

SECTION 03

MANAGEMENT AND ACCOUNTABILITY

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HIGHLIGHT OF MANAGEMENT, ACCOUNTABILITY AND PEOPLE IN 2017–18



791 staff and
31 secondees from
partner agencies



109 staff from
non-English speaking
backgrounds



399 men
390 women
2 X/indeterminate



87.3% retention rate



8 offices around
the country

INVESTIGATORS INTELLIGENCE ANALYSTS FINANCIAL PROFILERS
OPERATIONAL AND ORGANISATIONAL PSYCHOLOGISTS PHYSICAL
AND TECHNICAL SURVEILLANCE OPERATIVES TECHNICAL AND CYBER
ANALYTICS OPERATIVES LAWYERS SPECIALIST EXAMINATIONS STAFF
CORPORATE SERVICES STAFF BUSINESS AND SYSTEMS ANALYSTS
INFORMATION ARCHITECTS PROJECT AND PROGRAM MANAGERS

CONTEXT

The ACIC is established under the *Australian Crime Commission Act 2002* (Cth) (ACC Act). We are a Commonwealth statutory body, with our role and functions underpinned by supporting legislation in each state and territory.²⁵

In addition, we provide resources and corporate support to, and collaborate closely with, the AIC on relevant criminological research. Our CEO is also Director of the AIC, and AIC staff have transferred to the ACIC under a Machinery of Government process.

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

We are one of five statutory agencies in the Home Affairs Portfolio (see details of our external governance on pages 163–171).

INTERNAL GOVERNANCE

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

ACIC EXECUTIVE

On 30 June 2018, the ACIC Executive comprised the CEO, Chief Operating Officer, two Executive Directors, 10 National Managers and six State Managers.

²⁵ Our agency was formerly known as the Australian Crime Commission (ACC), and may legally be known as either ACIC or ACC.

ACIC EXECUTIVE

CEO OFFICE	Chief Executive Officer Michael Phelan APM	Mr Phelan was appointed as ACIC CEO and Director of the AIC in November 2017. This followed more than 30 years with the Australian Federal Police in a wide variety of fields both in Australia and overseas, most recently as the Deputy Commissioner for National Security. Responsible for overseeing the management and administration of the ACIC, managing our relationship with ministers, working collaboratively with ACIC Board member agencies, and providing leadership, strategic direction and strong governance for our agency. Our CEO is a non-voting member of the ACIC Board.
	Chief of Staff Jeremy Johnson	Responsible for government relations and engagement, media and communication, strategy, planning and performance and strategic policy.
CHIEF OPERATING OFFICER	Chief Operating Officer Paul Williams	Responsible for key enabling services including people, security, business and innovation, finance, property and legal services.
	National Manager People, Security and Integrity Mardi Stewart	Responsible for overseeing people management functions, security, integrity and organisational psychology.
	National Manager Finance, Property and Procurement/Chief Financial Officer Yvette Whittaker	Responsible for the financial management of the agency, procurement, the national property portfolio and business support.
	National Manager Legal Services/General Counsel Nicole Mayo	Responsible for administrative and criminal law litigation, advice on the use of ACIC powers, policy development and legislative reform, risk and audit, agreements and our examination capability.
	National Manager Business and Innovation Sabeena Oberoi	Responsible for business strategy, the Portfolio Management Office and the National Police Checking Service.
TECHNOLOGY	Executive Director Technology Rochelle Thorne	Responsible for providing and maintaining our national information capabilities and services to support policing and law enforcement.
	Acting National Manager Business Systems Delivery Jakub Bartkowiak	Responsible for intelligence and national policing information ICT solutions for our agency.
	Chief Technology Officer Matthew Jones	Responsible for capabilities required to design, develop and operate ICT solutions to ensure connectivity between our agency's IT systems and external systems and ongoing access to critical sources of data.

INTELLIGENCE OPERATIONS	Executive Director Intelligence Operations Col Blanch	Responsible for ACIC investigations and intelligence operations, our intelligence products development and overseeing State Managers.
	Acting National Manager Operational Strategy Michael Allsopp	Responsible for special intelligence operations, special investigations and international partnerships and deployments.
	National Manager Operational Capability Nick Wolanin	Responsible for specialist, covert and technical operation, and compliance with statutes governing surveillance and operational activity.
	National Manager Intelligence Katie Willis	Responsible for operational and strategic intelligence priorities and identifying and tracking intelligence targets.
	State Manager New South Wales Warren Gray	Responsible for operations and stakeholder relationships in New South Wales and national physical surveillance.
	State Manager Victoria Jason Halls	Responsible for operations and stakeholder relationships in Victoria.
	State Manager Queensland Charlie Carver	Responsible for operations and stakeholder relationships in Queensland.
	State Manager Western Australia Doug Miller	Responsible for operations and stakeholder relationships in Western Australia.
	State Manager Northern Territory and Acting State Manager South Australia David Richardson	Responsible for operations and stakeholder relationships in the Northern Territory and South Australia.
	State Manager Tasmania Matthew Osborn	Responsible for operations and stakeholder relationships in Tasmania.

ACIC EXAMINERS

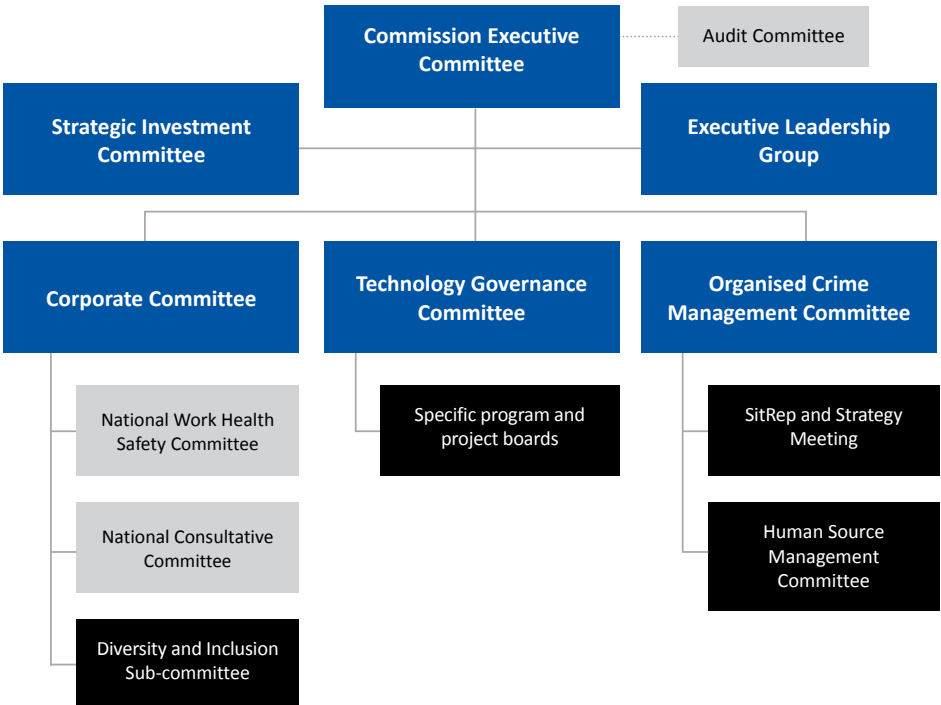
ACIC Examiners are independent statutory officers appointed by the Governor-General to exercise the coercive powers set out in the ACC Act for the purpose of ACIC Board-approved special operations and special investigations. To ensure accountability, coercive powers are only used when all legislative requirements are met, including a requirement that an ACIC Examiner is satisfied that it is reasonable in all circumstances to exercise these special statutory powers. There is currently one full-time Examiner and two part-time Examiners, all of whom have extensive experience in the legal profession.

SENIOR MANAGEMENT COMMITTEES

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

During this year we adjusted our committee structures to align with our functions and organisational structure, and we will continue to review this to ensure our governance is as effective and streamlined as possible.

ACIC SENIOR MANAGEMENT COMMITTEE STRUCTURE DURING 2017–18



Key: ■ Executive committees ■ Supporting groups and sub-committees ■ Legislatively required committees

COMMISSION EXECUTIVE COMMITTEE

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

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

STRATEGIC INVESTMENT COMMITTEE

This committee supports the Commission Executive Committee in identifying and planning for future ACIC capability investments, considering all investment proposals, making recommendations on priority investments, and monitoring progress of plans to deliver on the investments.

The Strategic Investment Committee consists of the ACIC CEO (Chair), Chief Operating Officer and Executive Directors, and is supported by other officials. This committee meets quarterly.

EXECUTIVE LEADERSHIP GROUP

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

AUDIT COMMITTEE

The Audit Committee includes an independent external chair and three members as well as an observer from the Australian National Audit Office. The committee meets quarterly to review internal and external audit reports, consider findings and recommendations, and oversee the internal audit program. The committee also holds an additional meeting once a year to review the financial statements. In addition, the committee monitors risk, internal controls, fraud and corruption prevention activities, and performance reporting (see further details on this committee on page 157).

ORGANISED CRIME MANAGEMENT COMMITTEE

The Organised Crime Management Committee makes decisions about the ACIC organised crime and intelligence work program and allocation of relevant resources to support delivery of related objectives. The committee comprises our Executive Director Intelligence Operations, Chief Operating Officer, and National Managers Intelligence, Operational Strategy, Operational Capability, as well as State Managers as voting members. Intelligence Hub Managers and other managers are non-voting members. The Organised Crime Management Committee meets monthly.

The committee receives relevant performance reporting and advice to guide decision-making about priorities and resource and capability issues, investigative activity and intelligence production. This aspect of the committee's function is supported by the weekly Situation Report and Strategy Meeting and the Human Source Management Committee.

CORPORATE COMMITTEE

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

TECHNOLOGY GOVERNANCE COMMITTEE

The Technology Governance Committee oversees all technology projects and considers any technology-related risks, including information management and technology security risks. The committee meets monthly and provides advice to the Commission Executive Committee on the health and performance of the ACIC technology work program. This committee is supported by sub-committees that focus on vendor management, architecture and design, ICT operations and project/workplan management. The committee is also supported by specific program and project boards.

HUMAN SOURCE MANAGEMENT COMMITTEE

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

NATIONAL CONSULTATIVE COMMITTEE (AND LOCAL CONSULTATIVE COMMITTEES)

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

WORK HEALTH SAFETY COMMITTEES

The ACIC has both local Work Health Safety Committees and a National Work Health Safety Committee, which have a legislative functionality under section 77 of the *Work Health and Safety Act 2011*. Local committee meetings are held in our offices around the country and feed into the National Work Health Safety Committee meetings, which are held quarterly. These committees are the primary means of consultation on work health and safety matters for our staff. They support the ACIC Executive by helping to identify, develop, implement and review measures designed to manage the health and safety of our staff at work.

DIVERSITY AND INCLUSION SUB-COMMITTEE

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

OTHER COMMITTEES

EXECUTIVE HEALTH PANEL

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

MANAGEMENT REVIEW BOARD

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

BUSINESS PLANNING

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

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

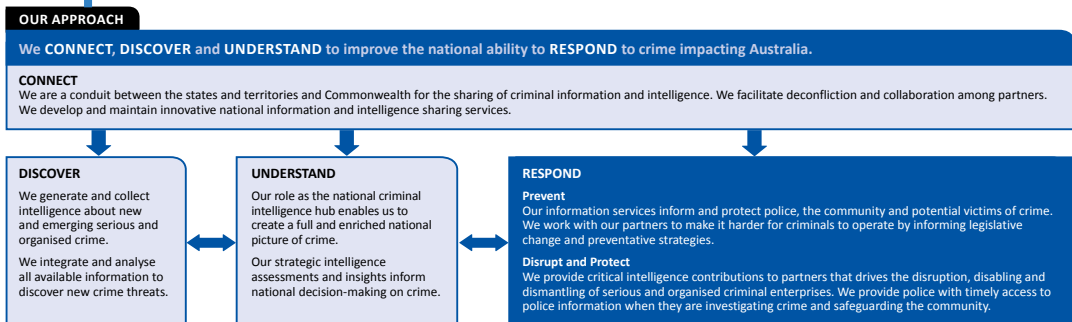
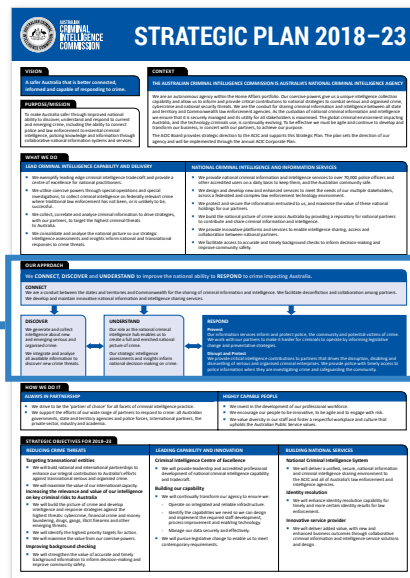
STRATEGIC PLAN

During this year we reviewed our Strategic Plan and on 13 June 2018, the ACIC Board endorsed our *ACIC Strategic Plan 2018–23*, which replaced our *ACIC Strategic Plan 2016–21*.

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

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

Our *ACIC Strategic Plan 2018–23* is on our website at <www.acic.gov.au/strategicplan>.



CORPORATE PLAN

We prepared and published our Corporate Plan as required by the *Public Governance, Performance and Accountability Act 2013*. The plan has a four-year outlook and aligns to the strategic direction set in our Strategic Plan. The public document describes the environment in which we operate, how we manage risks and assess performance, and the strategies we will be delivering for the year, as well as over the four-year life of the plan.

Our latest Corporate Plan is on our website at <www.acic.gov.au/corporateplan>.

INTEGRATED PLANNING

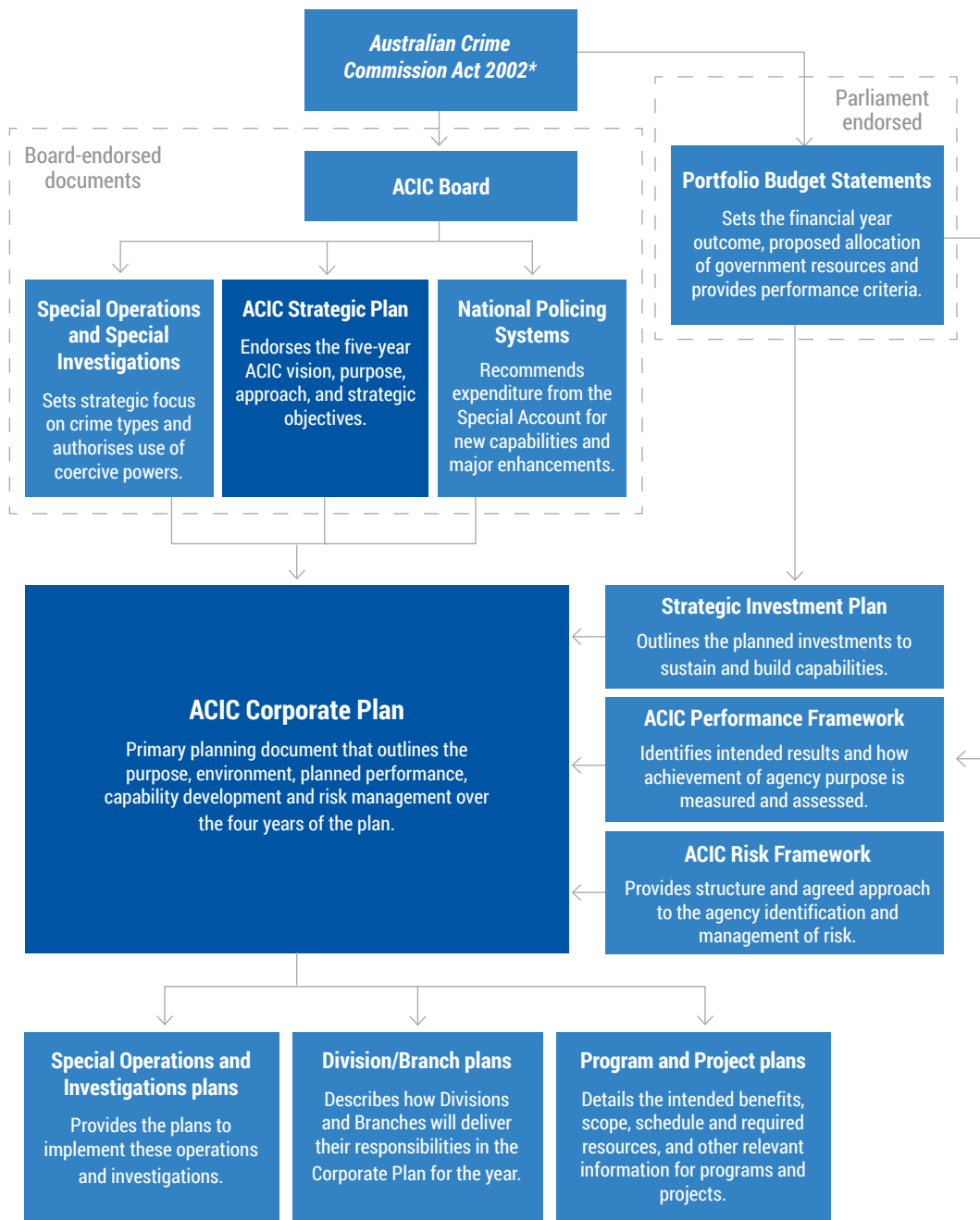
Our planning translates our strategic purpose, outcome, areas of focus and delivery into annual activities. It includes:

- **Corporate Plan**—This plan describes the work for the financial year and following three years. It is an organisation-wide plan to balance resourcing and effort so we achieve the aims of our special investigations and special operations, and our delivery of national policing systems, intelligence and other outputs, as well as building a sustainable future.
- **Strategic Investment Plan**—This plan describes the investments our agency is making to sustain and build our capabilities.
- **Investigation and operation plans**—These plans detail the financial year's strategies and activities to deliver the ACIC Board-approved investigations and operations.
- **Program and project plans**—These plans detail the intended benefit, scope, schedule and required resources, and other relevant information for programs and projects.
- **Division/Branch plans**—These plans vary depending on the function of the branch and how its activities and outputs relate to other plans. Generally branch plans consider both business-as-usual and essential business improvement activities. These plans can then be used to develop individual work plans for staff as part of the Performance Development System. More information on our Performance Development System is on page 180.
- **Risk planning**—We regularly assess organisational risk to inform management activities and planning. Risk assessments are a vital component of planning at all levels. More information on risk management is on page 158.

LOOKING FORWARD

Our future planning work will continue to strengthen, integrate and consolidate our planning across our maturing organisation. A continuing focus is to strengthen the alignment of planning and risk management.

ACIC STRATEGIC PLANNING PROCESS



Key

* The ACIC commenced operation on 1 July 2016, following the legislative merge of CrimTrac into the Australian Crime Commission. The enabling legislation for the ACIC remains the *Australian Crime Commission Act 2002*, even though we now operate under the new name of the ACIC.

■ These documents are publicly available at <www.acic.gov.au>.

ANNUAL REPORT AWARD

We take our performance measurement and agency reporting seriously and seek to continually improve and provide quality reporting. We are pleased that our 2016–17 annual report received a Gold Award, our fourth Gold in a row, in the 2017 Australasian Reporting Awards. These criterion-based awards were introduced 68 years ago as a means of improving accountability for, and public communication about, the activities of organisations. The awards are open to all government, private and non-profit sector organisations across the Australasian region.

PERFORMANCE MEASUREMENT

Our agency performance criteria identify the intended results of our contribution to, and impact on, a shared national outcome: to make Australia safer.

As such, overall achievement against this outcome is not always within our direct control or influence.

Ultimately, ‘end of the chain’ disruption activities (such as arrests, seizures and prosecutions) and prevention activities against crime (such as policy and law reform) are usually undertaken by other agencies. However, our contribution—as measured by a range of short-term and long-term performance criteria—may have been critical or crucial in some cases or peripheral, minor or a more general strategic contribution in other cases.

The performance criteria directly link to our agency purpose and are contained within an integrated performance framework that directly aligns with our Strategic Plan vision, Corporate Plan environmental assessment, planned performance and capability plans, and our Portfolio Budget Statements.

The *Public Governance, Performance and Accountability Act 2013* mandates that most Commonwealth agencies must prepare annual performance statements that assess agency performance against their Corporate Plan. This year is the second time we have prepared our annual performance statements as the ACIC, reporting on combined criteria that measure our systems, services and serious and organised crime performance.

Our performance criteria align our purpose and strategic approach, to **connect**, **discover** and **understand** so Australia can better **respond** to crime threats. We apply our performance criteria across all our activities to determine our agency’s achievement in delivering our purpose. Due to the interrelated nature of our activities, our activities can achieve multiple types of performance outcomes.

Some of our strategies are short-term and some are long-term. This means in any reporting period, to provide a true picture of our performance, we must reflect on our contribution across the performance criteria, even when some of our work to discover and understand has not yet resulted in a tangible response or outcome for the Australian community.

Each performance criterion has a number of measures for efficiency and effectiveness (incorporating a mix of quantitative and qualitative information):

- quantitative measures are benchmarked against previous performance with accompanying analysis to provide a basis for assessment
- qualitative measures provide evidence demonstrating our effectiveness against the intended result
- stakeholder survey results are part of the suite of measures used to assess performance against each criterion, as our stakeholders are important to understanding the effectiveness of our performance.

Although each measure individually does not provide a definitive indicator of overall performance against the criteria, taken together they provide relevant and reliable measurement of our performance. Our performance criteria reflect our activities to achieve our purpose and collectively provide a complete picture of our performance.

During 2017–18 we continued to update and develop our performance framework to ensure it remains appropriate as our agency evolves and changes. Following this full cycle of planning and reporting with our current performance criteria, we reviewed them and made some minor improvements to streamline and reduce duplication in our reporting. Our *Portfolio Budget Statement 2018–19* and *Corporate Plan 2018–19 to 2021–22* reflect our updated performance criteria.

We also reviewed some of the measures used to demonstrate our performance against the criteria. As our agency is increasingly contributing intelligence to disruptive activity against offshore targets impacting Australia, we have revised our approach to capturing and measuring disruptions of criminal entities. Also, in the past we measured our discovery of previously unknown money laundering targets, and we have now expanded and standardised this across all our crime threats.

LOOKING FORWARD

Looking forward, following our first full year cycle of the ACIC performance criteria, we have reviewed and slightly amended our performance criteria in our Portfolio Budget Statements and our Corporate Plan for the 2018–19 reporting cycle.

PERFORMANCE MEASUREMENT FRAMEWORK 2017–18

PURPOSE/OUTCOME STATEMENT

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.

APPROACH

CONNECT

We help our partners by:

- providing them with systems and services
- sharing criminal intelligence and information, policing and other relevant information
- connecting partners to us and each other.

DISCOVER

We build the picture of crime impacting Australia by:

- collecting information
- combining information to discover new areas of national focus.

UNDERSTAND

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

RESPOND

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

INDICATOR

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.

The picture of crime impacting Australia is improving because the ACIC is discovering crime threats, vulnerabilities and trends previously unknown.

The understanding of the national picture of Australian crime 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.

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.

MEASURES

Due to the shared contributions to the overall outcome, it is not appropriate or possible to have specified targets or purely quantitative key performance indicators.

The ACIC collects qualitative and quantitative performance data. The ACIC monitors and analyses trends in quantitative data against relevant performance criteria, where appropriate, which includes:

- comparative statistics on information and intelligence systems and services availability, usage and support levels
- demonstrated delivery and implementation of planned systems and services that satisfy stakeholders and users
- comparative statistics on volume and breadth of intelligence shared
- the level and types of our activities to discover and understand crime impacting Australia
- the level, types and results of our responses to disrupting serious and organised crime
- annual stakeholder survey results that form an overall assessment against the performance criteria.

STAKEHOLDER RESEARCH

We conducted market research this year to understand stakeholder perceptions and satisfaction with the range of services and products we provide, to help inform future planning. We also collected stakeholder views to help assess results against our performance criteria (for details of these results, see pages 24 to 56).

An external market research company conducted the research, which included an online survey of 139 stakeholders. Respondents represented a broad cross-section of agencies and classification levels. They also worked across different areas such as policy, information systems, intelligence and investigations. The survey was designed so respondents were asked questions relevant to their area of work and interaction with us.

Broadly, the research findings revealed that the ACIC is seen to have an important and unique role in law enforcement and intelligence, and there is great potential in the value we can provide to our partners. Stakeholders saw this potential as partly realised, with several areas for improvement.

Our agency's most valuable functions were seen as:

- providing information and intelligence services and systems, and information technology products
- providing intelligence.

Other areas of strength include the quality of our work, well-intentioned and knowledgeable staff, agile approach, use of coercive powers, and unique role connecting information, intelligence and stakeholders. In particular, stakeholders anticipated that NCIS, when delivered, will be a significant improvement in sharing intelligence and the subsequent detection and disruption of crime.

Respondents rated our overall performance in meeting their needs at 6.6 out of 10.

We intend to work on areas for improvement including stakeholder engagement, project management and delivery, timeliness, and clearly articulating our strategic direction and role.

INTERNAL AUDIT

Our Internal Audit team has three main responsibilities:

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

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

Key areas examined by Internal Audit during 2017–18 included:

- management of research data and information
- management of operational equipment and exhibits
- compliance with record-keeping and policy requirements
- covert arrangements.

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

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

AUDIT COMMITTEE OPERATIONS

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

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

The Audit Committee provides advice on matters of concern raised by internal auditors or the Auditor-General and advises the CEO on the preparation and review of the ACIC's performance statements, financial statements and certificate of compliance.

As at 30 June 2018, the Audit Committee comprised an independent external chair and three members as well as an observer from the Australian National Audit Office. The independent audit committee members have held a range of senior roles in law enforcement, national security and financial crime, and are experienced in managing risk in these contexts.

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

ASSUMED IDENTITIES

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

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

RISK MANAGEMENT

The ACIC's risk management framework assists us to make risk-informed decisions that support our work to make Australia safer through connecting, discovering and understanding to improve the national ability to respond to crime, while also meeting our corporate and legislated accountabilities.

During 2017–18 we:

- implemented a revised risk management policy and supporting procedures, including risk appetite statements that are appropriate to our operating context
- completed the Comcover risk benchmarking exercise to assess the maturity of our current approach and guide further development
- strengthened our management of work health safety risks, including the risks associated with our operational activities
- focused on approaches to improving risk culture and understanding at all levels
- participated in multi-agency risk forums and consulted with partner agencies on best practice approaches to managing risk.

Our Comcover Risk Benchmarking Survey results for 2017–18 evidenced a significant increase in the maturity of the ACIC's risk management framework.

Our Risk Function is represented at the Audit Committee and continues to develop a closer working relationship with Internal Audit and the Executive team.

SECURITY AND INTEGRITY

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

Our security and integrity framework outlines a defined approach to managing integrity and security risks across our agency. Our documented, agreed and understood policies, procedures and processes define how security and integrity is managed at our agency. In 2017–18, IT Security was incorporated into our Security and Integrity section, to enable a more holistic understanding of our agency's security landscape.

The Security team continues to work towards meeting the requirements of the Government Protective Security Policy Framework. In 2017, an agency-wide security threat and risk assessment was developed, which identified operational and strategic risks and proposed measures to mitigate current and emerging security risks facing our agency. We continue to implement recommendations identified in the assessment.

Highlights of the reporting year include:

- introducing new national security policies and procedures
- improving agency-wide security threat and risk assessments
- providing regular and ongoing security advice to all areas of our agency
- developing international deployment risk assessments
- providing covert site security advice and support
- upgrading physical security at national headquarters and regional offices
- providing advice on protective security related to regional office relocations
- accrediting a number of offices and other sites for large-scale IT projects
- upgrading the security access control system to support the move and centralisation of 24-hour national monitoring from Sydney to the national headquarters in Canberra
- undertaking an agency-wide personnel security risk assessment, including risk workshops with key internal business areas
- ensuring all eligible staff completed the annual integrity online training module
- distributing the *Ethics and Integrity Handbook* to all staff members
- mitigating identified fraud and corruption risks.

Integrity initiatives included:

- detection program—Our fraud and corruption detection program was updated, with reviews programmed for throughout the year targeting high risk activities that were identified in the fraud and corruption risk assessment process
- integrity-related policies and procedures—Integrity-related policies and procedures were reviewed and updated to reflect legislative requirements.

In addition, our approach included ongoing initiatives:

- Personnel security—In addition to coordinating security clearance actions through the Australian Government Security Vetting Agency for all staff, we have a rigorous pre-employment screening process to ensure all potential employees are suitable to access ACIC information and systems. Our process is strengthened by a psychological evaluation, which is an additional layer of risk mitigation.
- National induction program—Security and integrity sessions occur for all new employees to ensure understanding of the Australian Public Service values, ethics and protective security requirements.
- Online learning—Our eLearning modules for misconduct, fraud and corruption and security awareness are compulsory for all staff on commencement and then annually.
- Communication—Information on ethics, fraud, corruption and protective security is available to all staff through the intranet, face-to-face awareness sessions and corporate newsletters. We underpin this with policies, procedures, fact sheets and other forms of staff messaging.
- Reporting—We encourage all staff to report about potential issues of concern. Staff can raise concerns directly with our Integrity Assurance team or Security team, or through their manager. Members of the public can make complaints through the email address on our website.
- Conflict of interest declarations—Management of real or perceived conflicts of interest is a high priority. All staff must declare any conflicts of interest, gifts and benefits and outside paid, unpaid or voluntary work.
- Investigation of inappropriate behaviour—We investigate alleged fraud, corruption, suspected breaches of the Australian Public Service Code of Conduct, security incidents and security breaches.
- Corruption issues—We notify corruption issues to the Integrity Commissioner, Australian Commission for Law Enforcement Integrity and maintain regular liaison on integrity matters.

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

SUPPORTING OPERATIONAL AREAS

In 2018, the Security team took responsibility for the development of detailed risk assessments to support international deployments. This process requires engagement with the Department of Foreign Affairs and Trade, the Australian Security Intelligence Organisation and other domestic and international partners to develop threat considerations and comprehensive security risk assessments to support our international deployments.

PROTECTIVE SECURITY POLICY FRAMEWORK REVIEW

This year we also looked at all aspects of the Protective Security Policy Framework review, including the guidelines for security governance and physical, personnel and information security. Once the reforms are finalised, our Security team will be heavily involved in implementing and communicating the changes.

SECURITY INCIDENT REPORTING

Our internal security incident reporting mechanism enables all staff to report security incidents.

A total of 85 security incidents were reported in 2017–18. This included 19 incidents within the Protective Security Policy Framework definition of a security breach, which is an accidental or unintentional failure to observe the protective security mandatory requirements.

The majority of security incidents reported were of a low level and occurred within secure ACIC premises (for example, low-level classified documents left on desks). These incidents have not significantly compromised the security of ACIC information, people or premises.

INTEGRITY ASSURANCE

Our Integrity Assurance team contributes to effective fraud and corruption control by providing a reporting, prevention, detection and investigation function regarding suspected breaches of the Australian Public Service Code of Conduct, internal fraud and corruption in our agency.

MISCONDUCT

The Integrity Assurance team investigated 19 referrals alleging staff had breached the Australian Public Service Code of Conduct. As at 30 June 2018:

- 13 of the referrals were deemed not to require a formal investigation, following an assessment or preliminary investigation
- six referrals were investigated under procedures established by the ACIC in accordance with section 15(3) of the *Public Service Act 1999*.

FRAUD AND CORRUPTION

The ACIC's *Fraud and Corruption Control Plan 2017–19* complies with the Commonwealth Fraud Control Framework and outlines our agency's attitude and approach to fraud and corruption control, summarises risks identified in the fraud and corruption risk assessment, and details mitigation strategies recommended to treat significant risks.

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

During 2017–18, the Integrity Assurance team received no allegations of fraud. The team received five allegations of corruption, three of which were referred to the Australian Commission for Law Enforcement Integrity and one allegation was referred to the New South Wales Police Force. One allegation of corruption is awaiting an ACLEI referral pending legal advice.

MISCONDUCT, FRAUD AND CORRUPTION ALLEGATIONS RECEIVED IN 2017–18

SOURCE OF REPORT	RECEIVED	OPEN	FINALISED	
			UNSUBSTANTIATED/ WITHDRAWN	SUBSTANTIATED
Externally referred	6	2	4	0
Internally referred	18	1	13	4
Total	24	3	17	4

BROADER CORRUPTION PREVENTION ACTIVITIES

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

We are well connected with the broader anti-corruption environment.

We participate in the *ACLEI Community of Practice for Corruption Prevention*.

This network of integrity professionals from the agencies under ACLEI's jurisdiction shares best practice strategies in detecting and deterring corrupt conduct and participates in discussions on key or emerging issues.

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

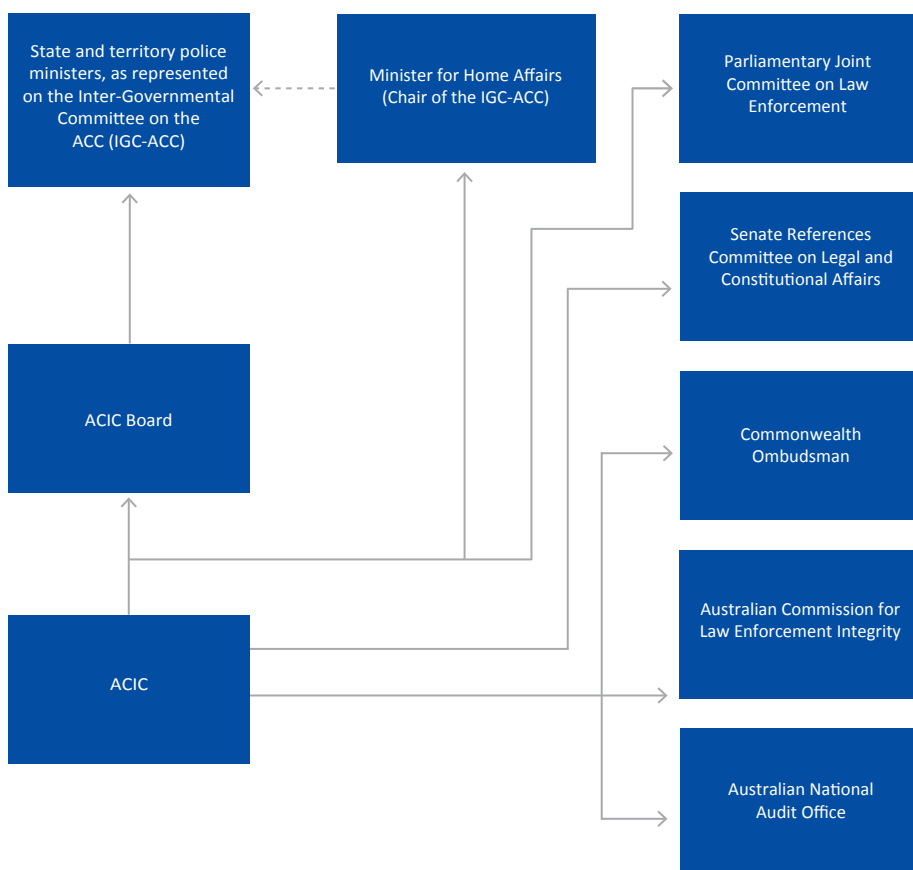
EXTERNAL SCRUTINY

As at 30 June 2018, the ACIC was part of the Home Affairs Portfolio and accountable to the Minister for Home Affairs, who was also the Minister for Immigration and Border Protection.

Our external scrutiny also includes the ACIC Board, the Inter-Governmental Committee consisting of the Minister for Home Affairs and police ministers of each state and territory, and the Parliamentary Joint Committee on Law Enforcement.

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

ACIC EXTERNAL ACCOUNTABILITY AS AT 30 JUNE 2018



HOME AFFAIRS PORTFOLIO

On 18 July 2017, the Prime Minister announced the establishment of the Home Affairs Portfolio, consolidating Australia's federal law enforcement, national and transport security, criminal justice, emergency management, multicultural affairs, immigration and border-related functions to more effectively shape the security and prosperity of the nation.

The Home Affairs Portfolio officially commenced on 20 December 2017, with the Department of Home Affairs as the central policy department.

MINISTERIAL ARRANGEMENTS

As at 30 June 2018, the Home Affairs Portfolio included the following ministers:

- Minister for Home Affairs and Minister for Immigration and Border Protection, the Hon. Peter Dutton MP
- Minister for Citizenship and Minister for Multicultural Affairs, the Hon. Alan Tudge MP
- Minister for Law Enforcement and Cyber Security, the Hon. Angus Taylor MP
- Assistant Minister for Home Affairs, the Hon. Alex Hawke MP.

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

PARLIAMENTARY COMMITTEES

Each year we contribute to various parliamentary inquiries affecting national law enforcement capability and activities. For details of this year's contributions, see pages 63–66.

In addition this year we were called on to appear before the Senate Legal and Constitutional Affairs Legislation Committee at Senate Estimates hearings on 24 October 2017 and 23 May 2018. Transcripts of the proceedings and responses to questions on notice are available on the committee website.

PARLIAMENTARY JOINT COMMITTEE ON LAW ENFORCEMENT

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

As at 30 June 2018, the members of the Parliamentary Joint Committee on Law Enforcement were:

- Mr Craig Kelly MP (Chair)
- Senator the Hon. Lisa Singh (Deputy Chair)
- Senator the Hon. Eric Abetz

- Dr Anne Aly MP
- Senator the Hon. Richard Colbeck
- Senator the Hon. Kristina Keneally
- Mr Llew O'Brien MP
- Ms Clare O'Neil MP
- Mr Jason Wood MP.

The duties of the Parliamentary Joint Committee on Law Enforcement are:

- To monitor and to review the performance of the ACIC and Australian Federal Police (AFP) and their functions.
- To report to both Houses of the Parliament any matters relating to the ACIC or AFP or their performance of which the committee thinks the Parliament should be aware.
- To examine the annual reports of the ACIC and AFP and report to Parliament on any matter appearing in, or arising out of, any such annual report. Under section 7(c) of the *Parliamentary Joint Committee on Law Enforcement Act 2010* the committee is required to examine each annual report of the ACIC. This is usually done through a public hearing.
- To examine trends and changes in criminal activities, practices and methods and report to Parliament any change which the committee thinks desirable to the functions, structure, powers and procedures of the ACIC or the AFP.
- To make inquiries into issues, within its area of responsibility, raised by the Parliament and report back.

INTER-GOVERNMENTAL COMMITTEE

The Inter-Governmental Committee (IGC) is established under section 8 of the ACC Act. The IGC monitors our work, and strategic direction and work of the ACIC Board, including the use of coercive powers. Under certain circumstances the IGC has the authority to revoke a Board determination.

The IGC comprises the Commonwealth Minister for Home Affairs and a minister to represent each state and territory government, nominated by the Premier or Chief Minister of the state or territory.

The IGC has the following functions:

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

As at 30 June 2018, the members were:

- the Hon. Peter Dutton MP (Minister for Home Affairs) (Chair)
- the Hon. Troy Grant MP (New South Wales)
- the Hon. Lisa Neville MP (Victoria)

- the Hon. Michael Ferguson MP (Tasmania)
- the Hon. Corey Wingard MP (South Australia)
- the Hon. Michelle Roberts MLA (Western Australia)
- the Hon. Michael Gunner MLA (Northern Territory until 26 June 2018)
- the Hon. Nicole Manison MLA (Northern Territory from 26 June 2018)
- the Hon. Mark Ryan MP (Queensland)
- the Hon. Mick Gentleman MLA (Australian Capital Territory).

ACIC BOARD

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

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

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

As at 30 June 2018, the Board comprised:

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

The CEO of the Australian Transaction Reports and Analysis Centre and the Secretary of the Attorney-General's Department attend Board meetings as non-voting observers.

CHAIR'S ANNUAL REPORT

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

BOARD DECISIONS AND CONSIDERATIONS

The following table lists Board authorisations as at 30 June 2018.

ACIC BOARD AUTHORISATIONS 2017–18

DETERMINATION	TYPE	ESTABLISHED
Vestigo Task Force	Task Force	Established 30 November 2016
Cyber-Related Offending No. 2	Special Operation	Established 13 June 2018
Firearm Trafficking No. 2	Special Operation	Established 13 June 2018
High Risk and Emerging Drugs No. 4	Special Operation	Established 13 June 2018
National Security Impacts from Serious and Organised Crime No. 3	Special Operation	Established 13 June 2018
Outlaw Motor Cycle Gangs No. 2	Special Operation	Established 13 June 2018
Highest Risk Criminal Targets No. 3	Special Investigation	Established 13 June 2018
Targeting Criminal Wealth No. 3	Special Investigation	Established 13 June 2018
Criminal Exploitation of Australia's Migration System No. 2	Special Operation	Established 13 June 2018
Emerging Organised Crime Threats No. 3	Special Operation	Established 13 June 2018
National Task Force Morpheus	Task Force	Established 1 July 2014
NCIS Task Force	Task Force	Established 13 June 2018

In addition, in 2017–18 the Board:

- endorsed the *ACIC Strategic Plan 2018–23*
- reviewed ACIC strategic priority areas and the planned activity and response to the threats identified under our special investigations and special operations
- considered arrangements for NCIS
- approved an extension of the pilot for the Enhanced Biometrics at the Border project
- noted that the Australian Cyber Security Centre is developing a website (*cyber.gov.au*) and that the functions of the ACORN could be included in this website
- approved the ACIC's revised External Governance and Engagement Model (see page 168)
- noted prioritisation of ICT projects to ensure delivery on key priorities
- agreed to progress further work on key recommendations in the Independent Review of the ACC Act, which presents an opportunity to ensure the ACIC has the necessary powers to support our investigative and intelligence functions
- received briefings on outcomes from the National Criminal Intelligence Capability Committee, Law Enforcement Information Services Capability Committee, Technology Capability Committee, and Serious and Organised Crime Coordination Committee.

During the reporting year, the Board farewelled Commissioner Roman Quaedvlieg, Australian Border Force, who commenced his appointment in 2015, and Mr Greg Medcraft, ASIC Chairman, who commenced his appointment in 2009.

BOARD-ENDORSED EXTERNAL GOVERNANCE AND ENGAGEMENT MODEL

Following the establishment of the ACIC, the Board endorsed external governance arrangements to support the ACIC Board and effective operation of the ACIC. Endorsed by the Board on 30 November 2016, these arrangements include external engagement bodies comprising representatives from Board member agencies.

- Law Enforcement Information Services Capability Committee—This committee informs the development, implementation and operation of initiatives that support national law enforcement information sharing services and systems for Australia's police, wider law enforcement and national security agencies.
- National Criminal Intelligence Capability Committee—This committee promotes and champions the professionalism of the national criminal intelligence capability, and collaborates on strategic intelligence issues at a national level to ensure coordinated advice for Australia's police, wider law enforcement and national security agencies.
- Technology Capability Committee—This committee informs and supports the development, implementation and operation of the national services and systems we deliver for Australia's police, wider law enforcement and national security agencies.
- Serious and Organised Crime Coordination Committee—This committee supports prioritisation, endorsement and coordination of operational strategies for dealing with serious and organised crime investigations, targets and threats at a national level.

It was agreed the model would be reviewed following 12 months of operation. In 2017, we undertook a review that explored whether the existing model, through the capability committees, provides adequate and appropriate advice to the Board and ACIC Executive.

On 13 June 2018, the Board endorsed changes to the model including:

- endorsing the Law Enforcement Information Systems and Services Capability Committee, National Criminal Intelligence Capability Committee and Technology Capability Committee formally reporting to the CEO from 1 July 2018, in accordance with the CEO's functions as prescribed under the ACC Act
- endorsing the Serious Organised Crime Capability Committee no longer reporting to the ACIC and Board from 1 July 2018
- noting the decision of Australian and New Zealand Police Commissioners Forum that the Serious Organised Crime Capability Committee will report to the Deputy Commissioners' Operational Management Meeting. The revised model transfers the Serious and Organised Crime Coordination Committee to a more appropriate body charged with responsibility for serious organised crime operations.

AUSTRALIAN COMMISSION FOR LAW ENFORCEMENT INTEGRITY

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

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

COMMONWEALTH OMBUDSMAN

The Commonwealth Ombudsman inspects ACIC records associated with the agency's conduct of controlled operations, use of surveillance devices and telecommunications interception, and access to telecommunications data.

During 2017–18 the Ombudsman visited ACIC offices in Brisbane, Sydney and Melbourne to conduct seven inspections. The ACIC has since received a report on each of these inspections. The reports include issues that are self-disclosed by the ACIC to the Ombudsman during inspections, as well as instances the Ombudsman has identified based on its review of our records. In most of the reports the Ombudsman also expressed satisfaction with the ACIC's transparency, commitment to compliance measures and remedial action. Reports outlining results from inspections of ACIC records become publicly available once the minister has tabled them in Parliament.

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

AUSTRALIAN NATIONAL AUDIT OFFICE

In 2017–18 the Australian National Audit Office commenced the performance audit 'The Australian Criminal Intelligence Commission's administration of the Biometric Identification Services project'. The performance audit was initiated at the request of the ACIC.

FREEDOM OF INFORMATION

The ACIC is subject to the *Freedom of Information Act 1982* (FOI Act). Agencies subject to the FOI Act are required to publish information to the public as part of the Information Publication Scheme. The requirement is in Part II of the FOI Act and replaces the former requirement to publish a section 8 statement in an annual report. Each agency must display on its website a plan showing what information it publishes in accordance with the Information Publication Scheme requirements. This information can be found on the ACIC's website at <www.acic.gov.au/publications/freedom-information>.

JUDICIAL DECISIONS

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

In 2017–18 we were involved in two significant matters, which we also reported on last year. The first was a judicial review application that sought to challenge the breadth of a Board determination and a decision of an Examiner to issue a summons under that determination. This is now the subject of an application for special leave to the High Court. The second was a High Court appeal where the ACIC sought leave to intervene.

XXVII V COMMONWEALTH OF AUSTRALIA & ORS

XXVII was summonsed to attend an examination under the ACC Act, but sought orders to prevent the examination from proceeding on a number of administrative law grounds. In particular, XXVII challenged the validity of the Board's determination under which XXVII was summonsed (Highest Risk Criminal Targets No. 2 Special Investigation determination), and consequently the summons itself. The matter was heard before Justice Charlesworth in the Federal Court (Adelaide).

On 29 March 2017, the Court ruled in favour of the ACIC, dismissing the application. Justice Charlesworth found that the application sought to re-litigate issues that had been resolved by the decisions in *XCIV v Australian Crime Commission & Sage*, *LX v Commonwealth of Australia*, and *XX v Australian Crime Commission* and upheld the validity of the Highest Risk Criminal Targets No. 2 Special Investigation determination.

On 11 April 2017, XXVII filed an appeal against the decision of Charlesworth J. The appeal was heard on 22 August 2017 and the Full Court's judgment was delivered on 13 April 2018, dismissing that appeal. At the time of writing, the matter was the subject of an application for special leave to the High Court, which was yet to be determined.

GALLOWAY V CDPP & ORS; HODGES V CDPP & ORS; TUCKER V CDPP & ORS; STRICKLAND V CDPP & ORS

In 2012, six people were charged with various offences. Four of the accused were examined by the then ACC before they were charged, with the examinations covering matters in relation to which they were eventually charged. The trial judge ordered a stay of their prosecutions. That stay was overturned on appeal. Special leave to appeal was granted by the High Court and the ACIC filed notices of contention in May 2018.

The appeals were heard by the High Court on 8 and 9 May 2018. Judgment was reserved.

CONTEMPT OF THE ACIC

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

No contempt proceedings were finalised in 2017–18.

LEGISLATIVE CHANGE

AMENDMENTS TO THE ACC ACT AND REGULATIONS

The ACIC is established pursuant to the *Australian Crime Commission Act 2002* (ACC Act). The following amendments were made to the ACC Act during the reporting period:

- The *Home Affairs and Integrity Agencies Legislation Amendment Act 2018* dealt with consequential matters arising from the establishment of the Home Affairs Portfolio, including clarifying references in the ACC Act to the Attorney-General.
- The *Crimes Legislation Amendment (International Crime Cooperation and Other Measures) Act 2018* amended legislation relating to the criminal law, law enforcement and background checking. This included clarifying that expressions defined in the ACC Act that contain 'ACC', such as 'ACC information', 'member of the staff of the ACC', and 'Board of the ACC', may also be referred to by replacing 'ACC' with a prescribed alternative acronym. This is intended to facilitate the use of the acronym 'ACIC'.

There were no changes made to the Australian Crime Commission Regulations 2002 or the Australian Crime Commission (National Policing Information Charges) determination 2016 during the reporting period. However, the life of the Regulations was extended to 1 April 2019 by the Legislation (Deferral of Sunsetting—Australian Crime Commission Regulations) Certificate 2017, made under the *Legislation Act 2003*.

OUR PEOPLE

As at 30 June 2018, we had a staff of 791 (Australian Public Service employees and statutory office holders) supplemented by 31 secondees from Commonwealth, state and territory law enforcement and other Commonwealth agencies.²⁶

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

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

STAFFING PROFILE AS AT 30 JUNE 2018

STAFFING CATEGORIES	NUMBER OF STAFF	NUMBER OF FULL-TIME EQUIVALENT STAFF	AVERAGE STAFFING LEVEL DURING 2017–18
APS employees Statutory office holders	791	757.46	749.06
Secondees funded by the ACIC	17	17	17
Secondees funded by jurisdictions	14	14	14
Total core staff	822	788.46	780.06
Task force members	101		
Total overall staff	923	788.46	780.06

Notes:

1. This table reflects the number of secondees as at 30 June 2018. However, as secondees work with us for different periods of time throughout the year, the overall total of secondees for 2017–18 was 223.
2. Task force members cannot be accurately reflected in full-time equivalent and average staffing level numbers.
3. The average staffing level is provided for June 2018.
4. Further information on consultants is provided in *Chapter 4: Financial performance*.

²⁶ The total staff figure of 791 includes 18 staff from the AIC.

SECONDEES AND TASK FORCES

- **Secondees**—As at 30 June 2018, we had a total of 31 secondees, both ACIC-funded and funded by other agencies. Throughout the reporting year we hosted a total of 59 secondees from 18 other Commonwealth and law enforcement agencies on short-term and long-term assignment.
- **Task forces**—We coordinate and participate in joint task forces and Joint Analyst Groups (JAG) with partner agencies. As at 30 June 2018 we had 101 task force members. Throughout the reporting year we hosted 164 task force members from 13 other Commonwealth and law enforcement agencies on short-term and long-term assignment.

A breakdown of secondees and task force staff by home agency and jurisdiction as at 30 June 2018 is in Appendix E on pages 236–239.

STAFFING PROFILE TRENDS 2010–11 TO 2017–18

HEADCOUNT AS AT 30 JUNE	2010–11	2011–12	2012–13	2013–14	2014–15	2015–16	2016–17	2017–18
APS and statutory office holders	628	598	584	562	581	595	810	791
Secondees funded by the ACC/ACIC	45	23	21	23	23	14	14	17
Secondees funded by other jurisdictions	19	15	20	20	13	11	10	14
Total core staff	692	636	625	605	617	620	834	822
Task force and JAG members	18	13	21	46	35	82	100	101
Total overall available resources	710	649	646	651	652	702	934	923
Full-time equivalent (APS only)	606.61	565.21	553.94	532.98	550.8	561.20	761.25	757.465
Average staffing level (APS only)	na	556.29	553.35	531.57	529.8	554.81	757.69	749.06

LOCATION

During the year, our staff were based in eight locations around the country and several overseas locations.



Note: This diagram represents the locations where ACIC staff were based as at 30 June 2018.

APS EMPLOYEES AND STATUTORY OFFICE HOLDERS BY LOCATION AS AT 30 JUNE 2018

LOCATION	NUMBER
Canberra	391
Sydney	130
Melbourne	113
Brisbane	90
Adelaide	36
Perth	26
Darwin	2
Hobart	2
London	1
The Hague	1
Washington	2

A breakdown of employment capacity by location is in Appendix E on page 236–239.

CLASSIFICATION LEVELS

We have 11 different classification levels including APS 1–6, Executive Levels 1 and 2 (EL1 and EL2), Senior Executive Service bands 1 and 2 (SES 1 and SES 2) and our CEO and Examiners, who are statutory office holders.

APS EMPLOYEES BY CLASSIFICATION LEVEL AS AT 30 JUNE 2018

CLASSIFICATION LEVEL	NUMBER
APS 1	1
APS 2	2
APS 3	29
APS 4	115
APS 5	101
APS 6	145
EL 1	291
EL 2	87
SES 1	13
SES 2	3
CEO	1
Examiners	3

Note: These figures represent positions that were substantively filled as at 30 June 2018.

A breakdown of classifications in our different locations is in Appendix E on pages 236–239.

GENDER

This year, women comprised 49.4 per cent of our organisation. There are 128 more women than men at classification levels APS 1–6, but 134 more men than women at the EL1, EL2 and SES levels.

APS EMPLOYEES BY GENDER AS AT 30 JUNE 2018

GENDER	NUMBER
Men	399
Women	390
X/Indeterminate	2

A breakdown of gender distribution by classification is in Appendix E on pages 236–239.

AGE

Our age profile includes strong representation in all age brackets, which range from under 21 to over 65 years of age.

CULTURAL DIVERSITY

A total of 15.90 per cent of staff have identified that Australia is not their country of birth and 14.79 per cent do not have English as a first language, while 10.99 per cent chose not to give this information.

WORKPLACE DIVERSITY

We encourage staff to respect and value the skills and experiences of all staff members and we are increasingly responsive to the additional challenges faced by some groups. We are committed to creating an environment focused on building a diverse workforce to better deliver on our purpose of making Australia safer.

The Diversity and Inclusion Sub-committee meets quarterly and oversees our workplace diversity program. Members of the Executive actively promote, participate in and support initiatives to improve diversity awareness and inclusivity within our workforce. During 2017–18 the Diversity and Inclusion Sub-committee developed and implemented four 2017–19 Diversity Action Plans focusing on:

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

RECONCILIATION ACTION PLAN

Our *Reconciliation Action Plan 2018–20* was launched on 19 April 2018. The new Reconciliation Action Plan (RAP) was endorsed by Reconciliation Australia and outlines our continued commitment to progressing reconciliation between Aboriginal and Torres Strait Islander and non-Indigenous Australians. Our RAP outlines specific actions we will take to foster respectful and productive relationships with Aboriginal and Torres Strait Islander peoples. In implementing the RAP, we will make a meaningful contribution to reconciliation in Australia and to increasing awareness and understanding of the Aboriginal and Torres Strait Islander culture.

We are committed to increasing mutual respect between Indigenous and non-Indigenous employees through an inclusive work environment. Two of the ACIC Executive were active champions for the inclusion of Indigenous Australians and implementation of the RAP. Through 2017–18 we have:

- commissioned an Indigenous artist to produce an artwork for the *Reconciliation Action Plan 2018–20* and hung the artwork, along with other Indigenous artworks, in prominent places throughout our offices

- celebrated and promoted the launch of the *Reconciliation Action Plan 2018–20*, National Reconciliation Week and NAIDOC Week, and provided opportunities to increase awareness and strengthen relationships between Aboriginal and Torres Strait Islander employees and other employees
- seen the uptake and use of protocols and guidelines on Acknowledgement of Country and invited Elders to perform a Welcome to Country for larger events
- increased employment pathways for Aboriginal and Torres Strait Islander peoples into the ACIC by continuing to participate in the entry level programs, the Indigenous Australian Government Development Program and the APS Indigenous Graduate Program
- increased staff knowledge and awareness of Indigenous communities by continuing to participate in the Jawun secondment program.

Our RAP Working Group met monthly to develop the *Reconciliation Action Plan 2018–20* and implement actions.

Our rate of Indigenous employment is 1.64 per cent.

DISABILITY

A total of 2.40 per cent of staff have identified as having a disability and 10.49 per cent chose not to give this information. We have renewed our Australian Network on Disability membership and upgraded to silver membership, to enable development of strategies to improve workplace inclusivity for employees and stakeholders with disability.

The *National Disability Strategy 2010–2020* sets out a 10-year national policy framework to improve the lives of people with disability, promote participation and create a more inclusive society. A high level two-yearly report will track progress against each of the six outcome areas of the strategy and present a picture of how people with disability are faring. These reports can be found at <www.dss.gov.au>.

CULTURE STRATEGY

We are committed to a culture that strives for excellence, enables personal and professional growth, values diversity, models respectful behaviour, and achieves agency unity through collaboration and inclusiveness. This year we continued to implement our culture strategy to foster an inclusive, positive and productive working environment.

Our culture strategy is informed by and aligns with the:

- *ACIC Enterprise Agreement 2016–19*
- ACIC respect in the workplace charter
- *ACIC Strategic Plan 2016–21*
- *Public Service Act 1999* instruments and guidelines relating to workplace values in the public service, work health and safety, and performance management principles.

REMUNERATION AND BENEFITS

WORKPLACE AGREEMENTS

During 2017–18 our *ACIC Enterprise Agreement 2016–19* covered all APS employees (this does not include our substantive SES or Examiners). This agreement commenced on 30 December 2016. It provides a range of flexible working arrangements and aligns key ACIC conditions with APS-wide conditions.

PERFORMANCE PAYMENTS

Our agency does not have a system of performance payments. Rather, incremental advancement is available to eligible staff as part of our performance development system (see *Performance development* on page 180).

NON-SALARY BENEFITS

Non-salary benefits include flexible working arrangements for APS 1–6 officers, time-off-in-lieu arrangements for Executive Level staff, tertiary studies assistance and a comprehensive Performance Development System (see page 180). We also offer free influenza vaccinations, and an employee assistance program providing counselling and support for staff and family members.

SALARY RANGES

Salaries for APS employees range from \$44,153 (APS 1) to \$138,295 (EL 2).

SALARY BANDS UNDER OUR ENTERPRISE AGREEMENT 2016–19

CLASSIFICATION LEVEL	SALARY AS AT 30 JUNE 2018
APS 1	\$44,153 –\$48,799
APS 2	\$50,722–\$56,245
APS 3	\$58,681–\$63,334
APS 4	\$64,501–\$70,035
APS 5	\$71,148–\$75,731
APS 6	\$77,924–\$88,183
EL 1	\$98,244–\$118,443
EL 2	\$122,744–\$138,295

EXECUTIVE REMUNERATION

The nature and amount of remuneration for SES officers is determined through the ACIC Senior Executive Service Remuneration and Benefits Policy. SES salary increases take into account the complexity of the role, current and previous performance, contribution to corporate goals and values, the financial position of the ACIC, comparisons with other SES officers and the quantum of remuneration relative to other ACIC staff. The ACIC uses Common Law Contracts for all SES employees to govern remuneration and entitlements. Details of SES total remuneration are in the financial statements (see pages 196–217).

CEO AND EXAMINERS REMUNERATION

As our CEO and ACIC Examiners are statutory office holders, the Remuneration Tribunal sets their remuneration and entitlements. As at 30 June 2018, the CEO total remuneration package was \$506,060.

The ACIC Examiner total remuneration package was \$452,790. Part-time Examiners receive a daily rate of \$1,440.

STAFF RETENTION AND TURNOVER

In 2017–18 a total of 130 staff left the agency. Reasons included moving to another APS agency, retirement, redundancies and completing non-ongoing contracts.

APS STAFF TURNOVER AS AT 30 JUNE 2018

TERMINATION REASON	NUMBER
Completed non-ongoing contract	6
Early termination of non-ongoing contract	1
External promotion	2
External transfer	25
Involuntary retirement	1
Move to other agency	23
Resignation	50
Retired after age 55	10
Section 29(3)(c) of the <i>Public Service Act</i> (poor performance)	1
Involuntary redundancy	1
Voluntary redundancy	10

As at 30 June 2018, our retention rate was 87.3 per cent.

Our staff retention strategies include:

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

PERFORMANCE DEVELOPMENT

Our Performance Development System incorporates career planning, individual and team-based learning and development, capability and skills enhancement and regular performance feedback. This system guides our performance management process and is based on strategic links between business goals and key result areas when identifying opportunities for individual development.

In 2017–18, our Performance Development System completion rate was 94 per cent.

Our Performance Development System enables salary advancement for eligible employees. Employees are assessed against a three-point scale (high performing, performing well or requires improvement) and are eligible for salary advancement within their classification salary range if they receive a rating of high performing or performing well.

Managers are supported with guidance on the more formal aspects of the performance management process, including any identified under-performance. Managers and employees are supported through coaching to maintain appropriate focus on the issues at hand, strategies to manage any concerns about the process, strategies to contain and address issues that may emerge within teams as a result of individual performance management and experienced case managers to assist if required. Our Organisational Psychology services area also provides a point of referral for employees for access to appropriate support when necessary.

LEARNING AND DEVELOPMENT

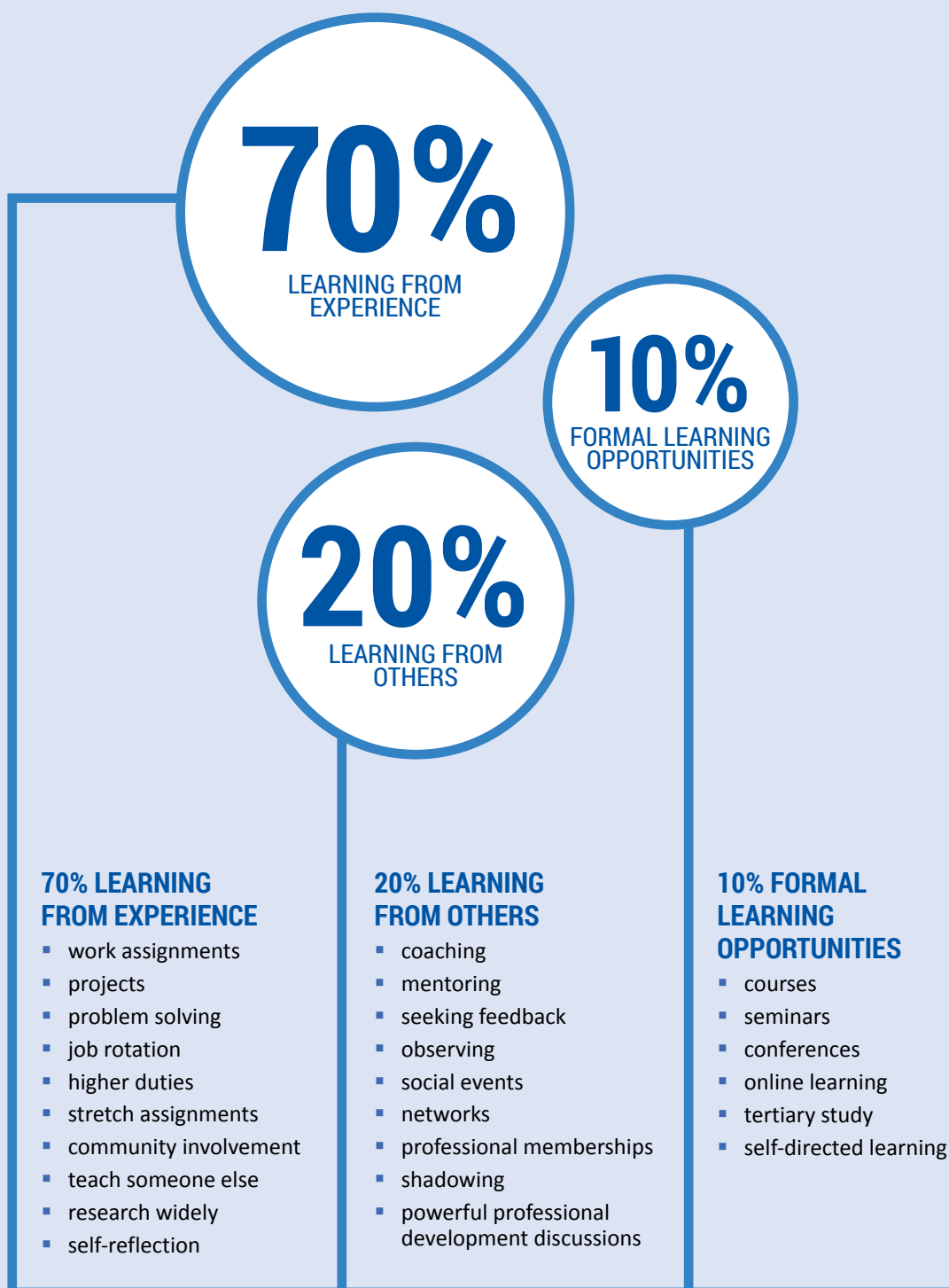
STRATEGIES

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

APPROACH

Our learning and development activities are based on a blended learning and development philosophy, which recognises that experience within the workplace provides for the most effective learning, when blended with learning from others through coaching and mentoring, and formal learning opportunities. This learning approach follows the 70:20:10 learning philosophy.

LEARNING AND DEVELOPMENT 70:20:10 PHILOSOPHY



OPPORTUNITIES

We provide learning and development opportunities in three key areas:

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

OUTCOMES

Staff collectively attended more than 2,378 training and development opportunities and events including core/business skills, coaching and mentoring, leadership and management, conferences/networking, specialist capability development (cyber, finance and international capability, as well as information and communications technologies, intelligence, investigations and psychology), induction and compliance. Examples include:

- **Criminal Intelligence Development Program**—In partnership with the Australian Federal Police, we developed a joint criminal intelligence training and development continuum that is sequential in its delivery and tertiary-aligned. This followed two joint pilot programs of the Criminal Intelligence Development Program to develop skill levels of field collection operatives and intelligence analysts involved in the delivery of criminal intelligence. Both agencies assessed the pilots to be highly successful and a valuable basis for future development programs, which led to the development of the joint criminal intelligence training and development continuum. Over time, this will increase the quality of intelligence outputs across the tactical, operational and strategic spectrum, enhancing the effectiveness of Commonwealth, state and territory agencies operating in the criminal intelligence domain.

- Management expertise and business skills—This year staff undertook management and core business development opportunities to enhance our workforce capability. These programs included:
 - Appearing before Parliamentary Committees
 - Learning Cabinet processes
 - Employment law reform
 - Writing skills for Government
 - Writing skills for intelligence professionals
 - Presentation and briefing skills
 - Certified IT security
 - Leadership and management
 - Project management
 - Training and assessment
 - Unconscious bias
 - Operational ICT systems.

EVALUATION

We conducted 110 evaluation processes for internal and external training and development programs. Our evaluation seeks to:

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

TERTIARY STUDY SUPPORT PROGRAM

Our agency supported 19 eligible employees to undertake tertiary studies resulting in a Diploma qualification or higher in fields such as criminology, cybersecurity, fraud and financial crime, psychology, computing and law.

EMPLOYEE ENGAGEMENT

We engage with staff to seek their views and increase their level of engagement by participating in the Australian Public Service Commission employee census. Results included:

- Employee engagement—Staff believe strongly in the purpose and objectives of our agency, suggest ideas to improve our way of doing things and are happy to go the extra mile at work when required.
- Inclusion and diversity—A total of 90 per cent of respondents said the people in their workgroup behave in an accepting manner towards people from diverse backgrounds and that their supervisor actively supports people from diverse backgrounds.
- Workplace culture—Staff believe people in their work group treat each other with respect, they receive the respect they deserve and the agency encourages ethical behaviour.

WORK HEALTH AND SAFETY

We are committed to preventing injuries and exposure to hazards in the workplace, by taking all reasonably practicable steps to protect the health and safety of all workers at work, through identifying, eliminating and minimising hazards. Appendix C (from pages 231–234) details our 2017–18 work health and safety arrangements, initiatives, outcomes, statistics of accidents or dangerous occurrences and any investigations conducted.

ECOLOGICALLY SUSTAINABLE DEVELOPMENT

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

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

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

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

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

FEATURE: DEVELOPING A CRIMINAL INTELLIGENCE TRAINING AND DEVELOPMENT CONTINUUM



Our increasingly complex criminal and security environment means we need intelligence analysts who are highly skilled, and can work under pressure and hit the ground running.

To ensure our analytical and field collection workforce are leaders in their sphere, the ACIC and Australian Federal Police jointly developed the Australian Criminal Intelligence Training and Development Continuum, a professional development program designed to challenge, expand and go beyond traditional tradecraft and current practice.

The philosophy of ‘by you, with you and for you’ was a guiding principle in developing the continuum. Members of the training team were drawn from ACIC and AFP intelligence teams, and program mentors and advisory working groups came from intelligence and specialist areas. Qualified trainers and curriculum designers provided support.

The training programs were specifically designed for staff members—aligning with tertiary qualifications and further development opportunities. The programs encouraged personal as well as professional development and growth for both ACIC and AFP intelligence staff.

The new training model included recruitment assessments, sequential classroom and workplace learning, and annual proficiency testing. This model acknowledges the specialist nature of skills involved in intelligence practice, which need to be continuously renewed through practice and training.

Training participants said working through potential real-life scenarios was a highlight. Using an immersive simulation system, participants worked together in simulated joint agency task forces to make time-critical decisions and demonstrate their leadership and professional skills.

Most participants commended the simulated real-life scenarios and said they responded as they would in their operational teams. Sessions following the simulations offered the opportunity for a debrief with experienced facilitators and seasoned experts from the field.