to direct resources to priority areas. Wastewater analysis also allows us to identify trends and monitor the effectiveness of demand and supply reduction strategies. We commissioned the University of Queensland, and through it the University of South Australia, to undertake the data collection and analysis.



We released the seventh report, the most recent in the series, in June 2019. It reported on analyses of wastewater collected in October and December 2018 from 50 treatment sites in capital cities and regional areas of every state and territory. Based on the 2016 Census, those areas are home to an estimated 12.6 million Australians, or 54 per cent of the population.

The report revealed that methylamphetamine was the most commonly used illicit drug. The highest level of capital city methylamphetamine consumption occurred in South Australia, and the highest regional consumption was found in Western Australia. Overall, methylamphetamine consumption tended to be higher in regional areas than in capital cities.

Regional areas also had higher average consumption of MDMA, cannabis, nicotine and the opioids oxycodone and fentanyl. In contrast, consumption of alcohol, cocaine and heroin was higher in capital cities than in the regions.

Of concern, the analysis also found that heroin use in capital cities had increased, reaching the highest level recorded since the program began in 2016. Consumption of MDMA also reached record levels in both regional and capital city sites.

The report estimated that between August 2017 and August 2018 Australians consumed over 9.8 tonnes of methylamphetamine, 4.1 tonnes of cocaine, 1.1 tonnes of MDMA and 750 kilograms of heroin.

In 2019, our agency received an additional \$4.8 million to continue the National Wastewater Drug Monitoring Program for four more years. The program will continue to produce three reports per year, presenting the best available data to inform government decision-making.

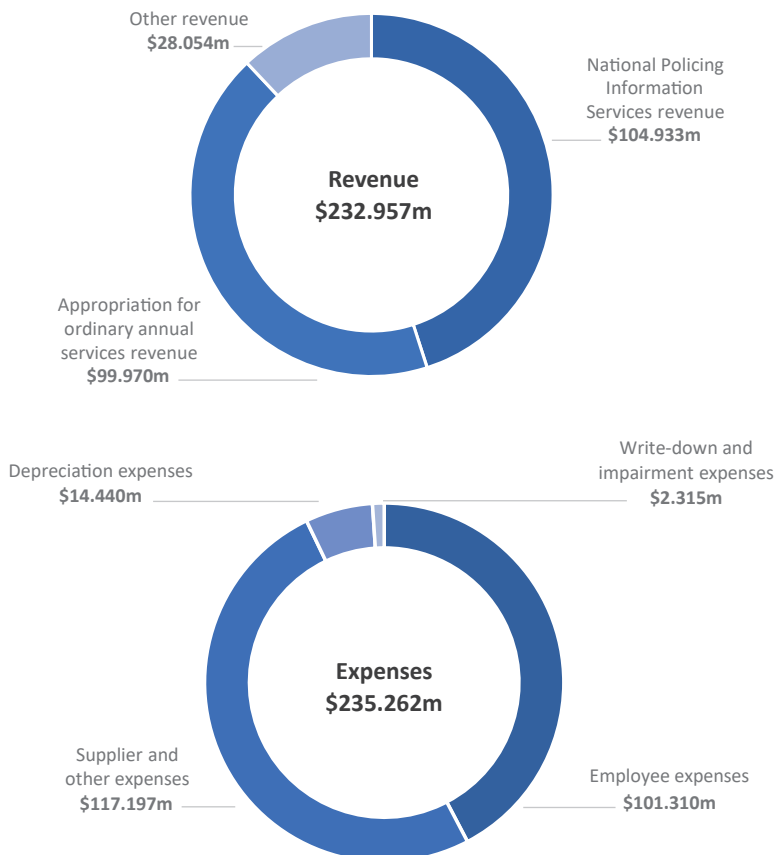
► Overview of financial performance

The ACIC's financial result for 2018–19 was an operating loss of \$2.305 million. The accounting standards require non-operating items such as unfunded depreciation expenses and capital funding income from portfolio agencies to be recognised as operating activity. With the exclusion of unfunded depreciation and capital funding, the ACIC would have realised a surplus of \$2.576 million for the financial year.

During 2018–19, there were no instances of significant non-compliance with the finance law. The ACIC received an unmodified audit opinion from the Australian National Audit Office.

Figure 2.11 summarises sources of revenue and expenditure in 2018–19. More details of resources and expenses are provided in tables 2.19 to 2.21.

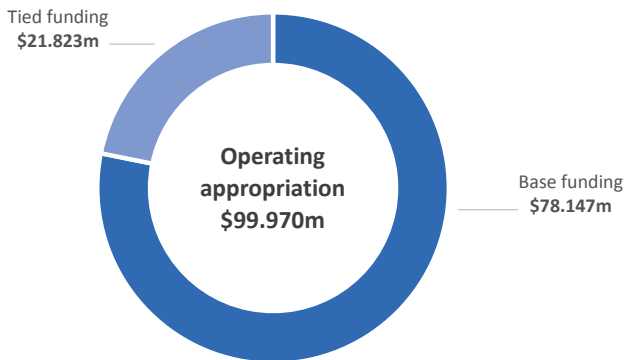
Figure 2.11: Revenue and expenditure 2018–19



Appropriation for 2018–19

The ACIC's operating appropriation of \$99.970 million was made up of base appropriation funding of \$78.147 million plus \$21.823 million of tied funding, as shown in Figure 2.12.

Figure 2.12: Operating appropriation 2018–19



The tied funding in 2018–19 consisted of:

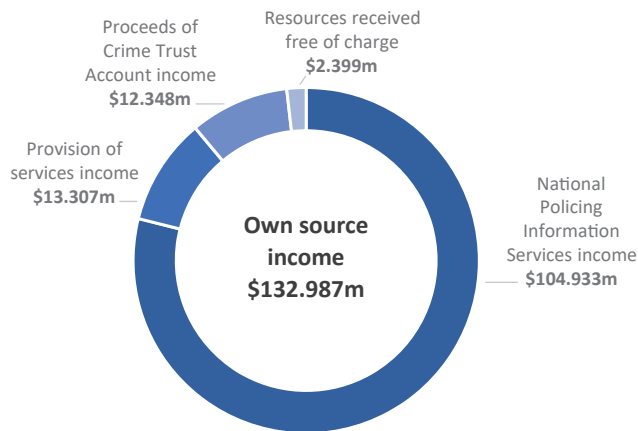
- ▶ \$1.754 million funding for the Australian Gangs Intelligence Coordination Centre
- ▶ \$0.891 million to enhance physical security to all office buildings and personnel security capabilities, in response to the current heightened security threat
- ▶ \$4.385 million to develop and enhance the ACIC's cybercrime intelligence and analysis capability in response to recommendations of the 2016 Cyber Security Review
- ▶ \$0.361 million to support 24/7 operation of the Cyber Security Centre to prevent and combat cyber security threats
- ▶ \$0.350 million to design the Criminal Intelligence Checking capability and its integration with other background checking processes
- ▶ \$12.854 million for the development of the NCIS Tranche 1 program
- ▶ \$1.228 million to support Enhancing the Criminal Intelligence Capability program, provide better training to ACIC and partner agencies workforce of effective intelligence work capability.

Own source income in 2018–19

In addition to the government appropriation as detailed in Figure 2.12, the ACIC had own source income as detailed in Figure 2.13.

Own source income consisted of \$104.933 million as a result of provision of National Policing Information Services, \$12.348 million received from the Proceeds of Crime Trust Account, \$13.307 million from provision of services and \$2.399 million in resources received free of charge.

Figure 2.13: Own source income in 2018–19



Internal controls

The ACIC's internal controls that ensured compliance with our financial management responsibilities included:

- ▶ senior management involvement in budget development, allocation and monitoring
- ▶ internal and external reporting, including providing financial information to the ACIC Board on the National Policing Information Systems and Services Special Account and reporting monthly to the Department of Finance and the ACIC Executive
- ▶ full engagement with the ACIC Audit Committee
- ▶ periodic review of the Accountable Authority Instructions, policies and procedures to ensure compliance with the PGPA Act
- ▶ audit by the Australian National Audit Office and the ACIC's internal audit team
- ▶ face-to-face financial delegation and procurement training for financial delegates and relevant staff
- ▶ engagement with the ACIC Executive to identify breaches of financial management practices under the PGPA Act and to provide assurance to the Accountable Authority and Chief Financial Officer
- ▶ centralised administration of procurement, property leases, assets, travel, credit cards, fleet vehicles, mobile phones and laptops.

Table 2.19: Entity resource statement

	Actual available appropriations for 2018–19 \$'000 (a)	Payments made 2018–19 \$'000 (b)	Balance remaining \$'000 (a–b)
Departmental annual appropriations—ordinary annual services			
Prior year appropriation available	58,099	58,099	–
Departmental appropriation ¹ (including departmental capital budget)	106,219	49,719	56,500
Section 74 relevant agency receipts ²	38,230	33,288	4,942
Total ordinary annual services	202,548	141,106	61,442
Annual appropriation—other services non-operating			
Prior year appropriation available	318	318	–
Equity injections ³	21,971	9,576	12,395
Total other services	22,289	9,894	12,395
Total annual appropriations	224,837	151,000	73,837
National Policing Information Systems and Services Special Account			
Opening balance	108,726		
Appropriation receipts	23,478		
Non-appropriation receipts	105,098		
Payments made		111,490	
Total special account	237,302	111,490	125,812
Less: departmental appropriations drawn from annual appropriations and credited to special accounts	(23,478)		(23,478)
Total resourcing and payments	438,661	262,490	176,171

1 Annual departmental appropriation includes \$3.622m quarantined.

2 The section 74 relevant agency receipts and the payments from departmental appropriation are not adjusted for GST.

3 Equity injection funded for 2018–19 was \$21.971m, of which \$12.395m has been re-phased for future years.

Table 2.20: Expenditure and staffing by outcome

Outcome 1: To make Australia safer through improved national ability to discover, understand and respond to current and emerging crime threats and criminal justice issues, including the ability to connect police and law enforcement to essential criminal intelligence, policing knowledge and information through collaborative national information systems and services.	Budget 2018–19 \$'000	Actual Expenses 2018–19 \$'000	Variation \$'000
Departmental expenses			
Departmental appropriation and section 74 agency receipts	123,080	113,418	9,662
National Policing Information Systems and Services Special Account	97,436	108,117	(10,681)
Expenses not requiring appropriation in the budget year	8,258	13,726	(5,468)
Total departmental expenses	228,774	235,261	(6,487)
Total expenses for Outcome 1	228,774	235,261	(6,487)

Table 2.21: Average staffing level

	Budget 2018–19	Actual 2018–19
Average staffing level (number)	825	746

Feature: Infrastructure Capability and Consolidation Program

In 2018–19, we continued to consolidate and uplift our key information and communications technology (ICT) infrastructure as part of the multi-year Infrastructure Capability and Consolidation (ICC) Program. The program's remit is to uplift ICT infrastructure capabilities and modernise and secure increasing performance and resilience of both national policing information (NPI) and intelligence technology solutions at the ACIC.

Our NPI systems bring together essential law enforcement information from around the country, ensuring that our law enforcement partners have the information they need to investigate, solve and prevent crime. In 2018–19, as part of the ICC Program, we refreshed our NPI infrastructure, with formal certification and accreditation in accordance with Commonwealth security policy planned for 2019–20.

We also refreshed critical ICT infrastructure across our primary and secondary data centres supporting key corporate and NPI systems. This involved successfully duplicating the infrastructure environment across those data centres to improve redundancy of our critical systems.

Other infrastructure refresh activities undertaken in 2018–19 involved the Oracle Exadata platform, the NetApp Enterprise Storage environment and the Hewlett-Packard Synergy Compute platform. We also upgraded our national uninterruptible power supply fleet.

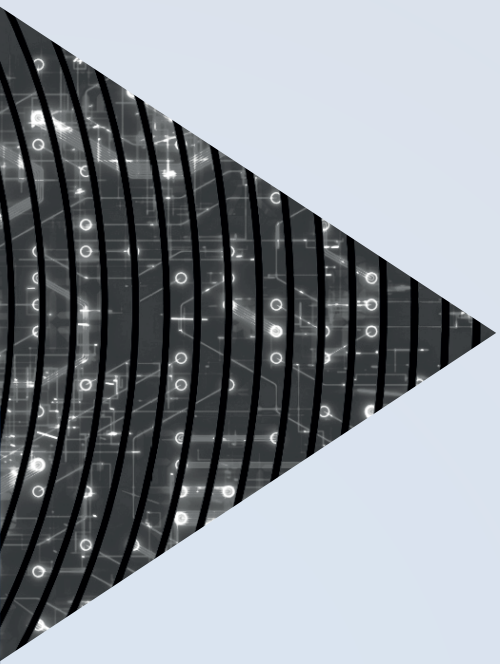
At a corporate level, we replaced our multifunction scanning and printing devices; upgraded our financial management system; deployed our new service management solution (ServiceNow); and upgraded the security levels of our Canberra examination facilities.

The ICC Program also procured all the infrastructure needed to support the upgrade of desktops in the new corporate environment, scheduled for 2019–20. The program's priorities in 2019–20 will also include refreshing and accrediting our classified wi-fi network, in line with Commonwealth security policy.

In tandem with the focus on infrastructure, we have adopted a new strategic approach to improving ICT capability and commenced aligning ICT roles with the international Skills Framework for the Information Age, to ensure that development activities are appropriately targeted to digital skills needs. Our ICT staff took part in a range of law enforcement conferences and ICT industry events, including the ACIC's first in-house ICT Expo, in 2018–19.







Section
03

Management and accountability

Our governance, people and resources

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We achieve our intended outcomes through
good governance, effective planning,
performance measurement, and a flexible and
resilient **workforce.**

► Governance context

The ACIC is a Commonwealth statutory body, established under the *Australian Crime Commission Act 2002* (ACC Act). Our role and functions are underpinned by supporting legislation in each state and territory.

We are one of five statutory agencies in the Home Affairs portfolio and report to the Minister for Home Affairs.

In addition, we provide resources and corporate support to, and collaborate closely with, the Australian Institute of Criminology (AIC) on relevant criminological research. Our Chief Executive Officer (CEO) is also Director of the AIC, and AIC staff have transferred to the ACIC under a machinery of government process.

As a Commonwealth statutory authority, we also have responsibilities under the *Public Service Act 1999* and the *Public Governance, Performance and Accountability Act 2013*.

► Internal governance

Our internal governance framework and processes ensure accountability and transparency and promote quality leadership, effective people management and efficient and ethical use of our resources. Our internal governance structure includes the ACIC Executive and senior management committees.

ACIC Executive

On 30 June 2019, the ACIC Executive comprised the CEO, the Chief Operating Officer, three executive directors, 10 national managers and six state managers.

Table 3.1 provides details of the positions and responsibilities of the members of the ACIC Executive.

Table 3.1: Executive positions and responsibilities

CEO OFFICE	Position title and name	Responsibilities
	Chief Executive Officer Michael Phelan APM	Responsible for overseeing the management and administration of the ACIC, managing our relationship with ministers, working collaboratively with ACIC Board member agencies, and providing leadership, strategic direction and strong governance for our agency. Our CEO is a non-voting member of the ACIC Board.
	Chief of Staff Jeremy Johnson	Responsible for government relations and engagement; media and communication; strategy; planning and performance; and strategic policy.
CHIEF OPERATING OFFICER	Chief Operating Officer Anne Brown	Responsible for key enabling services, including people; security; business and innovation; finance; property; and legal services.
	National Manager Finance, Property and Procurement/ Chief Financial Officer Yvette Whittaker	Responsible for the financial management of the agency, procurement, the national property portfolio and business support.
	National Manager People, Security and Integrity Mardi Stewart	Responsible for overseeing people management functions, security, integrity and organisational psychology.
	National Manager Legal Services/General Counsel Nicole Mayo	Responsible for administrative and criminal law litigation; advice on the use of ACIC powers; policy development and legislative reform; risk and audit; agreements; and our examination capability.
	National Manager Business Services Sabeena Oberoi	Responsible for business strategy, the Portfolio Management Office and the National Police Checking Service.
TECHNOLOGY	Executive Director Technology Rochelle Thorne	Responsible for providing and maintaining our national information capabilities and services to support policing and law enforcement.
	Chief Technology Officer Stewart Sibree	Responsible for capabilities required to design, develop and operate ICT solutions to ensure connectivity between our agency's IT systems and external systems and ongoing access to critical sources of data.
	Senior Advisor Business Systems Delivery Stephen McCarey	Responsible for intelligence and national policing information ICT solutions for our agency.

Table 3.1: Executive positions and responsibilities (continued)

INTELLIGENCE OPERATIONS	Position title and name	Responsibilities
	Executive Director Intelligence Operations Matthew Rippon	Responsible for ACIC investigations and intelligence operations, our intelligence products development and oversight of state managers.
	National Manager Operational Strategy Darshana Sivakumaran	Responsible for the Australian Priority Organisation Target disruption unit; transnational serious and organised crime; criminal intelligence of cybercrime and gangs; and the monitoring and assessment unit.
	State Manager New South Wales Warren Gray	Responsible for operations and stakeholder relationships in New South Wales and national physical surveillance.
	State Manager Victoria Jason Halls	Responsible for operations and stakeholder relationships in Victoria.
	State Manager Queensland Charlie Carver	Responsible for operations and stakeholder relationships in Queensland.
	State Manager Western Australia Doug Miller	Responsible for operations and stakeholder relationships in Western Australia.
	State Manager Northern Territory and acting State Manager South Australia David Richardson	Responsible for operations and stakeholder relationships in the Northern Territory and South Australia.
	State Manager Tasmania John Arnold	Responsible for operations and stakeholder relationships in Tasmania.
CAPABILITY	National Criminal Intelligence System Program Director Jakub Bartkowiak	Responsible for specialist, covert and technical operations and compliance with statutes governing surveillance and operational activity.
	Executive Director Capability Mark Harrison	Responsible for strategic intelligence, human intelligence and technical intelligence capabilities.
	National Manager Strategic Intelligence Capability Katie Willis	Responsible for national strategic intelligence, including drugs intelligence research, strategic analytics and criminal intelligence information services; and head of the determinations function for the agency.
	National Manager Technical Intelligence Capability Nick Wolanin	Responsible for covert technical intelligence capability and operations, covert system integration, and technical intelligence analytics.
	Senior Advisor Human Intelligence Capability Hans Koenderink	Responsible for human source capability, undercover capability, national surveillance, behavioural intelligence capability, covert operations assurance, capability protection, and intelligence and specialist capability training and development.

ACIC examiners

ACIC examiners are independent statutory officers appointed by the Governor-General to exercise the coercive powers set out in the ACC Act for the purpose of ACIC Board-approved special operations and special investigations.

To ensure accountability, coercive powers are used only when all legislative requirements are met, including a requirement that an ACIC examiner is satisfied that it is reasonable in all the circumstances to exercise those special statutory powers.

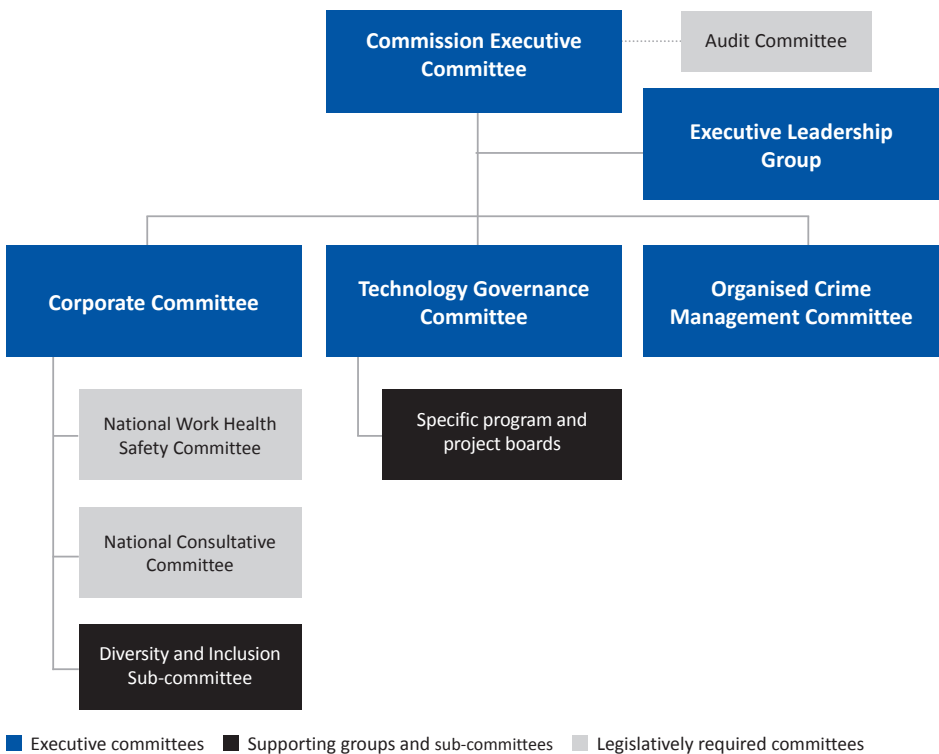
The ACIC currently has one full-time examiner and two part-time examiners, all of whom have extensive experience in the legal profession.

Senior management committees

Our committee structure comprises our Commission Executive Committee, Executive Leadership Group, Organised Crime Management Committee, Technology Governance Committee, Corporate Committee and several other committees, panels, working groups and consultative committees. The relationships between senior management committees are shown in Figure 3.1.

During 2018–19, we adjusted our committee structures to align with our functions and organisational structure. We will continue to review them to ensure that our governance is as effective and streamlined as possible.

Figure 3.1: ACIC senior management committee structure 2018–19



Commission Executive Committee

The Commission Executive Committee is our agency's peak committee to support the achievement of ACIC strategic and business objectives, effective and efficient management of ACIC resources, strategic investment and management of risk. It also ensures that we are accountable and meet the expectations of the ACIC Board, the Australian Government and the public. It receives reporting and advice from other executive committees, identifies and plans for future ACIC capability investments and makes all major resourcing and funding decisions.

The Commission Executive Committee consists of the ACIC CEO (Chair), the Chief Operating Officer and the executive directors. This committee meets as required.

Executive Leadership Group

The Executive Leadership Group comprises all members of the ACIC Executive. The group meets periodically to discuss the broader strategic operating environment and our strategic direction. It considers new strategies and issues that will influence the ACIC work plan. It also considers whole-of-agency risks as they arise. Outcomes and new initiatives from the group are referred to the other executive committees for decision or action, as appropriate.

Audit Committee

The Audit Committee includes an independent external chair and two independent members as well as two internal members and an observer from the Australian National Audit Office.

The committee meets quarterly to review internal and external audit reports, consider findings and recommendations, and oversee the internal audit program. It also holds an additional meeting once a year to review the financial statements. In addition, the committee monitors risk, internal controls, fraud and corruption prevention activities and performance reporting (see further details on this committee on page 75).

Organised Crime Management Committee

The Organised Crime Management Committee makes decisions about the ACIC organised crime and intelligence work program and the allocation of relevant resources to support the delivery of its objectives.

The committee includes our Executive Director Intelligence Operations, Executive Director Capability and Chief Operating Officer, and the national managers of Strategic Intelligence Capability, Operational Strategy, Technical Intelligence Capability, and Human Intelligence Capability. State managers are voting members. The National Manager Legal Services attends as an adviser to the committee, which meets monthly.

Corporate Committee

The Corporate Committee reviews and makes decisions on broader issues of organisational health and effective function. It receives relevant reporting on a broad spectrum of organisational health indicators and oversees key organisational improvement projects. This aspect of the committee function is supported by the National Consultative Committee, National Work Health Safety Committee and Diversity and Inclusion Sub-committee.

Technology Governance Committee

The Technology Governance Committee oversees all technology projects and considers any technology-related risks, including information management and technology security risks. The committee meets quarterly and provides advice to the Commission Executive Committee on the health and performance of the ACIC technology work program.

The Technology Governance Committee is supported by sub-committees that focus on vendor management; architecture and design; ICT operations; and project/workplan management. It is also supported by specific program and project boards.

Consultative committees

The ACIC Enterprise Agreement sets out arrangements for consultation and communication within the ACIC. We do this through the formal consultative mechanism of the National Consultative Committee and local consultative committees in our offices around the country. This enables consultation between management and employees through representatives and provides the mechanism for formal discussion of issues affecting the workplace.

Work health safety committees

The ACIC has both local work health safety committees and a National Work Health Safety Committee, with functions as described in section 77 of the *Work Health and Safety Act 2011*. Local committee meetings are held in our offices around the country and feed into the National Work Health Safety Committee meetings, which are held quarterly.

These committees are the primary means of consultation on work health and safety matters for our staff. They support the ACIC Executive by helping to identify, develop, implement and review measures designed to manage the health and safety of our staff at work.

Diversity and Inclusion Sub-committee

The Diversity and Inclusion Sub-committee oversees the ACIC's Workplace Diversity Program and provides support for and input into the development and maintenance of the ACIC's Diversity Strategy and Action Plan. The plan incorporates all diversity and inclusion issues, including culturally and linguistically diverse backgrounds, Aboriginal and Torres Strait Islander matters, disability, gender equity, and the mature-age and intergenerational workforce. This sub-committee supports the functions of the Corporate Committee.

Other committees

Executive Health Panel

The Executive Health Panel oversees the ACIC Drug and Alcohol Policy. It recommends appropriate action if a confirmed presumptive positive test occurs or if other breaches of the policy require consideration.

Management Review Board

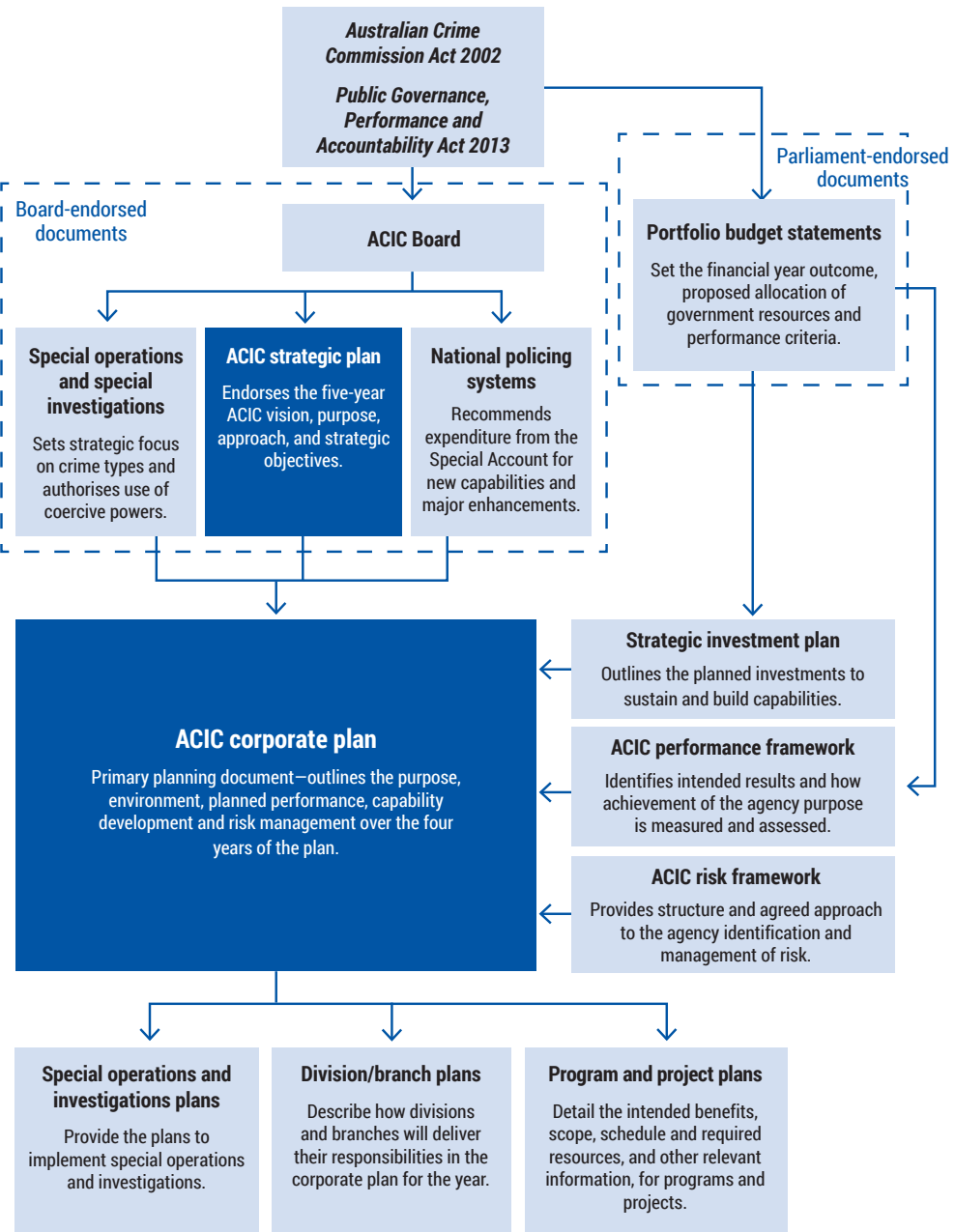
The Management Review Board reviews and manages any risks identified by pre-employment screening and any complex staffing issues. This board is chaired by the National Manager People, Security and Integrity, supported by relevant managers and specialists.

Business planning

Our planning system connects our strategic direction, work priorities approved by the ACIC Board, risk assessment, resource allocations, performance measurement and monitoring.

Our integrated planning approach links all our operational, technological and corporate work to our strategic direction to ensure that we are clear on achieving our purpose, as shown in Figure 3.2.

Figure 3.2: ACIC strategic planning process



Strategic plan

In 2018, the ACIC Board endorsed our strategic plan for the financial years 2018–19 to 2022–23.

The plan details our agency's goals and the approach taken to achieve our mission. It clearly articulates our functions, how we operate and our culture. It also identifies our strategic objectives for the five years of the plan.

The approach detailed in our plan has formed the basis for, and directly links to, our performance framework: 'We connect, discover and understand to improve the national ability to respond to crime impacting Australia'.

The ACIC's *Strategic Plan 2018–23* is on our website at <www.acic.gov.au/publications/corporate-documents>.

Corporate plan

The ACIC's *Corporate Plan 2018–19 to 2021–22* was published on 31 August 2018.

The plan has a four-year outlook and aligns to the strategic direction set in our strategic plan. It describes the environment in which we operate, how we manage risks and assess performance, and the strategies we will be delivering during the financial year and over the four-year life of the plan.

Our current corporate plan is on our website at <www.acic.gov.au/publications/corporate-documents>.

Performance measurement

Our performance criteria are outlined in our *Portfolio Budget Statements 2018–19* and *Corporate Plan 2018–19 to 2021–22*. Details of how we measure our performance and our results against each criterion are included in the annual performance statement in Part 2 of this report.

We take our performance measurement and agency reporting seriously and seek to continually improve and provide quality reporting. We are pleased that our 2017–18 annual report received a Gold Award, our fifth gold in a row, in the 2018 Australasian Reporting Awards.

Stakeholder research

We conducted market research in 2018–19 to understand stakeholder perceptions and satisfaction with the range of services and products that we provide and to help inform future planning. We also collected stakeholder views to help assess results against our performance criteria.

An external market research company conducted the research, which included an online survey of 149 stakeholders. Respondents represented a broad cross-section of agencies and classification levels. They also worked across different areas such as policy, information systems, intelligence and investigations. The survey was designed so that respondents were asked questions relevant to their areas of work and interactions with us.

Results and stakeholder comments are detailed in the annual performance statement in Part 2 of this report. Respondents rated our overall performance in meeting their needs at 6.9 on a scale of 1 to 10.

Most respondents agreed that the ACIC performs a unique and important function in preventing and responding to crime affecting Australia. Our most valuable functions were seen as:

- ▶ providing intelligence products
- ▶ providing information and intelligence services and systems.

Other areas of strength included our approach to investigations; our level of engagement; our knowledgeable and helpful staff; our use of coercive powers; and our unique role of connecting information, intelligence and stakeholders.

Areas for development were identified as ensuring that we are effectively engaging and communicating with partners; enhancing our intelligence products; settling uncertainty regarding system changes; and continuing to improve and increase the accessibility of ACIC systems.

We intend to work on areas for improvement, including stakeholder engagement; project management and delivery; timeliness; and the clear articulation of our strategic direction and role.

Internal audit

Our internal audit team has three main responsibilities:

- ▶ auditing organisational and operational systems and processes
- ▶ monitoring the implementation of audit outcomes
- ▶ developing business improvement opportunities to enhance effectiveness and efficiency in all ACIC business areas.

The internal audit function delivers an objective advisory service, independent of the individual business areas, that provides support and assurance to the ACIC Executive regarding the responsible, effective and efficient use of ACIC powers and resources. The internal audit team is directly accountable to the CEO and the Audit Committee, and the roles, responsibilities and scope of the function are set out in the ACIC Internal Audit Charter.

Key areas examined by internal audit during 2018–19 included:

- ▶ procurement
- ▶ project management
- ▶ management of operational equipment and exhibits
- ▶ covert arrangements.

The audits provided an evidence-based perspective on the effectiveness of policies and procedures, the efficiency of organisational resource use and whether we were achieving operating objectives.

We operate a co-sourced internal audit service and contract an external provider for a small number of our audits.

Audit Committee operations

In accordance with responsibilities under section 45 of the *Public Governance, Performance and Accountability Act 2013*, the CEO has established and maintains an independent Audit Committee. The committee's authority is established under its charter, which sets out its functions and responsibilities.

The Audit Committee endorses the ACIC Internal Audit Charter, approves the annual audit plan, reviews progress against the plan and considers all audit reports. It also monitors the implementation of all internal and external audit recommendations and takes a keen interest in the progress of recommendations arising from other review activity, including from the Australian National Audit Office and the Commonwealth Ombudsman.

The committee provides advice on matters of concern raised by internal auditors or the Auditor-General and advises the CEO on the preparation and review of the ACIC's annual performance statement and financial statements.

At 30 June 2019, the Audit Committee comprised an independent external chair and four members, as well as an observer from the Australian National Audit Office. The independent audit committee members have held a range of senior roles in law enforcement, national security and financial crime investigation and are experienced in managing risk in those contexts.

The committee met five times during the year and reviewed areas such as the agency's financial performance; internal and external audit reports; progress against audit recommendations; agency planning and performance frameworks and reporting; the agency's compliance with legislation; risk oversight and management; and Australian National Audit Office activity.

Assumed identities

In accordance with Commonwealth, state and territory legislation, ACIC officers and supervised civilians may be authorised to acquire and use assumed identities for the purposes of conducting investigations or gathering intelligence in relation to serious and organised crime, or in associated support or training roles. In practice, the ACIC uses the Commonwealth legislation.

During 2018–19, as required under the legislation, we:

- ▶ reported to Commonwealth, state and territory ministers in accordance with legislative requirements
- ▶ reviewed the ongoing necessity for each authorised member of staff to continue to use an assumed identity
- ▶ conducted mandatory audits of ACIC records relating to assumed identities.

This year we worked on developing a system to manage the end-to-end lifecycle for assumed identities and online personas and to help ensure that compliance and legislative requirements are met. Once the system is rolled out, ACIC staff will be able to use a single, secure application to undertake intelligence, investigative and research activities using assumed identities and online personas to support strategic and operational outcomes.

Risk management

The ACIC's risk management framework assists us to make risk-informed decisions that support our work to achieve our purpose while meeting our corporate and legislated accountabilities.

During 2018–19, we:

- ▶ completed the Comcover risk management benchmarking exercise to assess the maturity of our current approach and guide further development
- ▶ focused on approaches to improving risk culture and understanding at all levels
- ▶ participated in multiagency risk forums and consulted with partner agencies on better practice approaches to managing risk.

Our Comcover Risk Management Benchmarking Survey result evidenced a decrease in the maturity of the ACIC's risk management framework.

Our risk function is represented in the Audit Committee and works closely with the internal audit team and the ACIC Executive.

Security and integrity

We are entrusted with special powers to enable us to work effectively with our partners to combat serious and organised crime in Australia. Security and integrity are critical in the use of those powers and in delivering our required outcome to government and our partner agencies and, more broadly, to the public.

Our security and integrity framework outlines a defined approach to managing integrity and security risks across our agency. Our documented, agreed and understood policies, procedures and processes define how security and integrity are managed in the agency.

Our integrity assurance function contributes to effective fraud and corruption control by reporting, preventing, detecting and investigating suspected fraud and corruption in the agency.

The ACIC adopts a risk-based approach to the security environment, ensuring the protection of people, information and assets.

We implemented the Protective Security Policy Framework reforms during 2018–19 and strove for continuous growth and maturity in our security culture. The CEO, as the accountable authority, has appointed a Chief Security Officer, who is responsible for the agency's security framework.

During the year, the agency undertook a number of significant projects to enhance our security governance framework and physical security at a number of sites, to ensure the ongoing protection of sensitive capabilities.

The ACIC maintains appropriate personnel security arrangements and protections, ensuring that all staff have appropriate security clearances to access required information, in addition to reviewing the ongoing suitability of its personnel annually.

Fraud and corruption

The ACIC's fraud and corruption control plan complies with the Commonwealth Fraud Control Framework, outlines our attitude and approach to fraud and corruption control, summarises risks identified in the fraud and corruption risk assessment, and details mitigation strategies recommended to treat significant risks.

We work closely with partners to ensure that we are adequately and appropriately addressing risks within this environment and that staff have appropriate education and awareness to identify potential instances of wrongdoing and make use of the reporting mechanisms available.

Where fraud or corruption is suspected, the matter may be subject to misconduct investigation, criminal investigation, or both. If sufficient evidence is found to support a criminal charge, the matter may be referred to the Commonwealth Director of Public Prosecutions (CDPP) for consideration of criminal prosecution.

We are well connected with the broader anti-corruption environment. We participate in the Australian Commission for Law Enforcement Integrity (ACLEI) Community of Practice for Corruption Prevention. This network of integrity professionals from the agencies under ACLEI's jurisdiction shares best practice strategies in detecting and deterring corrupt conduct and participates in discussions on key or emerging issues.

We are committed to deterring and preventing corruption by organised crime wherever it occurs. Where requested and as appropriate, we assist ACLEI with its investigations. We provide specialist services, including surveillance, as agreed through our memorandum of understanding with ACLEI.

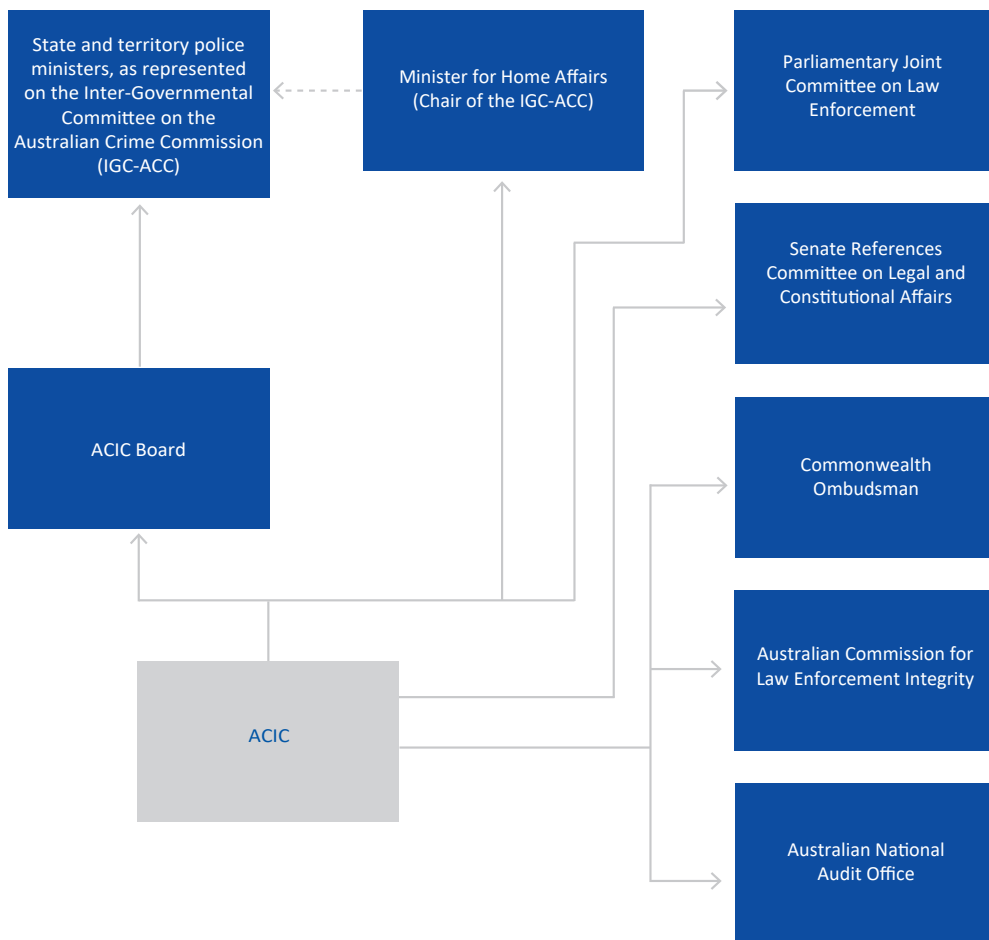
► External scrutiny

At 30 June 2019, the ACIC was part of the Home Affairs portfolio and accountable to the Minister for Home Affairs.

Our external scrutiny includes the ACIC Board, the Inter-Governmental Committee on the Australian Crime Commission, the Parliamentary Joint Committee on Law Enforcement and the Senate References Committee on Legal and Constitutional Affairs.

Due to the nature of our business, we operate in a contested environment and are subject to legal challenge as a normal part of our operations. The Commonwealth Ombudsman, ACLEI and the Australian National Audit Office also form part of our external scrutiny framework, as shown in Figure 3.3.

Figure 3.3: ACIC external accountabilities at 30 June 2019



Ministerial arrangements

At 30 June 2019, the Home Affairs portfolio included the following ministers:

- ▶ Minister for Home Affairs, the Hon Peter Dutton MP
- ▶ Minister for Immigration, Citizenship, Migrant Services and Multicultural Affairs, the Hon David Coleman MP
- ▶ Assistant Minister for Customs, Community Safety and Multicultural Affairs, the Hon Jason Wood MP.

While we are accountable to all portfolio ministers as required, most of our work during 2018–19 related to the areas covered by Minister Dutton.

The Hon Peter Dutton MP was sworn in as the Minister for Home Affairs on 20 December 2017. Following the 2019 federal election, the Hon Peter Dutton MP was again sworn in as the Minister for Home Affairs on 29 May 2019.

Parliamentary Joint Committee on Law Enforcement

At 30 June 2019, the Parliamentary Joint Committee on Law Enforcement consisted of nine members. The committee is made up of four members from the Senate (appointed by the Senate) and five members from the House of Representatives (appointed by the House). The committee meets as required.

At 30 June 2019, the members of the committee were:

- ▶ Mr Craig Kelly MP (Chair)
- ▶ Senator the Hon Lisa Singh (Deputy Chair)
- ▶ Senator the Hon Eric Abetz
- ▶ Dr Anne Aly MP
- ▶ Senator the Hon Richard Colbeck
- ▶ Senator the Hon Kristina Keneally
- ▶ Mr Llew O'Brien MP
- ▶ Ms Clare O'Neil MP
- ▶ Mr Jason Wood MP.

The duties of the committee are to:

- ▶ monitor and review the performance of the ACIC and Australian Federal Police (AFP) and their functions
- ▶ report to both Houses of the Parliament any matters relating to the ACIC or AFP or their performance of which the committee thinks the Parliament should be aware
- ▶ examine the annual reports of the ACIC and AFP and report to the Parliament on any matter appearing in, or arising out of, any such annual report

- ▶ examine trends and changes in criminal activities, practices and methods and report to the Parliament any change to the functions, structure, powers and procedures of the ACIC or the AFP that the committee thinks desirable
- ▶ inquire into issues, within its area of responsibility, raised by the Parliament, and report back.

Under section 7(c) of the *Parliamentary Joint Committee on Law Enforcement Act 2010*, the committee is required to examine each annual report of the ACIC. This is usually done through a public hearing.

Other parliamentary committees

Each year we contribute to various parliamentary inquiries affecting national law enforcement capability and activities. For details of our contributions in 2018–19, see page 34.

In addition, in 2018–19, we were called on to appear before the Senate Legal and Constitutional Affairs References Committee at Budget Estimates hearings on 22 October 2018, 18 February 2019 and 8 April 2019. Transcripts of the proceedings and responses to questions on notice are available on the committee's website.

Inter-Governmental Committee on the Australian Crime Commission

The Inter-Governmental Committee on the Australian Crime Commission (IGC-ACC) is established by section 8 of the ACC Act, with the following functions:

- ▶ to monitor generally the work of the ACIC and the ACIC Board
- ▶ to oversee the strategic direction of the ACIC and the ACIC Board
- ▶ to receive reports from the ACIC Board for transmission to the governments represented on the committee and to transmit those reports accordingly.

The IGC-ACC monitors the work and strategic direction of the ACIC and the ACIC Board, including the use of coercive powers. Under certain circumstances, the committee has the authority to revoke a board determination.

The IGC-ACC comprises the Minister for Home Affairs and a minister to represent each state and territory government, nominated by the premier or chief minister of the state or territory. At 30 June 2019, the members were:

- ▶ the Hon Peter Dutton MP (Commonwealth) (Chair)
- ▶ the Hon David Elliot MP (New South Wales)
- ▶ the Hon Lisa Neville MP (Victoria)
- ▶ the Hon Michael Ferguson MP (Tasmania)
- ▶ the Hon Corey Wingard MP (South Australia)
- ▶ the Hon Michelle Roberts MLA (Western Australia)

- ▶ the Hon Nicole Manison MLA (Northern Territory)
- ▶ the Hon Mark Ryan MP (Queensland)
- ▶ the Hon Mick Gentleman MLA (Australian Capital Territory).

ACIC Board

The ACIC Board is established by section 7B of the ACC Act and is responsible for providing strategic direction to the ACIC and setting strategic priorities for the agency. The board is also responsible for determining whether an intelligence operation or investigation is ‘special’ and therefore may involve use of the coercive powers set out in the ACC Act.

In setting the ACIC’s strategic direction, the board is able to fuse together state, territory and national interests and provides a significant platform from which to operate collaboratively with our partners.

The board considers a range of issues at each meeting, including the overall performance of key areas of ACIC work. It also plays an active role in addressing strategic issues faced by the ACIC and authorising or identifying key areas of new work that we should pursue.

As set out in section 7B of the ACC Act, the ACIC Board comprises the:

- ▶ Commissioner, Australian Federal Police (Chair)
- ▶ Secretary, Department of Home Affairs
- ▶ Comptroller-General, Customs (Commissioner of the Australian Border Force)
- ▶ Chairperson, Australian Securities and Investments Commission
- ▶ Director-General of Security, Australian Security Intelligence Organisation
- ▶ Commissioner of Taxation, Australian Taxation Office
- ▶ commissioners of all state police forces and the Northern Territory police force, and the Chief Police Officer, ACT Policing
- ▶ CEO, ACIC (as a non-voting member).

The CEO of the Australian Transaction Reports and Analysis Centre (AUSTRAC) and the Secretary of the Attorney-General’s Department attend board meetings as non-voting observers.

Chair’s annual report

Details of ACIC Board meetings and the Chair’s report on the ACIC’s operations are contained in the *Australian Criminal Intelligence Commission Chair Annual Report*, which is tabled separately as soon as is practicable after 30 June and fulfils the reporting requirements of the ACC Act.

Board decisions and considerations

During 2018–19, the board was responsible for the authorisation and determination of special investigations and special operations and the establishment of task forces as shown in tables 3.2 and 3.3.

Table 3.2: ACIC Board authorisations and determinations at 30 June 2019

Authorisation/determination	Type	Date established
National Security Impacts from Serious and Organised Crime No. 2 (as amended)	Special investigation	4 September 2013
Outlaw Motor Cycle Gangs (as amended)	Special investigation	4 September 2013
Highest Risk Criminal Targets No. 2 (as amended)	Special investigation	4 September 2013
Targeting Criminal Wealth No. 2 (as amended)	Special investigation	4 September 2013
Criminal Exploitation of Australia's Migration System	Special operation	8 June 2016
Emerging Organised Crime Threats	Special operation	8 June 2016
Cyber-related Offending	Special operation	21 June 2017
Firearm Trafficking	Special operation	21 June 2017
High Risk and Emerging Drugs No. 3	Special operation	21 June 2017
Cyber-Related Offending No. 2	Special operation	13 June 2018
Firearm Trafficking No. 2	Special operation	13 June 2018
High Risk and Emerging Drugs No. 4	Special operation	13 June 2018
National Security Impacts from Serious and Organised Crime No. 3	Special operation	13 June 2018
Outlaw Motor Cycle Gangs No. 2	Special operation	13 June 2018
Highest Risk Criminal Targets No. 3	Special investigation	13 June 2018
Targeting Criminal Wealth No. 3	Special investigation	13 June 2018
Criminal Exploitation of Australia's Migration System No. 2	Special operation	13 June 2018
Emerging Organised Crime Threats No. 3	Special operation	13 June 2018

Table 3.3: ACIC Board-established task forces at 30 June 2019

Task force	Date established
National Task Force Morpheus	1 July 2014
Vestigo Task Force	30 November 2016
National Criminal Intelligence System Task Force	13 June 2018

In addition, in 2018–19, the board:

- ▶ approved the 2019–20 national criminal intelligence priorities
- ▶ reviewed ACIC strategic priority areas and the planned activity and response to identified threats, and determined the priorities for the ACIC's special investigations and special operations

- ▶ considered arrangements for the National Criminal Intelligence System
- ▶ approved ongoing access to information for the Enhanced Biometrics at the Border project
- ▶ noted that the Australian Cyber Security Centre has taken responsibility for a cybercrime reporting system to replace the Australian Cybercrime Online Reporting Network
- ▶ noted prioritisation of ICT projects to ensure delivery of key priorities
- ▶ agreed to progress further work on key recommendations in the 2015 *Independent Review of the ACC Act* (as required under section 61A of the ACC Act), which presents an opportunity to ensure that the ACIC has the necessary powers to support our investigative and intelligence functions.

During 2018–19, the ACIC Board farewelled Commissioner Ian Stewart, Queensland Police Service, who was appointed to the board in 2012.

Board-endorsed external governance and engagement model

The board endorsed updated external governance arrangements on 13 June 2018 to support the effective operation of the ACIC. The arrangements include external engagement bodies comprising representatives from board member agencies and other relevant partner agencies.

The role of these bodies is to provide advice to the ACIC CEO in accordance with the CEO's functions as prescribed under the ACC Act, as follows:

- ▶ **Law Enforcement Information Services Capability Committee**—This committee informs the development, implementation and operation of initiatives that support national law enforcement information-sharing services and systems for Australia's police, wider law enforcement and national security agencies.
- ▶ **National Criminal Intelligence Capability Committee**—This committee promotes and champions the professionalism of the national criminal intelligence capability and collaborates on strategic intelligence issues at the national level to ensure coordinated advice for Australia's police, wider law enforcement and national security agencies.
- ▶ **Technology Capability Committee**—This committee informs and supports the development, implementation and operation of the national services and systems that we deliver for Australia's police, wider law enforcement and national security agencies.

Australian Commission for Law Enforcement Integrity

The ACIC's primary oversight body is the ACLEI, which was established by the *Law Enforcement Integrity Commissioner Act 2006* to prevent, detect and investigate corruption in law enforcement agencies, including the ACIC and the former National Crime Authority where necessary.

Under this Act, our CEO is required to notify the Integrity Commissioner of corruption issues that relate to the ACIC. While the responsibility to notify the commissioner rests with the CEO, the ACIC and ACLEI work collaboratively and cases are discussed to assess whether there should be a notification.

Commonwealth Ombudsman

During 2018–19, the Ombudsman visited the ACIC offices in Brisbane, Sydney and Melbourne to conduct seven inspections.

The ACIC has since received a report on each of those inspections. The reports include issues that were self-disclosed by the ACIC to the Ombudsman during inspections, as well as instances that the Ombudsman identified based on its review of our records. In most of the reports the Ombudsman also expressed satisfaction with the ACIC's transparency, commitment to compliance measures and remedial action. Reports outlining results from inspections of ACIC records become publicly available once the Minister has tabled them in Parliament.

As part of the ACIC's Excellence in Compliance Strategy, we maintain a productive relationship with the Ombudsman's office, and its advice on best practice guides the development of our procedures and training programs.

Australian National Audit Office

During 2018–19, the Australian National Audit Office completed a performance audit on the administration of the Biometric Identification Services project as well as the annual audit of the financial statements.

Freedom of information

As an agency subject to the *Freedom of Information Act 1982*, we are required to publish information to the public as part of the Information Publication Scheme. That information can be found on our website at <www.acic.gov.au/about-us/freedom-information>.

Judicial decisions

The ACIC is subject to legal challenge as a normal part of our operations. This may occur in the context of applications in the Federal Court for judicial review under the *Administrative Decisions (Judicial Review) Act 1977* or section 39B of the *Judiciary Act 1903*, or as part of the criminal justice process, such as in contested subpoenas or applications for a stay of criminal proceedings.

In 2018–19, the ACIC was involved in five significant matters, for which we prepared regular reports to the Office of Legal Services Coordination. Two of those matters were also reported on in last year's annual report.

XXVII v Commonwealth of Australia & Ors

XXVII (a court-ordered pseudonym) was summonsed to attend an examination under the ACC Act. On 15 March 2016, XXVII filed an application for judicial review seeking orders to prevent the examination from proceeding on a number of administrative law grounds. In particular, XXVII challenged the validity of the board's special investigation, under which XXVII was summonsed, and consequently the summons itself. The matter was heard before Justice Charlesworth.

On 29 March 2017, the court ruled in favour of the ACIC, dismissing the application. Justice Charlesworth found that the application sought to relitigate issues that had been resolved by the decisions in *XCIV v ACC & Sage*, *LX v Commonwealth of Australia* and *XX v Australian Crime Commission* and upheld the validity of the special investigation.

On 11 April 2017, XXVII filed an appeal against the decision of Justice Charlesworth. The appeal was heard on 22 August 2017, and on 13 April 2018 the Full Court dismissed the appeal. XXVII filed an application for special leave on 11 May 2018. On 12 September 2018 the application was dismissed on the papers.

Galloway v CDPP & Ors; Hodges v CDPP & Ors; Tucker v CDPP & Ors; Strickland v CDPP & Ors

In 2012, six people were charged with various offences. Four of the accused were examined pre-charge by the then Australian Crime Commission on matters in relation to which they were eventually charged. The trial judge ordered a stay of their prosecutions. That stay was overturned on appeal. Special leave to appeal was granted by the High Court.

On 8 November 2018, the court unanimously held that the ACIC had acted unlawfully on the basis that no special investigation was being conducted under the ACC Act at the relevant time. The majority granted permanent stays of the appellants' prosecutions.

CCXV v Commonwealth of Australia & Ors

CCXV (a court-ordered pseudonym) was summonsed to attend an examination under the ACC Act. On 3 September 2018, CCXV filed an application for judicial review seeking orders to prevent the examination from proceeding on a number of administrative law grounds. In particular, CCXV challenged the validity of the ACIC Board's special investigation under which CCXV was summonsed, the summons itself, and the constitutional validity of the provisions in the ACC Act that permit examinations of persons 'post-charge'.

The matter was resolved before the hearing and on 3 June 2019 Justice White made consent orders dismissing the application.

CXXXVIII v Commonwealth of Australia & Ors

CXXXVIII (a court-ordered pseudonym) was served with a summons to appear before an examiner in furtherance of a special investigation. He was also served with a forthwith notice to produce, at the time and place of service, certain items in his custody and control. The examiner conceded that the summons and notice were ineffectually served, for different reasons. The examiner exercised his powers and issued a fresh summons and a new notice, which were subsequently served on CXXXVIII.

On 27 June 2018, CXXXVIII filed an application for judicial review seeking to challenge the decision to issue the two summonses and two notices served on him. The ACIC conceded that the first notice and the first summons were ineffectually served/deficient, but contended that the second summons and second notice were lawfully and validly issued and served.

The matter was heard in an expedited hearing, and Justice Brown ruled in favour of the respondents on 31 August 2018. On 20 September 2018, CXXXVIII filed an application in the Full Federal Court seeking to appeal the whole of the decision of Justice Brown. His application was unsuccessful.

CXXXVIII has applied to the High Court for special leave in respect of the whole of the Full Federal Court's judgement. At the time of writing the report the High Court is considering the special leave application.

CXXXVIII v The Honourable Justice Richard Conway White & Ors

An ACIC examiner applied for the issue of a section 31 warrant under the ACC Act. The warrant was issued by Justice White on 8 August 2018. The AFP subsequently executed the warrant and stopped CXXXVIII (a court-ordered pseudonym) from leaving the country. On 31 December 2018, CXXXVIII filed an application seeking judicial review of the arrest warrant under section 39B of the *Judiciary Act 1903*. The matter is expected to be listed for hearing in November 2019.

Contempt of the ACIC

ACIC examiners have the power to apply for a witness to be dealt with for contempt of the ACIC in certain circumstances. Those applications are heard in either the Federal Court or the relevant state or territory Supreme Court.

Three contempt proceedings were finalised in 2018–19.

Anderson v GPY18 [2019] FCA 954

On 11 September 2018, GPY18 (a court-ordered pseudonym) was summonsed to appear before an ACIC examiner. GPY18 appeared before the examiner and refused to take the oath or make an affirmation, and contempt proceedings were commenced under section 34A of the ACC Act. GPY18 pleaded guilty to the contempt.

On 21 June 2019, GPY18 was sentenced in the Federal Court to six months immediate imprisonment.

Anderson v DKH18 [2018] FCA 1571

On 6 June 2018, DHK18 (a court-ordered pseudonym) was summonsed to appear before the ACIC examiner. DHK18 appeared before the examiner and refused to answer questions. Contempt proceedings were commenced under section 34A of the ACC Act. On 5 October 2018, DHK18 pleaded guilty to six counts of contempt of the ACIC.

On 19 October 2018, DHK18 was sentenced in the Federal Court to an indefinite period of imprisonment.

Sage v AFL19—Federal Court proceeding VID1660/2018

On 22 June 2018, AFL19 (a court-ordered pseudonym) was summonsed to appear before an ACIC examiner. During the course of the examination, AFL19 refused to answer questions. Contempt proceedings were commenced under section 34A of the ACC Act. The examination was adjourned for mention to 17 December 2018. When the examination commenced, AFL19 purged his contempt and the application was discontinued.

Legislative change

Amendments to the ACC Act

The ACIC is established by the ACC Act. During 2018–19, the ACC Act was amended by the *Office of National Intelligence (Consequential and Transitional Provisions) Act 2018*, which commenced on 20 December 2018 and amended the ACC Act to facilitate information sharing with the newly established Office of National Intelligence.

Amendments to the ACC Regulations

The *Australian Crime Commission Regulations 2018* commenced on 18 December 2018, replacing the *Australian Crime Commission Regulations 2002*. The new Regulations retained existing provisions but with some updating and revised drafting.

Additional provisions included in the new ACC Regulations were:

- ▶ clarification that expressions defined in the ACC Act that contain 'ACC', such as 'ACC information', 'member of the staff of the ACC' and 'Board of the ACC' may also be referred to by replacing 'ACC' with a prescribed alternative acronym; this is intended to facilitate the use of the acronym 'ACIC'
- ▶ additional options for the service of summonses, such as electronic service and extensions to the categories of judges to whom the ACIC may apply for a substituted service order to include judges of the Federal Circuit Court
- ▶ amendments to the form of section 22 warrants
- ▶ the prescribing of additional international bodies, bodies corporate and classes of bodies corporate for the disclosure of ACIC information
- ▶ national policing information
 - state and territory working with children screening agencies and court agencies prescribed as agencies that contribute information to a national policing information system for the Working with Children Checks National Reference System and the National Domestic Violence Order Scheme and the Interim Order Reference System, respectively
 - the prescribing of new national policing information systems, namely the National Criminal Intelligence System; the End User Declaration Online System; and the Working with Children Checks National Reference System
- ▶ the removal of six national policing information systems to reflect the current systems maintained by the ACIC.

► Our people

At 30 June 2019, the ACIC had a staff of 770 Australian Public Service (APS) employees and statutory office holders, including 21 staff from the AIC, supplemented by 38 secondees from Commonwealth, state and territory law enforcement and other Commonwealth agencies.

Our workforce includes investigators, intelligence analysts, financial profilers, operational and organisational psychologists, physical and technical surveillance operatives, technical and cyber analytics operatives, lawyers, specialist examinations staff, business and systems analysts, information architects, project and program managers, and corporate services staff.

We work with secondees from our partner agencies, some of whom are seconded to the ACIC to work in multiagency task forces and joint analyst groups. We also engage contractors and consultants to provide specialised services.

Staffing profile

Table 3.4 shows our staffing profile at the end of 2018–19. More details of the ACIC’s staffing are provided in Appendix D. Information on consultants is provided in the ‘Resource management’ section on page 104.

Table 3.4: Staffing profile at 30 June 2019

Staffing categories	Number of staff	Number of full-time equivalent staff	Average staffing level during 2018–19
APS employees and statutory office holders	770	729.16	745.61
Secondees funded by the ACIC ^a	21	n.a.	n.a.
Secondees funded by jurisdictions ^a	17	n.a.	n.a.
Total core staff	808	729.16	745.61
Task force members	101	n.a.	n.a.
Total overall staff	909	729.16	745.61

APS = Australian Public Service, n.a. = not applicable

^a This table shows the number of secondees and task force members at 30 June 2019. However, as secondees and task force members work with us for different periods of time throughout the year, the overall total for 2018–19 was 227. Secondees and task force members cannot be accurately reflected in full-time equivalent and average staffing level numbers.

During 2018–19, we had four statutory office holders, which included three examiners and the CEO, all appointed on a fixed-term arrangement.

At 30 June 2019, we had a total of 38 secondees from 14 other agencies, on short-term or long-term assignment. During the year, we hosted a total of 64 secondees.

We coordinate and participate in joint task forces and joint analyst groups with partner agencies. At 30 June 2019, we had 101 task force members from 13 other agencies on short-term or long-term assignment. During the year, we hosted 163 task force members.

Table 3.5 shows a breakdown of secondees and task force staff by home agency and jurisdiction at 30 June 2019.

Table 3.5: Secondees and task force staff by home agency and jurisdiction at 30 June 2019

Agency	Secondees funded by the ACIC	Secondees funded by jurisdiction	Task force staff funded by jurisdiction
ACT Policing	1	–	–
Australian Transaction Reports and Analysis Centre	–	–	3
Australian Defence Force	–	1	–
Australian Federal Police	2	–	18
Australian Taxation Office	2	5	1
Department of Education and Training	–	2	–
Department of Health	1	–	–
Department of Home Affairs	–	2	35
NSW Crime Commission	–	–	1
NSW Police Force	5	3	2
Office of the Inspector-General of Intelligence and Security	–	2	–
Queensland Corrective Services	–	–	1
Queensland Crime and Corruption Commission	–	–	1
Queensland Police Service	2	–	10
South Australia Police	–	1	1
Tasmania Police	1	–	1
Victoria Police	6	–	22
Western Australia Police	1	1	5
Total	21	17	101

Table 3.6 shows staffing profile trends over the three most recent financial years.

Table 3.6: Staffing profile trends

Headcount at 30 June	2016–17	2017–18	2018–19
APS and statutory office holders	810	791	770
Secondees funded by the ACC/ACIC	14	17	21
Secondees funded by other jurisdictions	10	14	17
Total core staff	834	822	808
Task force and joint analyst group members	100	101	101
Total overall available resources	934	923	909
Full-time equivalent (APS only)	761.25	757.46	729.16
Average staffing level (APS only)	757.69	749.06	745.61

ACC = Australian Crime Commission, APS = Australian Public Service

Location

During the year, our staff were based in eight locations around Australia and three overseas locations, as shown in Table 3.7.

Table 3.7: Australian Public Service employees and statutory office holders by location at 30 June 2019

Location	Number
Canberra	414
Sydney	128
Melbourne	90
Brisbane	69
Adelaide	32
Perth	29
Darwin	2
Hobart	2
London	1
The Hague	1
Washington DC	2

Classification levels

As shown in Table 3.8, we have 12 different classification levels, including APS 1–6, Executive Levels 1 and 2, Senior Executive Service (SES) bands 1 and 2 and our CEO and examiners, who are statutory office holders.

Table 3.8: Australian Public Service employees and statutory office holders by classification level at 30 June 2019

Classification level	Number
APS 1	2
APS 2	2
APS 3	26
APS 4	118
APS 5	109
APS 6	132
EL 1	279
EL 2	80
SES 1	14
SES 2	4
CEO	1
Examiners	3

APS = Australian Public Service, EL = Executive Level, SES = Senior Executive Service
Note: These figures represent positions that were substantively filled as at 30 June 2019.

A breakdown of classifications in our different locations is in Appendix D, tables D.1 to D.4.

Age

Our workforce includes staff from 19 to 74 years of age.

Diversity and inclusion

The ACIC is committed to creating an environment that respects and values the expertise, experiences and abilities of all our employees. In doing so, we are able to build an inclusive and diverse workforce that allows us to better serve the community by delivering on our key purpose of making Australia safer.

The Diversity and Inclusion Sub-committee of the Corporate Committee provides oversight of our Workplace Diversity Program and provides support for and input into the development, maintenance and implementation of our disability action plans. The agency has four diversity action plans for 2017–19, focusing on:

- ▶ gender equity
- ▶ Aboriginal and Torres Strait Islander peoples
- ▶ people with disability
- ▶ people from culturally and linguistically diverse backgrounds.

The Diversity and Inclusion Sub-committee meets quarterly and consists of SES-level Diversity Champions and Deputy Champions as well as diversity working group members. They actively promote, participate in and support initiatives to improve diversity awareness, access and inclusion within the agency.

Gender

The agency's *Gender Action Plan 2017–2019* outlines our commitment and intention to address gender equality and aims to build on our inclusive culture with a broader and more diverse talent base to strengthen capability and operational effectiveness.

In 2018–19, the ACIC:

- ▶ launched our Gender Equality Pledge at our agency's 2019 International Women's Day event
- ▶ assisted with coordination of the National Intelligence Community's International Women's Day event, which included a panel discussion that created awareness and education to support women's progression into leadership roles affected by gender imbalance
- ▶ continued to offer opportunities to women to participate in leadership programs, such as Women in Law Enforcement Strategy mentoring
- ▶ developed and implemented an e-learning program on unconscious bias
- ▶ shared success stories of employees enjoying flexible working arrangements.

During the year, women made up 49 per cent of our organisation (Table 3.9). There are 119 more women than men at classification levels APS 1–6, but 127 more men than women at the EL 1, EL 2 and SES levels.

Table 3.9: Australian Public Service employees and statutory office holders by gender at 30 June 2019

Gender	Number
Male	391
Female	379
Indeterminate	—

A breakdown of gender distribution by classification is in Appendix D, tables D.5 to D.8.

Cultural and linguistic diversity

The ACIC acknowledges, respects and promotes the culturally and linguistically diverse demographic of our workforce.

In 2018–19, we continued to implement our culture strategy to foster an inclusive, positive and productive working environment by:

- ▶ celebrating significant events
- ▶ offering staff an opportunity to register their language skills
- ▶ holding a membership of Diversity Council Australia
- ▶ monitoring and tracking retention levels of staff across all diversity groups
- ▶ promoting the ACIC as an employer of choice for all position descriptions and diversity groups.

Of our staff, 22 per cent have self-identified as being from a non-English speaking background, 15 per cent have stated that they do not have English as their first language, and 16 per cent have stated that Australia is not their country of birth.

Reconciliation Action Plan

Our *Reconciliation Action Plan 2018–20* was launched on 19 April 2018. The plan, which is supported by two Senior Executive Champions and a working group, allows the ACIC to foster respectful and productive relationships with Aboriginal and Torres Strait Islander people and communities. In implementing the plan, we are making a meaningful contribution to reconciliation.

During 2018–19, we took the following actions:

- ▶ The ACIC celebrated and promoted the *Reconciliation Action Plan 2018–20* and encouraged employees to participate in National Reconciliation Week and NAIDOC Week events. This included a cultural immersion and awareness program on country, and attendance at the National NAIDOC Awards. We also invited an Indigenous elder to conduct a Welcome to Country and dancers to provide a cultural experience for employees at our all-staff meetings.
- ▶ We held the agency's inaugural Indigenous Employee Forum, which brought together all Indigenous staff, facilitated by a recognised Indigenous enterprise sourced through Supply Nation.

- ▶ We implemented the Acknowledgement of Country in all ACIC meetings by placing wording in each ACIC meeting room. Supporting guidelines are available on the intranet.
- ▶ We continued to participate in Indigenous programs, which included entry-level programs, the Indigenous Australian Government Development Program, the APS Indigenous Graduate Pathway and the Jawun secondment program.
- ▶ We held monthly Reconciliation Action Plan Working Group meetings to assist in the implementation of the *Reconciliation Action Plan 2018–20*.

Of our staff, 1.6 per cent have self-identified as being from an Indigenous background.

Disability

The ACIC is committed to changing attitudes and removing barriers by providing an inclusive workplace for employees and potential employees with disability.

The *Disability Action Plan 2017–2019* has provisions to ensure an accessible and inclusive workplace. We are changing attitudes by:

- ▶ ensuring that our two Senior Executive Disability Champions promote access and inclusion in the agency
- ▶ continuing to maintain a silver membership of the Australian Network on Disability
- ▶ participating in the Australian Network on Disability's 'Stepping Into' program
- ▶ developing draft reasonable adjustment policies, factsheets and an accessibility passport
- ▶ commencing development of a psychological health strategy which promotes mental health and wellbeing in the workplace
- ▶ implementing a disability awareness e-learning program available to all staff
- ▶ promoting and maintaining the Disability Working Group.

Of our staff, 2.1 per cent of staff have identified as having disability.

The National Disability Strategy 2010–2020 sets out a national policy framework to improve the lives of people with disability. Progress against the framework is tracked in a series of reports available from the Department of Social Services website <www.dss.gov.au>.

Remuneration and benefits

During 2018–19, our *ACIC Enterprise Agreement 2016–19* covered all APS employees (not including our substantive SES officers or examiners). The agreement commenced on 30 December 2016 and will expire on 30 December 2019. It provides a range of flexible working arrangements and aligns key ACIC conditions with APS-wide conditions.

Non-salary benefits include flexible working arrangements for staff at APS levels 1–6, time-off-in-lieu arrangements for Executive Level staff, tertiary studies assistance and a comprehensive Performance Development System. We also offer free influenza vaccinations and an employee assistance program that provides counselling and support for staff and their family members.

Details of salary ranges available under the enterprise agreement are provided in Table D.14 in Appendix D.

Incremental advancement is available to eligible staff as part of our Performance Development System. The ACIC does not have a system of performance payments.

Executive remuneration disclosures

The nature and amount of remuneration for SES officers are determined through the ACIC Senior Executive Service Remuneration and Benefits Policy. SES salary increases take into account the complexity of the officer's role, their current and previous performance, their contributions to corporate goals and values, the financial position of the ACIC, comparisons with other SES officers, and the quantum of remuneration relative to other ACIC staff.

The ACIC uses common law contracts for all SES employees to govern remuneration and entitlements. Details of SES total remuneration are in the financial statements (see page 130).

As our CEO and ACIC examiners are statutory office holders, the Remuneration Tribunal sets their remuneration and entitlements.

Tables 3.10 to 3.14 provide details of executive remuneration in 2018–19.

Table 3.10: Key management personnel for 2018–19

Name	Position	Term as key management personnel
Michael Phelan	Chief Executive Officer	Full year
Edward Williams	Chief Operating Officer	Part year—resigned 5 January 2019
Anne Brown	Chief Operating Officer	Part year—appointed 8 April 2019
Colin Blanch	Executive Director Intelligence	Part year—resigned 26 July 2018
Matthew Rippon	Executive Director Intelligence	Part year—appointed 15 October 2018
Mark Harrison	Executive Director Capability	Part year—appointed 2 October 2018
Rochelle Thorne	Executive Director Technology	Full year
Nicole Mayo	Acting Chief Operating Officer	Part year—acted 26 November 2018 to 5 April 2019

Table 3.11: Summary of key management personnel's remuneration for 2018–19

	\$
Short-term benefits	
Base salary	1,306,974
Bonuses	–
Other benefits and allowances	22,933
Total short-term benefits	1,329,907
Superannuation	209,213
Total post-employment benefits	209,213
Other long-term benefits	
Long service leave	31,037
Total other long-term benefits	31,037
Termination benefits	100,000
Total key management personnel remuneration	1,670,157

Final figures have been rounded to the nearest dollar

Table 3.12: Information about remuneration for key management personnel 2018–19

Name	Position title	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
		Base salary	Bonuses	Other benefits and allowances		Long service leave	Other long-term benefits		
		\$	\$	\$	\$	\$	\$	\$	\$
Michael Phelan	Chief Executive Officer	475,417	–	5,396	72,486	11,962	–	–	565,261
Edward Williams	Chief Operating Officer	114,182	–	2,698	22,582	3,050	–	100,000	242,511
Nicole Mayo	Chief Operating Officer (Acting)	118,366	–	1,799	16,371	1,718	–	–	138,255
Matthew Rippon	Executive Director Intelligence	169,670	–	3,597	30,073	4,000	–	–	207,340
Mark Harrison	Executive Director Capability	197,452	–	4,047	27,219	4,500	–	–	233,218
Rochelle Thorne	Executive Director Technology	231,887	–	5,396	40,481	5,808	–	–	283,571
Total		1,306,974	–	22,933	209,213	31,037	–	100,000	1,670,157

Note:

- Includes officers substantively holding or acting for a period exceeding three months in a key management personnel position.
- CEO salary is subject to a 2019 full-time office holder Remuneration Tribunal determination.
- The ACIC CEO is also the Director of the Australian Institute of Criminology (AIC). The full cost of the ACIC CEO is included.
- Base salary includes salary paid or due to employee for the year; it includes net annual leave (total annual accrual minus leave taken in this financial year) and any applicable acting allowances.
- Superannuation is subject to Public Sector Superannuation Scheme, Commonwealth Superannuation Scheme and Public Sector Superannuation Accumulation Plan rules.
- Super contributions are the 2018–19 contributions by the ACIC to the applicable super fund. They do not include employee post-tax contributions or additional lump sum payments.
- Long service leave is the value of long service accrued during this financial year.
- Final figures have been rounded to the nearest dollar.

Table 3.13: Information about remuneration for senior executives 2018–19

Total remuneration bands	Number of senior executives	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
		Average base salary	Average bonuses	Average other benefits and allowances		Average long service leave	Average other long-term benefits		
		\$	\$	\$	Average superannuation contributions	\$	\$	Average termination benefits	Average total remuneration
0–220,000	4	126,987	–	3,710	22,707	3,285	–	–	156,688
220,001–245,000	7	188,489	–	5,396	31,733	4,821	–	–	230,439
245,001–270,000	3	208,716	–	5,396	39,524	5,298	–	–	258,934
270,001–295,000	1	227,794	–	5,396	32,595	5,478	–	–	271,263

Final figures have been rounded to the nearest dollar.

Table 3.14: Information about remuneration for other highly paid staff 2018–19

Total remuneration bands	Number of other highly paid staff	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
		Average base salary	Average bonuses	Average other benefits and allowances*		Average long service leave	Average other long-term benefits		
		\$	\$	\$	Average superannuation contributions	\$	\$	Average termination benefits	Average total remuneration
220,001–245,000	1	143,378	–	70,847	14,304	2,828	–	–	231,357
245,001–270,000	1	128,064	–	98,322	16,455	2,651	–	–	245,493
320,001–345,000	1	129,974	–	195,442	14,935	3,088	–	–	343,439
495,001–520,000	1	410,746	–	–	76,229	10,302	–	–	497,277

* Other benefits and allowance paid to staff include allowances and benefits paid in relation to living costs whilst on international deployment. Final figures have been rounded to the nearest dollar.

Table 3.15: Details of accountable authority during the reporting period 2018–19

Name	Position title/Position held	Period as the accountable authority or member	
		Date of commencement	Date of cessation
Michael Phelan	Chief Executive Officer	13 November 2017	–

Staff retention and turnover

In 2018–19, a total of 170 staff left the agency. Reasons for leaving included moving to another APS agency, retirement, redundancy and the completion of non-ongoing contracts, as shown in Table 3.16.

Table 3.16: Australian Public Service staff and statutory office holders turnover 2018–19

Reasons for terminations	Number
Completed non-ongoing contract	6
Early termination of non-ongoing contract	1
External promotion	2
External transfer	49
Invalidity retirement	–
Resignation	67
Retired after age 55	7
Section 29(3)(c) of the <i>Public Service Act 1999</i> (poor performance)	1
Involuntary redundancy	1
Voluntary redundancy	36

In 2018–19, our average retention rate was 80.9 per cent.

Our staff retention strategies include:

- ▶ recognition and performance development
- ▶ performance feedback and support
- ▶ learning and development opportunities
- ▶ mentoring
- ▶ opportunities for higher duties
- ▶ involvement in cross-directorate projects
- ▶ short-term transfers to other business areas
- ▶ ongoing evaluation of feedback provided through staff surveys and exit surveys.

Learning and development

Our learning and development strategies support capability development in identified priority areas. The objective is to develop a responsive and high-performing workforce so that we can deliver on our strategic direction and priorities.

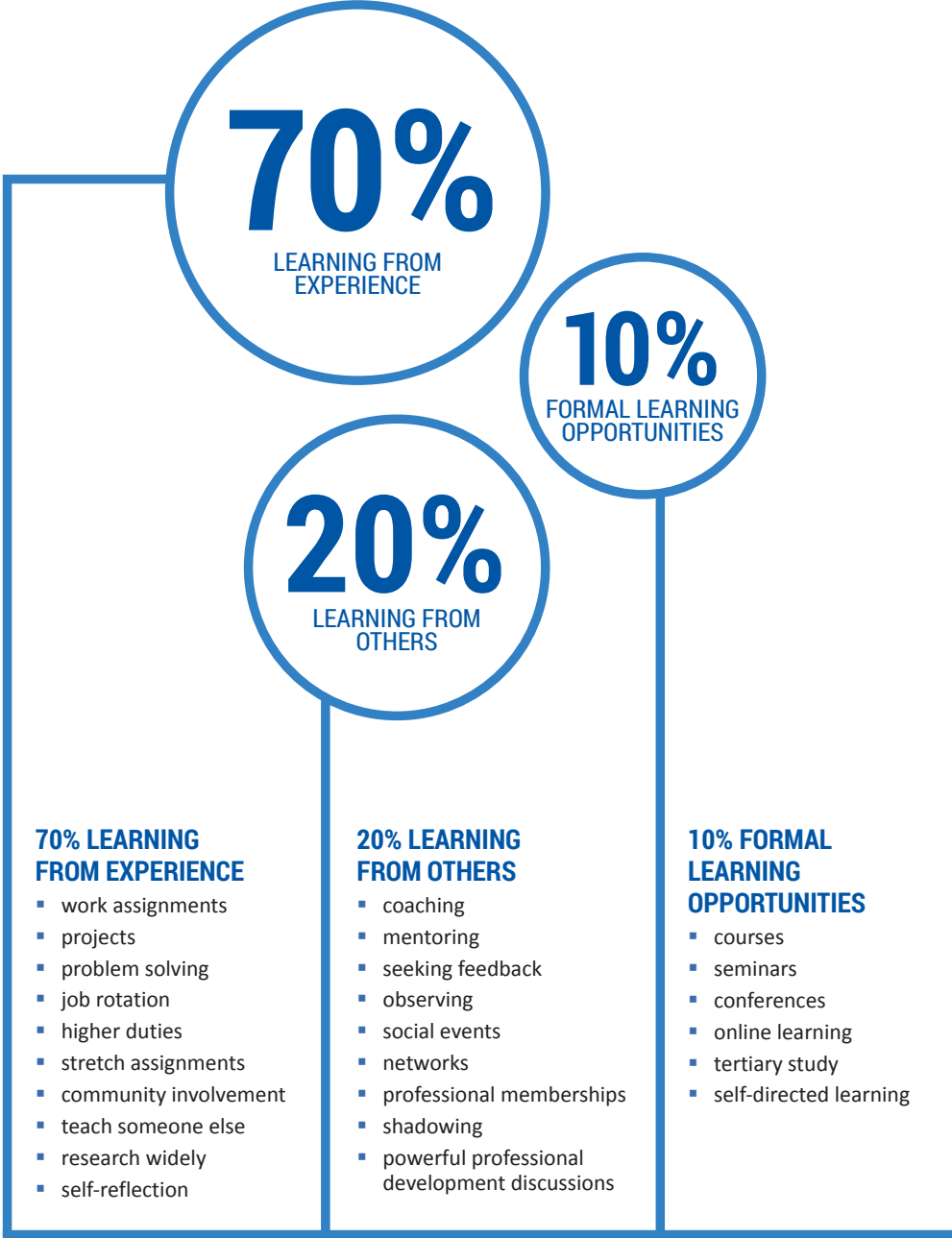
We adopt a blended learning and development philosophy, which recognises that experience within the workplace provides for the most effective learning, when blended with learning from others through coaching and mentoring and formal learning opportunities. This learning approach follows the 70:20:10 learning philosophy shown in Figure 3.4.

Opportunities

We provide learning and development opportunities in three key areas:

- ▶ **Core**—We provide learning activities to support positive workplace culture and fundamental organisational practices that enable employees to work successfully in the ACIC environment. Examples include induction, APS Core Skills programs, culture strategies, systems training, performance development training and project management courses.
- ▶ **Intelligence and specialist capability**—We work with internal subject matter experts, partner agencies and tertiary institutions to provide job-specific opportunities to enhance specialist and tradecraft capabilities. Examples include the delivery of training and qualifications in investigations, compliance, intelligence analysis, data analytics, national security policy, money laundering methodologies, strategic intelligence, criminology, telecommunications technology and information security.
- ▶ **Leadership and management**—We have worked closely with the Home Affairs portfolio to provide our managers and leaders with development opportunities through an executive leadership conference and the Leadership in Action series. We also provide leadership and executive coaching opportunities through external programs, such as those delivered through the Australian Institute of Police Management, the Australian Public Service Commission, the National Security College, the Australia and New Zealand School of Government, the Australian Federal Police, and the Women in Law Enforcement Strategy mentor program.

Figure 3.4: Learning and development 70:20:10 philosophy



Outcomes

In 2018–19, staff collectively attended more than 4,005 training and development opportunities and events through a combination of e-learning and face-to-face modes, on topics including core/business skills; coaching and mentoring; leadership and management; conferences/networking; specialist capability development (cyber, finance and international capability, as well as ICT, intelligence, investigations and psychology); induction; and compliance.

Specialist capability

In partnership with the AFP and AUSTRAC, the ACIC delivers foundation and intermediate criminal intelligence training as part of the Criminal Intelligence Training and Development Continuum. The continuum aims to develop intelligence professionals in both collection and analytical roles, to ensure a consistent, best practice approach to criminal intelligence. It awards vocational qualifications and is tertiary aligned, providing a formal pathway for staff to continuously develop and specialise in their roles.

In 2018–19, six iterations of the foundation-level Criminal Intelligence Development Program were delivered to staff within the agency. The course develops knowledge of intelligence processes and methodology and gives staff the skills to be effective in collection or analytical roles.

One iteration of the intermediate-level Criminal Intelligence Analysis Program was delivered to experienced intelligence analysts in the agency. The course gave staff advanced tools and techniques to ensure that they have the knowledge and skills to operate in joint agency taskforces, and in an increasingly complex criminal environment.

Over time, our partnership with the AFP and AUSTRAC for the joint delivery of criminal intelligence training will increase the quality of intelligence outputs across the tactical, operational and strategic spectrum, enhancing the effectiveness and interoperability of Commonwealth, state and territory agencies operating in the criminal intelligence domain.

Business capability

We provide a wide range of management and core business development opportunities for staff, to enhance our workforce capability. In 2018–19, such programs covered:

- ▶ learning cabinet processes
- ▶ employment law reform
- ▶ APS ethics and values
- ▶ writing skills
- ▶ presentation and briefing skills
- ▶ certified IT security
- ▶ operational ICT systems
- ▶ leadership and management
- ▶ project management
- ▶ training and assessment
- ▶ unconscious bias
- ▶ cultural immersion
- ▶ work health and safety.

Studies assistance

The ACIC supported 25 eligible employees to undertake tertiary studies resulting in a diploma qualification or higher, in fields such as business; criminology; forensics; cybersecurity; fraud and financial crime; accounting; project management; psychology; computing; and law.

Evaluations

We conducted 66 evaluation processes for internal and external training and development programs. Our evaluations seek to assess whether we have met our intended objectives and achieved continuous improvement while using resources wisely and achieving value for money.

Employee engagement

In 2018–19, 77 per cent of our staff participated in the voluntary survey.

Work health and safety

We are committed to preventing injuries and exposure to hazards in the workplace by taking all reasonably practicable steps to protect the health and safety of all workers at work through identifying, eliminating and minimising hazards. Appendix B details our 2018–19 work health and safety arrangements, initiatives and outcomes.

► Resource management

The ACIC's financial accountability responsibilities are set out in the Commonwealth Resource Management Framework, which governs how officials in the Commonwealth public sector use and manage public resources.

Asset management

During 2018–19, we engaged an independent professional valuer to undertake a desktop valuation of leasehold improvements and property, plant and equipment to determine whether asset book values at 30 June 2019 had changed materially since the previous fair value assessment in 2017–18. The valuer's report concluded 'After undertaking qualitative, quantitative and uncertainty analyses for the asset classes, we are of the opinion that there are no significant material difference between the carrying amounts and the fair values for the ACIC assets'. It is ACIC policy to undertake a full revaluation every three years and a desktop assessment each year in between.

Our asset mix (including assets under construction) at the end of 2018–19 comprised:

- \$23.656 million of leasehold improvements
- \$17.235 million of property, plant and equipment
- \$27.170 million of intangibles.

Property

We have ACIC offices in each capital city to support the delivery of our national service. Premises in Hobart and Darwin are provided by those jurisdictions' police forces and are not subject to formal lease arrangements. All other offices are under lease until at least 2022; most of those leases are due to expire from 2024 onward.

We have continued to engage with Victoria Police in the design of premises in its development at 311 Spencer Street, Melbourne, with the intention of moving the Victorian regional office in 2020. The Minister for Finance and the Parliamentary Standing Committee on Public Works approved this project during 2017–18.

We monitor our property performance nationally with a view to minimising our property footprint and taking advantage of efficiency initiatives, including opportunities to share facilities. Overall, the agency has a fit-out density of 13.0 square metres per workpoint.

Purchasing

Our approach to procuring property and services, including consultancies, is consistent with Australian Government policy and legislation covering procurement. The Commonwealth Procurement Rules are applied to activities through the Accountable Authority Instructions and supporting operational policies and procedures, which are reviewed for consistency with the Commonwealth Procurement Framework.

The procurement framework reflects the core principle governing Australian Government procurement—value for money. Our policies and procedures also focus on:

- ▶ competitive, non-discriminatory procurement processes
- ▶ efficient, effective, economical and ethical use of resources
- ▶ accountability and transparency.

During 2018–19, we continued to participate in whole-of-government, coordinated procurement initiatives and used clustering and piggybacking opportunities to lower tendering costs and provide savings through economies of scale.

Consultants

Table 3.17 gives details our use of consultants in 2018–19.

Table 3.17: Consultancy contracts

Measure	Total
No. of new contracts entered into during the period	1
Total actual expenditure during the period on new contracts (including GST)	\$180,125
No. of ongoing contracts engaging consultants that were entered into during a previous period	–
Total actual expenditure during the period on ongoing contracts (including GST)	–

During 2018–19, the ACIC entered into one new consultancy contract, involving total actual expenditure of \$0.180 million (including GST). No ongoing consultancy contracts were active during 2018–19.

Consultants are typically engaged to investigate or diagnose a defined issue or problem, carry out defined reviews or evaluations, or provide independent advice, information or creative solutions to assist in the ACIC’s decision-making. Prior to engaging consultants, we take into account the skills and resources required for the task, the skills available internally, and the cost-effectiveness of engaging external expertise.

We make decisions to engage consultants in accordance with the *Public Governance, Performance and Accountability Act 2013* and related Regulations, including the Commonwealth Procurement Rules and relevant internal policies.

Information on the value of contracts and consultancies is available on the AusTender website at <www.tenders.gov.au>.

Access clauses

During 2018–19, we did not enter any contracts of \$100,000 or more that excluded provision for access by the Auditor-General.

Exempt contracts

Contract details are exempt from being published on AusTender if those details would disclose exempt matters under the *Freedom of Information Act 1982*. No such contract details were excluded from being published on AusTender in 2018–19.

Procurement initiatives to support small business

The ACIC supports small business participation in the Australian Government procurement market. Small and medium-sized enterprises (SMEs) and small enterprise participation statistics are available on the Department of Finance's website at <www.finance.gov.au/procurement/statistics-on-commonwealth-purchasing-contracts/>.

We support the use of SMEs through various means, including the use of template contracts for both low-risk and higher risk procurements, and compliance with the government's Supplier Pay On-Time or Pay Interest Policy.

The ACIC recognises the importance of ensuring that small businesses are paid on time. The results of the survey of Australian Government payments to small business are available on the Treasury's website <www.treasury.gov.au>.

Grants and sponsorships

The ACIC did not enter into any new grant or sponsorship arrangements during 2018–19.

Ecologically sustainable development

The five principles of ecologically sustainable development identified in the *Environment Protection and Biodiversity Conservation Act 1999* are integration, precautionary, intergenerational, biodiversity and valuation.

We are aware of these principles in our daily operations. We strive to operate in an environmentally responsible manner, including by making efficient use of resources and managing waste effectively.

We are committed to reducing our impact on the environment through ongoing minimisation strategies and new technologies and resources, including:

- ▶ using electronic document management systems and web-based information-sharing tools that reduce or eliminate the need to print and retain paper copies of documents
- ▶ using video and telephone conferencing where possible to reduce the need for local and interstate travel
- ▶ reviewing leased buildings and encouraging owners to improve their buildings' energy performance
- ▶ ensuring that new leases entered into comply with the Australian Government's energy policy
- ▶ procuring energy-efficient equipment and lighting solutions, including a smart lighting system that activates only when areas are occupied
- ▶ providing recycling facilities in breakout areas.

The integration of energy efficiency practices into our organisation and planning allows us to reduce our energy costs and our consumption of valuable resources.

Feature: Indigenous Employee Forum

Diversity drives innovation, which is critical when responding to crime impacting Australia. We are committed to creating an environment where everyone feels respected, valued and empowered to be themselves and bring their best selves to work—an inclusive, equitable and accessible workplace that reflects the Australian community.

We established the Reconciliation Action Plan Working Group to develop our *Reconciliation Action Plan 2018–20*, in consultation with all staff, and to oversee the progress of the planned outcomes.

The *Reconciliation Action Plan 2018–20* outlines practical actions that we will take to build strong relationships with Aboriginal and Torres Strait Islander people and enhance respect between Indigenous and non-Indigenous Australians. It includes a commitment to investigate opportunities to expand employment opportunities for Aboriginal and Torres Strait Islander people across the ACIC.

As a result of the working group's activities, the ACIC held its first Indigenous Employee Forum, bring Aboriginal and Torres Strait Islander staff together, in Canberra on 21 November 2018.

Facilitated by the Supply Nation accredited consultancy Building Indigenous Capability, the forum provided an opportunity for people to be inspired and generate innovative ideas about how ACIC can further support its Indigenous staff.

The forum's highlights included a Welcome to Country by Elder Aunty Louise Brown and a yarning circle, which is a harmonious, creative and collaborative way of communicating to build openness, honesty and trust.

ACIC CEO Michael Phelan addressed the forum, outlining four key focus areas for improvement:

- ▶ increasing the representation of Indigenous employees
- ▶ expanding the range of Indigenous employment opportunities
- ▶ investing in developing the capability of Indigenous employees
- ▶ improving awareness of Indigenous culture in the workplace.

Our Indigenous Champion and Deputy Indigenous Champion also attended the forum to help drive meaningful discussion.

Key themes highlighted during the day included leading powerfully in the workplace, managing change in the Australian Public Service, and creating culture, action and outcomes through language and conversations.

Forum participants said that they enjoyed working through issues facing Aboriginal and Torres Strait Islander employees and appreciated the opportunity to hold robust group discussions with our agency's leaders throughout the day.



Feature: Criminal intelligence training and development

Our Criminal Intelligence Training and Development Continuum (CITDC) continued to mature and expand in 2018–19. The CITDC provides a structured learning pathway for our staff in intelligence collection and analytical roles. Composed of various sequential, interrelated training programs and learning modules, the CITDC continues to develop a high-performing criminal intelligence workforce.

A key element of the CITDC is the Criminal Intelligence Development Program, run in partnership with the Australian Federal Police. The program is our agency's foundational course, leading to a formal qualification for our staff—a Diploma of Police Intelligence Practice. It introduces the concepts underpinning the intelligence cycle in the context of criminal intelligence and provides practical skills which are directly transferrable to the workplace.

This year, for the first time, places in a number of our intelligence programs were offered to our Commonwealth and state and territory partners. Participants from the Australian Transaction Reports and Analysis Centre, the Department of Home Affairs, Tasmania Police, Northern Territory Police, the Victorian Independent Broad-based Anti-corruption Commission and Western Australia Police completed programs within the CITDC. Importantly, the expansion of our training programs has fostered common understanding among agencies and interoperability at an operational level.

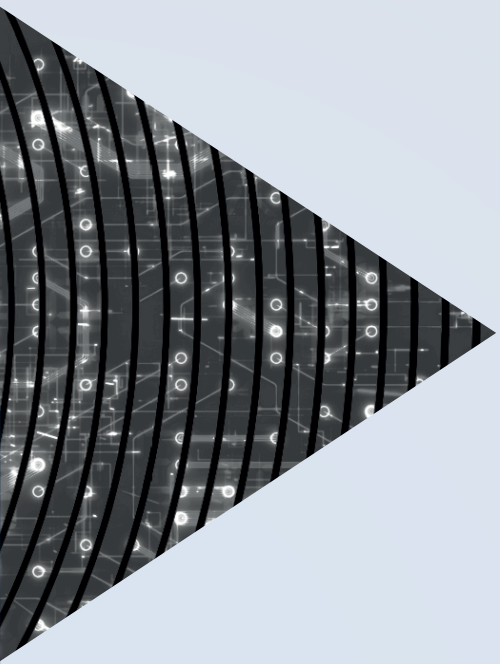
We received positive feedback from our partner training participants and there has been a surge of interest in placement on the course among other partners, including our international partners.

Although our agency has recently undergone a period of change through workforce planning initiatives, our 2019 Australian Public Service Commission Census results show that we have maintained positive levels of staff engagement, particularly in relation to specialist training and capability development.

This mirrors the positive feedback that we have received from our program participants, in particular about the clear learning and career progression pathways that the program gives staff in our Intelligence Operations and Capability divisions.

These programs are particularly important now that we have formally joined Australia's National Intelligence Community and as we strengthen our relationships with our international Five Eyes partner agencies. We now have a common benchmark for intelligence training so that our partners have a clear idea of what to expect from our staff.





Section

04

Audited financial statements

Our financial statements for 2018–19

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We manage our finances and assets responsibly to support our work against serious and organised crime.



INDEPENDENT AUDITOR'S REPORT

To the Minister for Home Affairs

Opinion

In my opinion, the financial statements of the Australian Criminal Intelligence Commission ('the Entity') for the year ended 30 June 2019:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2019 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following statements as at 30 June 2019 and for the year then ended:

- Statement by the Accountable Authority and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement; and
- Notes to the financial statements, comprising a Summary of Significant Accounting Policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Chief Executive Officer is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Reduced Disclosure Requirements and the rules made under the Act. The Chief Executive Officer is also responsible for such internal control as the Chief Executive Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Executive Officer is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Chief Executive Officer is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

GPO Box 707 CANBERRA ACT 2601
19 National Circuit BARTON ACT
Phone (02) 6203 7300 Fax (02) 6203 7777

Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Jodi George
Executive Director

Delegate of the Auditor-General

Canberra
1 October 2019



AUSTRALIAN
CRIMINAL
INTELLIGENCE
COMMISSION

STATEMENT BY THE ACCOUNTABLE AUTHORITY AND CHIEF FINANCIAL OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2019 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Australian Criminal Intelligence Commission will be able to pay its debts as and when they fall due.

Signed.....


Michael Phelan APM
Chief Executive Officer

/ October 2019

Signed.....


Yvette Whittaker
Chief Financial Officer

/ October 2019

STATEMENT OF COMPREHENSIVE INCOME

for the period ended 30 June 2019

		2019	Budget	
	Notes	\$'000	2019	2018
			\$'000	\$'000
NET COST OF SERVICES				
Expenses				
Employee benefits	1.1A	95,362	99,465	91,198
Suppliers	1.1B	117,013	104,957	104,677
Depreciation and amortisation	2.2A	14,440	19,582	15,702
Finance costs—unwinding of discount	2.4	34	—	29
Write-down and impairment of property, plant and equipment	2.2A	2,315	—	13,303
Seconded and services provided by state, territory and other Commonwealth agencies	1.1C	6,098	4,770	4,127
Total expenses		235,262	228,774	229,036
Own-source income				
Own-source revenue				
Rendering of services	1.2A	130,310	118,229	121,967
Other revenue	1.2B	2,677	1,670	2,298
Total own-source revenue		132,987	119,899	124,265
Net cost of services		(102,275)	(108,875)	(104,771)
Revenue from Government—Departmental Appropriations	1.2C	99,970	103,592	88,446
(Deficit) attributable to the Australian Government		(2,305)	(5,283)	(16,325)
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Changes in asset revaluation reserves—leasehold improvements and property, plant and equipment		—	—	4,899
Changes in asset revaluation reserves—provision for restoration obligations		(117)	—	(86)
Total other comprehensive income		(117)	—	4,813
Total comprehensive (loss) attributable to the Australian Government		(2,422)	(5,283)	(11,512)

The above statement should be read in conjunction with the accompanying notes.
Budget to actual variance commentary: see Note 7 for major variance explanations.

STATEMENT OF FINANCIAL POSITION

as at 30 June 2019

		2019	Budget 2019	2018
	Notes	\$'000	\$'000	\$'000
ASSETS				
Financial assets				
Cash and cash equivalents	2.1A	130,303	92,893	117,239
Trade and other receivables	2.1B	70,170	52,383	69,838
Other financial assets		–	3,427	–
Total financial assets		200,473	148,703	187,077
Non-financial assets				
Leasehold improvements	2.2A	23,656	19,941	26,699
Property, plant and equipment	2.2A	17,235	32,279	14,709
Intangibles	2.2A	27,170	74,009	23,496
Prepayments		9,180	6,691	9,409
Total non-financial assets		77,241	132,920	74,313
Total assets		277,714	281,623	261,390
LIABILITIES				
Payables				
Suppliers	2.3A	21,583	21,143	22,129
Other payables	2.3B	18,895	15,288	20,148
Total payables		40,478	36,431	42,277
Provisions				
Employee provisions	4.1A	29,698	25,698	27,295
Other provisions	2.4	16,236	1,638	10,297
Total provisions		45,934	27,336	37,592
Total liabilities		86,412	63,767	79,869
Net assets		191,302	217,856	181,521
EQUITY				
Contributed equity		58,680	71,075	46,477
Reserves		16,411	11,713	16,528
Retained surplus		116,211	135,068	118,516
Total equity		191,302	217,856	181,521

The above statement should be read in conjunction with the accompanying notes.

Budget to actual variance commentary: see Note 7 for major variance explanations.

STATEMENT OF CHANGES IN EQUITY
for the period ended 30 June 2019

	Retained earnings			Asset revaluation surplus			Contributed equity/capital			Total equity		
	Budget	2019	2018	Budget	2019	2018	Budget	2019	2018	Budget	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance carried forward from previous period	118,516	139,324	134,841	16,528	11,713	11,715	46,477	46,477	43,257	181,521	197,514	189,813
Opening balance	118,516	139,324	134,841	16,528	11,713	11,715	46,477	46,477	43,257	181,521	197,514	189,813
Comprehensive income												
Deficit for the period	(2,305)	(5,283)	(16,325)	—	—	—	—	—	—	(2,305)	(5,283)	(16,325)
Other comprehensive income	—	—	—	(117)	—	4,813	—	—	—	(117)	—	4,813
Total comprehensive income	(2,305)	(5,283)	(16,325)	(117)	—	4,813	—	—	—	(2,422)	(5,283)	(11,512)
Transactions with owners												
Distributions to owners												
Restructuring	—	1,027	—	—	—	—	—	—	—	—	1,027	—
Contributions by owners												
Equity injection—Appropriations ¹	—	—	—	—	—	—	9,576	21,971	580	9,576	21,971	580
Departmental capital budget ¹	—	—	—	—	—	—	2,627	2,627	2,640	2,627	2,627	2,640
Total transactions with owners	—	1,027	—	—	—	—	12,203	24,598	3,220	12,203	25,625	3,220
Closing balance as at 30 June	116,211	135,068	118,516	16,411	11,713	16,528	58,680	71,075	46,477	191,302	217,856	181,521

1 Amounts appropriated which are designated as 'equity injections' and 'Departmental capital budgets' are recognised directly in transactions with owners in that year.

The above statement should be read in conjunction with the accompanying notes.
Budget to actual variance commentary: see Note 7 for major variance explanations.

CASH FLOW STATEMENT

for the period ended 30 June 2019

	2019 \$'000	Budget 2019 \$'000	2018 \$'000
OPERATING ACTIVITIES			
Cash received			
Appropriations	101,487	106,961	88,718
Rendering of services	134,841	117,310	123,135
Net GST received	10,491	–	9,447
Total cash received	246,819	224,271	221,300
Cash used			
Employees	92,958	99,603	90,425
Suppliers	124,296	105,267	110,845
Section 74 receipts transferred to Official Public Account	4,942	–	5,966
Other	3,850	5,102	2,881
Total cash used	226,046	209,972	210,117
Net cash from operating activities	20,773	14,299	11,183
INVESTING ACTIVITIES			
Cash used			
Purchase of property, plant and equipment and intangibles	19,912	65,042	19,335
Total cash used	19,912	65,042	19,335
Net cash used by investing activities	(19,912)	(65,042)	(19,335)
FINANCING ACTIVITIES			
Cash received			
Contributed equity	12,203	24,598	3,220
Total cash received	12,203	24,598	3,220
Net cash from financing activities	12,203	24,598	3,220
Net increase (decrease) in cash held	13,064	(26,145)	(4,932)
Cash and cash equivalents at the beginning of the reporting period	117,239	119,038	122,171
Cash and cash equivalents at the end of the reporting period	130,303	92,893	117,239

The above statement should be read in conjunction with the accompanying notes.
Budget to actual variance commentary: see Note 7 for major variance explanations.

Overview

Objectives of the Australian Criminal Intelligence Commission (ACIC)

To make Australia safer through improved national ability to discover, understand and respond to current and emerging crime threats and criminal justice issues including the ability to connect police and law enforcement to essential criminal intelligence, policing knowledge and information through collaborative national information systems and services.

Basis of preparation of the financial statements

The financial statements are general purpose financial statements and are required by section 42 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

The financial statements have been prepared in accordance with:

- a) Financial Reporting Rule 2015 (FRR); and
- b) Australian Accounting Standards and Interpretations—Reduced Disclosure Requirements issued by the Australian Accounting Standards Board that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

Modification to applicability of the PGPA for designated activities under PGPA Act section 105D

The Minister for Finance and the Minister for Home Affairs made determinations under PGPA Act section 105D, which allows modification to specified aspects of the PGPA Act in relation to designated intelligence or security activities. The annual financial statements have not been modified as a result of using the determination.

New accounting standards

All new and revised standards that were issued prior to the sign-off date and are applicable to the current reporting period did not have a material impact on the ACIC's financial statements.

Taxation

The ACIC is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- a) where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- b) for receivables and payables.

Contingent assets and liabilities

The ACIC did not have any quantifiable contingencies to report for the financial year ended 30 June 2019. However as at 30 June 2019, the ACIC had a number of legal matters pending that may eventuate in judgements or outcomes that could require monetary payments being made to or from the ACIC. It was not possible to quantify the amounts of any eventual receipts or payments that may eventuate in relation to these claims.

Events after the reporting period

The ACIC did not have any events after 30 June 2019 to report in the 2018–19 financial statements.

Notes to and forming part of the financial statements

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1. Departmental financial performance

Note 1.1: Expenses

	2019	2018
	\$'000	\$'000
Note 1.1A: Employee benefits		
Wages and salaries	64,390	64,858
Superannuation		
Defined contribution plans	7,773	7,656
Defined benefit plans	5,197	5,256
Leave and other entitlements	14,650	13,026
Separation and redundancies	3,352	402
Total employee benefits	95,362	91,198

Accounting Policy

Accounting policies for employee related expenses: see Note 4.1 employee provisions.

Note 1.1B: Suppliers

Goods and services

IT support and maintenance ¹	37,004	30,769
Consultants and contractors	28,335	26,663
Jurisdiction fees and payments	9,930	8,591
Property and security expenses	5,832	4,802
Travel	5,487	5,733
Communication	3,675	5,400
Operational expenses	3,142	3,868
Staff development and training	2,721	2,159
Legal expenses	1,930	2,489
Office expenses	1,007	1,183
Other	740	706
Total goods and services	99,803	92,363

1 IT support and maintenance increased primarily due to investment in IT infrastructure projects.

Note 1.1: Expenses (continued)

	2019 \$'000	2018 \$'000
Other suppliers		
Operating lease rentals	16,792	12,108
Workers compensation expenses	418	206
Total other suppliers	17,210	12,314
Total suppliers	117,013	104,677

Leasing commitments

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

Within 1 year	15,953	15,590
Between 1 to 5 years	46,270	53,705
More than 5 years	12,465	22,037
Total operating lease commitments	74,681	91,332

Accounting Policy

Operating lease payments are expensed on a straight line basis which is representative of the pattern of benefits derived from the leased asset. The ACIC leases office accommodation, motor vehicles and other equipment under operating lease agreements.

Note 1.1C: Seconded and services provided by state, territory and other Commonwealth agencies

Seconded paid	3,699	2,742
Seconded provided free of charge	2,249	1,245
Remuneration of auditors	150	140
Total seconded and services provided by other agencies	6,098	4,127

Note 1.2: Own-source revenue

	2019	2018
	\$'000	\$'000

Own-source revenue

Note 1.2A: Rendering of services

Revenue—special account	104,933	97,737
Revenue—proceeds of crime and memoranda of understanding	25,377	21,580
Revenue—other	—	2,650
Total rendering of service	130,310	121,967

Accounting Policy

Rendering of services

Revenue from rendering of services is recognised by reference to the stage of completion of services at the reporting date. The revenue is recognised when:

- a) the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- b) the probable economic benefits associated with the transaction will flow to ACIC.

The stage of completion of services at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Note 1.2B: Other revenue

Resources received free of charge—secondees	2,249	1,245
Resources received free of charge—audit services	150	140
Other	278	913
Total other revenue	2,677	2,298

Accounting Policy

Resources received free of charge

Resources received free of charge are recognised as revenue when, and only when a fair value can be reliably measured and the services or transferred assets would have been purchased if they had not been provided free of charge. Use of those resources is recognised as appropriate as an expense or as an asset when received.

Note 1.2C: Revenue from Government

Appropriations

Departmental appropriations	99,970	88,446
Total revenue from Government	99,970	88,446

Accounting Policy

Revenue from Government

Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when the ACIC gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. Appropriations receivable are recognised at their nominal amounts.

2. Departmental financial position

Note 2.1: Financial assets

	Notes	2019 \$'000	2018 \$'000
Note 2.1A: Cash and cash equivalents			
Special account cash held in Official Public Account	2.5A	125,812	108,726
Cash at bank and on hand		4,491	8,513
Total cash and cash equivalents		130,303	117,239
Note 2.1B: Trade and other receivables			
Trade receivables		13,935	17,007
Comcare receivable		18	15
Appropriations receivable—existing programs		53,328	49,904
GST receivable		2,889	2,912
Total trade and other receivables		70,170	69,838

Accounting Policy

Trade and other receivables

Trade receivables and other receivables are held for the purpose of collecting the contractual cash flows of principal and interest at market interest rates. They are subsequently measured at amortised cost using the effective interest method, adjusted for any loss allowance.

Note 2.2: Non-financial assets

Note 2.2A: Reconciliation of the opening and closing balances of leasehold improvements, property, plant and equipment and intangibles

	Leasehold improvements \$'000	Property, plant and equipment \$'000	Computer software—internally developed \$'000	Computer software—purchased \$'000	Total \$'000
As at 1 July 2018					
Gross book value	26,699	14,709	69,406	8,610	119,424
Accumulated depreciation, amortisation and impairment	—	—	(47,260)	(7,260)	(54,520)
Total as at 1 July 2018	26,699	14,709	22,146	1,350	64,904
Additions					
Purchase	938	5,022	13,952	—	19,912
Depreciation/amortisation	(4,156)	(4,619)	(5,172)	(493)	(14,440)
Transfers	175	2,148	(3,018)	695	—
Write-down and impairment of property, plant and equipment ¹	—	(25)	(2,290)	—	(2,315)
Total as at 30 June 2019	23,656	17,235	25,618	1,552	68,061
Total as at 30 June 2019 represented by					
Gross book value	27,812	21,818	78,050	9,305	136,985
Accumulated depreciation, amortisation and impairment	(4,156)	(4,583)	(52,432)	(7,753)	(68,924)
Total as at 30 June 2019 represented by	23,656	17,235	25,618	1,552	68,061

¹ This category includes write off of assets under construction, valued at \$2,290m, related primarily to IT projects.

There are no leasehold improvements expected to be sold or written-off of within the next 12 months.

The ACIC uses market approach and current replacement costs fair value measurement techniques to measure the fair value of property, plant & equipment and uses current replacement costs to measure the fair value of leasehold improvements.

An independent desktop valuation was conducted in accordance with the revaluation policy stated in Note 2.2A by an independent valuer on leasehold improvements and property, plant and equipment (a full valuation of the leasehold improvements and property, plant and equipment was conducted in June 2018).

Capital commitments

As at the 30 June 2019 the ACIC had capital commitments for information technology solutions, specialised and non-specialised property, plant and equipment.

Note 2.2: Non-financial assets (continued)

Accounting Policy

Asset recognition

Property, plant and equipment costing greater than \$5,000, leasehold improvements costing greater than \$25,000, intangible assets purchased externally costing greater than \$5,000 and intangible assets purchased and modified or developed internally costing greater than \$20,000 are capitalised. Items costing less than these thresholds are expensed in the year of acquisition.

Leasehold improvements

Leasehold improvements include office furniture and fit-out acquired as part of the lease of office accommodation. The depreciable amount of these assets is progressively allocated over the unexpired period of the lease or the useful lives of the improvements, whichever is the shorter.

Revaluations

Following initial recognition at cost, property, plant and equipment and leasehold improvements are carried at fair value. Carrying values of the assets are reviewed every third year to determine if an independent valuation is required. The regularity of independent valuations depends on the volatility of movements in the market values for the relevant assets. Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that is previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reverse a previous revaluation increment for that class. Upon revaluation, any accumulated depreciation is eliminated against the gross carrying amount of the asset.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using the straight-line method of depreciation. Leasehold improvements are depreciated over the life of the lease term. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following expected useful lives, unless an individual asset is assessed as having a different useful life.

	2019	2018
Leasehold improvements	Lease term	Lease term
Property, plant and equipment	3–10 years	3–10 years
Intangibles—Software purchased	3–5 years	3–5 years
Intangibles—Internally developed/configured	3–10 years	3–10 years

Intangibles

Intangibles assets comprise internally developed software and externally purchased software. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Software licences with the renewable term ending beyond 30 June 2019 are treated as prepayments at the time of purchase and expensed over the term of the prepayment.

Impairment

All assets were assessed for impairment at 30 June 2019. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Significant accounting judgements and estimates

In the process of applying the accounting policies listed in this note, the ACIC has made assumptions or estimates in measuring the fair value of the assets that have the most significant impact on the amounts recorded in the financial statements. The fair value of the ACIC's leasehold improvements and property, plant and equipment has been taken to be the market value or current replacement costs as determined by an independent valuer. In some instances, the ACIC's leasehold improvements are purpose-built and some specialised property, plant and equipment may in fact realise more or less in the market.

Note 2.3: Payables

	2019	2018
	\$'000	\$'000

Note 2.3A: Suppliers

Trade creditors and accruals	17,992	19,160
Operating lease rentals	3,591	2,969
Total suppliers	21,583	22,129

Note 2.3B: Other payables

Wages and salaries	550	554
Superannuation	101	100
Lease incentive ¹	11,108	12,941
Unearned income	6,673	6,040
GST payable	14	17
Other	449	496
Total other payables	18,895	20,148

1 The agency has received incentives in the form of rent free periods and fit out contributions as part of negotiated property operating leases.

Accounting Policy

Financial liabilities

Supplier and other payables are classified as financial liabilities measured at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced). Supplier and other payables are derecognised on payment.

Note 2.4: Other provisions

	2019	2018
	\$'000	\$'000

Other provisions

Other provisions	9,432	8,669
Onerous lease obligations ¹	5,138	113
Total other provisions	14,570	8,782

Provision for restoration obligations²

Opening balance	1,515	2,177
Additional provisions made	117	352
Amounts not used	–	(917)
Amounts reversed	–	(126)
Unwinding of discount	34	29
Closing balance as at 30 June	1,666	1,515
Total other provisions	16,236	10,297

1 The planned coordination of the Victorian office with Victoria Police in 2020 gives rise to an onerous lease obligation on the existing Melbourne office space.

2 The ACIC currently has five agreements (2018: five agreements) for the leasing of premises which have provisions requiring the agency to restore the premises to their original condition at the conclusion of the lease. The ACIC has made a provision to reflect the present value of this obligation. Provisions for restoration obligation are expected to be settled in more than 12 months.

Note 2.5: Special accounts

	Notes	2019 \$'000	2018 \$'000
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Note 2.5A: National Policing Information Systems and Services Special Account¹

Balance brought forward from previous period		108,726	117,613
Total increases		128,576	96,671
Available for payments		237,302	214,284
Total decreases		(111,490)	(105,558)
Total balance carried to the next period		125,812	108,726
Balance represented by:			
Cash held in the Official Public Account		125,812	108,726
Total balance carried to the next period	2.1A	125,812	108,726

¹ Legal authority: *Australian Crime Commission Act 2002* section 59C.

The purposes of the NPISS Special Account are defined by section 59E of the *Australian Crime Commission Act 2002* (ACC Act) and are:

- (a) paying for scoping, developing, procuring, implementing and operating information technology systems and services in connection with the national policing information functions;
- (b) paying or discharging the costs, expenses and other obligations incurred by the Commonwealth in the performance of the national policing information functions;
- (c) paying any remuneration and allowances payable to any person under the ACC Act in relation to the national policing information functions;
- (d) meeting the expenses of administering the Account;
- (e) repaying to a state all or part of an amount received from the state in connection with the performance of national policing information functions, if it is not required for a purpose for which it was paid;
- (f) paying refunds in accordance with section 15A;
- (g) reducing the balance of the account (and therefore the available appropriation for the account) without making a real or notional payment.

The National Policing Information Systems and Services Special Account (NPISS Special Account) was initially established by the *Financial Management and Accountability Determination 2006/07—National Policing Information Systems and Services Special Account Establishment 2006*.

The account is a special account for the purpose of the *Public Governance, Performance and Accountability Act 2013*.

3. Funding

Note 3.1: Appropriations

Note 3.1A: Annual appropriations ('recoverable GST exclusive')

Annual appropriations for 2019

	Annual appropriation ¹ \$'000	Adjustments to appropriation ² \$'000	Total appropriation \$'000	Appropriation applied in 2019 (current and prior years) \$'000	Variance ³ \$'000
Departmental					
Ordinary annual services	103,592	37,855	141,447	(125,644)	15,803
Capital budget	2,627	–	2,627	(2,627)	–
Other services					
Equity	21,971	–	21,971	(9,894)	12,077
Total departmental	128,190	37,855	166,045	(138,165)	27,880

1. Annual appropriation includes \$3.622m quarantined under section 51 of the *Public Governance, Performance and Accountability Act 2013* legally available to ACIC as at 30 June 2019.

2. This includes receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013*.

3. Variance in equity of \$12.077m is due to re-phasing 2019 funding through section 51 of the *Public Governance, Performance and Accountability Act 2013* reductions for forward year spending. Variance in ordinary annual services of \$15.803m is due to quarantining of \$3.622m ordinary annual services for savings measures and forward year spending and \$12.181m relating to the establishment of several provisions.

Annual appropriations for 2018

	Annual Appropriation \$'000	Adjustments to appropriation ¹ \$'000	Total appropriation \$'000	Appropriation applied in 2018 (current and prior years) \$'000	Variance ² \$'000
Departmental					
Ordinary annual services	88,446	33,094	121,540	(109,803)	11,737
Capital budget	2,640	–	2,640	(2,640)	–
Other services					
Equity	580	–	580	(597)	(17)
Total departmental	91,666	33,094	124,760	(113,040)	11,720

1. This includes receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013*.

2. The variance of \$11.737m in ordinary annual services includes receipts from the special account (\$8.669m) relating to provisions created following the decision to close the Biometric Identification Services project and movement in bank balance.

Note 3.1: Appropriations (continued)

Note 3.1B: Unspent annual appropriations ('recoverable GST exclusive')

	2019	2018
	\$'000	\$'000
Departmental		
Appropriation Act (No.1) 2018–19 ¹	53,328	–
Appropriation Act (No.1) 2018–19—Cash at bank and on hand ¹	4,491	8,513
Appropriation Act (No.1) 2017–18	–	49,063
Appropriation Act (No.3) 2017–18	–	523
Appropriation Act (No.2) 2017–18—Equity injection	–	318
Total departmental	57,819	58,417

1 The Appropriation Act (No.1) balance for 2018–19 represents unspent appropriation for the year.

4. People and relationships

Note 4.1: Employee provisions

	2019	2018
	\$'000	\$'000
Note 4.1A: Employee provisions		
Employee leave	29,005	27,295
Separations and redundancies	693	—
Total employee provisions	29,698	27,295

Accounting Policy

Liabilities for 'short-term employee benefits' and termination benefits expected within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination. The liability for long service leave has been determined by reference to Financial Reporting Rule 32 using the short-hand method. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Significant accounting judgements and estimates

In the process of applying the accounting policies listed in this note, the ACIC has made assumptions or estimates in measuring the staff leave provisions that have the most significant impact on the amounts recorded in the financial statements.

Leave provisions involve assumptions based on the expected tenure of existing staff, patterns of leave claims and payouts, future salary movements and future discount rates.

Separation and redundancy

Provision is made for separation and redundancy benefit payments. The ACIC recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the termination.

Superannuation

The ACIC staff are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) or the PSS accumulation plan (PSSap) or other superannuation funds held outside the Australian Government. A small number of staff are members of employee nominated superannuation funds, as allowed under the ACIC's enterprise agreement. The PSSap and other employee nominated superannuation funds are defined contribution schemes. The CSS and PSS are defined benefit schemes for the Australian Government. The liabilities for defined benefit schemes are recognised in the financial statements of the Australian Government and are settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedules and notes. The ACIC makes employer contributions to the employees' defined benefit superannuation schemes at rates determined by an actuary to be sufficient to meet the current cost to the Government. The ACIC accounts for the contributions as if they were contributions to defined contribution plans. The liability for superannuation recognised as at 30 June 2019 represents outstanding contributions for the final fortnight of the year.

Note 4.2: Key management personnel remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The ACIC has determined the key management personnel positions to be the Chief Executive Officer, Chief Operating Officer and the three Executive Directors. The key management personnel remuneration excludes the remuneration and other benefits of the Minister. The Minister's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the ACIC.

Key management personnel remuneration is reported in the table below:

	2019	2018
	\$	\$
Note 4.2: Key management personnel remuneration		
Short-term employee benefits	1,329,907	1,140,991
Post-employment benefits	209,213	176,878
Other long-term employee benefits	31,037	108,926
Termination benefits	100,000	–
Total key management personnel remuneration expenses¹	1,670,157	1,426,795
Total number of key management personnel¹	6	7

¹ Includes officers substantively holding or acting for a period exceeding three months in a key management personnel position. The ACIC CEO is also the Director of the Australian Institute of Criminology (AIC). The full cost of the CEO is included above. The AIC makes a contribution towards the overheads of the ACIC, including executive oversight, which is included in 'Rendering of services' (Refer Note 1.2A).

Note 4.3: Related party disclosure

Related party relationships:

The ACIC is an Australian Government controlled entity. Related parties of the ACIC comprise the ministers responsible for the ACIC, other cabinet ministers, other Australian Government entities, the key management personnel of the ACIC, and parties related to the ACIC's key management personnel (including close family members and entities controlled by themselves, their close family members or jointly with close family members).

Transactions with related parties:

Given the breadth of government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such transactions include the payment or refund of taxes. These transactions have not been separately disclosed in this note.

Giving consideration to relationships with related entities, and transactions entered into during the reporting period by the entity, it has been determined that there are no related party transactions requiring disclosure.

5. Managing uncertainties

Note 5.1: Financial instruments

	Notes	2019 \$'000	2018 \$'000
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Note 5.1A: Categories of financial instruments

Financial assets

Financial assets at amortised cost

Cash and cash equivalents	2.1A	130,303	117,239
Trade and other receivables	2.1B	13,953	17,022
Total financial assets		144,256	134,261

Financial liabilities

Financial liabilities measured at amortised cost

Trade creditors and accruals	2.3A	17,992	19,160
Total financial liabilities		17,992	19,160

Changes with the implementation of AASB 9

ACIC was reporting financial assets at amortised cost under the AASB 139 as loans and receivables. However, under the AASB 9 it has been reclassified as financial assets at amortised cost. AASB 9 did not have any impact to financial liability disclosure.

Based on the receivable management history and the current debtor management process, the ACIC assessed the risk of impairment as nil.

6. Other information

Note 6.1: Aggregate assets and liabilities

	2019	2018
	\$'000	\$'000

Note 6.1: Aggregate assets and liabilities

Assets expected to be recovered in:

No more than 12 months	205,706	194,766
More than 12 months	72,008	66,624
Total assets	277,714	261,390

Liabilities expected to be settled in:

No more than 12 months	52,257	48,586
More than 12 months	34,180	31,283
Total liabilities	86,437	79,869

This note indicates the liquidity position of the ACIC.

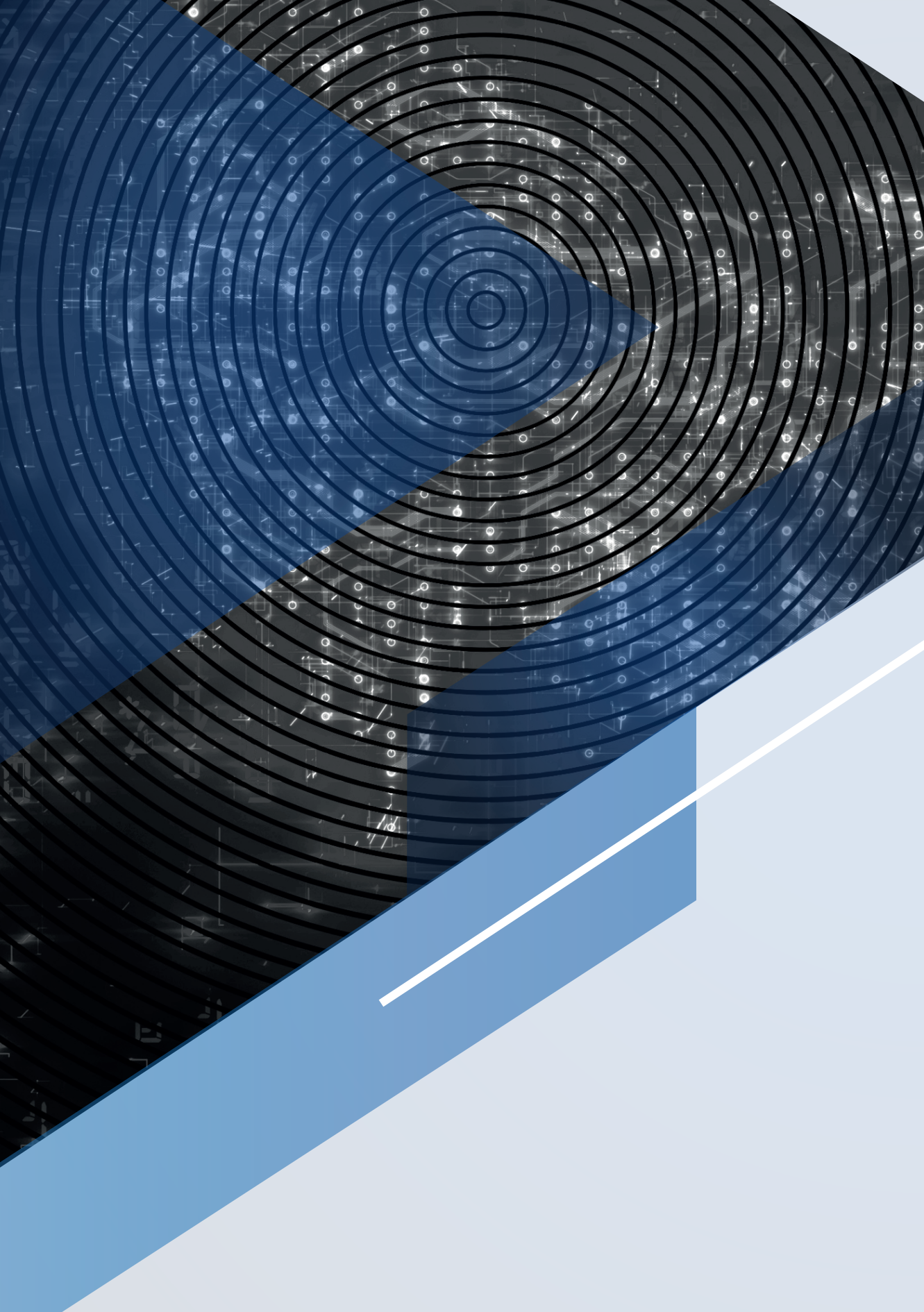
7. Explanations of major variances between budget and actual

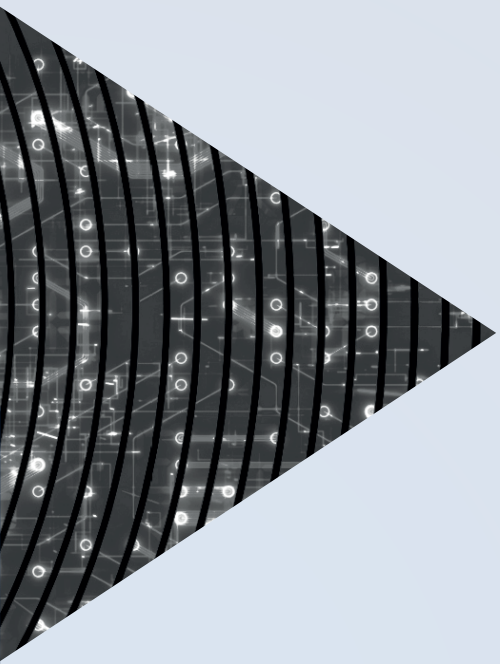
The following are explanations of events that have impacted on the ACIC's operations and activities for the year. Budget numbers are sourced from the ACIC's *Portfolio Budget Statements 2018–19* and are provided in the primary statements. Budgeted numbers are not audited.

Major variances are those deemed relevant or most significant to an analysis of the ACIC's performance by management, not focussed merely on numerical differences between the actual and budgeted amounts.

When providing explanations, the ACIC has identified the financial impact in relation to those key aggregates relevant to the ACIC's performance. Users should be aware that there will be consequential impacts on related statements i.e. a variance in the Statement of Comprehensive Income is likely to have consequential impacts in the Statement of Financial Position and the Cash Flow Statement.

Explanation for major variances	Affected line items (and statement)
Appropriation adjustment The ACIC appropriation was reduced by \$3.622m as a result of: <ul style="list-style-type: none"> ▶ delays in passing enabling legislation for implementing Criminal Intelligence Checking services ▶ additional efficiency dividends and savings measures ▶ offset by new measure funded from Joint Capability Fund. 	<i>Expenses: Employee benefits, Supplier, Depreciation and amortisation (Statement of Comprehensive Income)</i> <i>Revenue from Government: (Statement of Comprehensive Income)</i>
Growing demand for National Police Checking Service The growth rate for National Police Checking Service (NPCS) was higher than the budgeted growth rate, resulted in a \$6.8m increase in NPCS revenue.	<i>Expenses: Suppliers (Statement of Comprehensive Income)</i> <i>Own-source revenue: Rendering of services (Statement of Comprehensive Income)</i> <i>Financial assets: Cash and cash equivalent (Statement of Financial Position)</i>
Proceeds of Crime Account revenue The ACIC secured funding, for a number of initiatives, from the Proceeds of Crime Account after the 2018–19 Budget, which provided the ACIC \$14.9m over three financial years.	<i>Expenses: Suppliers (Statement of Comprehensive Income)</i> <i>Own-source revenue: Rendering of services (Statement of Comprehensive Income)</i> <i>Financial assets: Cash and cash equivalent (Statement of Financial Position)</i> <i>Non-financial assets: Property, plant and equipment, Intangible (Statement of Financial Position)</i>
Asset impairment A review of assets has resulted in the write off of several items. The reasons included changes in delivery strategy relating to the NCIS, rendering work to date in some areas impaired. In addition capability delivered under several other projects was assessed as redundant.	<i>Expenses: Supplier, Write-down and impairment of property, plant and equipment, Depreciation and amortisation (Statement of Comprehensive Income)</i> <i>Financial assets: Cash and cash equivalent (Statement of Financial Position)</i> <i>Non-financial assets: Property, plant and equipment, Intangible (Statement of Financial Position)</i> <i>Provisions: Other provision (Statement of Financial Position)</i>
Office relocation The ACIC has committed to relocate its Melbourne office prior to the termination of its existing lease. This has resulted in the creation of a significant onerous lease provision.	<i>Expenses: Suppliers (Statement of Comprehensive Income)</i> <i>Provisions: Other provision (Statement of Financial Position)</i>
Other provisions Other provisions have been raised for legal costs pertaining to recent court decisions and projects, and bond rate adjustments impacting on the value of employee entitlement estimates.	<i>Expenses: Employee benefits, Suppliers (Statement of Comprehensive Income)</i> <i>Provisions: Employee provisions, Other provision (Statement of Financial Position)</i>
Capital projects Variance of actual expenditure on capital projects against budgets can arise due to differences in timing in project planning and execution. Additionally, at the time of publishing the 2018–19 budget the Biometrics Information Services project was intended to continue. However, that project was subsequently cancelled and therefore is not reflected in the non-financial asset balances.	<i>Non-financial assets (Statement of Financial Position)</i> <i>Cash used in investment activities (Cash flow Statement)</i>





Section
05

Appendices and references

Information required by legislation and aids to access

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crime impacting Australia.

► Appendix A: List of requirements

As required by section 17AJ(d) of the *Public Governance, Performance and Accountability Rule 2014*, we have included the following list of requirements as an aid to access.

PGPA Rule reference	Part of report (page)	Description	Requirement
17AD(g)	Letter of transmittal		
17AI	vi	A copy of the letter of transmittal signed and dated by the accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report.	Mandatory
17AD(h)	Aids to access		
17AJ(a)	vii	Table of contents.	Mandatory
17AJ(b)	159–167	Alphabetical index.	Mandatory
17AJ(c)	156–158	Glossary, abbreviations and acronyms.	Mandatory
17AJ(d)	136–140	List of requirements.	Mandatory
17AJ(e)	Inside front cover	Details of contact officer.	Mandatory
17AJ(f)	Inside front cover	Entity's website address.	Mandatory
17AJ(g)	Inside front cover	Electronic address of report.	Mandatory
17AD(a)	Review by the accountable authority		
17AD(a)	2–3	A review by the accountable authority of the entity.	Mandatory
17AD(b)	Overview of entity		
17AE(1)(a)(i)	4–5	A description of the role and functions of the entity.	Mandatory
17AE(1)(a)(ii)	6	A description of the organisational structure of the entity.	Mandatory
17AE(1)(a)(iii)	8–9	A description of the outcomes and programs administered by the entity.	Mandatory
17AE(1)(a)(iv)	4	A description of the purposes of the entity as included in the corporate plan.	Mandatory
17AE(1)(aa)(i)	97	Name of the accountable authority or each member of the accountable authority.	Mandatory
17AE(1)(aa)(ii)	97	Position title of the accountable authority or each member of the accountable authority.	Mandatory
17AE(1)(aa)(iii)	97	Period as the accountable authority or member of the accountable authority within the reporting period.	Mandatory
17AE(1)(b)	Not applicable	An outline of the structure of the portfolio of the entity.	Portfolio departments—Mandatory
17AE(2)	Not applicable	Where outcomes and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change.	If applicable, Mandatory

PGPA Rule reference	Part of report (page)	Description	Requirement
17AD(c)	Report of the Performance of the entity		
	Annual Performance Statements		
17AD(c)(i); 16F	14–57	Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the PGPA Rule.	Mandatory
17AD(c)(ii)	Report on Financial Performance		
17AF(1)(a)	59–61	A discussion and analysis of the entity's financial performance.	Mandatory
17AF(1)(b)	62	A table summarising the total resources and total payments of the entity.	Mandatory
17AF(2)	Not applicable	If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results.	If applicable, Mandatory
17AD(d)	Management and Accountability		
	Corporate Governance		
17AG(2)(a)	vi, 77	Information on compliance with section 10 (fraud systems).	Mandatory
17AG(2)(b)(i)	vi	A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared.	Mandatory
17AG(2)(b)(ii)	vi	A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place.	Mandatory
17AG(2)(b)(iii)	vi	A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity.	Mandatory
17AG(2)(c)	66–77	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.	Mandatory
17AG(2)(d) – (e)	59	A statement of significant issues reported to the Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with Finance law and action taken to remedy non-compliance.	If applicable, Mandatory
	External Scrutiny		
17AG(3)	34, 78–87	Information on significant developments in external scrutiny and entity's response to the scrutiny.	Mandatory
17AG(3)(a)	84–86	Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity.	If applicable, Mandatory
17AG(3)(b)	79–80, 84	Information on any reports on operations of the entity by the Auditor-General (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman.	If applicable, Mandatory
17AG(3)(c)	Not applicable	Information on any capability reviews on the entity that were released during the period.	If applicable, Mandatory

PGPA Rule reference	Part of report (page)	Description	Requirement
	Management of Human Resources		
17AG(4)(a)	88–93, 99–102	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory
17AG(4)(aa)	88–90, 146–151	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: <ul style="list-style-type: none"> ▶ statistics on full-time employees; ▶ statistics on part-time employees; ▶ statistics on gender; ▶ statistics on staff location. 	Mandatory
17AG(4)(b)	88–90, 146–151	Statistics on the entity's APS employees on an ongoing and non-ongoing basis; including the following: <ul style="list-style-type: none"> ▶ Statistics on staffing classification level; ▶ Statistics on full-time employees; ▶ Statistics on part-time employees; ▶ Statistics on gender; ▶ Statistics on staff location; ▶ Statistics on employees who identify as Indigenous. 	
17AG(4)(c)	93	Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the <i>Public Service Act 1999</i> .	Mandatory
17AG(4)(c)(i)	151	Information on the number of SES and non-SES employees covered by agreements etc. identified in paragraph 17AG(4)(c).	Mandatory
17AG(4)(c)(ii)	152	The salary ranges available for APS employees by classification level.	Mandatory
17AG(4)(c)(iii)	93	A description of non-salary benefits provided to employees.	Mandatory
17AG(4)(d)(i)	93	Information on the number of employees at each classification level who receive performance pay.	If applicable, Mandatory
17AG(4)(d)(ii)	Not applicable	Information on aggregate amounts of performance pay at each classification level.	If applicable, Mandatory
17AG(4)(d)(iii)	Not applicable	Information on the average amount of performance payment, and range of such payments, at each classification level.	If applicable, Mandatory
17AG(4)(d)(iv)	Not applicable	Information on aggregate amounts of performance payments.	If applicable, Mandatory
	Assets management		
17AG(5)	103	An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities.	If applicable, Mandatory
	Purchasing		
17AG(6)	103–104	An assessment of entity performance against the <i>Commonwealth Procurement Rules</i> .	Mandatory

PGPA Rule reference	Part of report (page)	Description	Requirement
Consultants			
17AG(7)(a)	104	A summary statement detailing the number of new contracts engaging consultants entered into during the period; the total actual expenditure on all new consultancy contracts entered into during the period (inclusive of GST); the number of ongoing consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST).	Mandatory
17AG(7)(b)	104	A statement that <i>'During [reporting period], [specific number] new consultancy contracts were entered into involving total actual expenditure of \$[specific million]. In addition, [specific number] ongoing consultancy contracts were active during the period, involving total actual expenditure of \$[specific million]'</i> .	Mandatory
17AG(7)(c)	104	A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were engaged.	Mandatory
17AG(7)(d)	104	A statement that <i>'Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website'</i> .	Mandatory
Australian National Audit Office Access Clauses			
17AG(8)	104	If an entity entered into a contract with a value of more than \$100,000 (inclusive of GST) and the contract did not provide the Auditor-General with access to the contractor's premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract.	If applicable, Mandatory
Exempt contracts			
17AG(9)	105	If an entity entered into a contract or there is a standing offer with a value greater than \$10,000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters.	If applicable, Mandatory
Small business			
17AG(10)(a)	105	A statement that <i>'[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website'</i> .	Mandatory
17AG(10)(b)	105	An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory
17AG(10)(c)	105	If the entity is considered by the Department administered by the Finance Minister as material in nature—a statement that <i>'[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury's website'</i> .	If applicable, Mandatory

PGPA Rule reference	Part of report (page)	Description	Requirement
	Financial statements		
17AD(e)	110–133	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory
	Executive Remuneration		
17AD(da)	94–97	Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 23 of the Rule.	Mandatory
17AD(f)	Other mandatory information		
17AH(1)(a)(i)	Not applicable	If the entity conducted advertising campaigns, a statement that <i>'During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity's website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance's website'.</i>	If applicable, Mandatory
17AH(1)(a)(ii)	145	If the entity did not conduct advertising campaigns, a statement to that effect.	If applicable, Mandatory
17AH(1)(b)	Not applicable	A statement that <i>'Information on grants awarded to [name of entity] during [reporting period] is available at [address of entity's website]'.</i>	If applicable, Mandatory
17AH(1)(c)	93	Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory
17AH(1)(d)	84	Website reference to where the entity's Information Publication Scheme statement pursuant to Part II of FOI Act can be found.	Mandatory
17AH(1)(e)	153	Correction of material errors in previous annual report.	If applicable, Mandatory
17AH(2)	105, 141–144	Information required by other legislation.	Mandatory

► Appendix B: Work health and safety

This appendix addresses our annual reporting responsibilities under Schedule 2, Part 4, of the *Work Health and Safety Act 2011*.

Work health and safety priorities

In 2018–19, we:

- strengthened our existing work health and safety systems by revising all relevant policies and introduced new and improved processes
- implemented an early intervention training program that specifically targeted managers
- continued to implement early intervention strategies and rehabilitation case management, leading to improved injury prevention and workers compensation performance
- further strengthened our due diligence framework by running refresher training for the ACIC Executive.

Work health and safety management arrangements

Our National Work Health Safety Committee meets quarterly and is responsible for:

- supporting the ACIC Executive to identify, develop, review and implement measures to protect and actively manage the health and safety of employees
- promoting and monitoring measures to ensure safe work practices
- facilitating consultation and communication with employees about work health and safety matters
- undertaking functions prescribed in the *Work Health and Safety Act 2011* and associated Regulations.

Our National Work Health Safety Committee is the conduit for consultation with employees on all work health and safety issues. Local work health safety committees meet regularly and provide input to the national committee.

Initiatives to ensure the health, safety and wellbeing of workers

We are committed to maintaining a safe and healthy workplace and empowering the health, safety and wellbeing of workers.

Health and Wellbeing Program

Our Health and Wellbeing Program continues to evolve with staff input, reviews of better practice and new initiatives. The program aims to:

- ▶ help staff make positive health and behaviour changes
- ▶ promote a culture that supports healthy and positive lifestyles
- ▶ provide a central source for health and wellbeing information and resources
- ▶ inspire staff to take ownership of health and wellbeing initiatives in their offices
- ▶ encompass a broad view of health, including physical, mental and social aspects
- ▶ demonstrate our commitment to the health and wellbeing of employees and their families.

Prevention programs

We take a proactive approach to identify and control hazards in the workplace and to prevent injury. We continue to identify and assess hazards within work areas and ensure that risk control strategies are in place. In 2018–19, we:

- ▶ provided access to an employee assistance program which includes manager assistance, mediation services and other employee information and support services
- ▶ implemented targeted and random, unannounced drug and alcohol testing of high-risk and non-high-risk employees
- ▶ conducted regular workplace inspections to identify hazards and determine appropriate controls
- ▶ implemented an early intervention training program that provided managers with tools and strategies to support employees who require early intervention assistance.

Drug and alcohol testing

Our drug and alcohol policy seeks to identify and eliminate harm arising from the effects of drugs and alcohol in the workplace and to deter drug and alcohol misuse by employees.

Our policy on drugs and alcohol is:

- ▶ zero tolerance in relation to the use, possession, sale and distribution of illicit drugs for all employees at all times
- ▶ a limit of zero blood alcohol concentration for employees working in high-risk areas and less than 0.05 blood alcohol concentration for all other employees while at an ACIC workplace or on official ACIC duty.

In 2018–19, we completed 273 targeted and random, unannounced workplace drug and alcohol tests. There was one confirmed positive test result during the year. The matter was reviewed and appropriate management action taken.

Health and safety outcomes

Workers compensation

An agency's workers compensation premium rate provides an indication of the employer's effectiveness in preventing injury or illness and in helping its employees to return to work quickly and safely after a work-related injury or illness. We are committed to supporting employees with work-related injuries or illness and, as outlined in our rehabilitation management system, early intervention is a key strategy. Our premium rate for 2019–20 was set at 0.42 per cent, a decrease from the previous year, which demonstrates that our focus on early intervention and employees with psychological conditions during 2018–19 was effective.

There were two accepted workers compensation claims for injuries/diseases during 2018–19, which was a decrease of one from the previous year (Table B.1). Four compensation claims submitted during 2018–19 are pending determination. Therefore, these statistics may change.

Table B.1: Accepted compensation claims

Year	Accepted compensation claims
2014–15	6
2015–16	2
2016–17	1
2017–18	3
2018–19	2

Incidents and injuries

Thirty-four injuries, incidents or hazards were reported in 2018–19 (not including notifiable incidents), which was a decrease of five incidents from the previous year. Body stressing was the most common mechanism of injury (Table B.2).

Table B.2: Mechanism of injury 2018–19

Mechanism of injury	Number
Being hit by moving object	0
Biological/chemical factors	0
Body stressing	15
Mental stress	5
Falls, trips, slips	2
Other and unspecified	5
Heat and electrical	0
Hazard report	7
Total	34

In 2018–19, we engaged industry professionals to assist with:

- ▶ external rehabilitation assessment and management services for compensable and non-compensable injuries
- ▶ workstation assessments for staff experiencing pain and discomfort, injury, changes in work practices or the installation of new equipment
- ▶ mediation
- ▶ work health and safety workplace training and information sessions
- ▶ early intervention training for managers.

Accidents or dangerous occurrences

Under section 38 of the *Work Health and Safety Act 2011*, we are required to notify Comcare immediately after becoming aware of any death, serious personal injury or dangerous incident. There were two notifiable incidents during 2018–19. We reviewed each incident and implemented corrective actions where possible to reduce the likelihood of similar incidents occurring in the future.

Work health and safety investigations

Comcare undertook one investigation during 2018–19. The matter has been closed, and corrective actions are being taken by the ACIC.

► Appendix C: Advertising and market research

Section 311A of the *Commonwealth Electoral Act 1918* requires us to provide details of amounts paid for advertising and market research in our annual report.

In 2018–19, the Australian Criminal Intelligence Commission (ACIC) did not conduct any advertising campaigns or make any payments for polling, direct mail or campaign advertising.

The ACIC did not make any payments related to non-campaign advertising that were higher than the reporting threshold of \$13,800.

A total of \$16,850 (including GST) was paid to Andrews Group Pty Ltd to undertake the 2017–18 stakeholder-related survey.

► Appendix D: Employee statistics

The tables in this appendix provide an overview of ACIC staffing, including details required by section 17AG(4) of the *Public Governance, Performance and Accountability Rule 2014*.

Table D.1: Ongoing employees by location at 30 June 2019

	Male			Female			Indeterminate			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	72	2	74	31	17	48	–	–	–	122
QLD	37	1	38	24	6	30	–	–	–	68
SA	11	1	12	9	8	17	–	–	–	29
TAS	–	–	–	2	–	2	–	–	–	2
VIC	51	–	51	34	5	39	–	–	–	90
WA	21	–	21	5	3	8	–	–	–	29
ACT	175	3	178	175	41	216	–	–	–	394
NT	1	–	1	–	1	1	–	–	–	2
OS	2	–	2	2	–	2	–	–	–	4
Total	370	7	377	282	81	363	–	–	–	740

OS = overseas

Table D.2: Non-ongoing employees and statutory office holders by location at 30 June 2019

	Male			Female			Indeterminate			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	3	1	4	2	–	2	–	–	–	6
QLD	–	–	–	1	–	1	–	–	–	1
SA	2	1	3	–	–	–	–	–	–	3
TAS	–	–	–	–	–	–	–	–	–	–
VIC	–	–	–	–	–	–	–	–	–	–
WA	–	–	–	–	–	–	–	–	–	–
ACT	7	–	7	11	2	13	–	–	–	20
NT	–	–	–	–	–	–	–	–	–	–
OS	–	–	–	–	–	–	–	–	–	–
Total	12	2	14	14	2	16	–	–	–	30

OS = overseas

Table D.3: Ongoing employees by location at 30 June 2018

	Male			Female			Indeterminate			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	70	3	73	33	17	50	1	–	1	124
QLD	39	1	40	37	11	48	–	–	–	88
SA	12	3	15	10	8	18	–	–	–	33
TAS	–	–	–	2	–	2	–	–	–	2
VIC	60	1	61	40	9	49	–	–	–	110
WA	19	–	19	5	2	7	–	–	–	26
ACT	171	5	176	159	39	198	–	–	–	374
NT	1	–	1	–	1	1	–	–	–	2
OS	3	–	3	1	–	1	–	–	–	4
Total	375	13	388	287	87	374	1	–	1	763

OS = overseas

Table D.4: Non-ongoing employees and statutory office holders by location at 30 June 2018

	Male			Female			Indeterminate			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	1	2	3	3	–	3	–	–	–	6
QLD	1	–	1	–	–	–	–	–	–	1
SA	1	1	2	1	–	1	–	–	–	3
TAS	–	–	–	–	–	–	–	–	–	–
VIC	1	–	1	–	–	–	–	–	–	1
WA	–	–	–	–	–	–	–	–	–	–
ACT	4	–	4	9	3	12	1	–	1	17
NT	–	–	–	–	–	–	–	–	–	–
OS	–	–	–	–	–	–	–	–	–	–
Total	8	3	11	13	3	16	1	–	1	28

OS = overseas

Table D.5: Australian Public Service Act ongoing employees at 30 June 2019

	Male			Female			Indeterminate			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
SES 3	–	–	–	–	–	–	–	–	–	–
SES 2	2	–	2	2	–	2	–	–	–	4
SES 1	9	–	9	5	–	5	–	–	–	14
EL 2	51	2	53	19	6	25	–	–	–	78
EL 1	182	1	183	66	24	90	–	–	–	273
APS 6	44	2	46	62	21	83	–	–	–	129
APS 5	35	–	35	54	14	68	–	–	–	103
APS 4	39	1	40	58	12	70	–	–	–	110
APS 3	6	–	6	15	4	19	–	–	–	25
APS 2	1	–	1	1	–	1	–	–	–	2
APS 1	1	1	2	–	–	–	–	–	–	2
Total	370	7	377	282	81	363	–	–	–	740

APS = Australian Public Service, EL = Executive Level, SES = Senior Executive Service

Table D.6: Australian Public Service Act non-ongoing employees at 30 June 2019

	Male			Female			Indeterminate			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
SES 3	–	–	–	–	–	–	–	–	–	–
SES 2	–	–	–	–	–	–	–	–	–	–
SES 1	–	–	–	–	–	–	–	–	–	–
EL 2	2	–	2	–	–	–	–	–	–	2
EL 1	3	–	3	2	1	3	–	–	–	6
APS 6	1	–	1	2	–	2	–	–	–	3
APS 5	3	–	3	2	1	3	–	–	–	6
APS 4	1	–	1	7	–	7	–	–	–	8
APS 3	–	–	–	1	–	1	–	–	–	1
APS 2	–	–	–	–	–	–	–	–	–	–
APS 1	–	–	–	–	–	–	–	–	–	–
Total	10	–	10	14	2	16	–	–	–	26

APS = Australian Public Service, EL = Executive Level, SES = Senior Executive Service

Table D.7: Australian Public Service Act ongoing employees at 30 June 2018

	Male			Female			Indeterminate			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
SES 3	–	–	–	–	–	–	–	–	–	–
SES 2	2	–	2	1	–	1	–	–	–	3
SES 1	8	–	8	5	–	5	–	–	–	13
EL 2	57	3	60	22	3	25	–	–	–	85
EL 1	185	3	188	76	23	99	1	–	1	288
APS 6	48	4	52	62	30	92	–	–	–	144
APS 5	31	–	31	53	12	65	–	–	–	96
APS 4	40	1	41	52	12	64	–	–	–	105
APS 3	3	1	4	15	7	22	–	–	–	26
APS 2	1	–	1	1	–	1	–	–	–	2
APS 1	–	1	1	–	–	–	–	–	–	1
Total	375	13	388	287	87	374	1	–	1	763

APS = Australian Public Service, EL = Executive Level, Senior Executive Service

Table D.8: Australian Public Service Act non-ongoing employees at 30 June 2018

	Male			Female			Indeterminate			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
SES 3	–	–	–	–	–	–	–	–	–	–
SES 2	–	–	–	–	–	–	–	–	–	–
SES 1	–	–	–	–	–	–	–	–	–	–
EL 2	2	–	2	–	–	–	–	–	–	2
EL 1	3	–	3	–	–	–	–	–	–	3
APS 6	–	–	–	1	–	1	–	–	–	1
APS 5	–	–	–	3	2	5	–	–	–	5
APS 4	1	–	1	7	1	8	1	–	1	10
APS 3	1	–	1	2	–	2	–	–	–	3
APS 2	–	–	–	–	–	–	–	–	–	–
APS 1	–	–	–	–	–	–	–	–	–	–
Total	7	–	7	13	3	16	1	–	1	24

APS = Australian Public Service, EL = Executive Level, SES = Senior Executive Service

Table D.9: Australian Public Service Act employees by full-time and part-time status at 30 June 2019

	Ongoing			Non-ongoing			Total
	Full time	Part time	Total ongoing	Full time	Part time	Total non-ongoing	
SES 3	–	–	–	–	–	–	–
SES 2	4	–	4	–	–	–	4
SES 1	14	–	14	–	–	–	14
EL 2	70	8	78	2	–	2	80
EL 1	248	25	273	5	1	6	279
APS 6	106	23	129	3	–	3	132
APS 5	89	14	103	5	1	6	109
APS 4	97	13	110	8	–	8	118
APS 3	21	4	25	1	–	1	26
APS 2	2	–	2	–	–	–	2
APS 1	1	1	2	–	–	–	2
Total	652	88	740	24	2	26	766

APS = Australian Public Service, EL = Executive Level, SES = Senior Executive Service

Table D.10: Australian Public Service Act employees by full-time and part-time status at 30 June 2018

	Ongoing			Non-ongoing			Total
	Full time	Part time	Total ongoing	Full time	Part time	Total non-ongoing	
SES 3	–	–	–	–	–	–	–
SES 2	3	–	3	–	–	–	3
SES 1	13	–	13	–	–	–	13
EL 2	79	6	85	2	–	2	87
EL 1	262	26	288	3	–	3	291
APS 6	110	34	144	1	–	1	145
APS 5	84	12	96	3	2	5	101
APS 4	92	13	105	9	1	10	115
APS 3	18	8	26	3	–	3	29
APS 2	2	–	2	–	–	–	2
APS 1	–	1	1	–	–	–	1
Total	663	100	763	21	3	24	787

APS = Australian Public Service, EL = Executive Level, SES = Senior Executive Service

Table D.11: Australian Public Service Act employees by location 2018–19 and 2017–18

	2018–19			2017–18		
	Ongoing	Non-ongoing	Total	Ongoing	Non-ongoing	Total
NSW	122	4	126	124	4	128
QLD	68	1	69	88	1	89
SA	29	2	31	33	2	35
TAS	2	–	2	2	–	2
VIC	90	–	90	110	1	111
WA	29	–	29	26	–	26
ACT	394	19	413	374	16	390
NT	2	–	2	2	–	2
OS	4	–	4	4	–	4
Total	740	26	766	763	24	787

OS = overseas

Table D.12: Australian Public Service Act Indigenous employees by location 2018–19 and 2017–18

Employment	2018–19	2017–18
Ongoing	12	13
Non-ongoing	–	–
Total	12	13

Table D.13: Australian Public Service Act employment arrangements 2018–19

Arrangement title	SES	Non-SES	Total
Enterprise agreement	–	748	748
Common law contract	18	–	18
Total	18	748	766

SES = Senior Executive Service

Note: As at 30 June 2019, of the 748 non-SES employees, 63 had individual flexibility agreements in place.

Table D.14: Australian Public Service Act employment salary ranges by classification 2018–19

	Minimum	Maximum
SES 3	–	–
SES 2	–	–
SES 1	–	–
EL 2	\$124,585	\$140,369
EL 1	\$99,717	\$120,219
APS 6	\$79,093	\$89,505
APS 5	\$72,489	\$76,867
APS 4	\$65,469	\$71,085
APS 3	\$59,561	\$64,284
APS 2	\$51,483	\$57,088
APS 1	\$44,815	\$49,531

APS = Australian Public Service, EL = Executive Level, SES = Senior Executive Service

Note: Remuneration for SES officers is determined on an individual basis under common law contracts.

► Appendix E: Correction of reporting errors

This appendix corrects the record by explaining a reporting error that occurred in a previous annual report, in accordance with section 17AH(1)(e) of the *Public Governance, Performance and Accountability Rule 2014*.

A reporting error was made on page 195 of the *Australian Criminal Intelligence Commission Annual Report 2017–18*.

The section headed ‘Exempt contracts’ provided figures regarding the number and value of contracts not published on AusTender.

Those figures incorrectly included contracts not published due to either:

- the Australian Criminal Intelligence Commission having an exemption under section 105D of the *Public Governance, Performance and Accountability Act 2013*
- or
- the procurement being exempt from publication under paragraph 2.6 of the Commonwealth Procurement Rules.

The number and value of those contracts was not required to be reported.

Under section 17AG(9) of the *Public Governance, Performance and Accountability Rule 2014*, the ‘Exempt contracts’ reporting requirement relates to contracts that are not published on AusTender because to do so would disclose exempt matters under the *Freedom of Information Act 1982*. No ACIC contracts met that criterion in 2017–18.

► Lists of figures and tables

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► Acronyms and abbreviations

ACC Act	<i>Australian Crime Commission Act 2002</i>
ACIC	Australian Criminal Intelligence Commission
ACLEI	Australian Commission for Law Enforcement Integrity
ACORN	Australian Cybercrime Online Reporting Network
AFP	Australian Federal Police
AGICC	Australian Gangs Intelligence Coordination Centre
AIC	Australian Institute of Criminology
APOT	Australian Priority Organisation Target
APS	Australian Public Service
AUSTRAC	Australian Transaction Reports and Analysis Centre
CDPP	Commonwealth Director of Public Prosecutions
CEO	Chief Executive Officer
CITDC	Criminal Intelligence Training and Development Continuum
DEA	United States Drug Enforcement Administration
DTS	Dare-to-Share
ICC Program	Infrastructure Capability and Consolidation Program
ICT	information and communications technology
IDEC	International Drug Enforcement Conference
IGC-ACC	Inter-Governmental Committee on the Australian Crime Commission
ITTF	Illicit Tobacco Taskforce
MDMA	3,4-methylenedioxymethamphetamine
NCIDD	National Criminal Investigation DNA Database
NCIS	National Criminal Intelligence System
NPCS	National Police Checking Service
NPI	national policing information
OMCG	outlaw motorcycle gang
PBS	portfolio budget statements
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
Richardson Review	Comprehensive review of the legal framework governing the National Intelligence Community
SES	Senior Executive Service
SFCT	Serious Financial Crime Taskforce
SMEs	small and medium-sized enterprises
Vestigo Task Force	Transnational Criminal Intelligence Task Force
Wood Review	Review of Australia's Sports Integrity Arrangements

► Glossary

Amphetamine-type stimulants—A general term for the amphetamine-based group of drugs including MDMA (ecstasy) and methylamphetamine (ice).

Availability (of systems)—Our system availability reporting provides the percentage of time systems were available, excluding scheduled outages. We provide our systems nationally to multiple agencies. Many of our systems are integrated or routed via partner agency systems, meaning issues unrelated to our service can also affect availability. As a result, we derive national availability reporting from user notifications of outages across multiple jurisdictions.

Coercive powers—See ‘Special powers’.

Controlled operation—An operation to obtain evidence that may lead to the prosecution of a person for a serious Commonwealth offence, or a serious state offence with a federal aspect, that may involve an ACIC officer or supervised civilian in acts or omissions that would (but for the operation of a legal indemnity) constitute an offence.

Deconfliction—Deconfliction is a process that enables police and law enforcement to be aware of each other’s activities against criminal targets, subjects or cases that are active across more than one jurisdiction or regional area. Outcomes from deconfliction can be:

- investigative efforts are not jeopardised
- investigative efforts are enhanced by new information being provided
- opportunities for joint efforts are identified.

Determination—When authorising the ACIC to undertake an intelligence operation or an investigation, the ACIC Board can determine that the ACIC can use special powers. Before issuing a determination, the ACIC Board must consider whether normal intelligence collection methods or ordinary police methods of investigation have been or are likely to be effective.

Disruption of criminal activity—Disrupting criminal activity may include interrupting the flow or continuity of the criminal behaviour and/or enterprises of a criminal entity as a direct result of ACIC or joint agency operational activity. This may also occur by undermining criminal businesses by exposing their methodologies, releasing intelligence alerts and warnings on their activities and reducing their ability to operate in the criminal markets of their choice.

Disruption operational activities may include arrests, seizure of illegal commodities (such as drugs or firearms), proceeds of crime and/or prosecutions.

The level of disruptive impact achieved by law enforcement is deemed to be either ‘significant’ or ‘severe’:

- **Severe**—The dismantling/complete disruption of a serious organised crime entity with the cessation of their serious and organised crime activities.
- **Significant**—While not resulting in the complete disruption/dismantling of a serious organised crime entity and the cessation of their serious organised crime activities, the disruptive impact is assessed as ‘significant’. This assessment is informed by the disruptive impact caused by arrests, seizures (drugs, cash, assets), tax liabilities raised, and any other disruptive results achieved.

Estimated street value—The cost to purchase a drug at the end of the supply chain or ‘on the street’, estimated by considering such factors as (though not limited to) drug purity, location of drug seized, wholesale supply and distribution. Data for calculating the estimated street value is provided by operational areas of the ACIC and partner agencies.

Examinations—ACIC examiners can summons a person to attend a compulsory examination and answer questions under oath. The person is entitled to legal representation and the examination is held in private. The evidence gained from an examination cannot be used against the person in a criminal proceeding. A person summonsed to an examination cannot disclose that summons to any person other than their legal representative, unless permitted by the examiner.

Examiners—Examiners are independent statutory officers and experienced legal practitioners who may exercise the ACIC’s special (coercive) powers for the purposes of an ACIC special investigation or special operation.

Federally relevant criminal activity—The ACIC looks at serious and organised crime that is an offence against a law of the Commonwealth or a territory; or an offence against a law of a state and has a federal aspect. A state offence can have a federal aspect if it potentially falls within Commonwealth legislative power or where the ACIC’s interest in the state offence is incidental to ACIC operations/investigations relating to Commonwealth or territory offences.

Intelligence systems—Information technology-based systems that facilitate dissemination and sharing of criminal intelligence, including databases containing intelligence holdings that can be accessed and analysed by approved users.

MDMA—MDMA (3,4-methylenedioxymethamphetamine), commonly known as ecstasy, is an amphetamine-type stimulant.

Proceeds of crime—The profits of criminal activity. Legislation provides for these proceeds to be controlled, confiscated and potentially forfeited to the Commonwealth to discourage criminal activity and to prevent reinvestment in further criminal activity.

Serious and organised crime—According to the *Australian Crime Commission Act 2002*, serious and organised crime constitutes an offence that involves two or more offenders, substantial planning and organisation, and the use of sophisticated methods and techniques, that is committed (or of a kind that is ordinarily committed) in conjunction with other offences of a like kind, and is punishable by imprisonment for three or more years.

Special investigations—Special investigations are designed to disrupt and deter criminal groups by collecting evidence and intelligence about criminal activity. Coercive powers may be used in combination with a range of other investigative tools, including telecommunications intercepts, surveillance and controlled operations.

Special operations—Special operations focus on gathering intelligence around particular criminal activity so decisions are informed by the true extent, impact and threat of that criminal activity. Coercive powers may be used as well as other investigative tools if appropriate. These operations can help determine if a special investigation is warranted.

Special powers—The ACIC has coercive powers similar to those of a royal commission, which may be exercised only by ACIC examiners for special intelligence operations or special investigations. The special powers allow the ACIC to summons a person to give evidence under oath, require the production of documents, demand information from Commonwealth agencies, apply for a search warrant, and require the production of a passport.

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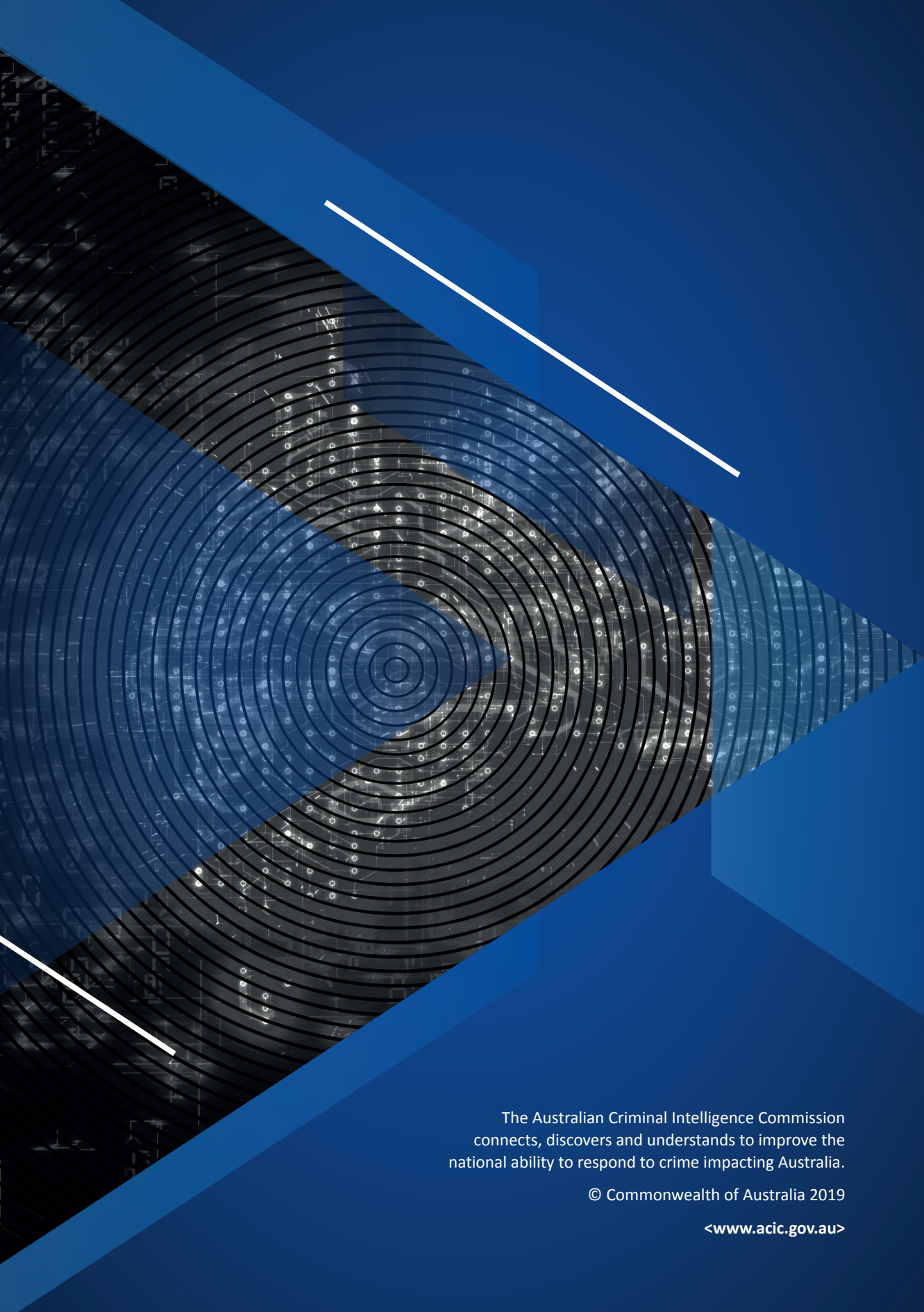
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connects, discovers and understands to improve the
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