



AUSTRALIAN  
**CRIMINAL  
INTELLIGENCE  
COMMISSION**

# 2017–18 ANNUAL REPORT

[acic.gov.au](http://acic.gov.au)

# ACIC AT A GLANCE



## OUR VISION

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



## OUR ROLE

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

Part of the national collaborative response to crime affecting Australia.



## OUR APPROACH

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



## OUR WORK

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



## OUR 2017–18 OUTCOME

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

# SUMMARY OF PERFORMANCE IN 2017–18

We measure our performance against criteria related to our ability to **Connect, Discover, Understand** and enable our partners to **Respond** to crime. This is a summary of our full scorecard of results and analysis of our performance in 2017–18, which is provided in *2: Annual performance statements*, from page 20.

ACIC PERFORMANCE CRITERIA		RESULT	COMMENTS
DISCOVER	The picture of crime impacting Australia is improving because the ACIC is discovering crime threats, vulnerabilities, patterns, methods and trends previously unknown.	✓	<b>Met</b> —Our types of new discoveries continued at slightly higher levels than recent years, and remained focused on key crime themes.
	The understanding of the picture of crime impacting Australia is increasingly more comprehensive, integrated and relevant.	✓	<b>Met</b> —Our results were in line with previous levels of performance and demonstrated a good performance across priority crime types.
UNDERSTAND	The understanding of the picture of crime impacting Australia is increasingly used to guide strategies and responses to crime.	✓	<b>Met</b> —Our intelligence across a wide range of criminality informed and guided strategies at a similar level to previous years. This was supported by our stakeholder survey results.
	The ACIC better informs and influences the hardening of the environment against crime.	✓	<b>Met</b> —Our intelligence informed and influenced activities to harden the environment against serious and organised crime to similar levels as previous years. This was 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.	✓	<b>Met</b> —Our performance measures that track the impact of our intelligence produced by our investigations and intelligence operations, which enable partners to disrupt serious and organised crime, were largely in line with long-term trends, with a strong spike in drug seizures this reporting period.
	ACIC partners are better informed and enabled to undertake policing and community safeguarding activities through access to national information systems and services.	✓	<b>Met</b> —We informed and enabled our partners to protect the community, through delivery of our national information systems and services. This was supported by our positive stakeholder survey results.
	Existing ACIC systems and services are accessible, used and reliable.	✓	<b>Partially met</b> —We continued to provide our services to a broad range of agencies with generally increasing levels of usage and a high level of availability. However, we failed to meet our Board-agreed availability benchmarks for three of our 16 systems and so only partially met this criterion.
CONNECT	The delivery and implementation of new and enhanced ACIC systems and services satisfies the needs of stakeholders and users.	✓	<b>Partially met</b> —This year we achieved significant delivery of new and enhanced services and substantial progress toward the delivery of other new and enhanced services in accordance with our Corporate Plan. We also made changes to planned projects and will seek to improve the perceptions of our stakeholders by developing our project delivery capabilities and communication.
	The ACIC is sharing increasing volume, breadth and formats (mediums, platforms) of criminal intelligence and information, police information, and other relevant information.	✓	<b>Met</b> —Overall our performance this year reflected a similar level to previous years, with increasing volumes of information and new data sources shared.
	The ACIC builds, coordinates and maintains strong and collaborative relationships with domestic and international partners.	✓	<b>Partially met</b> —We demonstrated a broad range of collaborative activities and outputs. However, our stakeholder survey results indicate this needs further improvement, especially in our development of information systems and services.



# ABOUT OUR REPORT

This report summarises our performance for the financial year ending 30 June 2018. As a statutory agency within the Home Affairs Portfolio, we manage our performance through the 'outcome and program' structure in annual Portfolio Budget Statements.

This report reviews our performance against the planned performance measures in our Corporate Plan and our Portfolio Budget Statement,<sup>1</sup> as required by the *Public Governance, Performance and Accountability Act 2013*. A summary of outcome and performance criteria is on pages 14–15. Our full Corporate Plan and a link to our Portfolio Budget Statement is at <[www.acic.gov.au](http://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 2017–18 to 2020–21* and *Portfolio Budget Statement 2017–18* 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 pages 22–23.

## 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 produce additional reports 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.

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<sup>1</sup> On 20 December 2017 responsibility for the administration of the *Australian Crime Commission Act 2002* (except section 27) was transferred to the Minister for Home Affairs pursuant to the Administrative Order which established the Department of Home Affairs.

## LETTER OF TRANSMITTAL

11 October 2018  
The Hon. Peter Dutton MP  
Minister for Home Affairs  
Parliament House  
Canberra ACT 2600

Dear Minister

I am pleased to present the annual report of the Australian Criminal Intelligence Commission (ACIC) for the year ending 30 June 2018, prepared in accordance with the requirements of the *Public Governance, Performance and Accountability Act 2013*.

The report outlines the ACIC's performance for 2017–18 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 that the ACIC has undertaken all appropriate fraud control measures as set out in Part 2-2 of the Public Governance, Performance and Accountability Rule 2014.

Yours sincerely



Michael Phelan APM  
Chief Executive Officer  
Australian Criminal Intelligence Commission

# 2017–18 HIGHLIGHTS

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



Produced **172** analytical products



Produced **188** intelligence products containing examination material



Discovered **98** previously unknown targets



Released flagship report on criminal targets



Added **8** and assessed more than **200** Australian Priority Organisation Targets



Produced flagship report on illicit drug data



Conducted **212** examinations



Produced key reports on serious financial crime, cybercrime and wastewater drug data



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

# 2017-18 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



**4** Australian Priority Organisation Targets were disrupted following partner law enforcement activity



**191** people arrested on **471** charges



**22** criminal entities disrupted overall



**25** financial referrals of **103** entities to partners (including the Criminal Assets Confiscation Taskforce) with a **\$92.91 million** value of offending



More than **\$3.5 billion** drugs seized (estimated street value)



**75%** of stakeholders surveyed agreed our intelligence and information informs policy and legal responses to criminal activity threatening Australia

# 2017–18 HIGHLIGHTS

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



Provided **16** systems that help our partners prevent, detect and reduce crime in the community



Shared **2,162** information and intelligence products with more than **190** stakeholders



Delivered **6** new or enhanced systems that increased the capability of our partners to help keep Australia safer from crime



**22,114** automated alerts on significant criminal targets



**91%** of all stakeholders surveyed found our information and intelligence services and systems of value



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An aerial photograph of a city, likely Sydney, Australia, is the background. The image is heavily stylized with a dark blue color palette. A network of white lines, resembling a data or communication network, is overlaid on the cityscape. A large, light blue diagonal band cuts across the image from the bottom left towards the top right. The text is positioned in the upper left quadrant, within a white rectangular frame.

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

# SECTION 01

# AGENCY OVERVIEW

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# ABOUT US

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

The Australian Criminal Intelligence Commission (ACIC) began operating on 1 July 2016. We work with our partners on investigations and to collect intelligence to combat serious and organised crime, cybercrime and national security threats. We are the conduit for sharing criminal information and intelligence between all state, territory and Commonwealth law enforcement agencies.

The ACIC transitioned from the Attorney-General's Portfolio into the Home Affairs Portfolio when it was established in December 2017. We are a statutory agency within the portfolio, with the Department of Home Affairs as the central policy department.

## PURPOSE

Our purpose is to make Australia safer through improved national ability to **Discover, Understand** and **Respond** to current and emerging crime threats, 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 THE AUSTRALIAN INSTITUTE OF CRIMINOLOGY

We support and collaborate closely with staff of the Australian Institute of Criminology (AIC). Our CEO is also Director of the AIC, and AIC staff have transferred to the ACIC under a Machinery of Government process. The AIC is 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. While the AIC operates independently, its high quality research is important to our work.

## APPROACH

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

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

## 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 agency with roles and functions underpinned by supporting legislation in each state and territory.

On 30 June 2018, we had 791 staff,<sup>2</sup> supplemented by 31 secondees from Commonwealth, state and territory law enforcement, and other Commonwealth agencies.

We work from eight locations around the country. During 2017–18 our staff also worked from 15 international locations, including through 25 short-term and five long-term deployments.

Details of our structure and ACIC Executive are on pages 143–145.

## ORGANISATIONAL STRUCTURE AS AT 30 JUNE 2018



<sup>2</sup> This includes 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 those of 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**—We work in collaboration with international networks and have deployed ACIC officers to countries of strategic importance in our efforts to counteract serious and organised crime impacting Australia.
- **Strategic products**—Our strategic intelligence products build a comprehensive picture of criminality in Australia to support our partners in decision-making, strategic targeting and policy development.
- **National target management framework**—Our national target management framework guides law enforcement in establishing and sharing organised crime priorities and targets. This framework and our Australian Priority Organisation Target list support nationally coordinated operational strategies for dealing with 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. We are a conduit between the states and territories and Commonwealth for the sharing of criminal information and intelligence.
- **Specialist technology and skills**—Our work is underpinned by sophisticated and tailored intelligence gathering and analysis capabilities.

## 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.

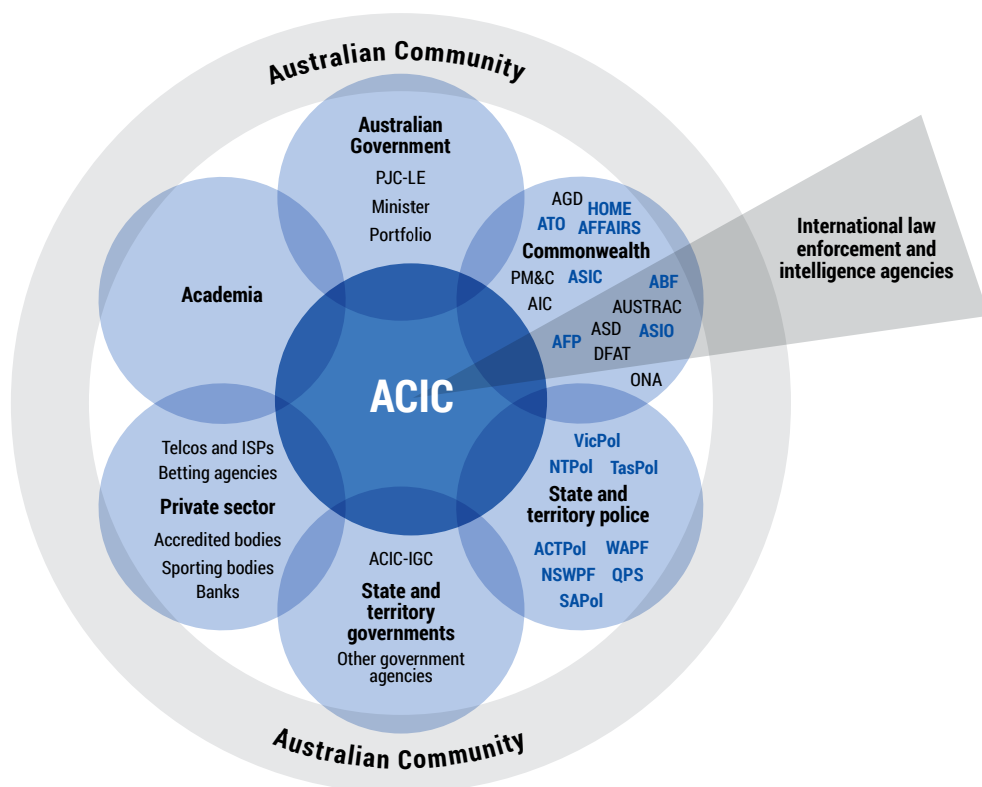
Due to the collaborative nature of our work, our stakeholder relationships are critical to achieve our purpose.

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 156.



## ACIC STAKEHOLDERS



**Blue:** Board member agencies

See *Acronyms and abbreviations* on pages 246–247

## 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. More details about our Board are on pages 166–168.

# CRIMINAL ENVIRONMENT: THE CHALLENGES

The ACIC operates in a complex environment. Understanding the dynamic and changing criminal environment is critical to determining how Australia responds. Our work is central to ensuring an informed, collaborative and connected national response to serious and organised crime impacting Australia. Details of our internal environment and stakeholders are on pages 2–6.

- **Big business**—It is estimated that serious and organised crime cost Australia between \$23.8 billion and \$47.4 billion during 2016–17. This included \$31.5 billion in direct costs of serious and organised crime and \$15.9 billion in prevention and response costs.<sup>3</sup> Globally, profits from transnational organised crime in 2009 were estimated at around US\$870 billion, a figure that has undoubtedly grown since.<sup>4</sup>
- **Destructive, pervasive and complex**—Serious and organised crime is touching the lives of Australians in unprecedented ways. Criminal threats are more complex and pervasive than ever before. Criminals seek to exploit vulnerabilities, emerging technologies and perceived gaps in law enforcement. The impact on the lives of Australians is clear, from devastated families and damaged communities to lost income, 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.
- **Concealed**—Serious and organised criminals corrupt officials, employ professional experts to advise on complex methods and techniques, use violence and intimidation, and blend criminal activity with legitimate business, to support and conceal their criminal enterprises.
- **Resilient**—Criminal groups are enduring and resilient, collaborating for mutual gain and quickly dispersing or shifting focus when disrupted.
- **Cyber-savvy**—Significant technology advances have offered new opportunities for serious and organised crime. Crime penetrates and capitalises on technology and the cyber environment. Criminal groups can now target thousands of Australians simultaneously from anywhere in the world, and use increasingly sophisticated technologies to counter law enforcement efforts.
- **National security threat**—With enhanced counter-terrorism efforts throughout Australia, the links between terrorism and broader organised crime and volume crime in Australia are unprecedented. This includes Australians who finance terrorist activities, leave Australia to support terrorist causes or return intending to harm the Australian community. It also includes Australians recruited by organised crime groups who are seeking the skills developed in foreign conflicts. We support our partners in identifying previously unknown individuals and groups including domestic terrorism threats from ‘lone actors’.
- **Diversified**—New forms of business are emerging in addition to traditional organised crime activities. This diversification into multiple criminal markets provides consistent revenue streams to finance higher risk ventures and enables criminal enterprises to respond to shifts in supply and demand.

3 AIC 2018, *Estimating the costs of serious and organised crime in Australia 2016–17*, 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

MICHAEL PHELAN APM

I am pleased to present the 2017–18 annual report for the ACIC, outlining our agency's achievements and outcomes for the year.

### YEAR OF CHANGE: A MORE INTEGRATED APPROACH FOR A SAFER AUSTRALIA

The ACIC's move into the Home Affairs Portfolio in December 2017, as one of five statutory agencies, recognised the strategic importance of integrated, joint agency activity to ensure a safer and more secure Australia. The ACIC's role within the National Intelligence Community as the national criminal intelligence agency will further enhance these opportunities. This is ever more important as globalisation, technological advances and new business models create not only benefits for society, but also new threats and opportunities for criminal exploitation.

The transition also gave us pause to reflect on our role and the particular strengths the ACIC brings to the broader portfolio. Our focus is clear: we will be a trusted partner of choice for criminal intelligence and provide national policing information and systems for law enforcement. This focus will help us most effectively use our unique capabilities to improve Australia's ability to connect, discover, understand and respond to crime impacting Australia.

### CONNECT: NATIONAL INFORMATION AND INTELLIGENCE SHARING SERVICES

We are a conduit between the states, territories and Commonwealth for sharing criminal information and intelligence. Throughout the year we maintained 16 information and intelligence systems, used by more than 70,000 police and non-police users each day to help keep them and the community safe.

## NATIONAL CRIMINAL INTELLIGENCE SYSTEM

In May 2018 we received funding towards a four-year program to build the first iteration of the National Criminal Intelligence System (NCIS). Based on our successful pilot program, the system will support frontline personnel, including analysts and investigators across state, territory and Commonwealth law enforcement agencies. NCIS will provide secure access to a national view of criminal intelligence and information, and support collation and sharing of criminal intelligence and information nationally.

## COLLABORATION ACROSS THE PORTFOLIO AND MORE BROADLY

NCIS is just one example of how we are working collaboratively within the Home Affairs Portfolio and across government. Other examples include our involvement in the Australian Cyber Security Centre and support for the Commonwealth Transnational Serious and Organised Crime Coordinator.

## TRANSNATIONAL SERIOUS AND ORGANISED CRIME

Transnational crime includes some of the most serious threats we face, such as cybercrime, illicit drugs and firearms, serious financial crime, exploitation of children, and human trafficking and slavery. Along with colleagues from across the Home Affairs Portfolio, we are supporting the new Commonwealth Transnational Serious and Organised Crime Coordinator, to help ensure national efforts to combat these crime types are underpinned by strong strategic unity and operational coordination.

## CYBERCRIME

We permanently deploy cybercrime intelligence analysts to the Australian Cyber Security Centre, Australia's united front against illicit cyber activity. During the year we also supported the continued rollout of Joint Cyber Security Centres in various capital cities, which are attracting partner organisations from industry and government. We engaged with and supported these partners, providing research and tailored, actionable intelligence to help fight cybercrime.

In addition, we contributed to the Commonwealth Games Cyber Security Operations Centre in April 2018. We helped identify likely assailants in the lead-up to the Games, and analysed systems and infrastructure for vulnerabilities and malware during the event.



## INTERNATIONAL FOCUS

The pervasive nature of transnational serious and organised crime means we work hand-in-glove with law enforcement partners across Australia, and increasingly, across the globe.

In 2017–18 we continued our international focus with five long-term and 25 short-term deployments. Our staff are building relationships, connecting us to a vast network and multitude of datasets. This is the kind of reach needed to combat the increasingly sophisticated business models and technologies used by the most dangerous criminal targets.

## BIOMETRIC IDENTIFICATION SERVICES PROJECT

In June 2018 we took the difficult decision to close the Biometric Identification Services project. The benefits of continuing the project did not outweigh the costs and risks for our agency and partner agencies. The project was intended to upgrade the current fingerprint identification system and provide a new facial recognition platform.

We remain committed to delivering projects that enhance capability for our law enforcement partners and will review opportunities for closer collaboration across Australian Government intelligence agencies on biometric technologies.

## DISCOVER AND UNDERSTAND: INTELLIGENCE AND INFORMATION TO COMBAT SERIOUS AND ORGANISED CRIME

Throughout the year we collected, analysed and generated intelligence that enabled and informed responses to crime impacting Australia.

## AUSTRALIAN PRIORITY ORGANISATION TARGET LIST

Through our international deployments and collaborations we continued to assess the threat from the top tier international and transnational criminal targets on this classified list to better understand their impact on Australia. This helps guide how we and our partners respond, both domestically and internationally, to these threats.

## COERCIVE POWERS

Our coercive powers give us a unique intelligence collection capability and allow us to inform and provide critical contributions to national strategies to combat serious and organised crime, cybercrime and national security threats. During the year we conducted 212 coercive examinations, discovering new information about crime relating to our special operations and special investigations.

## STRATEGIC INTELLIGENCE

We delivered 2,162 intelligence products this year, including a range of unclassified reports, to enhance understanding of and responses to serious and organised crime.

For example, in August 2017 we released *Organised Crime in Australia 2017*. This report provides a contemporary picture of the extent and impact of organised crime as well as enablers such as money laundering, technology and professional facilitators.

In December 2017 we released the unclassified *Serious Financial Crime in Australia 2017* report. Financial crime is on the rise worldwide. Our report draws on the work of multiple partners to improve understanding about the nature, extent and impact of serious financial crime.

We released reports numbers 2, 3 and 4 in our *National Wastewater Drug Monitoring Program Report* series this year, with a total of nine to be released over three years. The fourth report in the series, published in March 2018, revealed an increase in consumption of methylamphetamine and cocaine across Australia. This program enables us to provide a detailed picture of national drug consumption through analysis of wastewater from approximately 50 sites around Australia.

## NEW CRIMINAL INTELLIGENCE DOCTRINE

The reports we produce, like the information systems we deliver, rely on our criminal intelligence capability. In 2017–18 we worked with the Australian Federal Police to jointly produce the *Criminal Intelligence Doctrine*. It outlines the core elements of our criminal intelligence practice, assuring our partners that we will meet the highest standards of integrity and intelligence tradecraft, and helping to build the skills of our people.

## RESPOND: STRONG OPERATIONAL OUTCOMES

Our work to connect, discover and understand improves the national ability to collectively respond to serious and organised crime threats. Results vary based on the nature of our operational work. Highlights of results achieved with our partners in 2017–18 include:

- The seizure of illicit drugs with a combined estimated street value of more than \$3.5 billion. This included:
  - The seizure of more than 1.4 tonnes of cocaine from a yacht in the South Pacific in July 2017. We worked closely with French authorities who seized the drugs and arrested four crew members. The cocaine came from South America and was believed to be destined for Australia.
  - The largest methylamphetamine seizure in Australia's history. A complex, multi-agency investigation resulted in the seizure of 1.2 tonnes of methylamphetamine at Geraldton in Western Australia in December 2017. Eight people have been charged.

- The dismantling of a criminal enterprise operating encrypted communications in March 2018. We worked with partners across Australia, the United States and Canada on this operation to shut down Canadian-based company, Phantom Secure. The company is alleged to have been providing secure, encrypted communications to the organised crime market. More than 10,000 devices were sold in Australia, the company's largest customer base.
- The prosecution of international money launderer and drug trafficker, Shahbaz Khan, in the United States. In May 2018 Khan pleaded guilty to conspiring and attempting to import tens of thousands of kilograms of heroin into the United States. He faces a possible maximum sentence of life in prison. We worked with the United States Drug Enforcement Administration to investigate Khan's network and follow the money.

### FUTURE FOCUS: COLLABORATE WITH AND WORK FOR OUR PARTNERS

As we look to the future, I would like to thank my predecessor, Chris Dawson APM, who successfully led the agency through the last few years of significant change to reach the point where we are today.

I have confidence in our ability to deliver on our commitments and priorities, and ensure our two key functions—criminal intelligence capability and national policing information systems—provide a seamless service and value to our partners.

The ACIC is now in a strong position to best support the efforts of our wide range of partners to achieve our vision of a safer Australia that is better connected, informed and capable of responding to crime.



**Michael Phelan APM**

Chief Executive Officer

Australian Criminal Intelligence Commission

# 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.

Our outcome and program structure is shown below, along with the relationship to our *Strategic Plan 2016–21* and *Corporate Plan 2017–18 to 2020–21*. Both plans and a link to our *Portfolio Budget Statement 2017–18* are at <[www.acic.gov.au](http://www.acic.gov.au)>.

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

## PURPOSE, APPROACH, OUTCOME AND PROGRAM

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

## APPROACH AND PERFORMANCE CRITERIA

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



# PRIORITIES IN 2017–18

## STRATEGIC INTELLIGENCE

We enhanced the national picture of serious and organised crime by producing strategic criminal intelligence assessments and advice on national crime 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.

We established intelligence hubs aligned to these investigations and operations, covering national security, high risk domestic and international targets, gangs, firearms, financial crime, drugs, emerging threats and cybercrime. In 2017–18 we worked on nine Board-approved special operations and special investigations, and associated task forces, addressing these priority areas:

- **Monitoring and assessment of high risk targets**—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 and Vestigo Task Force.
- **Financial crime**—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.
- **National security/terrorism**—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, and focusing on counter-terrorism in response to Islamist extremism and intelligence support for Australian border security.
- **Cybercrime**—Through our Cyber-Related Offending Special Operation we contributed to a broad range of intelligence packages to support national and international partners. Our Cybercrime Intelligence Hub this year co-located with partner agencies in the Australian Cyber Security Centre.

- **Illicit drugs**—We contributed to an increasingly holistic understanding of Australian illicit drug markets with intelligence developed under our High Risk and Emerging Drugs No. 3 Special Operation. We proactively contributed to the development of operational, legal and policy responses to these complex and evolving markets, including wastewater analysis.
- **Gangs**—We gathered and shared information and intelligence on the threats and vulnerabilities associated with, and contributed to the response to, the outlaw motorcycle gang threat, through the ACIC-hosted Australian Gangs Intelligence Coordination Centre, our Outlaw Motor Cycle Gangs Special Operation and National Task Force Morpheus.
- **Firearms**—We worked with partners to build a richer understanding of the illicit firearm environment through our Firearm Trafficking Special Operation. We did this through integrating our collective knowledge across investigations, intelligence, the National Firearm Trace Program, policy and information and communication (ICT) systems.
- **Emerging organised crime threats**—We helped make Australia a more hostile place for serious and organised crime through our Emerging Organised Crime Threats No. 2 Special Operation, which looks at crimes such as illegal bookmaking, as well as our Criminal Exploitation of Australia's Migration System Special Operation focusing on visa and migration fraud.

## NATIONAL INFORMATION AND INTELLIGENCE SHARING SERVICES

- **Information systems and services**—We provided critical systems related to frontline services (regarding people, firearms, 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 undertook planning to consolidate our underlying network and systems and we improved functionality and reliability of firearm reference data. We are working towards developing a system to ensure negative notices from working with children checks are available nationally to relevant stakeholders.
- **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 continued to provide partners with access to NCIS interim solution. The government also approved funding towards the build of the first iteration of NCIS, based on our successful pilot.
- **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 implemented a new contractual agreement with accredited bodies entrusted with direct access to the National Police Checking Service and implemented an improved quality assurance and risk management process.