

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



Chapter 6

Management and accountability

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Context

The ACC was established under the *Australian Crime Commission Act 2002* (ACC Act) to combat serious and organised crime through cooperative Australia-wide investigation and intelligence activities. Our national role and functions are underpinned by supporting legislation in each state and territory.

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

We are part of the Attorney-General's portfolio and report to the Minister for Justice.

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 our senior executive team and senior management committees.

Senior executive team

Our senior executive team comprises the CEO, three Executive Directors, eight National Managers, five State Managers and two state/territory Liaison Officers.

During the year we changed our organisational structure to empower our managers and staff in state offices to drive operational activity and specialist capabilities. They also better support the leadership team to address the challenges we face while delivering on our strategic goals for the year and beyond.



Members of the ACC senior executive team as at June 2015.

Snapshot of our management, accountability and people in 2014–15



581 staff and 36 secondees
from partner agencies



8 offices around the country



87.9% retention rate



Developed Corporate
Plan 2015–19



2750 training and
development opportunities



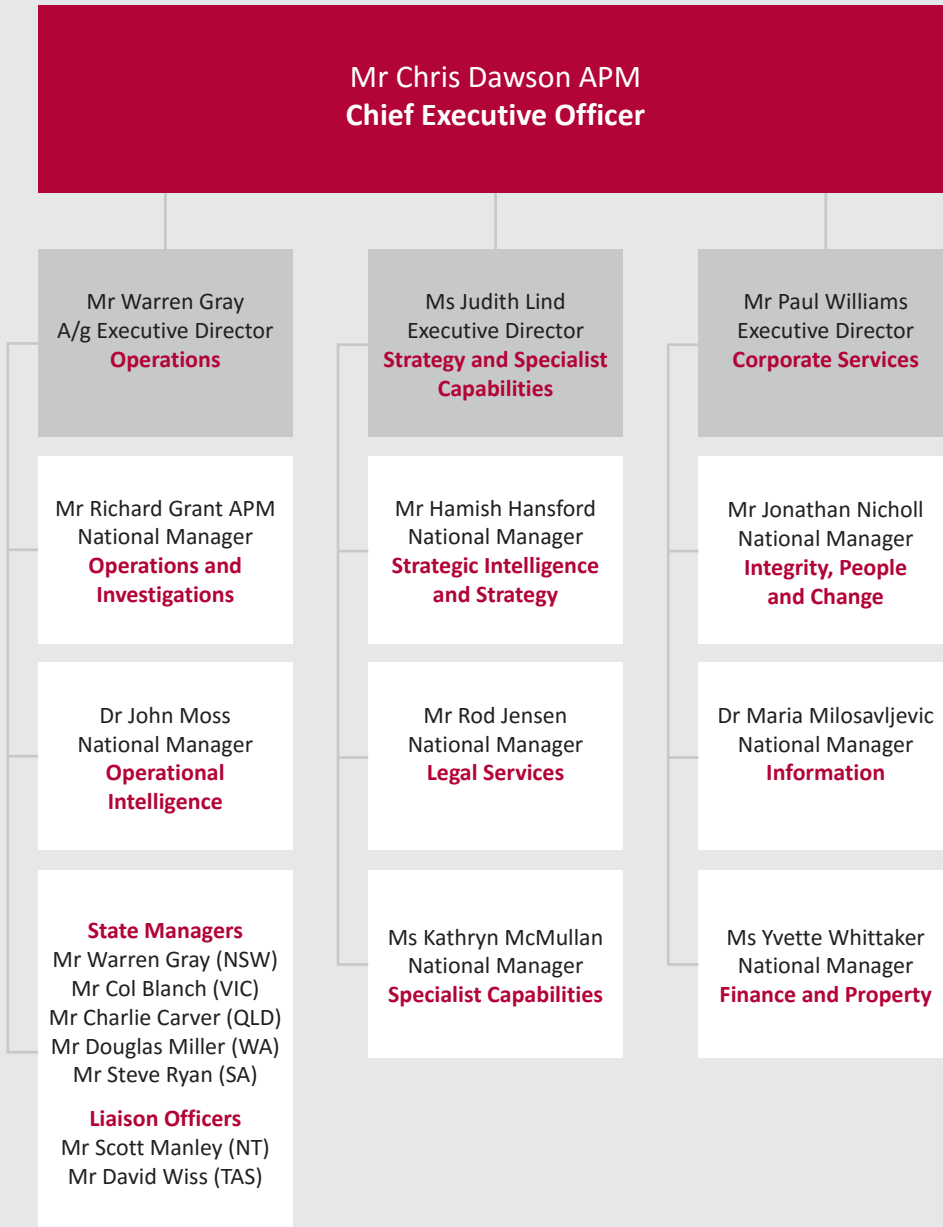
Commonwealth
Ombudsman inspections
no recommendations



48.7% women 51.3% men

Investigators intelligence analysts professional human source
case managers financial profilers operational and organisational
psychologists physical and technical surveillance operatives
technical and cyber analytics operatives strategic and vulnerability
assessment analysts lawyers specialist examinations staff
corporate services staff

Organisation structure as at 30 June 2015



Chief Executive Officer | Chris Dawson APM

Chris Dawson commenced as the ACC's Chief Executive Officer on 28 April 2014.

Prior to joining the ACC, Mr Dawson was Deputy Commissioner of the Western Australia Police for 10 years. Having joined the Western Australia Police as a cadet in 1976, Mr Dawson's extensive law enforcement career has included serving in country and metropolitan positions with specialist portfolios of serious and organised crime, counter-terrorism and state protection. In July 2004 he was appointed Deputy Commissioner and led agency reforms following the Royal Commission into Western Australia Police. From May 2008 Mr Dawson had overall management of all operational policing within metropolitan and regional areas of Western Australia, the world's largest single police jurisdiction (more than 2.5 million square kilometres). More recently he was State Commander for the Commonwealth Heads of Government Meeting (CHOGM) where he was responsible for the security of all attending Heads of State from 53 Commonwealth countries and their respective other senior ministers and delegates.



Mr Dawson holds a Graduate Certificate in Police Management, a Graduate Diploma from the Australian Institute of Company Directors, and a Diploma in Policing. Mr Dawson was awarded the Australian Police Medal for distinguished service in the 2002 Queen's Birthday Honours List.

Executive Director, Operations | Warren Gray (A/g)

Warren Gray joined the ACC in November 2009 after a 24-year career with the Australian Federal Police. There he had a range of roles including senior positions such as Sydney Manager, Manager Economic Operations and Airport Police Commander Sydney Airport. Mr Gray has a Bachelor of Administrative Leadership.

From January 2015, Mr Gray began acting as Executive Director, Operations. This directorate comprises our investigations and intelligence operations as well as intelligence products development and oversight of State Managers and Northern Territory and Tasmania Liaison Officers.



Mr Gray's substantive position is State Manager, New South Wales.

National Manager, Operations and Investigations | Richard Grant APM

Prior to joining the ACC in 2010, Richard Grant spent over 33 years with Victoria Police, mainly investigating serious and organised crime. Mr Grant was also responsible for developing and implementing legislative and policy reform in relation to asset confiscation and organised crime. Mr Grant has a Bachelor of Arts and a Graduate Diploma (Executive Leadership). In 2008, Mr Grant was awarded the Australian Police Medal for service to policing.



As the ACC's National Manager, Operations and Investigations, Mr Grant's major responsibilities include managing the ACC's special operations and special investigations.

National Manager, Operational Intelligence | John Moss

John Moss has over 20 years' experience in intelligence and security related positions in New Zealand and Australia, and overseas deployments. Since joining the ACC in 2007, Dr Moss has led strategic intelligence assessments, collections and analytics and the development of our operating strategy and model. Dr Moss has a Doctorate of Philosophy and other qualifications including a Graduate Certificate in Organised Crime and Corruption Investigations.



As the ACC's National Manager, Operational Intelligence, Dr Moss manages the ACC-led National Criminal Intelligence Fusion Capability. Dr Moss also oversees the Australian Gangs Intelligence Coordination Centre, the ACC Foreign Fighters Task Force and ACC contributions to the Australian Cyber Security Centre.

State Manager, New South Wales | Warren Gray

Warren Gray is the State Manager, New South Wales. On 30 June 2015, Mr Gray was the A/g Executive Director Operations. His details are on page 135.

As the State Manager, New South Wales Mr Gray is responsible for liaison with key stakeholders and overseeing ACC operations in New South Wales.

**State Manager, Victoria | Col Blanch**

Col Blanch joined the ACC in 2006 from the Melbourne Criminal Investigation unit of Victoria Police. Mr Blanch was initially an investigator and team leader on numerous major ACC drug and money laundering operations. Mr Blanch went on to head the ACC task forces Galilee and Eligo. Mr Blanch holds a Diploma in Fraud Investigations, an Advanced Diploma in Police Investigations and a Diploma in Police Studies.



Mr Blanch is responsible for liaison with key stakeholders and overseeing ACC operations in Victoria.

State Manager, Queensland | Charlie Carver

Charlie Carver joined the ACC in 2015. Prior to that, he spent 30 years with the Western Australia Police. Mr Carver has a strong operational background. He worked closely with the ACC (and the former National Crime Authority) including as operational leader in the late 1990s to Operation Jupiter, an outlaw motor cycle gang task force. He authored the strategic policy on serious and organised crime for the Western Australia Police and was integral in the effective disruption of criminal activities of outlaw motor cycle gangs, when leading the Organised Crime Division. Mr Carver has a Graduate Certificate of Business (Leadership), as well as Diplomas in Criminal Investigation and Policing.



Mr Carver is responsible for liaison with key stakeholders and overseeing ACC operations in Queensland.

State Manager, Western Australia | Doug Miller

Doug Miller is a Detective Superintendent with the Western Australia Police, seconded to the ACC in 2014. Mr Miller has more than 30 years' policing experience including in specialist capabilities, investigations, and intelligence collection, analysis and dissemination. Mr Miller has been involved in many high profile operations, both in Western Australia and across the country. He has Diplomas in Policing, Undercover Policing, and Criminal Investigation, and Advanced Diplomas in Business Management and Criminal Analysis.



Mr Miller is responsible for developing and building ACC relationships with other intelligence, law enforcement and regulatory agencies in Western Australia, including management oversight of joint agency operations.

State Manager, South Australia | Steve Ryan

Steve Ryan is a Detective Superintendent with South Australia Police, seconded to the ACC in late 2012. Mr Ryan has over 30 years' diverse experience in strategic, operational and investigative policing. He has a Bachelor of Arts in Criminology (Honours), and Graduate Certificates in Business Administration, and Applied Management. He is also a graduate of the Federal Bureau of Investigation National Academy, Royal Canadian Mounted Police Senior Administration Course and Hong Kong Police Senior Commanders Course and International Triad Organised Crime Course.



Mr Ryan was responsible for liaison with key stakeholders and overseeing ACC operations in South Australia. He left the ACC on 21 June 2015 to return to his position with South Australia Police.

Northern Territory Liaison Officer | Scott Manley

Scott Manley is a Detective Acting Superintendent with the Northern Territory Police, seconded to the ACC in late 2012. He has over 28 years' experience in general and remote policing, serious crime investigations and as the Officer in Charge of the joint agency Child Abuse Taskforce. Mr Manley has an Advanced Diploma of Police Investigations, a Graduate Certificate in Fraud Investigation, a Graduate Certificate in Financial Investigation, and a Graduate Certificate in Applied Management (Policing and Emergency Services).



Mr Manley was responsible for liaison with key stakeholders and overseeing ACC operations in the Northern Territory. He left the ACC on 25 May 2015 to return to his position with the Northern Territory Police.

Tasmania Liaison Officer | David Wiss

David Wiss is a Detective Inspector for Tasmania Police, seconded to the ACC in July 2013. Mr Wiss has over 30 years' diverse experience with Tasmania Police including criminal investigations, in the Commissioner's Office, in policy areas, as a police negotiator, and on a remote area posting. Mr Wiss has a Graduate Diploma in Police Studies and a Graduate Certificate in Applied Management from the Australian Institute of Police Management. He has received the Tasmania Police Commissioner's Medal and the National Police Medal.



Mr Wiss is responsible for liaison with key stakeholders and overseeing ACC operations in Tasmania. He left the ACC on 1 July 2015 to return to his position with the Tasmania Police.

Executive Director, Strategy and Specialist Capabilities | Judith Lind

Judith Lind has over 30 years of public sector experience, including senior executive roles in the Australian Taxation Office and Australian Federal Police. Ms Lind has a Bachelor of Commerce and a Masters of Public Administration. Joining the ACC in 2009 as National Manager, Intelligence Products Branch, Ms Lind led the development of strategic intelligence assessments, the intelligence dissemination function and the intelligence discipline.



In August 2013, Ms Lind was appointed Executive Director Strategy and Specialist Capabilities. This directorate covers the legal function, strategic intelligence and strategy, specialist capabilities and, during 2014–15, also the change management strategy.

National Manager, Specialist Capabilities | Kathryn McMullan

Prior to joining the ACC in 2012, Kathryn McMullan was Deputy Chief of Staff and National Security Adviser to the Attorney-General. She has also worked as strategic adviser to the Minister for Home Affairs and Justice, and held operational and strategic roles in the customs and defence portfolios. Ms McMullan has a Masters of Laws, a Masters of Diplomacy and a Bachelor of Arts/Laws (Hons).



Ms McMullan previously held the positions of National Manager, Specialist Capability and National Manager, Performance and Governance.

As National Manager, Specialist Capabilities, Ms McMullan was responsible for the ACC's technical and human covert intelligence collection, overseeing the ACC's collection plan, and leading the development and implementation of the ACC's Cyber Capability Strategy and the International Capability Strategy. Ms McMullan left the ACC on 29 May 2015.

National Manager, Legal Services | Rod Jensen

Rod Jensen joined the ACC in 2014. His 25-year law career includes working in Adelaide in a private law firm, several years as a solicitor, a secondment to the Royal Commission into the State Bank of South Australia, working as a prosecutor with the South Australian Director of Public Prosecutions, researching the International Criminal Court, and working with the Commonwealth Director of Public Prosecutions. Mr Jensen has a Masters degree in law.



ACC legal services include counsel assisting ACC Examiners, Special Counsel advice to the ACC Board and senior management, administrative and criminal law litigation, advice on legal issues including use of ACC powers, policy development and legislative reform.

National Manager, Strategic Intelligence and Strategy | Hamish Hansford

Before joining the ACC in 2011, Hamish Hansford served in national security and criminal justice policy roles in the Attorney-General's Department, Department of the Prime Minister and Cabinet and (then) Department of Transport and Regional Services. Previously, Mr Hansford was Secretary to several Australian Senate committees and worked on the National Broadband Network Implementation Study. Mr Hansford has a Bachelor of Arts and Asian Studies.



Mr Hansford held the position of ACC Chief of Staff before taking on the role of National Manager in late 2013. In this role, he is responsible for the delivery of the ACC's strategic intelligence outputs as well as the agency's policy, planning and governance functions. Mr Hansford also manages the government's election commitment to protect the Great Barrier Reef through the stand-up of the Wildlife and Environmental Crime Team.

Executive Director, Corporate Services | Paul Williams

Paul Williams served in the Royal Australian Armoured Corps for 23 years in Australia and offshore. In 2002 he joined the Australian Federal Police where he performed management functions including in ACT Policing, the International Deployment Group, Aviation and Human Resources. Mr Williams is a graduate of the Australian Army Command and Staff College and has a Graduate Diploma in International Law and a Master of Business Administration.



Mr Williams joined the ACC in 2013. As Executive Director of Corporate Services Mr Williams is responsible for key enabling services including people, business support and finance.

National Manager, Integrity, People and Change | Jonathan Nicholl

Jonathan Nicholl's background is in law enforcement and national security intelligence operations, including with the Australian Federal Police, (former) National Crime Authority, and Defence Signals Directorate. Mr Nicholl has a Bachelor of Arts majoring in Politics and History.



Mr Nicholl previously held the positions of State Manager, Victoria and head of the National Indigenous Intelligence Task Force in Alice Springs. As National Manager, Integrity, People and Change, Mr Nicholl is responsible for human resources, integrity assurance and change management. He is also a mentor on the Women In Law Enforcement Scheme (WILES) and an Australian Public Service Indigenous Champion.

National Manager, Finance and Property | Yvette Whittaker

Yvette Whittaker has more than 20 years' experience in government financial management at both a state and federal level. Throughout this time Ms Whittaker has been actively involved in the implementation of significant government financial reforms. Ms Whittaker is a Certified Practicing Accountant and holds a Bachelor of Management Sciences majoring in Economics. Immediately prior to joining the ACC in 2014, Ms Whittaker held the position of Chief Financial Officer of the Commonwealth agency, CrimTrac.



As National Manager, Finance and Property and Chief Financial Officer Ms Whittaker has responsibility for the financial management of the agency, the national property portfolio, business development and business support.

National Manager, Information | Maria Milosavljevic

Maria Milosavljevic has more than 20 years' experience delivering innovative analytics and information technology solutions that improve organisational capability. She has held senior roles across government, industry and academia in both Australia and the United Kingdom. She has a Doctorate of Philosophy in Computer Science.



Dr Milosavljevic was the key driver of the ACC-led National Criminal Intelligence Fusion Capability. As National Manager, Information she managed information from entry to exit, ensuring that it was available, secure and could be exploited by the ACC and our partners. She also oversaw related organisational capability strategy, solution development, and underlying technology infrastructure and support. Dr Milosavljevic left the ACC on 21 June 2015.

ACC Examiners

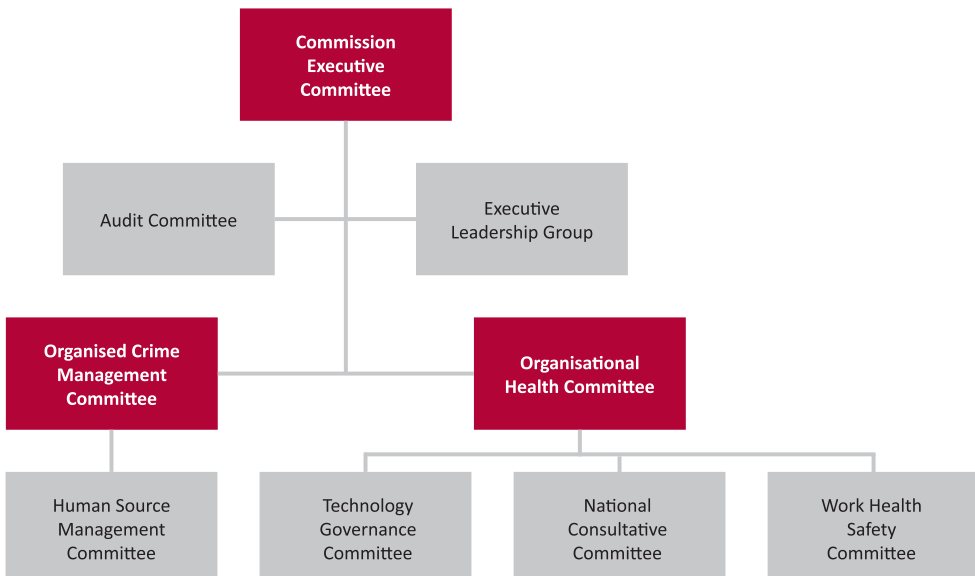
ACC Examiners are independent statutory officers appointed by the Governor-General to exercise the coercive powers set out in the ACC Act for the purpose of ACC Board-approved special operations and special investigations. To ensure accountability, coercive powers are only used when ACC Examiners are satisfied that it is reasonable in all circumstances to exercise these special statutory powers.

There is currently one full-time ACC Examiner and four part-time Examiners, all of whom have extensive experience in the legal profession.

Senior management committees

Our committee structure comprises our Executive Leadership Group, Organised Crime Management Committee, and several other committees and working groups, panels and consultative committees.

ACC senior management committee structure as at 30 June 2015



Commission Executive Committee

The Commission Executive Committee was established in 2014–15 as our agency's peak committee to support the achievement of ACC strategic and business objectives, the effective and efficient management of ACC resources, and the management of risk. It also ensures we are accountable and meet the expectations of the ACC Board, Australian Government and the public.

The Commission Executive Committee consists of the ACC's CEO (Chair) and Executive Directors. It is supported by the Chief Financial Officer and other relevant National Managers when required. This committee meets fortnightly. It receives reporting and advice from other executive committees and considers all issues affecting ACC resources including the ACC budget, people resources and overall ACC performance.

Executive Leadership Group

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

Audit Committee

The Audit Committee includes an independent external chair and two members as well as 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. The committee meets quarterly, and 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 page 152).

Organised Crime Management Committee

The Organised Crime Management Committee makes decisions about the ACC work program and allocation of resources to support delivery of our objectives. The committee comprises all Executive Directors, National Managers, State Managers and Liaison Officers as voting members, and heads of special investigations and special operations and other managers as non-voting members. It meets fortnightly.

The committee receives relevant performance reporting and advice to guide decision-making about priorities and resource and capability issues, investigative activity and intelligence production. The committee also considers agency performance, relevant issues raised by other committees and any emerging strategic issues impacting on the delivery of ACC functions. This committee is supported by the fortnightly Operational Business Strategy Meeting.

Organisational Health Committee

This committee complements the Organised Crime Management Committee and meets monthly. It oversees all major ACC activities and projects not managed by the Organised Crime Management Committee or Technology Governance Committee (see below), including strategic issues of organisational health, performance and effective function.

As part of this role, the Organisational Health Committee monitors the effectiveness of our risk identification and management framework and our security arrangements.

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 monthly and provides advice to the Organisational Health Committee on the health and performance of the ACC technology work program. It also provides recommendations to the Commission Executive Committee on investment proposals.

Human Source Management Committee

The Human Source Management Committee provides oversight and governance for the deployment of the ACC covert human intelligence source (informants) capability. This includes reviewing compliance with policy and standard operating procedures, providing advice to Executive Directors on risk management in cases referred to the committee, overseeing the engagement of human sources by the ACC, and evaluating submissions that propose financial rewards for covert human intelligence sources. This committee reports as required to the Organised Crime Management Committee.

National Consultative Committee (and Local Consultative Committees)

The ACC Enterprise Agreement sets out the arrangements for consultation and communication within the ACC. 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 their workplace.

National Work Health and Safety Committee (and Local Work Health and Safety Committees)

The National Work Health and Safety Committee and Local Work Health and Safety Committees are established under the ACC Health and Safety Management Arrangements. Local committee meetings are held in our offices around the country and feed into the National Work Health and 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 ACC Executive by helping to identify, develop, implement and review measures designed to manage the health and safety of our staff at work. More detail on the work by these committees is in Appendix C on page 250.

Other committees

In addition to the senior management committees, the following committees also convene as required.

Remuneration and Awards Committee

The Remuneration and Awards Committee considers requests for remuneration reviews in accordance with the ACC Enterprise Agreement. The committee also considers nominations for, and makes recommendations to the CEO on, ACC Awards.

Executive Health Panel

The Executive Health Panel oversees the ACC Drug and Alcohol Policy, and recommends appropriate action if a presumptive positive test occurs or if other breaches of the policy require consideration. More detail about our Drug and Alcohol Policy is in Appendix C on page 252.

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, Integrity, People and Change, supported by relevant managers and specialists.

Business planning

Our integrated planning system connects the ACC's strategic direction, work priorities approved by the ACC Board, risk assessment, resource allocations, performance measurement and monitoring.

Strategic planning

Our integrated planning approach links all our operational and corporate work to the ACC's strategic direction. Our planning system builds on our Strategic Engagement Framework agreed with the ACC Board. All the elements of this framework including various plans and systems are connected, developed progressively, and inform each other.

Strategic plan

During 2014–15 we focused on the priorities in our *Strategic Plan 2013–18*. The plan details our agency's goals and takes a risk-based approach to managing the threats posed by organised crime. This plan was formally approved by the ACC Board in June 2013.

The plan captures our past, present and future on a single page. It clearly articulates who we are, what we do and why we do it. It also identifies our priority areas for the five years of the plan, focusing on building our capability and working with our partners.

The plan recognises the evolution of serious and organised crime and our need to maintain pace to be effective in discovering, understanding and responding to it. It specifies that we need to evolve our existing capabilities and build for the future, particularly in dealing with serious and organised crime in the cyber environment, and tackling the financial and transnational nature of serious and organised crime.

Australian Crime Commission STRATEGIC PLAN 2013–18



CONTEXT

In 2003 the Commonwealth and States and Territories established the Australian Crime Commission, which is uniquely empowered to work across national boundaries to unite Australia's efforts against serious and organised crime.

Ten years on, in 2013, the world has evolved and so too has serious and organised crime. It is sophisticated, globalised and of increasing threat to national security. The traditional business of serious and organised crime survives and new forms have emerged. Serious and organised criminals are exploiting the cyber environment, and are increasingly targeting key economic assets and markets. In response, we must continue to ensure we have the right capabilities.

In the next five years the ACC will focus on understanding and responding to cyber and financial crime, while continuing to combat current criminal threats including trade in illicit commodities.

As Australia's national criminal intelligence agency with investigative capabilities, the ACC tailors the provision of our capabilities to support the government of the day, complement our partners and maximise outcomes.

Guided by national frameworks, we have strengthened and broadened our partnerships. Our traditional partners remain critical to the fight against serious and organised crime, but we will also work with other partners, such as policy makers, private industry and international agencies to better understand and respond to the threat posed to Australia from serious and organised crime.

This Strategic Plan, supported by the ACC Board and government frameworks, is a key driver in setting the direction of our agency, and influences all internal planning.

VISION

The ACC achieves:

reduced serious and organised crime threats of most harm to Australians and the national interest.

We do this by:

working across national boundaries to provide Australia with the ability to discover, understand and respond to nationally relevant serious and organised crime.

APPROACH

To achieve our vision we will:

Build the national picture of serious and organised crime

Discover

We are proactively identifying new and emerging threats. Our collection work is focused on 'filling the gaps' in our intelligence.

Understand

We have a national intelligence picture on current and emerging threats. All our partners contribute to it and use this to guide their response to serious and organised crime.

Break the business of serious and organised crime

Respond

Prevent

It is harder for serious and organised criminals to operate in Australia; the vulnerabilities they seek to exploit have been reduced.

Disrupt

Serious and organised criminal enterprises are disrupted, disabled and dismantled through an effective enforcement regime and regulation, policy and legislation responses.

WORK

What we do

The ACC's functions are set out in the *Australian Crime Commission Act 2002*.

The ACC:

- Collects, correlates, analyses and disseminates criminal information and intelligence.
- Maintains a national database of criminal information and intelligence.
- Undertakes intelligence operations.
- Investigates matters relating to federally relevant criminal activity.
- Provides strategic criminal intelligence assessments.
- Provides advice on national criminal intelligence priorities.

How we do it

The ACC is Australia's national criminal intelligence agency with an investigative function. We are the only agency solely dedicated to serious and organised crime of national significance.

The ACC:

- Coordinates and participate in national responses and partnerships against serious and organised crime.
- Provides the national picture of serious and organised crime.
- Acts as a national strategic advisor on serious and organised crime threats.
- Proactively discovers threats and vulnerabilities to protect Australia's interests and prevent harm.
- Unites partners to achieve outcomes that cannot be achieved alone.
- Provides Australia's national criminal intelligence fusion capability.
- Uses the national picture to prioritise our work to better understand and respond to the highest threats.

FOCUS AREAS

Over the next five years, we will focus on two broad areas:

Building our capability

EVOLVE OUR EXISTING CAPABILITIES

Evolving our existing capabilities—people, process and technology—to effectively respond to current and emerging threats, and create opportunities to share partners' capabilities.

CAPACITY FOR THE FUTURE

Focus on developing, for ourselves and through our partnerships:

- the ability to deal with serious and organised crime in cyber space
- the skills and technologies to respond to changing economic and financial serious and organised crime risks.

CRIMINAL INTELLIGENCE AS A NATIONAL ASSET

Focus on developing the national framework that brings together Australia's collective knowledge through the Australian Criminal Intelligence Model to build a comprehensive national picture of serious and organised crime.

Working with partners

LAW ENFORCEMENT AND NATIONAL SECURITY AGENCIES

Strengthen our partnerships to continue to achieve our shared outcomes and provide a link between national security and law enforcement.

GOVERNMENT AND REGULATORY AGENCIES

Focus on working with government and regulatory agencies to improve information sharing and build a better national picture of serious and organised crime. Use what we have learned to help ensure program integrity and protect taxpayers' money.

INTERNATIONAL

Focus on enhancing our international collection and investigation capability using existing networks in order to build a better national picture of serious and organised crime.

PRIVATE SECTOR

Work together to better identify, understand and protect the private sector against serious and organised crime. Co-create projects to identify vulnerabilities and develop responses.

Through our partnerships, raise community awareness to protect Australians from serious and organised crime threats and reduce harm.

Strategic plan (continued)

We also detail our diverse groups of partners and the need to continue enhancing our relationships. Improving our use of existing networks, enhancing information sharing and strengthening partnerships are key to building an even more detailed national picture and breaking the business of serious and organised crime.

For further information on the progress we have made on our strategic plan focus areas see pages 125–6.

Our *Strategic Plan 2013–18* is on our website at <www.crimecommission.gov.au> under ‘Publications’.

ACC business planning system

Our business planning system translates our strategic purpose, outcome, areas of development and determinations into annual activities (see diagram on the following page). It includes:

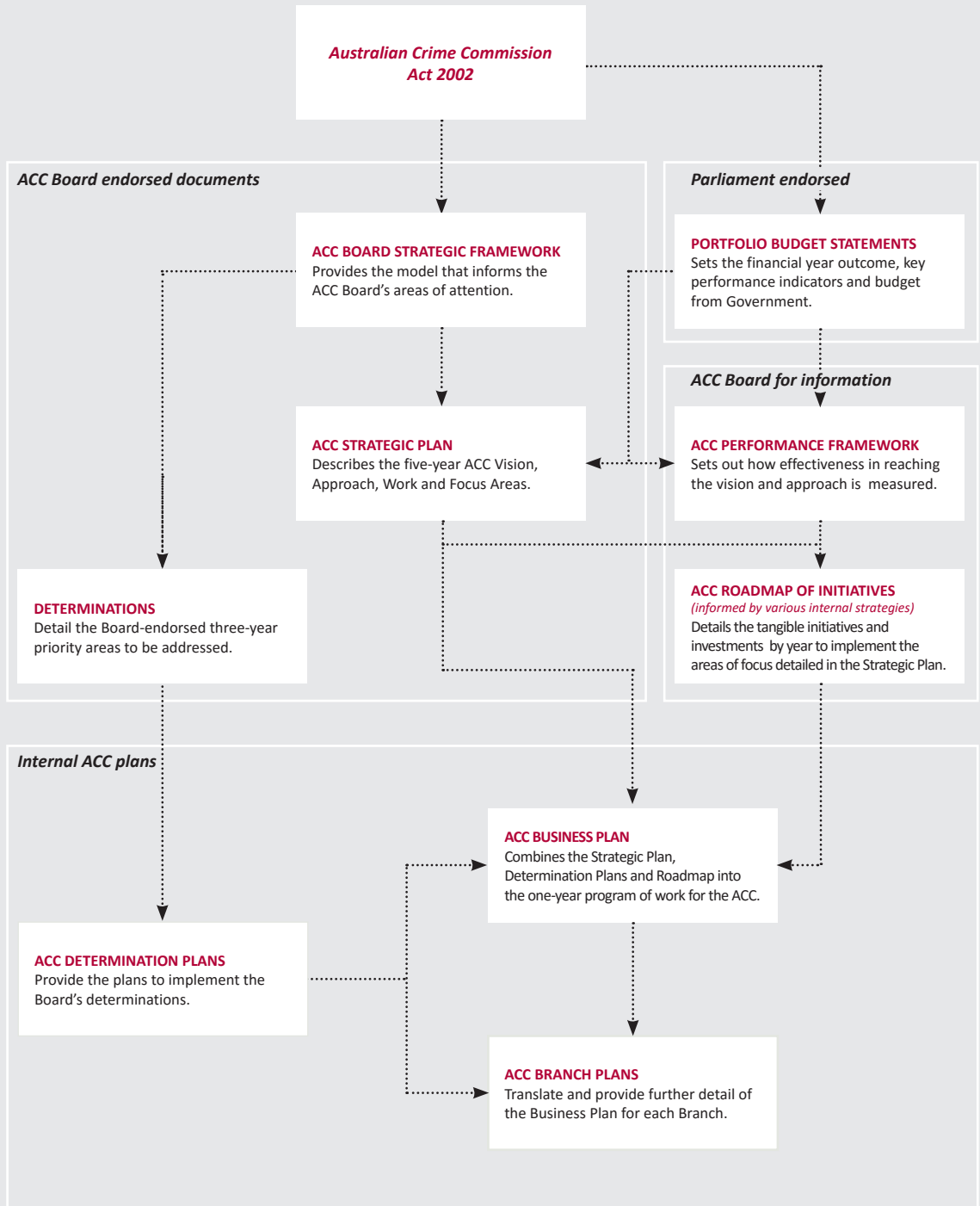
- **ACC Business Plan**—This plan focuses on the work for the financial year. It is an organisation-wide plan to balance resourcing and effort so we achieve our required special investigations and special operations and other outputs as well as build a sustainable future.
- **Investigation and Operation Plans**—These plans detail the financial year’s strategies, activities and required resources to deliver the ACC Board approved investigations and operations.
- **Branch Plans**—These plans describe the work of each branch and how this contributes to achieving the priorities identified in our *ACC Business Plan*. Branch plans consider both business-as-usual and essential business improvement activities. These plans are used to develop individual work plans for staff as part of the Performance Development System. For further information on our Performance Development System see page 178.
- **Risk Planning**—The ACC regularly assesses organisational risk to inform management activities and planning. Risk assessments are a vital component of planning at all levels. More information on risk management is on page 153.

Looking forward

There are new expectations set out in the *Public Governance, Performance and Accountability Act 2013* that relate to the way agencies will conduct planning. This year we prepared for the new planning requirements that come into effect in 2015–16, which include the publication of our corporate plan for 2015–19. These changes impact on the current ACC planning framework, which will be amended in the coming year.

As noted in our CEO’s review we have been working closely with the Australian Institute of Criminology on plans for the proposed merger of our two organisations. Further changes that may also affect our agency purpose and functions are also being considered through the recommendations of the National Commission of Audit. We will incorporate any resulting changes in future planning.

ACC strategic planning process



Annual report award

We take our performance measurement and reporting seriously and seek to continually improve. We were pleased that the ACC's Annual Report 2013–14 received a Gold Award—our first Gold—in the 2015 Australasian Reporting Awards. These criterion-based awards were introduced 65 years ago as a means of improving accountability for, and public communication about, the activities of organisations. The awards are open to all government, private and non-profit sector organisations across the Australasian region.



Performance measurement

The ACC performance framework is designed to assess our ability to deliver against our outcome.

The integrated performance framework directly links our agency purpose and performance indicators, which directly align with the ACC's *Strategic Plan 2013–18* vision and approach, as well as our *Portfolio Budget Statement 2015–16* outcome and performance information.

The framework will, over time, assist us to more accurately reflect both our quantitative and qualitative results—capturing short-term and long-term, direct and indirect impacts of our activities.

Our performance indicators reflect our approach to reducing serious and organised crime threats through providing the ability to **discover**, **understand** and **respond** to such threats.

The ACC achieves results by working with a wide range of stakeholders and contributing to a **shared national outcome**. Our contribution may be direct and easily measurable against the outcome achieved, or it may be less direct. As a result we are not always able to collect and measure the impact in a tangible way. This is particularly the case for our 'Discover' and 'Understand' performance indicators, where we share intelligence and insight with many stakeholders and cannot always fully capture or measure the ultimate impact. However, our contributions can be documented, and provide a measurable basis for performance assessment.

We will also continue to improve and enhance our systems and capability to assess and track progress against these indicators. We expect that, with the changes in our environment, we will need to review and revise our performance framework to account for new ACC functions and capabilities. As far as possible, we will retain consistency with the current framework to ensure it can effectively capture and analyse performance trends over time.

ACC performance framework

OUTCOME

**Reduced serious and organised crime threats of most harm to
Australians and the national interest**

APPROACH

DISCOVER

We are proactively identifying new and emerging threats.

Our collection work is focused on 'filling the gaps' in our intelligence.

UNDERSTAND

We have a national intelligence picture on current and emerging threats.

All our partners contribute to it and use this to guide their response to serious and organised crime.

RESPOND

Prevent

It is harder for serious and organised criminals to operate in Australia; the vulnerabilities they seek to exploit have been reduced.

Disrupt

Serious and organised criminal enterprises are disrupted, disabled and dismantled through an effective enforcement regime and regulation, policy and legislation responses.

INDICATORS

The ACC produces useful intelligence that identifies and provides insights on new and emerging serious and organised crime threats.

The ACC collects and maintains national holdings of serious and organised crime threats and targets.

The ACC informs and influences the hardening of the serious and organised crime environment.

The ACC fills intelligence gaps through the identification of vulnerabilities and indicators of serious and organised crime.

The ACC interprets and analyses national holdings to create a national serious and organised crime intelligence picture.

The ACC influences or enables the disruption, disabling or dismantling of serious and organised crime entities.

The ACC participates in or drives collaboration in joint operations and investigations to prevent and disrupt serious and organised crime.

QUANTIFIABLE MEASURES AGAINST INDICATORS

Due to the shared contributions to the overall outcome, it is not appropriate or possible to have specified targets or purely quantitative key performance indicators. However, many of the measures used to assess performance against these indicators are quantified, including:

- the level and types of ACC activities to discover and understand serious and organised crime
- the level, types and results of the responses the ACC is involved in, and the responses we can track that we enabled by developing the national picture
- the annual stakeholder survey that will indicate the percentage of stakeholders who agree or strongly agree the ACC achieved each key performance indicator.

We have begun to test the viability of measures we have been developing for each indicator, and refined our format of reporting this year to reflect how our activities have contributed to performance against each key performance indicator and to provide analysis of our performance trends. For details, see our *Year's performance scorecard* in Chapter 1 on pages 22–35.

Looking forward, we expect to continue to improve and develop new ways to quantify our performance and provide improved qualitative descriptions about the value we add to the national fight against serious and organised crime.

Stakeholder research

Survey

Our annual stakeholder research was conducted by an external market research company this year. The quantitative online survey captured feedback from 77 respondents from 30 agencies.

We used this survey to ask about stakeholder satisfaction with the range of services and products we provide, to help inform future planning.

The survey also included questions reflecting our Portfolio Budget Statement key performance indicators, which form part of our performance measurement framework (see page 149). This enabled comparison with last year's baseline results, to begin identifying trends in performance.

Key performance indicator results

Overall results against our key performance indications were strong, although slightly down on the previous year, with over 75 per cent agreement across all seven indicators. For further analysis of these results, see the performance scorecard and analysis from page 22.

Other key findings

Other research findings included:

- 55 per cent of respondents believed the ACC was very important or important in influencing their operational outcomes, and a further 31 per cent believed we were somewhat important in influencing operational outcomes
- 78 per cent of respondents either agreed or strongly agreed that our intelligence improved their knowledge and understanding of serious and organised crime issues
- 75 per cent of respondents agreed the ACC contributed valuable specialist expertise to joint agency investigations and operations.

Stakeholder survey key performance indicator results 2013–14 and 2014–15

Key performance indicator	2013–14 Agree or strongly agree	2014–15 Agree or strongly agree	Percentage shift
DISCOVER: KPI 1 The ACC produces useful intelligence that identifies and provides insights on new and emerging serious and organised crime threats.	93%	88%	-5%
DISCOVER: KPI 2 The ACC fills intelligence gaps through the identification of vulnerabilities and indicators of serious and organised crime.	89%	78%	-11%
UNDERSTAND: KPI 3 The ACC collects and maintains national holdings of serious and organised crime threats and targets.	96%	91%	-5%
UNDERSTAND: KPI 4 The ACC interprets and analyses national holdings to create a national serious and organised crime intelligence picture.	91%	88%	-3%
RESPOND: KPI 5 The ACC informs and influences the hardening of the serious and organised crime environment.	83%	78%	-5%
RESPOND: KPI 6 The ACC influences or enables the disruption, disabling or dismantling of serious and organised crime entities.	83%	83%	No change
RESPOND: KPI 7 The ACC participates in or coordinates collaboration in joint operations and investigations to prevent and disrupt serious and organised crime.	91%	85%	-6%

Note: includes valid responses only (excludes 'don't know' responses).

Internal audit

Our Internal Audit team has three main responsibilities:

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

Our Internal Audit function delivers an independent and objective advisory service that provides support and assurance to the ACC executive regarding the responsible, effective and efficient use of ACC powers and resources. Internal Audit is directly accountable to the CEO and the Audit Committee, with the roles, responsibilities and scope of the function set out in the ACC Internal Audit Charter.

During the year, our Internal Audit team audited activities identified on the basis of legislative requirements and the current level of operational or strategic risk, as identified in the ACC Strategic Risk Profile and Strategic Risk Assurance Map (which examines the various high risks to the ACC from a strategic portfolio level). The team also consulted with Executive Directors and National Managers about other agency activities that could benefit from the scrutiny of an audit. The audits examined the currency of policies and procedures, efficient use of organisational resources and whether we were achieving operating objectives.

We operate a co-sourced internal audit service. The main areas covered by Internal Audit during 2014–15 included assumed identities, covert infrastructure and other operational related activities, office administration including management of cash, rehabilitation, conflict of interest and activities related to disseminations.

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 Audit Committee's authority is established under its Charter, which sets out the committee's functions and responsibilities.

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

The Audit 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 ACC's financial statements and certificate of compliance.

As at 30 June 2015, the Audit Committee comprised three independent external members and two members of the ACC Executive. The Audit Committee met five times during the year and reviewed areas such as agency financial performance, internal and external audit reports, progress against audit recommendations, agency performance frameworks and reporting, agency compliance with legislation, risk oversight and management and Australian National Audit Office activity.

Assumed identities

In accordance with Commonwealth, state and territory legislation, ACC 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 ACC uses the Commonwealth legislation. During the reporting period, as required under the legislation, we:

- reported to Commonwealth, state and territory ministers
- reviewed the ongoing necessity for each authorised member of staff to continue to use an assumed identity
- conducted the mandatory audits of ACC records.

Risk management

The ACC's enterprise risk management framework assists us to make risk-informed decisions which support our work in building the national picture and breaking the business of serious and organised crime, while also meeting our corporate accountabilities.

During 2014–15 we:

- responded to the new risk management requirements under the Public Management Reform Agenda, including a staff education and awareness campaign for the new Commonwealth Risk Management Policy
- maintained our Strategic Risk Profile in order to clearly illustrate the context of our strategic risk environment and our key risks
- maintained our rolling Strategic Risk Assurance Map to provide visibility over the key controls for these key risks
- strengthened our management of work health safety risks
- developed a risk assessment, and an accountability and control framework for Project Ridgeline (see page 99), in accordance with the requirements of the Cabinet Implementation Unit
- conducted a risk management exercise and developed a risk management plan for the multi-agency implementation of the Australian Cybercrime Online Reporting Network (ACORN) (see page 123).

Our Risk Function is represented on the Audit Committee and maintains a close working relationship with Internal Audit. This ensures strategic alignment and increases efficiencies and effectiveness.

Integrity and security

The ACC is entrusted with special powers to enable us to effectively work with our partners to combat serious and organised crime in Australia.

Integrity and security are critical for the use of these powers and in delivering our required outcome to Government, our partner agencies and more broadly to the public. Our integrity and security framework enables us to measure the high standard of conduct and integrity from all ACC staff.

A key objective for establishing a strong ethical culture is to identify, understand and manage the fraud and corruption risks we face as an agency. We are achieving a positive, values-based culture by encouraging reporting, strong communications, an education program and prevention activities relating to ethics, fraud, corruption and security.

During 2014–15, our integrity and security teams focused on:

- conducting a staff fraud survey
- undertaking an executive-level review of fraud and corruption risks and controls
- consulting across ACC business areas regarding fraud and corruption risks
- improving mechanisms for reporting fraud and misconduct and disclosing information
- revising and updating integrity and security online training modules
- establishing a Management Review Board process to assess staffing matters relating to unacceptable conduct and personnel security risk
- developing a program of ongoing staff suitability assessment, to be implemented within the next financial year
- using risk management to guide protective security
- building a positive security culture
- enhancing the capabilities of our integrity and security teams.

To engender and maintain the right ethical culture within the ACC, our multi-faceted approach in 2014–15 included:

- *Detection program*—We continued to implement our fraud and corruption detection program, with audits throughout the year targeting high risk activities identified in the fraud and corruption risk assessment process and fraud survey.
- *Integrity testing*—We developed integrity testing policy and procedures.
- *Public interest disclosures*—We reviewed and updated public interest disclosure policy and procedures and authorised officer appointments.

In addition, our approach included ongoing initiatives:

- **Personnel security**—In addition to coordinating security clearance actions through the Australian Government Security Vetting Agency for all our staff, we maintain a rigorous pre-employment screening process to ensure all potential employees are suitable to access ACC information and systems. Our process is strengthened by a psychological evaluation, which is an additional layer of risk mitigation to ensure the suitability of new staff.
- **National Induction Program**—We include integrity and security sessions for all new ACC employees to ensure understanding of ACC values and ethics and protective security requirements.
- **Online learning**—Our eLearning modules for Misconduct, Fraud and Corruption, and Security Awareness are compulsory for all ACC staff.
- **Communications**—Strong internal communications on ethics, fraud, corruption and protective security are available to all staff through our intranet, face-to-face awareness sessions and corporate newsletters. We underpin this with policies, procedures, more detailed intranet pages, fact sheets and posters.
- **Reporting**—We encourage reporting about potential issues of concern. Members of the public can make complaints through the email address on our website. ACC staff can raise concerns directly with our Integrity Assurance Team, Security Team or through their manager. We emphasise to our staff the importance of reporting through awareness training, induction and policies, and on our intranet.
- **Conflict of interest declarations**—Management of real or perceived conflict of interest is a high priority, and all staff must declare any conflicts of interest, gifts and benefits and outside paid, unpaid or voluntary work, to enable the ACC to effectively manage any potential conflict.
- **Investigation of inappropriate behaviour**—We investigate alleged fraud, corruption, suspected breaches of the Code of Conduct, security incidents and security breaches.
- **Corruption issues**—We notify corruption issues to the Integrity Commissioner, Australian Commission for Law Enforcement Integrity, and maintain regular liaison on integrity matters.

Our work also includes ongoing research and monitoring of broader national and international compliance measures and initiatives in the area of ethics, integrity and security.

Security incident reporting

Our internal security incident reporting mechanism enables all ACC staff to report security incidents. Seventy-nine security incidents were reported in 2014–15 including:

- Sixty-three incidents within the Protective Security Policy Framework (PSPF) definition of a security breach, which is an accidental or unintentional failure to observe the protective security mandatory requirements. The majority of these incidents relate to ACC staff unintentionally failing to observe security policy within secure ACC premises. These breaches are assessed as low risk and internal in nature, and were identified during 'clear desk' audits of ACC premises.
- Two incidents within the PSPF definition of a security violation, which is a deliberate, negligent or reckless action that leads, or could lead, to the loss, damage, corruption or disclosure of official resources. One of these security violations was referred to the Australian Commission for Law Enforcement Integrity for investigation, while the other was internally investigated and resolved.
- As a positive indicator of staff vigilance and security awareness, 14 incidents of 'suspicious activity' were reported by ACC staff. These were not classified as violations or breaches of security and the staff who reported them were provided follow up advice and information as appropriate.

Integrity assurance

Our Integrity Assurance Team is dedicated to the prevention, detection and investigation of misconduct, fraud and corruption in the ACC. We received one internal disclosure under the Public Interest Disclosure Scheme. The investigation was completed under the *Public Interest Disclosure Act 2013*.

Misconduct

The ACC had two carry-over misconduct cases from the previous reporting year from external sources. During the year the Integrity Assurance Team investigated six referrals alleging ACC staff had breached the Australian Public Service Code of Conduct.

As at 30 June 2015:

- one of the referrals remained under assessment or investigation
- three of the referrals were deemed not to require a formal investigation, following an assessment or preliminarily investigation
- one of the referrals was found to be substantiated
- three of the referrals were found to be unsubstantiated after investigation.

Fraud and corruption

The ACC's *Fraud and Corruption Control Plan 2015–17* complies with the Commonwealth Fraud Control Framework and outlines ACC-specific fraud prevention, detection, investigation, reporting and data collection policies and procedures.

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

During the year, the Integrity Assurance Team received one fraud and one corruption allegation, which were both referred to the Australian Commission for Law Enforcement Integrity (ACLEI) relating to a former or current ACC staff member. There were no carry-over cases from the previous reporting year remaining open as an ACLEI investigation.

Misconduct, fraud and corruption allegations received in 2014–15

	Received	Referred to ACLEI under the <i>Law Enforcement Integrity Commissioner Act 2006</i>	Open	Finalised	
				Unsubstantiated	Substantiated
Externally referred	3	2	0	1	0
Internally referred	5	1	0	4	0
TOTAL	8	3	0	5	0

Broader corruption prevention activities

Addressing corruption risk and integrity remains an area of focus for the ACC as we seek to understand the changing threat and risk and adapt our strategies accordingly.

We are well connected with the broader anti-corruption environment. We participate in the 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 though our Memorandum of Understanding with ACLEI.

In 2014–15 we continued to work with ACLEI and the Australian Customs and Border Protection Service (ACBPS) to support Taskforce Pharos, which identifies hard-to-detect corruption within the ACBPS. See page 74 for more information.

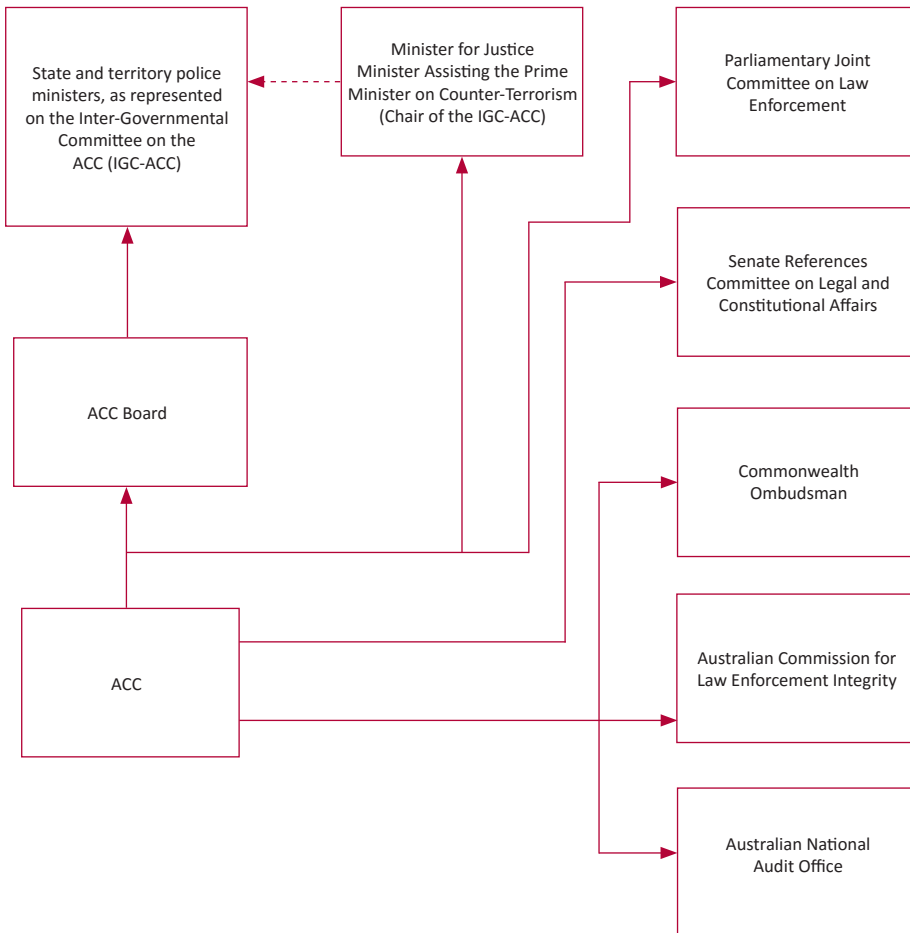
External scrutiny

The ACC is part of the Attorney-General's portfolio and is accountable to the Minister for Justice, Minister Assisting the Prime Minister on Counter-Terrorism.

External scrutiny also includes the ACC Board, the Inter-Governmental Committee on the ACC consisting of Commonwealth, state and territory police ministers, and the Parliamentary Joint Committee on Law Enforcement.

The Commonwealth Ombudsman, Australian Commission for Law Enforcement Integrity and the Australian National Audit Office also form part of our external scrutiny framework.

ACC external accountability



Minister for Justice

The ACC falls within the portfolio of the Minister for Justice, who is also the Minister Assisting the Prime Minister on Counter-Terrorism.

The Hon Michael Keenan MP was appointed as Minister for Justice and sworn in on 18 September 2013. On 28 May 2015 the Minister was also appointed Australia's first Minister assisting the Prime Minister on Counter-Terrorism.

During the year, we maintained a strong working relationship with the minister.



*The Hon Michael Keenan MP
Minister for Justice, Minister
Assisting the Prime Minister
for Counter-Terrorism*

Parliamentary Committees

We made submissions to, or appeared before, numerous parliamentary committees in 2014–15 including the:

- Senate References Committee on Legal and Constitutional Affairs, Comprehensive Revision of the *Telecommunications (Interception and Access) Act 1979*
- Parliamentary Joint Committee on Intelligence and Security, Inquiry into the Telecommunications (Interception and Access) Amendment (Data Retention) Bill 2014
- Parliamentary Joint Committee on the Australian Commission for Law Enforcement Integrity, Inquiry into the jurisdiction of the Australian Commission for Law Enforcement Integrity
- Parliamentary Joint Committee on Law Enforcement, Inquiry into financial related crime
- Parliamentary Joint Committee on Intelligence and Security, Inquiry into the Counter-Terrorism Legislation Amendment (Foreign Fighters) Bill 2014
- Parliamentary Joint Enquiry on Law Enforcement, Inquiry into the ability of Australian law enforcement authorities to eliminate gun-related violence in the community
- Standing Committee on Infrastructure and Communications, Inquiry into the use of subsection 313(3) of the *Telecommunications Act 1979*
- Senate Standing Committee on Legal and Constitutional Affairs Legislation, Inquiry into the Crimes Legislation Amendment (Powers, Offences and Other Measures) Bill 2015
- Parliamentary Joint Committee on Law Enforcement, Inquiry into crystal methamphetamine (ice)
- Northern Territory Legislative Assembly Select Committee inquiry into 'ice'
- Parliamentary Joint Committee on the Australian Commission for Law Enforcement Integrity, Integrity of Australia's border arrangements.

We also appeared before the Senate References Committee on Legal and Constitutional Affairs at Supplementary Senate Estimates in November 2014, Additional Senate Estimates in February 2015, and Budget Senate Estimates in May 2015. Following each Estimates hearing, we answered questions on notice and additional questions on notice from members of the Committee. The Hansard transcripts of ACC appearances and responses to questions on notice are available on the Committee website.

Parliamentary Joint Committee on Law Enforcement

At the time of reporting, the Parliamentary Joint Committee on Law Enforcement consisted of 10 members. The Committee is made up of five 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.

On 30 June 2015, the members of the Parliamentary Joint Committee on Law Enforcement were:

- Mr Craig Kelly MP (Chair)
- Senator the Hon Lisa Singh (Deputy Chair)
- Senator Sean Edwards
- Mr Chris Hayes MP
- Senator Chris Ketter
- Senator David Leyonhjelm
- Mr Russell Matheson MP
- Senator Barry O'Sullivan
- Ms Maria Vamvakinou MP
- Mr Jason Wood MP.

The duties of the Committee are:

- To monitor and to review the performance by the ACC and Australian Federal Police (AFP) of their functions.
- To report to both Houses of the Parliament, any matters relating to the ACC or AFP or their performance of which the Committee thinks the parliament should be aware.
- To examine the annual reports of the ACC and AFP and report to Parliament on any matter appearing in, or arising out of, any such annual report. Under section 55(c) of the ACC Act the Committee is required to examine each annual report of the ACC. This is usually done through a public hearing.
- To examine trends and changes in criminal activities, practices and methods and report to Parliament any change which the Committee thinks desirable to the functions, structure, powers and procedures of the ACC or the AFP.
- To make inquiries into issues, within its area of responsibility, raised by the Parliament and report back.

Inter-Governmental Committee on the ACC

The Inter-Governmental Committee on the ACC is established under section 8 of the ACC Act. The Committee monitors our work, and strategic direction and work of the ACC Board, including the use of coercive powers. The Committee has the authority to revoke a determination (an ACC Board approved work priority).

The Inter-Governmental Committee on the ACC comprises the Commonwealth Minister for Justice and a minister to represent each state and territory government, nominated by the Premier or Chief Minister of the state or territory. The Committee meets twice each calendar year. This year the Committee met on 3 October 2014 in Geelong and on 22 May 2015 in Canberra.

The Committee has the following functions:

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

As at 30 June 2015, the members of the Inter-Governmental Committee on the ACC were:

- the Hon Michael Keenan MP (Minister for Justice) (Chair)
- the Hon Troy Grant MP (New South Wales)
- the Hon Wade Noonan MP (Victoria)
- the Hon Rene Hidding MP (Tasmania)
- the Hon Tony Piccolo MP (South Australia)
- the Hon Liza Mary Harvey MLA (Western Australia)
- the Hon Peter Chandler MLA (Northern Territory)
- the Hon Jo-Ann Miller MP (Queensland)
- Mr Simon Corbell MLA (ACT).

ACC Board

The ACC Board is established by section 7B of the ACC Act and is responsible for providing strategic direction to the ACC, setting strategic priorities for the ACC and approving the use of the ACC's special powers.

In setting the ACC's strategic direction, the Board is able to fuse together state, territory and Commonwealth 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 assessing the overall performance of key areas of ACC work. The Board also plays an active role in addressing strategic issues faced by the ACC and in authorising or identifying key areas of new work that we should pursue.

As at 30 June 2015, the Board comprised:

- Commissioner of the Australian Federal Police (Chair)
- Secretary of the Commonwealth Attorney-General's Department
- CEO of the Australian Customs and Border Protection Service
- Chairperson of the Australian Securities and Investments Commission
- Director-General of Security of the Australian Security Intelligence Organisation
- Commissioner of Taxation of the Australian Taxation Office
- Commissioners of all state and territory police forces
- Chief Police Officer of ACT Policing
- CEO of the Australian Transaction Report and Analysis Centre (AUSTRAC) (as a non-voting observer)
- CEO of the ACC (as a non-voting member).

Chair's annual report

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



*Andrew Colvin APM OAM
Chair of the ACC Board*

Board decisions and considerations

The following table lists Board authorisations as at 30 June 2015.

ACC Board authorisations 2014–15

Determination	Type	Decision type (month/year)	Current until
High Risk and Emerging Drugs No. 2	Special Operation	Establishment (September 2013)	30 June 2016
National Security Impacts from Serious and Organised Crime No. 2	Special Operation	Establishment (September 2013)	30 June 2016
Making Australia Hostile to Serious and Organised Crime No. 2	Special Operation	Establishment (September 2013)	30 June 2016
Outlaw Motor Cycle Gangs	Special Operation	Establishment (September 2013)	30 June 2016
Child Sex Offences No. 2	Special Operation	Establishment (September 2013)	30 June 2016
Highest Risk Criminal Targets No. 2	Special Investigation	Establishment (September 2013)	30 June 2016
Targeting Criminal Wealth No. 2	Special Investigation	Establishment (September 2013)	30 June 2016
Highest Risk Criminal Targets—Victoria	State Special Investigation	Establishment (September 2013)	30 June 2016
Highest Risk Criminal Targets—South Australia	State Special Investigation	Establishment (September 2013)	30 June 2016
Eligo National Task Force	Task Force	Extension (June 2015)	31 December 2015
National Task Force Morpheus	Task Force	Establishment (September 2014)	31 December 2015

In addition, in 2014–15 the Board:

- reviewed progress of key ACC activities
- authorised the establishment of the National Task Force Morpheus to provide an effective platform for coordinated collaborative national action against outlaw motor cycle gang criminal activity
- authorised the extension of the Eligo National Task Force to continue delivering strategies to mitigate the high risk of money laundering inherent in the alternative money remittance sector and informal value transfer system

- considered the final report of the National Indigenous Intelligence Task Force
- received reports from the Chairs of the Serious and Organised Crime Coordination Committee and the Australian Criminal Intelligence Forum
- considered strategic issues including:
 - an implementation update on our *Strategic Plan 2013–18* (incorporating the development of ACC Capability Strategies)
 - findings of the ACC Stakeholder Survey 2013–14
 - proposed legislative amendments to the *Telecommunications (Interception and Access) Act 1979*, with a specific focus on data retention
- considered the ACC's 2015 *National Criminal Target Report* and the 2015 *Organised Crime in Australia*, noting the strategic value of these products to the Australian law enforcement community
- considered the ACC Mid-Year Performance Review and commended us on the quality of the report and results achieved
- reviewed the ACC's strategic priorities and, based on an assessment by the ACC, agreed that the current suite of Board-approved determinations was appropriate and therefore requested no changes for the 2015–16 financial year, with the exception of a consequential amendment to the National Security Impacts from Serious and Organised Crime No.2 special operation to include provisions under the *Counter-Terrorism Legislation Amendment (Foreign Fighters) Act 2014*, which came into force on 1 December 2014
- received a report from the Audit Committee Chair, who provided independent assurance on the ACC's risk, control and compliance framework, including our external accountability responsibilities, and challenges and risks including our declining budget
- received a verbal update from the Commonwealth Attorney-General's Department on the joint review into the Martin Place siege
- received an update on potential Machinery of Government changes relating to our proposed merger with the Australian Institute of Criminology
- considered issues with systems interoperability and received updates on enhanced collaboration between CrimTrac and the ACC
- noted work done on the threats posed by encrypted communications.

During the reporting year, the Board farewelled:

- Commissioner Tony Negus APM, Australian Federal Police (Chair)
- Mr Roger Wilkins AO, Secretary, Attorney-General's Department
- Mr David Irvine AO, Director-General, Australian Security Intelligence Organisation

- Chief Commissioner Ken Lay APM, Victoria Police
- Commissioner John McRoberts APM, Northern Territory Police.

This year the Board also welcomed:

- Commissioner Andrew Colvin APM OAM, Australian Federal Police (Chair)
- Mr Chris Moraitis AO, Secretary, Attorney-General's Department
- Mr Duncan Lewis AO, Director-General, Australian Security Intelligence Organisation
- Commissioner Reece Kershaw, Northern Territory Police.

During the year Acting Chief Commissioner Tim Cartwright APM, Victoria Police, was a member of the ACC Board, with Chief Commissioner Graham Ashton AM, Victoria Police, commencing his appointment on 1 July 2015.

Australian Commission for Law Enforcement Integrity

The ACC's primary oversight body is the Australian Commission for Law Enforcement Integrity (ACLEI). It was established in 2006 through the enactment of the *Law Enforcement Integrity Commissioner Act 2006* to prevent, detect and investigate corruption issues in a number of agencies including the ACC and the former National Crime Authority where necessary.

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

During 2014–15 the ACC notified ACLEI of one corruption and one fraud allegation. As at 30 June, both these cases were being investigated.

Commonwealth Ombudsman

The Commonwealth Ombudsman inspects the ACC's controlled operations, surveillance devices and telecommunications interception records. The Ombudsman carried out six inspections of ACC records during 2014–15. There were no recommendations made as a result of these inspections.

The ACC continues to cultivate a productive relationship with the Ombudsman as part of our Excellence in Compliance Strategy, which includes addressing any issues identified during the inspection process. In addition, the Ombudsman's advice on best practice guides our development of procedures and training programs.

Australian National Audit Office

The Australian National Audit Office did not conduct any performance audits related to ACC activities this year.

Freedom of information

The ACC is subject to the *Freedom of Information Act 1982* (FOI Act). Agencies subject to the FOI Act are required to publish information to the public as part of the Information Publication Scheme. The requirement is in Part II of the FOI Act and replaces the former requirement to publish a section 8 statement in an annual report. Each agency must display on its website a plan showing what information it publishes in accordance with the Information Publication Scheme requirements.

We complied with the requirements as they apply to our agency through establishing FOI pages on our website and intranet, publishing our Information Publication Plan, responding to the Information Publication Scheme, training our staff, providing templates for public requests for information and maintaining document registers outlining ACC information holdings regarding statutory requirements of the FOI Act.

Although we are no longer required to include a section 8 statement, we have chosen to do so again this year and it is at Appendix D on page 254.

Judicial decisions

The ACC 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 a contested subpoena or application for a stay of criminal proceedings.

In 2014–15 we were involved in a range of matters including prosecutions where the grounds for stay applications were claims that the conduct of ACC examinations and dissemination of ACC examination material adversely affected the accused's right to a fair trial, or the proper administration of justice.

X7

X7 v ACC and Commonwealth of Australia was an application in the original jurisdiction of the High Court for declaratory and injunctive relief.

The background to the case was the examination of the plaintiff (X7) by an ACC Examiner after X7 had been charged with serious criminal offences. X7 sought a declaration that, to the extent the ACC Act permits a coercive hearing of a person charged, it is unconstitutional, and sought injunctions restraining the ACC from examining X7 before his criminal charges were finalised.

On 23 August 2012 the parties agreed to state a case for the consideration of the Full Court of the High Court, which included two questions of law. On 26 June 2013, a majority of the High Court held that as a matter of statutory construction the ACC Act did not authorise an Examiner to require a person charged with an indictable Commonwealth offence to answer questions about the subject matter of the offence. The majority of the Court did not consider the constitutional arguments raised.

Just after the reporting period, on 28 July 2015, the *Law Enforcement Legislation Amendment (Powers) Act 2015* commenced. This legislation clarifies the ACC's coercive powers by specifically authorising post-charge coercive examinations (see *Legislative Change* on page 169).

R v Seller and R v McCarthy

In the matters of *R v Seller and R v McCarthy*, heard together in the Supreme Court of New South Wales, the defendants were charged with fraud and corruption offences. The defendants sought, and were granted, a permanent stay of the criminal trials on the grounds that their right to conduct their defence was compromised by the dissemination of the transcripts of ACC examinations to the Commonwealth Director of Public Prosecutions.

The Commonwealth Director of Public Prosecutions appealed the decision and on 1 March 2013 the New South Wales Court of Criminal Appeal delivered judgment in favour of the Commonwealth. The Court found that a stay of proceedings should only be granted in the most extreme cases, and where there is prejudice the trial judge will be able to remedy it in most cases by excluding evidence.

On 2 April 2013 Seller and McCarthy both filed applications for leave to appeal to the High Court, claiming that the New South Wales Court of Criminal Appeal mistakenly re-instated the proceedings. Counsel for both Seller and McCarthy sought to rely on X7 in support of the notion that disclosure of the examination transcripts to the Commonwealth Director of Public Prosecutions constituted such an inroad into the accusatorial process that it amounted to actual prejudice and warranted a stay of prosecution. The Court rejected these arguments, finding that the New South Wales Court of Criminal Appeal was not in error when it concluded that there was no evidence that the trial would suffer a fundamental defect warranting a stay, and there was no point of legal principle arising which would warrant the consideration of the High Court. The two applications were dismissed.

On 28 July 2014 the defendants, relying in part on the High Court decision in *Lee v The Queen*, opened pre-trial applications in the Supreme Court to exclude witnesses and the current prosecution team on the basis that they were tainted by direct or indirect access to the defendants' examination evidence. Hearing of the applications was completed in August 2014. On 19 December 2014 the Court ruled in favour of the defendants.

The Commonwealth Director of Public Prosecutions appealed the ruling and the defendants lodged a cross-appeal. On 29 April 2015 the New South Wales Court of Criminal Appeal dismissed both the Crown appeal and Defence appeal, and remitted the matter for trial on a date to be fixed.

On 28 May 2015 Seller and McCarthy filed an application for special leave to appeal in the High Court. After the reporting period, the High Court refused special leave on 7 August 2015.

The matters went to trial on 24 August 2015 and on 22 September the jury returned a verdict of not guilty on all counts.

Bartlett, Sayers, Grace and Dunn

The prosecution of Bartlett, Sayers, Grace and Dunn arose from the Wickenby investigation. Like the Seller and McCarthy proceedings, it raised issues of derivative use of ACC Act examination information and prosecutorial disclosure of examination material prior to charge. In a pre-trial application three of the defendants applied for a stay of their prosecutions. Initially they relied on the same arguments as Seller and McCarthy, asserting that the non-publication direction permitted disclosure to the prosecution that prejudiced the fairness of their trial. They further argued that the High Court's decision in *X7* was equally applicable to a case where a person may be charged with an offence and therefore the ACC examinations should not have proceeded.

On 15 August 2013, Heenan J of the Supreme Court of Western Australia dismissed the applications for a permanent stay of the prosecutions of each of the accused in his decision of *Bartlett v The Queen [No.6]* (2013) WASC 304. His Honour held that it was the absence of any reference to any tangible evidence or any use of particular evidence as a form of potential prejudice that left the applicants' submissions without foundation. Dunn was subsequently convicted, Grace was acquitted, and the jury was unable to reach a verdict in relation to Bartlett and Sayers. The charges against Bartlett and Sayers were subsequently discontinued in August 2014.

Dunn appealed his conviction and on 19 June 2015 the Western Australia Court of Appeal dismissed the appeal. Dunn has subsequently sought leave to appeal to the High Court.

XCIV v ACC & Sage

XCIV was summoned to attend an ACC examination but sought an injunction to prevent the examination on a range of administrative and constitutional law grounds. The matter was heard before Wigney J in the Federal Court (Sydney).

On 26 June 2015 the Court ruled in favour of the ACC (*XCIV v ACC* [2015] FCA 586), dismissing the application for injunctive relief.

Contempt of the ACC

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

Two contempt proceedings were finalised in 2014–15. One of these matters involved charges for contempt under section 34A(a)(ii) of the ACC Act for failing to answer questions during an ACC examination. The person was sentenced to an indefinite period of detention subject to the purging of their contempt. When the contempt had been purged the court ordered the person's release. The other proceeding involved charges for contempt under section 34A(c) for an examinee giving evidence that they knew was false or misleading in a material particular. In this case, the defendant was convicted and sentenced to imprisonment, suspended upon them entering into a 15-month good behaviour bond.

Legislative change

Changes and clarifications to the ACC Act

On 19 March 2015, the Minister for Justice introduced into Parliament the Crimes Legislation Amendment (Powers, Offences and Other Measures) Bill 2015.

The Bill contains technical amendments to the ACC Act that:

- clarify who is eligible to apply for a search warrant under the Act
- expedite the return of items produced in an examination
- update references to secrecy provisions that preclude an agency from disclosing information to the ACC.

As at 30 June 2015, this Bill was before Parliament.

On 26 March 2015, the Minister for Justice introduced into Parliament the Law Enforcement Legislation Amendment (Powers) Bill 2015. The Bill passed both the House of Representative and the Senate during the reporting year, and the Act commenced operation on 28 July 2015, just after the reporting period.

The new laws significantly amend the ACC Act to clarify:

- when coercive examination powers may be used
- the circumstances in which examination material and information derived from examination material may be disclosed, shared or used, including by prosecuting agencies.

In particular, the new laws:

- specifically authorise the ACC to conduct post-charge examinations (that is to examine someone after they have been charged with a related criminal offence) and to ask questions about the subject matter of the charge
- specifically authorise the ACC to conduct examinations after confiscation proceedings have commenced against an examinee
- specifically authorise the derivative use of examination material to find evidence that may be used in criminal proceedings against the examinee
- clarifying and strengthen the safeguards to protect the examinee's fair trial, including limiting when examination material and some types of derivative material may be provided to the prosecutor of the examinee.

Other changes

The *Crimes Legislation Amendment (Unexplained Wealth and Other Measures) Act 2015* came into force on 26 February 2015. This Act implements a number of the recommendations of the Parliamentary Joint Committee on Law Enforcement to make the Commonwealth's unexplained wealth laws more effective, including by preventing restrained assets being used to meet legal expenses and removing a court's discretion to make unexplained wealth orders once relevant criteria are satisfied.

The *Crimes Legislation (Psychoactive Substances and Other Measures) Act 2015*, which introduced new offences of firearms trafficking and made a range of other technical amendments to criminal legislation, largely came into force on 6 March 2015. The amendments to ban the importation of new psychoactive substances came into force outside the reporting period on 5 September 2015.

The *Telecommunications (Interception and Access) Amendment (Data Retention) Act 2015* commenced on 13 October 2015. The Act requires telecommunications providers to retain limited telecommunications data for two years. The ACC is involved in discussions about the implementation of the new obligations, including providing support and guidance to the telecommunications industry.

Our people

We have a staff of 581 (Australian Public Service employees and statutory office holders) supplemented by 36 secondees from Commonwealth, state and territory law enforcement and other Commonwealth agencies.

Our workforce includes investigators and intelligence analysts, professional human source case managers, financial profilers, operational and organisational psychologists, physical and technical surveillance operatives, technical and cyber analytics operatives, strategic and vulnerability assessment analysts, lawyers, specialist examinations staff, and corporate services staff.

We also work with secondees from our partner agencies, some of whom are seconded to the ACC to work in multi-agency taskforces and Joint Analyst Groups. We also engage contractors and consultants to provide specialised services.

Staffing profile as at 30 June 2015

Staffing categories	No. of staff as at 30 June 2015	No. of full-time equivalent (FTE) staff as at 30 June 2015	Average staff level during 2014–15
APS employees Statutory office holders	581	550.8	529.8
Secondees funded by the ACC	23	N/A	N/A
Secondees funded by jurisdictions	13	N/A	N/A
Total core staff	617		
Task force members	35	N/A	N/A
Total overall staff	652		

Notes:

1. This table reflects the number of secondees as at 30 June 2015. However, as secondees work with us for different periods of time throughout the year, the overall total of secondees for 2014–15 was 59.
2. 'Contractors and consultants' are no longer reported in this table. Further information on contractors and consultants is provided in Chapter 7.

Secondees and task forces

- **Secondees**—We supplement our staffing with secondees from other agencies. As at 30 June 2015 we had a total of 36 secondees, both ACC funded and funded by other agencies. Throughout the reporting year we hosted a total of 59 secondees from 16 other Commonwealth and law enforcement agencies on short-term and long-term assignment.
- **Task forces**—We coordinate and participate in joint task forces and Joint Analyst Groups with partner agencies. On 30 June 2015, we had 23 people from other agencies working at the ACC as task force members and 12 people from other agencies working as members of Joint Analyst Groups. Throughout the reporting year we hosted 99 task force members on short-term and long-term assignment.

A breakdown of secondees and task force staff by home agency and jurisdiction is in Appendix F on page 260.

Staffing profile trends 2008–09 to 2014–15

Headcount as at 30 June	2008–09	2009–10	2010–11	2011–12	2012–13	2013–14	2014–15
APS and statutory office holders	518	546	628	598	584	562	581
Secondees funded by the ACC	24	29	45	23	21	23*	23
Secondees funded by other jurisdictions	24	20	19	15	20	20*	13
Total core staff	566	595	692	636	625	605	617
Task force and JAG members **	26	37	18	13	21	46	35
Total overall available resources	592	632	710	649	646	651	652
Full-time equivalent (APS only)	499.73	526.8	606.61	565.21	553.94	532.98	550.8
Average staffing level (APS only)	N/A	N/A	N/A	556.29	553.35	531.57	529.8

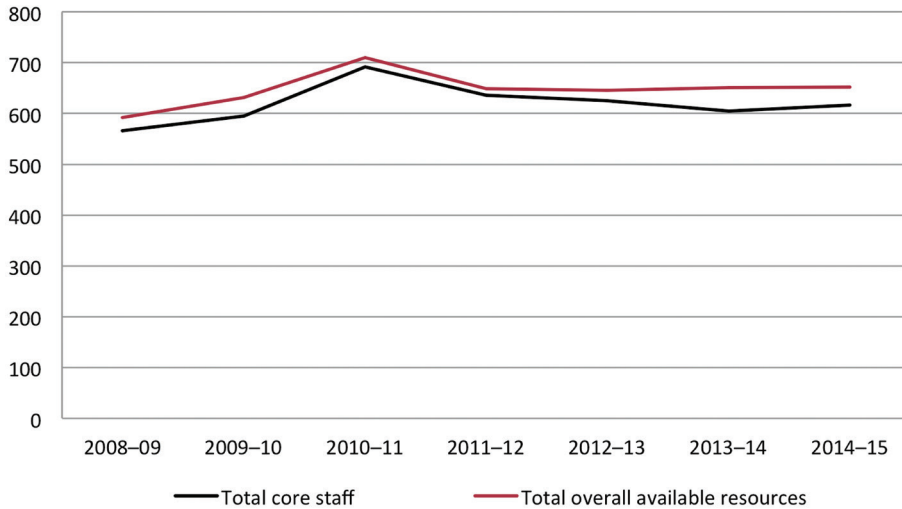
Notes:

* Last year we incorrectly reported 24 secondees funded by the ACC and 19 secondees funded by other jurisdictions. These numbers should have been 23 and 20 respectively.

** Joint Analyst Groups commenced in 2013.

Contractors are no longer reported in this table and previous year 'total overall resources' figures have been adjusted to reflect this. Further information on contractors and consultants is provided in Chapter 7.

Staffing profile trends as at 30 June 2008–09 to 2014–15



Location

During the year, we worked out of eight locations around the country. Our Alice Springs office closed when the National Indigenous Intelligence Task Force (NIITF) concluded its work on 30 June 2014.

APS employees and statutory office holders by location as at 30 June

Location	2012–13	2013–14	2014–15
Sydney	132	130	134
Canberra	186	182	201
Melbourne	119	111	110
Brisbane	81	76	79
Adelaide	38	37	31
Perth	25	24	25
Alice Springs*	2	1	N/A
Darwin	1	1	1
Hobart**	0	0	0

* Our Alice Springs office closed on 30 June 2014.

** A secondee (not an APS employee) staffed our Hobart office.

A breakdown of classifications in our different locations is in Appendix F on page 260.

Full-time/part-time

Most staff worked full-time, with around 12.5 per cent working part-time/casual hours.

APS employees by full-time/part-time as at 30 June

Employment capacity	2012–13	2013–14	2014–15
Full-time	509	486	508
Part-time	75	75	70
Casual	0	1	3

A breakdown of employment capacity by location is in Appendix F on page 260.

Classification levels

We have 11 different classification levels including APS 2–6, Executive Levels 1 and 2 (EL 1 and EL 2), Senior Executive Service bands 1 and 2 (SES 1 and SES 2), and our CEO and Examiners, who are statutory office holders.

APS employees by classification level as at 30 June

Classification level	2012–13	2013–14	2014–15
APS 2	3	3	2
APS 3	40	35	32
APS 4	77	81	84
APS 5	82	81	80
APS 6	89	87	88
EL 1	187	190	205
EL 2	86	69	74
SES 1	9	6	8
SES 2	2	3	2
CEO	1	1	1
Examiners	8	6	5

A breakdown of classifications in our different locations is in Appendix F on page 260.

Gender

This year, women comprised 48.7 per cent of our organisation. There are 94 more women than men at classification levels APS 2–6, but 109 more men than women at the EL 1, EL 2 and SES levels. In particular, our EL 1 level includes many technical and specialist roles in investigations and surveillance. We mainly recruit experienced law enforcement personnel for these roles and, based on current recruitment outcomes, it may take some time to achieve equal representation in this area.

Overall representation of women at the EL and SES levels decreased slightly this year (by 0.5 per cent). However, with two of our women SES staff leaving this year to take up opportunities in other agencies, our percentage of women SES fell from 33 per cent to 10 per cent on 30 June 2015. This is well below the 40.1 per cent of women SES across the broader APS as at 30 June 2014, as reported in the *State of the Service Report 2013–14*.

APS employees by gender as at 30 June

Gender	2012–13	2013–14	2014–15
Men	302	287	298
Women	282	275	283

A breakdown of gender distribution by classification is in Appendix F on page 260.

Age

The ACC's age profile includes strong representation in all five-year age brackets, which range from under 20 to over 65 years of age.

Cultural diversity

More than 17 per cent of staff have identified that Australia is not their country of birth and 6.2 per cent do not have English as a first language.

Workplace diversity

Workplace diversity in the ACC means respecting and valuing the skills and experiences that each staff member brings to the workplace, as well as being responsive to the additional challenges faced by some groups.

This year we published the *Workplace Diversity Strategy 2015–17*. Over the three years of the strategy, we will concentrate on issues faced by our identified priority areas of Indigenous Australians, people with a disability, women, people from culturally and linguistically diverse backgrounds, mature age workers and the inter-generational workforce. This strategy is published on our website.

Actions completed under this strategy include our Reconciliation Action Plan, Multicultural Plan, Workplace Diversity Program and Disability Action Plan and our Transition to Retirement Toolkit.

Reconciliation Action Plan

Our updated *Reconciliation Action Plan 2015–17* outlines our continued commitment to reconciliation, and follows on from our 2011–12 plan. It identifies practical actions and set goals to drive greater equality and understanding. In implementing the plan, we will make a meaningful contribution to reconciliation in Australia. Through this plan we have:

- increased Indigenous cultural understanding and respect to ensure Indigenous employees receive support when they commence at the ACC
- identified our National Manager Integrity, People and Change as a champion for the inclusion of Indigenous peoples
- held a workshop facilitated by Reconciliation Australia and our Executive Champion, to share ideas and began drafting our Reconciliation Action Plan, which we launched during National Reconciliation Week (27 May – 3 June)

SPOTLIGHT ON...

Jawun secondment to West Kimberly

The ACC participated in the Australian Public Service Jawun Secondment Program for the first time in 2015, through our Reconciliation Action Plan.



Jawun is a not-for-profit organisation that places skilled people from the public and corporate sector into Indigenous partner organisations in communities across Australia. Placements match secondee skills with project work required by Indigenous organisations and their communities. Secondees share their expertise to support Indigenous leaders to achieve their own development goals. The aim is to build the capacity of Indigenous peoples.

Our secondee spent six weeks at Beagle Bay in the West Kimberly region. After a 'crash course' in local history, culture and Indigenous corporations, our secondee worked with the Beagle Bay Future Indigenous Corporation to develop governance including the set up and running of meetings, worked with and supported the corporation's directors, helped obtain an administrative support officer for the corporation, assisted with an achievable strategic plan and helped navigate the bureaucracy.

Sharing insights with staff afterwards, our secondee said the experience provided a unique insight into Indigenous culture and relationship with the land, the opportunity for self-challenge and adapting skills to a new environment, the opportunity to contribute to building Indigenous capacity, and a chance to experience the wonder of the Kimberly.

- developed a statement for all ACC recruitment advertising welcoming Aboriginal and Torres Strait Islander Australians to apply for positions, and included information on the Indigenous Australian Government Development Programme
- increased employment pathways for Aboriginal and Torres Strait Islander peoples into the ACC by participating in Indigenous Australian Government Development Programme
- increased staff knowledge and awareness of Indigenous communities by participating in the Jawun Secondment Program.

Our rate of Indigenous employment at the ACC is 1.55 per cent.

Multicultural Plan

We updated the Agency Multicultural Plan this year. The plan identifies the steps we will take to deliver on the Australian Government's Multicultural Access and Equity Policy in the areas of leadership, engagement, performance, capability, responsiveness and openness. This includes:

- ensuring that cultural sensitivities are taken into account during information and intelligence collection
- where relevant, ensuring culturally and linguistically diverse stakeholders are considered in external communication efforts, to improve public awareness of the organised crime threat and risk, so people can better protect themselves from exploitation
- creating a culturally diverse workforce that represents the diversity of the community we serve, so we can deliver effective intelligence and investigative outcomes.

This plan is published on our website.

Disability

A total of 0.86 per cent of ACC staff have identified as having a disability. Our Workplace Diversity Program and Disability Action Plan includes strategies to improve this figure, such as awareness-raising and more accurate reporting through self-identification. This is part of our attention to improving workforce participation of people with disability.

This year we:

- formed a partnership with the National Disability Recruitment Coordinator (NDRC)
- developed a disability recruitment action plan in consultation with the NDRC
- conducted a recruitment review on disability employment
- approached Disability Employment services providers about potential engagement of staff under Australian Public Service Commissioner's Directions 2.17
- held a disability awareness training pilot with the potential to extend to include train-the-trainers.

Transition to Retirement Toolkit

We want to maximise the contribution of our more experienced employees. Research suggests that employers should encourage ongoing discussions about succession planning and transition to retirement options with employees from the age of 45. We developed our Transition to Retirement Toolkit to support our employees' thinking and ensure they have appropriate planning in place to make the most of their retirement. This thinking also allows the ACC to make future plans.

Remuneration and benefits

Workplace agreement

During 2014–15, our *ACC Enterprise Agreement 2011–2014* covered 565 employees (this does not include our substantive SES or Examiners) and provided a range of flexible working arrangements and aligned key ACC conditions with APS-wide conditions. This agreement expired on 30 June 2014, and negotiations for a replacement agreement are ongoing.

Performance payments

The ACC does not have a system of performance payments. Rather, incremental advancement is available to eligible staff as part of our Performance Development System (see *Performance development* on page 178).

Non-salary benefits

Non-salary benefits include flexible working arrangements for APS 1–6 officers, time-off-in-lieu arrangements for Executive Level staff, tertiary studies assistance and a comprehensive Performance Development System (see page 178). We also offer free influenza vaccinations, an employee assistance program providing counselling and support for staff and family members, and a reimbursement program for spectacles.

Salary ranges

Salaries for APS employees range from \$42 231 (APS 1) to \$132 276 (EL 2).

Salary bands under our Enterprise Agreement 2011–14*

Classification level	Salary as at 30 June 2015
APS 1	\$42 231–\$46 675
APS 2	\$48 515–\$53 797
APS 3	\$56 127–\$60 578
APS 4	\$61 694–\$66 987
APS 5	\$68 310–\$72 435
APS 6	\$74 533–\$84 345
EL 1	\$93 968–\$113 288
EL 2	\$117 402–\$132 276

* The salary bands are unchanged from last year as negotiations are ongoing for a replacement agreement.

Executive remuneration

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

The ACC 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 227).

CEO and Examiners remuneration

As our CEO and ACC Examiners are statutory office holders, the Remuneration Tribunal sets their remuneration and entitlements. As at 30 June 2015, the CEO base salary was \$340 480 with a total remuneration package of \$486 400.

ACC Examiner base salaries were \$304 640 with total remuneration packages of \$435 200. Part-time Examiners receive a daily rate of \$1383.

Staff retention and turnover

In 2014–15 a total of 69 staff left the ACC. Reasons included moving to another APS agency, retirement, redundancies and completing non-ongoing contracts. As at 30 June 2015, our retention rate was 87.9 per cent. A breakdown of staff turnover by reason is on page 263 of Appendix F.

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; and ongoing evaluation of feedback provided through staff surveys and exit surveys.

Performance development

Our Performance Development System incorporates career planning, individual and team-based learning and development, capability and skills enhancement and regular performance feedback. This system guides our performance management process and assists staff to make strategic links between business goals and key result areas when identifying opportunities for development. In 2014–15, our Performance Development System completion rate was 99 per cent.

Our Performance Development System enables incremental salary advancement. Staff are rated on a five-point scale (high performing to unsatisfactory) and are eligible for an incremental increase if they receive a rating of one, two or three and are below the maximum salary for their classification.

Recognising that some managers, particularly those new to the role, can lack the time and skills necessary to manage performance as effectively as possible, we enhanced our performance management framework. We provide managers with guidance on the more formal aspects of the performance management process, coaching to maintain appropriate focus on the issues at hand, strategies to manage any anxiety around the process, strategies to contain and address issues that may emerge within teams as a result of individual performance management and experienced case managers to assist if required. Our Organisational Psychology Services area also provides a point of referral for employees for access to appropriate support when necessary.

Supporting documentation succinctly presents essential information including the stages in the performance management process.

Recognition

The main way we recognise staff is through our Performance Development System and ongoing manager recognition of individuals and teams. In addition, we recognise individuals and teams who make a significant contribution to achieving our goals through a formal CEO Awards program, which includes three major awards:

- *The Rod Amery Memorial Team Award*—this year presented to the Strategic Policy Team, in recognition of the team’s work delivering significant initiatives, resources and capability for the ACC over the past 12 months.
- *The Geoffrey Bowen Memorial Award for exemplary performance by an individual*—this year presented to Anthony Chapman for his longstanding contribution to the ACC Board and Senior Executive.
- *The Sharon Price Memorial Innovation Award for innovative contributions by an individual or team*—this year presented to the Attero National Task Force (Intelligence Function), in recognition of excellent team work, dedication and commitment to the Attero National Task Force, by an ACC-led Intelligence Team.

Individuals and teams also received CEO certificates recognising noteworthy contributions, special achievements or meritorious service.

Workforce planning

The ACC Strategic Workforce Plan for 2013–2018 was endorsed by senior management in late 2014.

Our environmental context and *Strategic Plan 2013–18* informed the development of the ACC Strategic Workforce Plan. It outlines our current workforce picture as well as different change scenarios we may face over the next few years. The Strategic Workforce Plan articulates our expected workforce capability, capacity and culture requirements over the next few years. It includes workforce action plans for business units that aim to achieve the desired future workforce composition and culture.

The value of this Strategic Workforce Plan is that it:

- prioritises strategies
- identifies actions
- assigns responsibility and accountability
- commits to a timeline
- identifies metrics for monitoring and evaluation.

During 2014–15, as part of implementing our Strategic Workforce Plan we targeted seven human capital elements:

1. workforce planning
2. workforce capacity
3. workforce capability
4. workforce culture
5. workplace leadership
6. workplace conditions
7. workplace design.

We have a good understanding of our workforce and we are now implementing our plan, and monitoring and measuring progress. Strategies that have commenced include:

- engaging with the business planning processes about integrating strategic workforce planning
- developing and implementing an ACC Culture Plan
- piloting workforce planning with critical job roles
- developing a Mature Age Strategy including launching our Transition to Retirement Toolkit
- continuing to build leadership capability through development programs and our mentoring and external coaching
- supporting mobility strategies and international deployments
- developing our Managing Underperformance Framework.

Learning and development

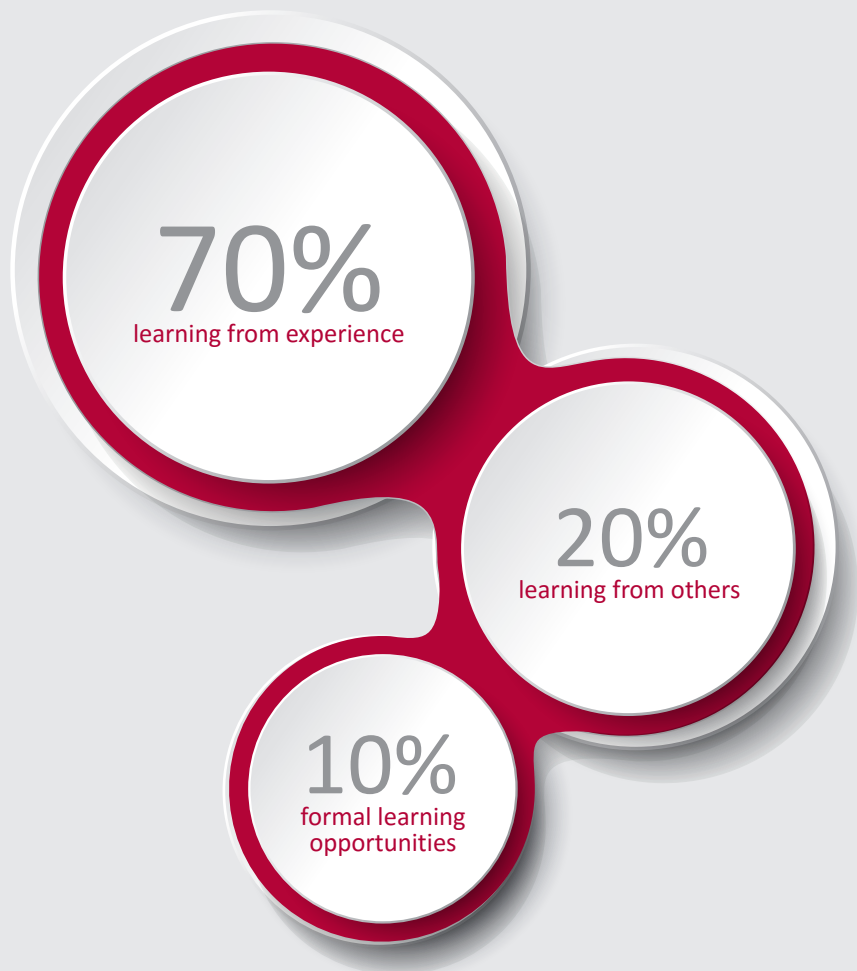
Strategies

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

Approach

Our learning and development activities are based on the 70: 20: 10 development philosophy, which recognises that learning occurs best from 70 per cent experience (on-the-job) blended with 20 per cent from others (coaching and mentoring) and 10 per cent through formal learning opportunities (such as courses).

Learning and development 70: 20: 10: philosophy



70% learning from experience

- work assignments
- projects
- problem solving
- job rotation
- higher duties
- stretch assignments
- community involvement
- teach someone else
- research widely
- self-reflection

20% learning from others

- coaching
- mentoring
- seeking feedback
- observing
- social events
- networks
- professional memberships
- shadowing
- powerful professional development discussions

10% formal learning opportunities

- courses
- seminars
- conferences
- ACCelerate online learning
- tertiary study
- self-directed learning

Opportunities

We provide learning and development opportunities in three key areas:

- **Core**—We provide learning activities to support culture and fundamental organisational practices for employees to work successfully in the ACC environment. Examples include induction programs, change management training, systems training, performance development training, writing and project management courses.
- **Specialist**—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 training and qualifications in investigations, compliance, analytics tools, national security policy, money laundering methodologies, strategic intelligence, criminology, and telecommunications technology.
- **Leadership management**—We invest in developing our managers and leaders through our ACC Leading Effective Teams Program, ACC Mentoring Program, and executive coaching. We also provide opportunities through external development programs, such as those delivered through the Australian Institute of Police Management, Australian Public Service Commission, National Security College, Australian and New Zealand School of Government, Australian Federal Police, and the Women in Law Enforcement Strategy Mentor Program.

Outcomes

This year ACC staff attended more than 2750 training and development opportunities and events including core/business skills, coaching and mentoring, leadership and management, conferences/networking, specialist capability development (cyber, finance and international capability, as well as information and communications technologies, intelligence, investigations, psychology and media), induction and compliance.

For example:

- **Mentoring Program**—this year our Mentoring Program involved 15 mentors and 19 mentees. Through this program we are providing opportunities for personal and professional growth, enhanced understanding of the ACC's strategic direction and developing a peer support culture.

- ***Leading Effective Teams Program***—this program aims to develop the leadership skills of ACC team leaders and shape the ACC leadership culture. Some participants of this program underwent an assessment process and graduated with a nationally recognised Diploma in Government (Management). The program ensures our leaders:
 - recognise their management responsibilities for team building, planning, resourcing, performance, risk and people management
 - develop skills and practices appropriate for managing in the ACC multidisciplinary environment
 - develop a high level of self-awareness and the ability to manage others and have effective conversations through a coaching approach.
- ***Managing Change Program***—the ability for managers to plan for and manage change within their teams and organisations was identified as a priority management skill in the *APS Leadership and Core Skills Strategy 2013–14*. During this program, participants learn to better manage and support people through change. As a result, participants can:
 - identify and adopt effective change leadership behaviours
 - use basic change management tools within a process to plan and manage at the team level
 - apply effective change leadership behaviours in the workplace.
- ***Compelling Communications Program***—this provides participants with the opportunity to learn how to provide relevant, timely information and explain complex policy decisions in a language that is clear, concise, jargon-free, and easy to understand. As a result of this program, participants are better able to produce fit-for-purpose communications that are tailored to a particular audience and the APS situation/context.
- ***Inaugural Cambridge Scholarship***—this Master of Studies in Applied Criminology and Police Management involves studying crime and harm reduction issues with a strong emphasis on evidence-based policy and practice.
- ***Intelligence Managers Masterclass***—this four-part workshop series focuses on best practice ideas, delivered through expert presentations and journal articles, and by developing professional networks at the local level. ACC staff developed this initiative to bridge the gap between intelligence practitioner training and general management programs, in order to support staff leading critical intelligence functions. Approximately 80 staff from 14 agencies attended in 2014–15.

- *Winston Churchill Memorial Trust Fellowship*—we promote this Fellowship and encourage Executive Level 1 and 2 employees to apply. The Fellowship provides an opportunity for Australians to travel overseas for four to eight weeks to conduct research not readily available in Australia. In 2014, an ACC staff member was awarded a Fellowship following a competitive assessment process which attracted over 1000 applications nation-wide. The research topic was ‘To enhance Australian law enforcement understanding of the American Drug Enforcement Administration’s (DEA) national communications database, their international covert money laundering operations, and how they can be fused within Australian law enforcement’. The research involved a quantitative analysis of DEA investigative methodologies across several offices in North America. This identified significant differences between the DEA’s investigative methodologies and money laundering investigations in Australia. Insights could benefit and enhance investigations by Australian law enforcement agencies.
- *Cultural awareness training*—this includes topics such as Working with Asian and Middle Eastern Names, Political Islam, ISIS and the threat to Australia, and Modern Syria.

Evaluation

We conducted 90 evaluation processes for internal and external training and development programs. Our strategic evaluation of learning and development activities is based on the Kirkpatrick approach (1988). Our evaluation seeks to:

- assess if we have met our intended objectives
- achieve continuous improvement
- assess whether resources are being used wisely
- assess value for money.

Employee engagement

We engage with staff to seek their views and increase their level of engagement if necessary. This year we participated in the Australian Public Service Commission ‘State of the service’ survey process, and included some ACC-specific questions. The results will be known in early 2015–16 when we will devise and implement strategies to respond accordingly.

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 C (from page 250) details our 2014–15 work health and safety arrangements, initiatives, outcomes, statistics of accidents or dangerous occurrences, and any investigations conducted.

Our environmental performance

Ecologically sustainable development and environmental performance section 516A of the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) requires Australian Government organisations to report annually on their environmental performance and contribution to the principles of ecologically sustainable development.

We are committed to minimising our impact on the environment to achieve ecologically sustainable development by applying the following environmental management principles:

- **Comply** with all relevant government statutes, policies and environmental planning instruments as well as meet obligations required for Australian Government environmental reporting.
- **Educate** and promote an organisational culture of environmental awareness.
- **Minimise** adverse environmental impacts by enhancing strategies that focus on:
 - effective procurement including whole-of-life cycle assessment
 - effective and efficient energy management
 - effective and efficient paper usage and paper waste management
 - effective and efficient general waste management
 - effective water conservation measures.

During 2014–15 we continued to operate in an environmentally responsible manner. We mitigate potential environmental impacts through efficient use of resources and effective waste management. Our Environmental Management System is aligned to the international standard EMS ISO 14001:2004 and supported by environmental policies, plans and procedures to influence our decision-making processes.

Procurement

We ensure environmental considerations are part of normal procurement practice, consistent with traditional factors such as product safety, price, performance and availability. We no longer confine procurement decisions to price and functionality but also include whole-of-life assessment and consideration of environmental performance. Consequently, environmental performance provisions are included in procurement tenders and associated contracts.

Environmental Management System

Our Environmental Management System is a framework designed to manage the impacts of our business activities on the environment. The system contributes to our outcomes and accords with the principles of ecologically sustainable development. Our Environmental Policy and standard operating procedures capture data by site. We provide leasing data for all our sites to the Department of Finance. We measure energy usage and savings per site. We also measure kilowatt hours per square metre and per person. Under our Environmental Management System, we review our objectives and targets to respond to changes in government environmental policies or changing business parameters. These targets allow us to measure the effectiveness of our environmental management plans.

Environmental Policy, procedures and guidelines

Our Environmental Policy, procedures and guidelines inform employees about how we manage environmental performance, and what their responsibilities are to help achieve our environmental objectives.

Energy performance

Due to the timing of energy consumption reporting arrangements, information relating to energy performance for 2014–15 is not available until the end of October 2015. Information is provided for the previous three years.

Energy supply

Our Sydney and Melbourne offices incorporate a 10 per cent component of green and/or renewable energy in energy-related procurement arrangements. The whole-of-government energy contract for our Canberra office includes a green energy component of 10 per cent.

ACC energy overall performance data (target tonnes)

	Whole-of-government target	2011–12	2012–13	2013–14	% change
Electricity (gigajoules)		7381	7541	6962	-7.68%
Computer Centre (gigajoules)		1685	1524	1625	+6.63%
Transport energy (gigajoules)		5978	5476	6368	+16.27%
Total		15 044	14 541	14 954	+2.85%
Total emissions tonnes Carbon dioxide (CO ₂) equivalent	≤3400	3195 Below target	3088 Below target	3176 Below target	+2.85%

Transport

We gradually reduced the ACC motor vehicle fleet from 114 in 2007–08 to 92 in 2014–15. We will continue to keep vehicle numbers to the minimum necessary to meet business needs. Our vehicle fleet policy encourages the use of E10 fuel, the lease of smaller vehicles and leasing of vehicles with a Green Vehicle Score of 10.5 or better. These initiatives assist in reducing greenhouse gas emissions and photochemical smog. We are also committed to reducing air travel by improving ACC capacity to conduct business via video and teleconferencing arrangements.

Paper use

All copy paper we purchase contains 50 per cent recycled content. We use online records management systems to reduce paper usage. Awareness campaigns encouraging duplex printing, on screen editing and electronic filing continued during 2014–15.

ACC paper use

Measure	Target tonnes	2011–12	2012–13	2013–14	2014–15
Paper use	<15	15.18	9.06	10.56	8.34

Water use

Our Canberra office is the only ACC-leased premises that does not share facilities with other tenants, and it has a grey water system in place. We install water conservation solutions during accommodation refurbishments when possible.

Waste management

We aim to reduce the amount of waste the ACC sends to landfill. We have recycling streams that divert waste from landfill. This includes organic waste bins introduced last year in some of our offices.