



AUSTRALIAN
**CRIMINAL
INTELLIGENCE
COMMISSION**

**CONNECT
DISCOVER
UNDERSTAND
RESPOND**

2016-17
ANNUAL REPORT

ACIC AT A GLANCE



OUR VISION

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



OUR ROLE

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

Part of the national collaborative response to crime affecting Australia.



OUR APPROACH

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



OUR WORK

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



OUR 2016–17 OUTCOME

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

SUMMARY OF PERFORMANCE IN 2016–17

We measure our performance against criteria related to our ability to **connect**, **discover**, **understand** and **respond** to crime. This is a summary of our full scorecard of results and analysis of our performance in 2016–17, which is provided in *Chapter 2: Annual performance*, from page 38.

	ACIC PERFORMANCE CRITERIA	RESULT	SUMMARY
CONNECT	Existing ACIC systems and services are accessible, used and reliable.	✓	Met—Our results indicate performance with high levels of system availability, steady increases in users and user searches, and all Board-agreed benchmarks met.
	The delivery and implementation of new and enhanced ACIC systems and services satisfies the needs of stakeholders and users.	✗	Not met—Although this year has seen significant work planning, progressing and delivering new and enhanced systems, stakeholder survey results indicate room for improvement in delivery of these projects.
	The ACIC is sharing increasing volume, breadth and formats (mediums, platforms) of criminal intelligence and information, police information, and other relevant information.	✓	Met—Overall our performance this year reflects a similar level to previous years, with steady increases in total records we are making available and an increase in our automated alerts.
	The ACIC builds, coordinates and maintains strong and collaborative relationships with domestic and international partners.	✓	Partially met—We collaborated broadly with domestic and international partners and other stakeholders, and improved our international collaboration. However, stakeholder survey results indicate we need a stronger focus on stakeholder engagement, particularly regarding delivery of information system projects.
DISCOVER	The picture of crime impacting Australia is improving because ACIC is discovering crime threats, vulnerabilities, patterns, methods and trends previously unknown.	✓	Met—The types of new discoveries continued at similar levels to recent years, and focused on key priority crime themes.
	The understanding of the picture of crime impacting Australia is increasingly more comprehensive, integrated, and relevant.	✓	Met—Our results are in line with previous levels of performance, including the planned production of our flagship products and strong levels of output across priority crime types impacting Australia.
UNDERSTAND	The understanding of the picture of crime impacting Australia is increasingly used to guide strategies and responses to crime.	✓	Met—Intelligence we provided across a wide range of crime themes informed and guided strategies at a similar level to previous years, and this is supported by our stakeholder survey results.
	The ACIC better informs and influences the hardening of the environment against crime.	✓	Met—Our intelligence informed and influenced activities to harden the environment against serious and organised criminal activities at similar levels to the previous year, and this is supported by our stakeholder survey results.
RESPOND	The ACIC is conducting investigations and intelligence operations, and producing intelligence that is effective in disrupting, disabling and dismantling serious and organised crime.	✓	Met—Our performance measures of disruptions, arrests and convictions, and referrals to the Criminal Assets Confiscation Taskforce are all in line with, or above, recent years.
	ACIC partners are better informed and enabled to undertake policing and community safeguarding activities through access to national information systems and services.	✓	Met—We have informed and enabled our partners to protect the community, through delivery of our national information systems and services, and this is supported by our stakeholder survey results.

ABOUT OUR REPORT

This report summarises our performance for the financial year ending 30 June 2017. As a statutory authority in the Attorney-General's portfolio, we manage our performance through the 'outcome and program' structure in annual Portfolio Budget Statements.

This report reviews our performance against the outcome and performance indicators in our corporate plan and our Portfolio Budget Statement,¹ as required by the *Public Governance, Performance and Accountability Act 2013*. A summary of outcome and performance criteria is on page ii. Our full corporate plan and a link to our Portfolio Budget Statement is at www.acic.gov.au (under About us, Corporate documents).

HOW WE ASSESS OUR PERFORMANCE

Our performance indicators this year reflect our strategic outlook and directly align with our *Strategic Plan 2016–21*, *Corporate Plan 2016–20* and Portfolio Budget Statement performance criteria. These indicators are used to demonstrate how we have performed in our work to **connect**, **discover** and **understand** to improve the national ability to **respond** to crime impacting Australia, through both quantitative and qualitative measures. Details about our performance measurement framework are on page 171.

HOW THE NATURE OF OUR WORK AFFECTS OUR REPORTING

For operational reasons and because much of our work is classified, there are some activities we cannot report on publicly. When activities are no longer sensitive or constrained by legal or statutory requirements, and wherever possible, we are committed to being open and transparent and providing information to the public.

This includes our intention to report more broadly throughout the year, in both classified and unclassified form, to enhance understanding of what we do.

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

1. In 2016–17 the Portfolio Budget Statements were for the two separate former agencies, the Australian Crime Commission (ACC) and CrimTrac. The 2017–18 ACIC Portfolio Budget Statement recognises that our merged agency will report against the new agency's performance criteria. ACIC Portfolio Budget Statements can be accessed here www.ag.gov.au/Publications/Budgets

LETTER OF TRANSMITTAL

5 October 2017
Michael Keenan MP
Minister for Justice
Minister Assisting the Prime Minister on Counter-Terrorism
Parliament House
Canberra ACT 2600

Dear Minister

I am pleased to present the annual report of the Australian Criminal Intelligence Commission (ACIC) for the year ending 30 June 2017, prepared in accordance with the requirements of the *Public Governance, Performance and Accountability Act 2013*.

The report outlines the ACIC's performance for 2016–17 and includes audited financial statements.

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

In addition, I certify that I am satisfied the ACIC has prepared fraud risk assessments and fraud control plans, that we have in place appropriate fraud prevention, detection, investigation and reporting mechanisms, and that we have taken all reasonable measures to appropriately deal with fraud relating to our agency.

Yours sincerely



Nicole Rose PSM
Acting Chief Executive Officer
Australian Criminal Intelligence Commission

ANNUAL REPORT CONTACT DETAILS

For enquires about this annual report and general information requests, please contact our:

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ALTERNATIVE VERSION

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

WE VALUE YOUR FEEDBACK

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

SOCIAL MEDIA

Facebook: www.facebook.com/ACIC

Twitter: <https://twitter.com/acicgovau>

YouTube: www.youtube.com/channel/UCqD_JwFW4cto3JlJGxzOb8Q

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TABLE OF CONTENTS

ACIC at a glance	i
Summary of performance in 2016–17	ii
About our report	iii
Letter of transmittal	iv
Snapshot of 2016–17 highlights	8
Snapshot of 2016–17 people and finances	10
SECTION 01: AGENCY OVERVIEW	13
Who we are and what we do	
SECTION 02: ANNUAL PERFORMANCE	33
How we achieved our purpose	
2.1 Annual Performance Statement 2016–17	34
2.2 Strategic intelligence	62
2.3 International collaboration	74
2.4 Investigations and operations	81
2.5 National information and intelligence sharing services	127
SECTION 03: MANAGEMENT AND ACCOUNTABILITY	153
Our governance and people	
SECTION 04: FINANCIAL PERFORMANCE	205
Our financial position and audited statements	
SECTION 05: APPENDICES AND REFERENCES	237
Guide to this report and additional information	

SNAPSHOT OF 2016–17 HIGHLIGHTS

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



Provided 16 systems—delivering information for frontline policing as well as information on biometrics, forensics, DNA, firearms, ballistics, vehicles, cybercrime, child protection, domestic violence, criminal targets and national police checks. All systems met availability benchmarks



Delivered successful National Criminal Intelligence System pilot—the first truly national and unified picture of criminal activity, spanning policing and intelligence data holdings



Collaborated and shared knowledge—shared more than 39,000 information and intelligence products with more than 170 stakeholders



95% of all stakeholders surveyed found our information and intelligence services and systems of value

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



Analysed criminal intelligence—produced 144 analytical products



Identified new targets—we added 24 new targets to the National Criminal Target List (total number added by all agencies was 78)



Discovered new information about serious and organised crime—conducted 227 examinations, and produced 187 intelligence products containing examination material



Enriched the national picture of criminality—released flagship reports on criminal targets and illicit drug data, as well as the first national wastewater drug monitoring program report and an assessment of illicit firearms in Australia



75% of stakeholders surveyed agreed our intelligence products provide a comprehensive and relevant understanding of crime impacting Australia

SNAPSHOT OF 2016-17 HIGHLIGHTS

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



81 criminal entities disrupted



283 people arrested on 828 charges



More than \$929.71 million drugs seized (estimated street value)



\$107.67 million worth of assets restrained



80% of stakeholders surveyed agreed our intelligence and information informs policy and legal responses to criminal activity threatening Australia



SNAPSHOT OF 2016–17 PEOPLE AND FINANCES



810 staff and **24** secondees from partner agencies



50.86% women and **49.14%** men



88.9% retention rate



8 offices around the country



8 international deployments to **6** locations in the Netherlands, Canada, United States, Hong Kong and Dubai

SNAPSHOT OF 2016-17 PEOPLE AND FINANCES



\$89.820 million operating appropriation and
\$111.884 million other income

OVERALL FINANCIAL RESULTS

\$10.982m

surplus



unfunded depreciation

\$9.845m



\$3.975m

capital funding from
other agencies



surplus

\$16.852m

○ ————

**WE ARE AUSTRALIA'S NATIONAL
CRIMINAL INTELLIGENCE
AGENCY WITH INVESTIGATIVE
AND INFORMATION DELIVERY
FUNCTIONS.**

SECTION 01

AGENCY OVERVIEW

About us	14
Criminal environment: the challenges	20
CEO's review	21
Feature: New agency a milestone move	26
Outcome and program structure	28
Priorities in 2016–17	30

ABOUT US

Our vision is for a safer Australia that is better connected, informed and capable of responding to crime and criminal justice issues.

PURPOSE

The Australian Criminal Intelligence Commission (ACIC) began operating on 1 July 2016. Our new agency was formed through the merge of the Australian Crime Commission (ACC) and CrimTrac to strengthen Australia's ability to combat the unprecedented national security threat and stop criminals exploiting emerging opportunities and perceived gaps in law enforcement information (see feature on page 26).

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

ROLE

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

FUNCTIONS

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

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

RELATIONSHIP WITH AUSTRALIAN INSTITUTE OF CRIMINOLOGY

We support and collaborate closely with staff of the Australian Institute of Criminology (AIC). Our CEO is also Director of the AIC, and AIC staff have transferred to the ACIC under a Machinery of Government process. The AIC is located with the ACIC, and ACIC staff are seconded back to the AIC, to ensure criminological research and evidence remains central to law enforcement's collective response to crime. Although it is independent of the ACIC, the AIC's high quality research is important to our work.

APPROACH

We connect, discover and understand to improve the national ability to respond to crime and criminal justice issues impacting Australia.

- **CONNECT**—We develop and maintain national information and intelligence sharing services, unite partners to achieve outcomes that cannot be achieved individually, and disseminate and share knowledge, research, intelligence and information to improve national and international responses.
- **DISCOVER**—We proactively identify new and emerging serious and organised crime threats and significant criminal trends, fill intelligence and knowledge gaps, create new knowledge on crime, and bring together disparate datasets to discover new insights into crime threats.
- **UNDERSTAND**—We build a national intelligence picture across the spectrum of crime, which our partners contribute to and use to guide responses. We analyse our national holdings to improve understanding and knowledge of crime.
- **RESPOND**
 - We **prevent** crime by making essential information available to police and law enforcement, working with partners to make it harder for criminals to operate in Australia, and inform strategies to make Australia safer from crime.
 - We **disrupt**, disable and dismantle serious and organised criminal enterprises by contributing to effective responses, and supporting more effective policing when investigating and solving crime through timely access to useful and richer national criminal information.
 - We **protect** the community, police and potential victims of crime by providing timely access to law enforcement and other relevant information.

CULTURE AND VALUES

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

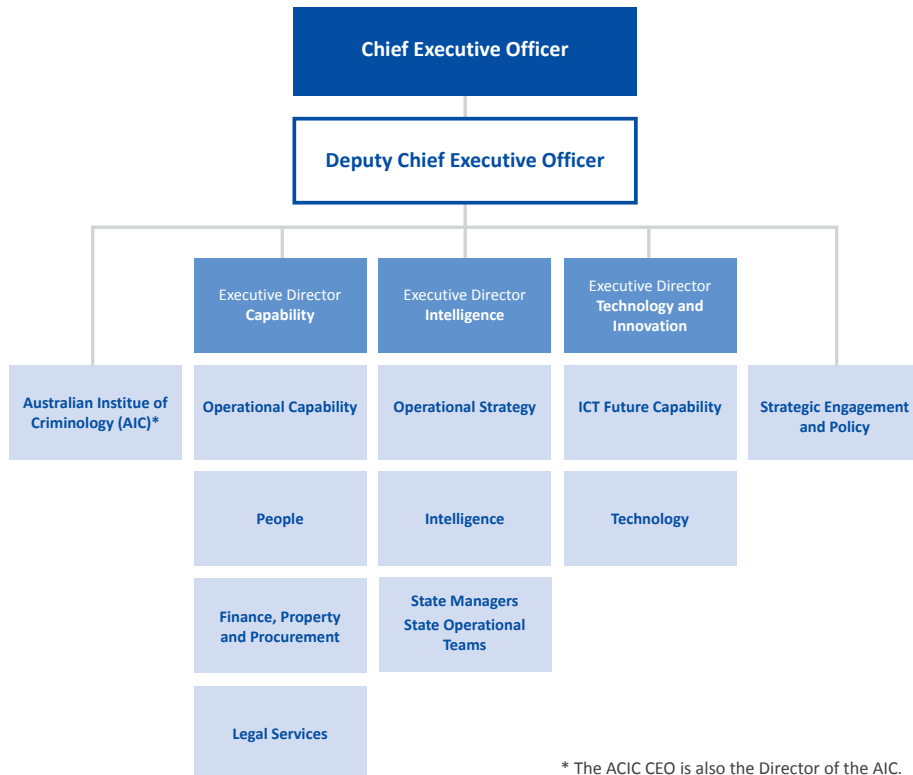
We value our professionally diverse people as our greatest asset. We engage with each other and our stakeholders ethically, and with integrity and respect. We are capable, agile, innovative, adaptable and service-focused.

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

STRUCTURE

We are a Commonwealth statutory body with roles and functions underpinned by supporting legislation in each state and territory. On 30 June 2017, we had 810 staff,² supplemented by 24 secondees from Commonwealth, state and territory law enforcement, and other Commonwealth agencies. We work from eight locations around the country and have deployed staff to six international locations. Details of our structure and ACIC Executive are on page 155.

ORGANISATIONAL STRUCTURE AS AT 30 JUNE 2017



* The ACIC CEO is also the Director of the AIC.

2. This includes staff from the former ACC and CrimTrac, as well as staff from the AIC.

SPECIALIST CAPABILITIES

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

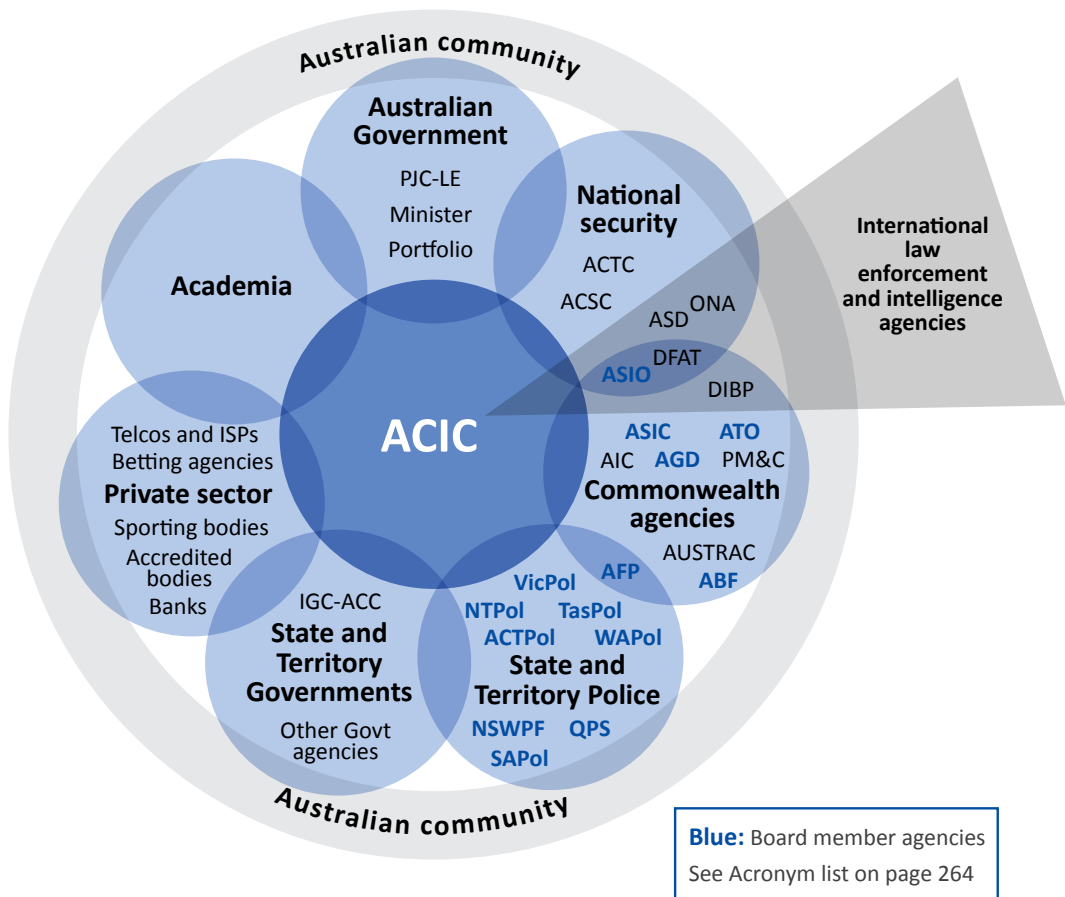
STAKEHOLDERS

We work with a wide range of stakeholders to achieve a shared national outcome of a safer Australia. Our stakeholders include:

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

Due to the collaborative nature of our work, our stakeholder relationships are critically important to achieving our purpose. Our stakeholders are important to us, so we seek their feedback regularly. Their feedback contributes to our performance measurement and informs our ongoing engagement. This year's stakeholder research findings are on page 17.

ACIC STAKEHOLDERS



ACIC BOARD

The ACIC Board represents Commonwealth, state and territory law enforcement, and key regulatory and national security agencies. As a powerful law enforcement and national security body, the ACIC Board provides a significant platform to drive the collegiate approach necessary to successfully connect, discover and understand, to improve the national ability to respond to crime and criminal justice issues. More details about our Board are on page 182.

CRIMINAL ENVIRONMENT: THE CHALLENGES

- **Destructive, pervasive and complex**—Criminal threats are more complex and pervasive than ever before across the spectrum of serious, organised and broader volume crime. Criminals seek to exploit vulnerabilities, emerging technologies and perceived gaps in law enforcement information. This touches the lives of Australians in many ways, from devastated families and damaged communities to lost income, health and social impacts, and erosion of public trust.
- **Globalised**—Our intelligence indicates that around 70 per cent of Australia’s serious and organised criminal threats are based offshore or have strong offshore links.
- **National security threat**—The national security threat to our nation is unprecedented. Serious and organised crime is a recognised threat to national security, with identified links between terrorism, broader organised crime and volume crime. This includes Australians who finance terrorist activities, leave Australia to support terrorist causes or return intending to harm the Australian community. It also includes ‘lone actors’ and Australians recruited by organised crime groups seeking the skill sets developed in foreign conflicts.
- **Cyber-savvy**—Crime penetrates and capitalises on technology and the cyber environment. Criminal groups can now target thousands of Australians simultaneously from anywhere in the world, and use increasingly sophisticated technologies to counter law enforcement efforts.
- **Diversified**—New forms of business are emerging in addition to traditional organised crime activities. This diversification into multiple criminal markets provides consistent revenue streams to finance higher risk ventures and enables criminal enterprises to respond to shifts in supply and demand.
- **Concealed**—To support and conceal their criminal enterprises, serious and organised criminals corrupt officials, employ professional experts to advise on complex methods and techniques, use violence and intimidation, and blend criminal activity with legitimate business.
- **Resilient**—Criminal groups are enduring and resilient, collaborating for mutual gain and quickly dispersing or shifting focus when disrupted.
- **Big business**—We estimate that organised crime costs Australia around \$36 billion a year.³ This includes \$21 billion in direct serious and organised crime costs and \$15 billion in prevention and response costs. Globally, profits from transnational organised crime in 2009 were estimated at around US\$870 billion, a figure that has undoubtedly grown since.⁴

Understanding the changing criminal environment is critical to determining how Australia responds. Our work is central to ensuring an informed, collaborative and connected national response.

3. ACC 2015, *The Costs of Serious and Organised Crime in Australia 2013–14*, Canberra.

4. United Nations Office on Drugs and Crime 2011, *Estimating illicit financial flows resulting from drug trafficking and other transnational organized crimes*, UNODC, Vienna.



CEO'S REVIEW

CHRIS DAWSON APM

LANDMARK YEAR

This is a milestone report, marking the one-year anniversary and first annual review of achievements of the ACIC.

The merge of the ACC and CrimTrac into our new agency from 1 July 2016, and our close collaboration with the AIC, have significantly strengthened the national response to crime.



Each time a crime scene fingerprint is identified, a drug shipment is seized, ballistics are matched, a transnational crime boss is arrested, or a cybercrime attempt is foiled—every response that we support makes Australia safer by reducing the impact of crime on the Australian community.



This is evident in our past year's activities and results, and the impact on the wellbeing and safety of all Australians.

CONNECT—INFORMATION AND INTELLIGENCE IS THE BACKBONE OF THE NATIONAL RESPONSE

Combining essential policing information and criminal intelligence systems and databases into one agency has tied together work to improve Australia's ability to respond to crime.

These core functions are the touchpoints for all our work. By amalgamating the national picture across the spectrum of crime, we are in a stronger position to build knowledge and support more collaborative, connected and informed national responses—from day-to-day policing, to serious and organised crime and national security.

DELIVERING ESSENTIAL INFORMATION SERVICES TO POLICE AND LAW ENFORCEMENT

Our essential information services help police prevent, detect and reduce crime in our community. This year, for example, we supported frontline policing by delivering more than 44.3 million National Police Reference System searches relating to people, firearms, vehicles and drugs. We also supported 90,729 crime scene print identifications and 54 crime scene ballistic matches.

We also facilitated more than 4.7 million background checks—a record number—helping to ensure the integrity of individuals placed in positions of trust.

IMPROVING THE WAY NATIONAL INTELLIGENCE IS MANAGED AND SHARED

Behind the scenes, our national intelligence holdings and analysis enables us to work with partners to proactively identify, disrupt, prevent and protect the community from serious and organised crime.

A highlight this year was finalising our successful pilot program for the National Criminal Intelligence System (NCIS). NCIS will connect the existing data holdings of Commonwealth, state and territory law enforcement partners to provide the first truly national and unified picture of criminal activity, spanning policing and intelligence data holdings. This will allow police across the nation to deconflict⁵ and coordinate their intelligence operations and investigations where criminals are active across more than one jurisdiction. This is very important because without this knowledge, action by one agency may compromise, or alert criminals to, the investigations of another agency. Even in its pilot form, NCIS attracted more than 11,000 searches across more than 600 million available records and delivered real-time results ranging from cybercrime to counter-terrorism investigations and intelligence operations.

DISCOVER AND UNDERSTAND—KNOWLEDGE IS THE STRONGEST WEAPON AGAINST SERIOUS AND ORGANISED CRIME

Our strategic intelligence contributes to decisions about the national response to serious and organised crime.

ENRICHING THE NATIONAL PICTURE OF CRIMINALITY

During the past year we produced key intelligence reports including the classified *National Criminal Target Report 2017* and the public reports, *National Wastewater Drug Monitoring Program Report 1 2017*, *Illicit Firearms in Australia*, *Illicit Drug Data Report 2015–16* and *Organised Crime in Australia 2017* (released in early 2017–18).

Through such reports we further understanding of existing and emerging organised crime threats to Australia, and strengthen the national response.

5. See Glossary for definition of deconfliction.

INFORMING AND GUIDING RESPONSES

Throughout the year we also continued to gather and share intelligence related to numerous investigations and operations. For example, we continued working with the Australian Taxation Office and Serious Financial Crime Taskforce to analyse Panama papers data, as part of unprecedented cooperation with international partners.

Our intelligence work and collaboration with partners also contributed to disruptions of a range of domestic and offshore criminal syndicates affecting Australia, from outlaw motor cycle gangs (OMCGs) to drug trafficking syndicates and transnational money laundering operations.

RESPOND—COLLABORATION IS THE KEY TO PREVENT, DISRUPT AND PROTECT

We work closely with our international and domestic partners to counter the activities of serious and organised crime targets.

During 2016–17 this included expanding our international footprint to strengthen collaboration, intelligence collection and exchange with countries of strategic importance. This has resulted in joint activity against offshore organised crime threats targeting Australia for importation of illicit goods, cybercrime, and money laundering by moving illicit funds overseas.

We also established the Vestigo Task Force during the year, to provide a framework to enhance our collaboration and engagement with Australian and international partners to share information and intelligence. Vestigo is building on the investigation and intelligence work of the Eligo 2 National Task Force—allowing us to combat transnational serious and organised crime activities impacting adversely on Australia's national interests as well as the interests of our overseas partner countries.

Another indication of our maturing capability and relationships with our partners was our development of the Australian Priority Organisation Target list this year. This list details top tier international and transnational targets impacting Australia, driving a mix of traditional and innovative disruption methods.

Cybercrime disruption also remained a focus, and we continued to collaborate with domestic and international partners on joint assessments and informing cybercrime policy. We also continued our work with the Australian Cyber Security Centre to proactively respond to cyber incidents impacting Australia, including international ransomware campaigns 'WanaCry' and 'Petya'.

By working internationally we can disrupt criminal enterprises before their activities impact Australia. Together with our domestic responses, this is helping to keep our communities safer.

PREVENTING AND DISRUPTING CRIME AND PROTECTING THE COMMUNITY

Strong results against serious and organised crime within Australia during 2016–17 included disrupting 81 serious and organised criminal entities, seizing more than \$929.71 million estimated street value of drugs and more than \$14.06 million in cash. We also disseminated more than 2,000 intelligence products to our partners.

Overseas results included the disruption of a significant international money laundering syndicate operating in Australia but run by an international controller, and the arrest in the United Kingdom of a cybercriminal who had used malware to fraudulently remove more than \$700,000 from an Australian business bank account.

SETTING THE SCENE FOR THE FUTURE

While we looked across the nation and around the globe to support our vision for a safer Australia, we also looked inward to continue to cement our successful merge between the ACC and CrimTrac, including cultural change and embedding an agency-wide culture of respect.

The tempo of work did not slow down while we amalgamated our agencies and consolidated our services.

It is a testament to the professionalism and dedication of our staff and Board members that we continued to deliver business as usual and achieve notable outcomes during this particularly demanding time.



Looking ahead, we plan to improve our delivery and further capitalise on the benefits of our new merged agency.



SHARPER INTERNATIONAL FOCUS

In the coming year, we will continue to sharpen our intelligence and investigative focus on transnational crime impacting Australia, supported by our international deployments, partnerships and cooperation.

TARGETED AND COORDINATED INTELLIGENCE, OPERATIONS AND INVESTIGATIONS

We will also continue to update the strategic picture of crime affecting Australia. Specific intelligence priorities for the coming year include discovering and understanding more about issues such as terrorism and terrorism financing, virtual currencies, malware in relation to financial crimes, high threat national and international targets, links between international and Australian gangs, supply of illicit drugs with a focus on methylamphetamine, cocaine and illicit pharmaceuticals, importation of illicit firearms, and international controllers of money laundering networks.

We will introduce new intelligence hubs within our agency in 2017–18. This will ensure coordinated responses to specific crime themes linked to the priority areas noted above.

ENHANCED INFORMATION AND INTELLIGENCE SYSTEMS, SERVICES AND ANALYSIS

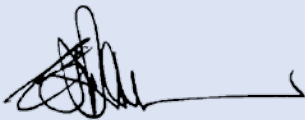
We will build on the success of the NCIS pilot by trialling connectivity with our partner agencies, as an important step in delivering a full NCIS capability in the future. We are working on a new biometric identification capability to replace the existing National Automated Fingerprint Identification System. When completed, this will add national facial recognition to law enforcement's biometric capabilities. We are also developing an interim solution to prepare for the planned national system for sharing domestic violence orders between police and courts across Australia.

Another priority in the coming year will be exploring options to realise further benefits of the merge, in particular the link between the analytical capability and the more extensive sources of data now available, to deepen understanding of a broader picture of crime in Australia.

The formation of the ACIC was the logical culmination of 15 years' evolution of both the former CrimTrac agency and the ACC.

In addition, the planned new Home Affairs portfolio arrangements, announced just after the end of the reporting year, will provide opportunities for the ACIC to work even more closely with national security partner agencies in future.

This is my last report as CEO of the ACIC. I look forward to continuing to support the work of the ACIC in my new capacity as Commissioner of Police in Western Australia and, therefore, as an ACIC Board member. I have been proud to lead this agency for the past three years and have every confidence the ACIC is strongly positioned to continue its important work with partners towards a safer Australia that is better connected, better informed, and more capable of responding to crime.



Chris Dawson APM
Chief Executive Officer (April 2014 – August 2017)
Australian Criminal Intelligence Commission

FEATURE: NEW AGENCY A MILESTONE MOVE



UNPRECEDENTED THREAT PROMPTS NEW AGENCY

The criminal landscape is constantly shifting, with new threats and trends emerging every day. The combined expertise and broader remit of the ACIC has improved the national ability to respond.

The ACIC was formed in response to the unprecedented threat to our nation in terms of national security and criminals exploiting emerging opportunities and perceived gaps in law enforcement information to facilitate their crimes and avoid detection.

Our new agency began operations on 1 July 2016, following the merge of the former ACC and CrimTrac.

The merge combined into one agency core services providing essential policing information and national criminal intelligence, along with our investigative functions.

Together with the research capability of the AIC, this has created more powerful opportunities to enhance the national picture of, and response to, crime across the spectrum.

BROADER ROLE, BROADER VISION

Our new vision reflects our broader role and function: *a safer Australia that is better connected, informed and capable of responding to crime and criminal justice issues.*

The ACIC can deliver greater access and connectivity to criminal data and intelligence, and new capabilities to provide law enforcement partners with more up-to-date and complete information.

More than a provider of information and intelligence, we collaborate closely with partners in Australia and overseas to support responses—from daily policing in the community to solving major crimes and disrupting transnational criminal enterprises.

Every task we undertake in our daily work can be linked directly to four strategic themes that support this vision:

- **WE CONNECT**—We provide national information and intelligence sharing services, share knowledge, and unite our partners to achieve outcomes that cannot be achieved individually.
- **WE DISCOVER**—We proactively identify new and emerging threats, fill the gaps in intelligence and create knowledge.
- **WE UNDERSTAND**—We maintain a national intelligence picture on current and emerging crime threats.
- **WE RESPOND**—We prevent, disrupt and protect against serious and organised crime.

SAFEGUARDING THE COMMUNITY

The national policing systems and services we deliver, and the way we collaborate with our partners to combat serious and organised crime, help protect the Australian community and our law enforcement colleagues.

For example, we support frontline officers and ensure their safety by providing access to information about the person or vehicle they are about to approach.

We protect Australians by matching data, such as linking DNA or fingerprints to catch violent offenders.

We reduce the impact of serious and organised crime on individuals, business and communities by providing sophisticated analysis of intelligence holdings from multiple sources and by working with partners to investigate, prevent and disrupt criminal activities. This includes identifying and minimising vulnerabilities that criminals seek to exploit.

We combat national security threats by building comprehensive knowledge and enriching the national picture across the entire spectrum of crime.

In these ways, the merge of our agencies is a major step towards a safer Australia.

As we mature as an agency, we will continue to capitalise on our combined resources, capabilities, expertise and knowledge to improve the ways in which Australia responds to crime.



OUTCOME AND PROGRAM STRUCTURE

Our annual Portfolio Budget Statement details our outcome and program structure. Within this framework, the ‘outcome’ is the intended result, impact or consequence of our actions. We work towards our outcome through the activities that make up our program.

The ACC and CrimTrac had separate 2016–17 Portfolio Budget Statements prior to merging to form the ACIC from 1 July 2016.

The 2017–18 Portfolio Budget Statement is the first for the ACIC since the merge. It consolidates our performance framework and incorporates all the performance criteria of both former agencies. **As a result, we are reporting against the 2017–18 Portfolio Budget Statement performance criteria this year.***

Our outcome and program structure is shown below, along with the relationship to our *Strategic Plan 2016–21* and *Corporate Plan 2016–20*. Both plans, and a link to our 2017–18 Portfolio Budget Statement, are at www.acic.gov.au

Our planning purpose and approach align with our Portfolio Budget Statement outcome and program.

STRATEGIC AND CORPORATE PLANS	PORTFOLIO BUDGET STATEMENT 2017–18*
<p>Purpose Our purpose is to make Australia safer through improved national ability to discover, understand and respond to current and emerging crime threats and criminal justice issues, including the ability to connect police and law enforcement to essential criminal intelligence, policing knowledge and information through collaborative national information systems and services.</p>	<p>Outcome 1 To make Australia safer through improved national ability to discover, understand and respond to current and emerging crime threats and criminal justice issues, including the ability to connect police and law enforcement to essential criminal intelligence, policing knowledge and information through collaborative national information systems and services.</p>
<p>Approach We connect, discover and understand to improve the national ability to respond to crime and criminal justice issues impacting Australia.</p>	<p>Program 1.1 Australian Criminal Intelligence Commission The ACIC will connect, discover and understand to improve the national ability to respond to crime and criminal justice issues affecting Australia.</p>

ACIC Corporate Plan and Portfolio Budget Statement Performance criteria

STRATEGIC AND CORPORATE PLANS	PORTFOLIO BUDGET STATEMENT 2017–18
<p>Connect We help our partners by:</p> <ul style="list-style-type: none"> ▪ providing them with systems and services ▪ sharing criminal intelligence and information, research, policing and other relevant information ▪ connecting partners to us and each other. 	<p>Performance criteria</p> <ul style="list-style-type: none"> ▪ Existing ACIC systems and services are accessible, used and reliable. ▪ The delivery and implementation of new and enhanced ACIC systems and services satisfies the needs of stakeholders and users. ▪ The ACIC is sharing increasing volume, breadth and formats (mediums, platforms) of criminal intelligence and information, police information, and other relevant information. ▪ The ACIC builds, coordinates and maintains strong and collaborative relationships with domestic and international partners.
<p>Discover We build the picture of crime impacting Australia by:</p> <ul style="list-style-type: none"> ▪ collecting information ▪ combining information to discover new areas of national focus. 	<ul style="list-style-type: none"> ▪ The picture of crime impacting Australia is improving because the ACIC is discovering crime threats, vulnerabilities, patterns, methods and trends previously unknown.
<p>Understand We improve our understanding of the picture of crime impacting Australia by undertaking analysis to guide a better response.</p>	<ul style="list-style-type: none"> ▪ The understanding of the picture of crime impacting Australia is increasingly more comprehensive, integrated and relevant. ▪ The understanding of the picture of crime impacting Australia is increasingly used to guide strategies and responses to crime.
<p>Respond We improve the national ability to prevent and disrupt crime and protect the community.</p>	<ul style="list-style-type: none"> ▪ Prevent. The ACIC better informs and influences the hardening of the environment against crime. ▪ Disrupt. The ACIC is conducting investigations and intelligence operations, and producing intelligence that is effective in disrupting, disabling and dismantling serious and organised crime. ▪ Protect. ACIC partners are better informed and enabled to undertake policing and community safeguarding activities through access to national information systems and services.

PRIORITIES IN 2016–17

STRATEGIC INTELLIGENCE

We enhanced the national picture of serious and organised crime by producing strategic criminal intelligence assessments and advice on national crime and criminal justice issues. We did this by drawing on our partners' information and intelligence, as well as the information and intelligence we collected through our own operations and investigations.

INTERNATIONAL THREATS

A key focus across all our operations and investigations was working with our international and domestic partners to disrupt the activities of serious and organised crime targets either based offshore or with strong offshore links and reduce their impact on Australia.

OPERATIONS AND INVESTIGATIONS

Each year the Board considers the serious and organised crime threat environment to determine the most relevant suite of special investigations and special operations. In 2016–17 we worked on seven Board-approved special operations and special investigations, and associated task forces, addressing these priority areas:

- **Tackling criminal profit**—We gathered intelligence and investigated money laundering, unexplained wealth and proceeds of crime, and serious financial crime through our Targeting Criminal Wealth No. 2 Special Investigation and associated national task forces. We contributed to inter-agency activities to make Australia unattractive for the promotion and use of abusive financial arrangements and money laundering activities.
- **Tackling criminal gangs**—We gathered and shared information and intelligence on the threats and vulnerabilities associated with, and contributed to the response to, the outlaw motor cycle gang threat, through the ACIC-hosted Australian Gangs Intelligence Coordination Centre, our Outlaw Motor Cycle Gangs Special Operation and Task Force Morpheus.
- **Tackling highest risk criminals**—We gathered intelligence, investigated Australia's highest threat organised criminal targets, and worked with our Australian and international partners to develop strategies to disrupt their activities. This work related to our Highest Risk Criminal Targets No. 2 Special Investigation.
- **Contributing to national security**—We contributed to the whole-of-government response to national security threats, by developing intelligence under our National Security Impacts from Serious and Organised Crime No. 2 Special Operation, focused on counter-terrorism in response to Islamist extremism and intelligence support for Australian border security.

- **Informing responses to Australia’s illicit drug markets**—We contributed to an increasingly holistic understanding of Australian illicit drug markets with intelligence developed under our High Risk and Emerging Drugs No. 2 Special Operation. We proactively contributed to the development of appropriate operational, legal and policy responses to these complex and evolving markets, including wastewater analysis.
- **Making Australia a more hostile place for serious and organised crime**—We helped make Australia a more hostile place for serious and organised crime through our Emerging Organised Crime Threats Special Operation, which considers threats such as illegal bookmaking and firearms as well as forming the focus for our response to cybercrime including our contribution to the Australian Cyber Security Centre, as well as our Criminal Exploitation of Australia’s Migration System Special Operation.

NATIONAL INFORMATION AND INTELLIGENCE SHARING SERVICES

- **Information systems and services**—We provided critical systems related to frontline services (regarding people, firearms and ballistics, vehicles and drugs), cybercrime reporting services (related to types and incidents of cybercrime), biometrics services (related to fingerprints and DNA information), and protection services (related to child protection and domestic violence). We reviewed and consolidated our services and plans, including our approach to delivering capabilities. We began engaging with partners about enhancements, and evaluating future requirements in delivery areas including police referencing, ballistics, child exploitation tracking and biometrics.
- **Criminal intelligence systems**—We maintained the national databases of criminal information and intelligence that support the national response to serious and organised crime. During the year we also finalised a pilot program for an improved National Criminal Intelligence System.
- **Criminal history checks**—We maintained the National Police Checking Service, by providing the system and managing the process through which Australian police agencies and accredited bodies submit nationally coordinated criminal history checks. This helps ensure the integrity of individuals placed in positions of trust, enhancing the safety of the community. We also engaged an independent, external consultant to develop a future operating model for the National Police Checking Service.

For details see *Chapter 2: Annual performance—how we achieved our purpose* from page 33.

NEW AGENCY

During 2016–17 we continued to amalgamate and consolidate our newly merged agency’s functions and services, promote our workplace culture and values, and refine our organisational structure including consolidating our work focus and priorities internally through new intelligence hubs that we will introduce from next year.

For details see Feature on page 26 and *Chapter 3: Management and accountability—our governance and people* from page 153.