

Section 02

Annual performance

How we achieved our purpose and managed our finances

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

► Annual performance statement

Statement by the accountable authority

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

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

A handwritten signature in blue ink, appearing to read 'M Phelan', with a long horizontal flourish extending to the right.

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

Purpose

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

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

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

Figure 2.1: ACIC outcome and program framework 2018–19

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

Performance measurement framework

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

Figure 2.2: ACIC performance measurement framework 2018–19

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

Analysis of performance against purpose

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

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

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

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

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

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

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

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

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

Analysis of performance against purpose (continued)

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

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

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

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

Results against performance criteria

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

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

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

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

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



Met




Partially met



Not met

Discover

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

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

Analysis

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

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

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

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

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

Achievements

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

Identifying new threats

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

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

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

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

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

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

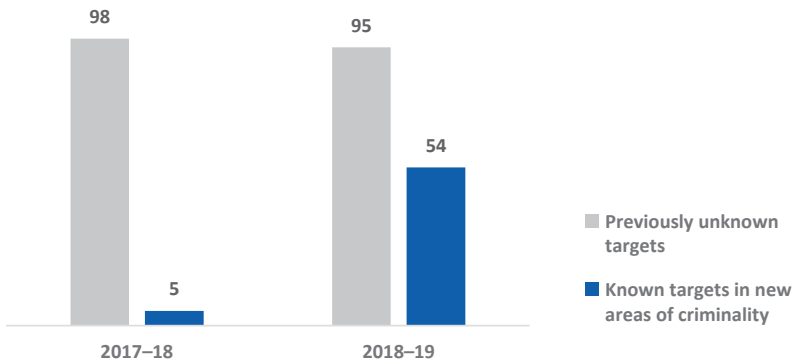
During 2018–19, we participated in a multiagency task force, with domestic and international law enforcement partners, aimed at disrupting the ongoing use of the Pacific region as a strategic transit point for the trafficking of illicit drugs into Australia. As a key member of this task force, the ACIC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

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

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

Identifying criminal targets

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

Figure 2.3: Criminal targets identified

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

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

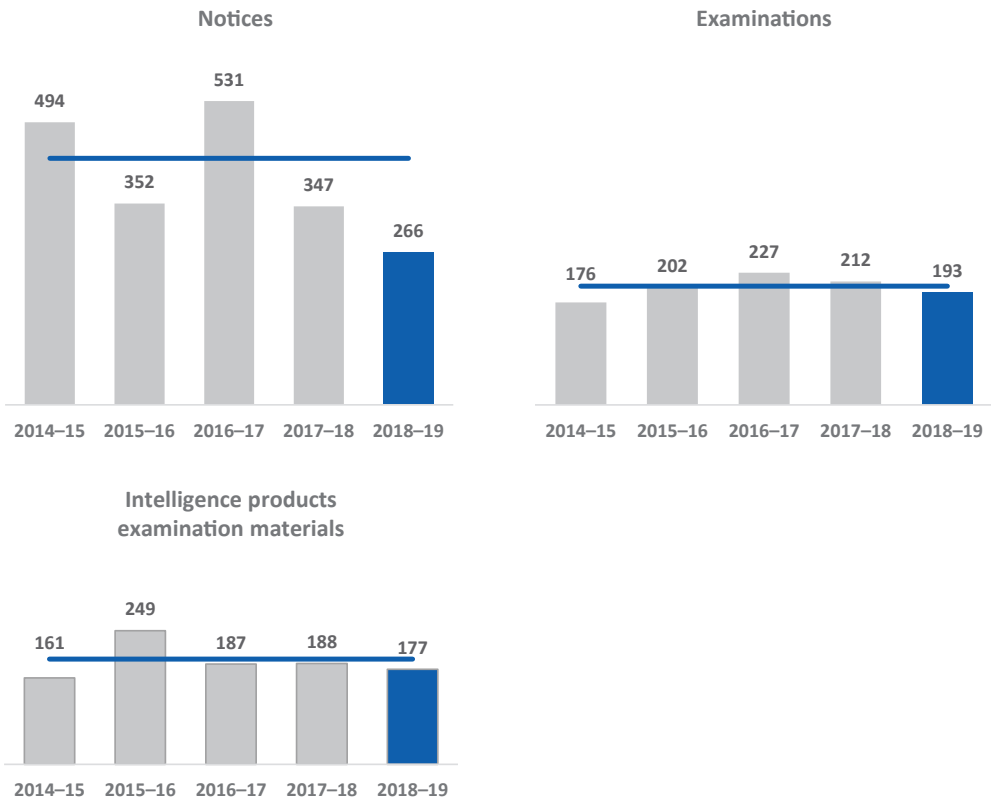
Identifying and understanding APOTs is an important focus for Australian law enforcement. This was highlighted by the identification of a previously unknown transnational serious and organised crime syndicate operating in Canada and Hong Kong and impacting Australia during 2018-19. The ACIC adopted a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

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

Using coercive powers

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

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



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

Stakeholder survey results

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

Table 2.1: Stakeholder survey results—Discover 1

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

Feature: Drug seizure in Solomon Islands



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

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

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

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

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


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

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

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

Understand

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

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

Analysis

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

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

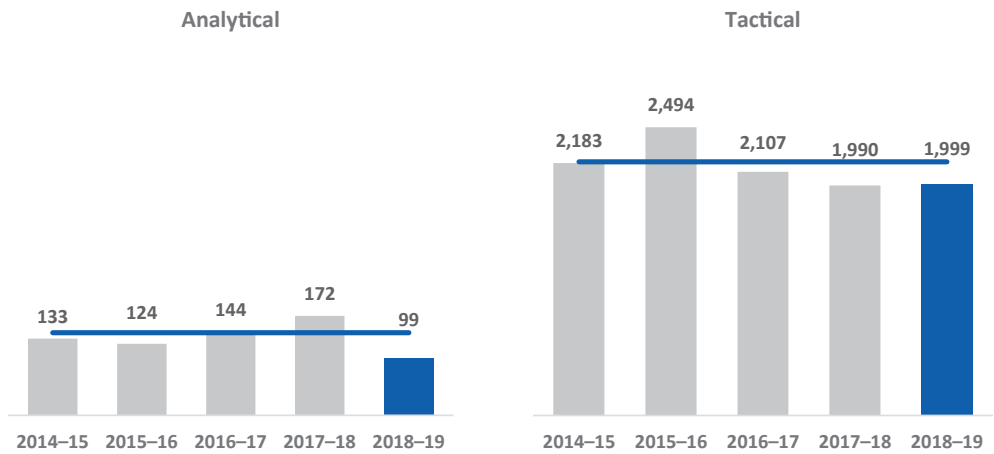
Many respondents to the stakeholder survey cited the production of quality intelligence products as something that we did particularly well in 2018–19, and said that they had found the reports to be informative, thorough but to the point, and actionable.

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

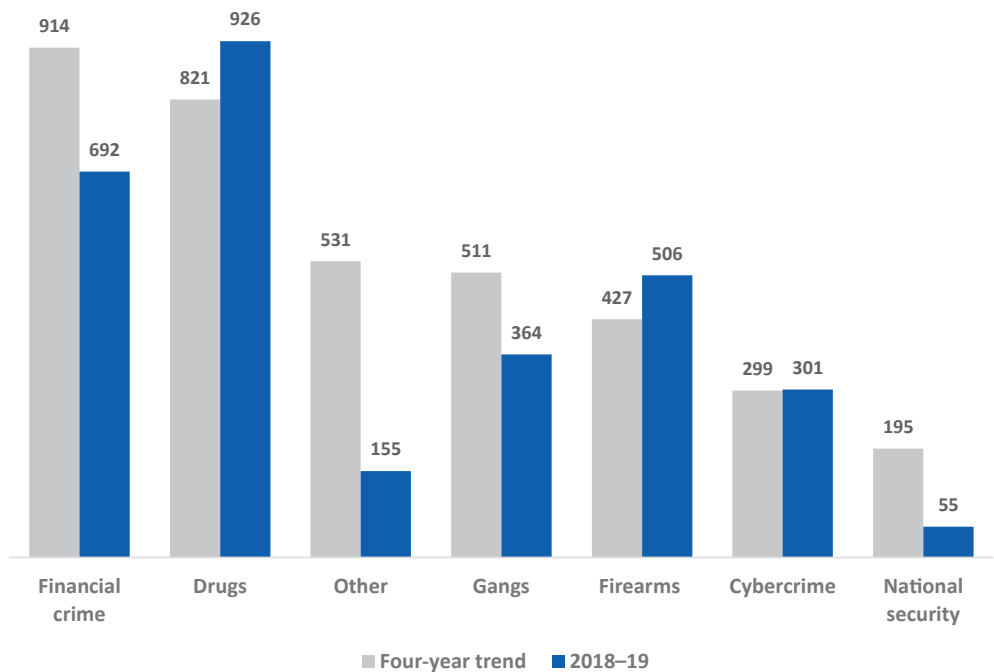
The survey findings also suggested that boosting engagement and collaboration with partners is a valuable opportunity to increase the value that ACIC intelligence products deliver to partners. The decline in the overall results of our stakeholders’ assessments of products contributed to this criterion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

Achievements

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

Figure 2.5: Analytical and tactical intelligence products finalised

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

Figure 2.6: Intelligence products focused on priority crime themes

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

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

Significant serious and organised crime

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

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

Financial crime

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

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

Cybercrime

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

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

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

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

Illicit drugs

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

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

Gangs

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

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

Illicit firearms

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

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

Other criminal threats to Australia

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

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

Stakeholder survey results


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

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

Table 2.2: Stakeholder survey results—Understand 1

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

Understand (continued)

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

Analysis

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

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

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

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

Achievements

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

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

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

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

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

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

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

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

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

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

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

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

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

Stakeholder survey results

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

Table 2.3: Stakeholder survey results—Understand 2

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

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

Feature: Regional international drug enforcement conferences

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

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



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

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


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

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

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

Respond

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

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

Analysis

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

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

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

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

Achievements

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

Legislation and national policy

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

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

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

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

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

Reviews and parliamentary inquiries

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

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

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

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

Stakeholder survey results

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

Table 2.4: Stakeholder survey results—Respond 1—Prevent

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

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

Respond (continued)

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

Analysis

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

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

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

Achievements

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

Disruptions

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

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

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

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

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

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

Multiagency task force activities

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

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

National Task Force Morpheus

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

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

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

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

Vestigo Task Force

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

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

Criminal Assets Confiscation Taskforce

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

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

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

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

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

Serious Financial Crime Taskforce

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

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

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

Support provided by the ACIC included the development of:

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

Illicit Tobacco Taskforce

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

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

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

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

Phoenix Taskforce

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

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

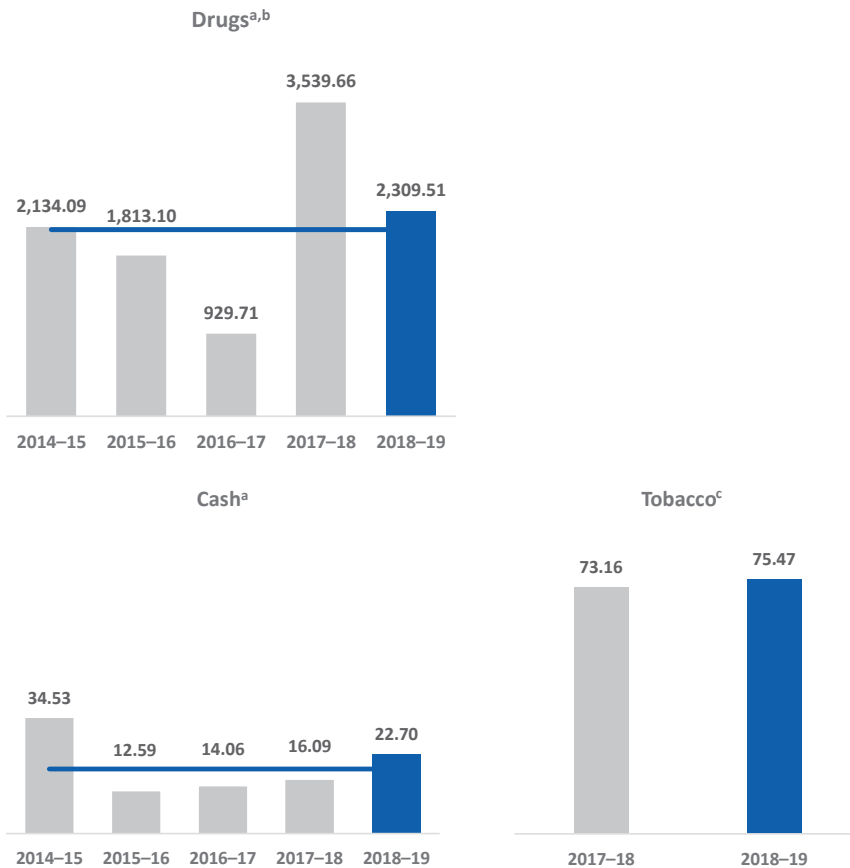
Joint organised crime task forces

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

Seizures

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

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



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

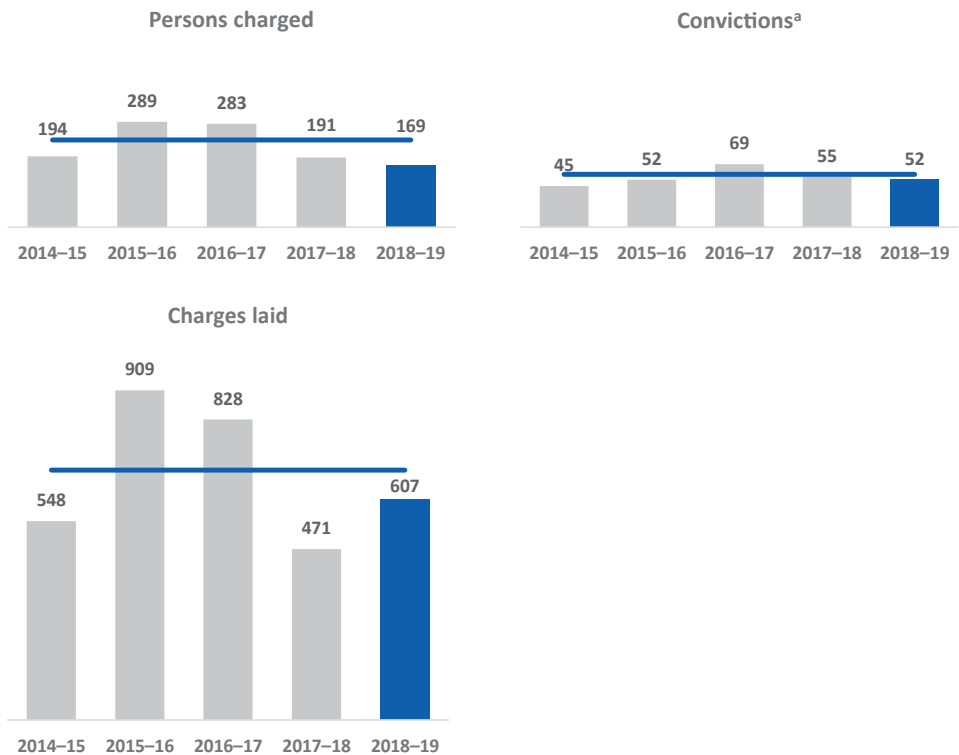
^b Estimated street values of illicit drugs and precursor chemicals, based on drug price data contained in the *Illicit Drug Data Report 2016-17*.

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

Arrests and convictions

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

Figure 2.8: Persons charged, charges laid and convictions



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

Stakeholder survey results

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

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

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

Respond (continued)

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

Analysis

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

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

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

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

Achievements

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

Services provided

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

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

Service enhancements

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

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

Positive data matches

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

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

Table 2.7: Positive data matches found

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

↑ Result 5% or more above historical average

Stakeholder survey results

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

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

Feature: Drug trafficking at Sydney Airport

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

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

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

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

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

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


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

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



Connect

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

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

Analysis

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

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

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

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

Achievements

We group our systems into broad service categories:

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

We measure our performance against this criterion by assessing:

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

Availability

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

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

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

Table 2.9: System availability

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

✓ Benchmark met

✗ Benchmark not met

n.a. not applicable

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

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

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

Service beneficiaries

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

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

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

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

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

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

↔ Result within 5% of historical average

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

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

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

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

↑ Result 5% or more above historical average

↔ Result within 5% of historical average

Service users

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

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

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

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

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

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

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

Table 2.12: System users

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

↑ Result 5% or more above historical average

↓ Result 5% or more below historical average

↔ Result within 5% of historical average

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

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

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

Searches

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

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

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

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

Table 2.13: Searches recorded

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

↑ Result 5% or more above historical average

↓ Result 5% or more below historical average

n.a. not available

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

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

Nationally coordinated criminal history checks

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

Table 2.14: Police history checks submitted

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

↑ Result 5% or more above historical average

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

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

Table 2.15: Police history checks completed on time

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


✓ Benchmark met
✗ Benchmark not met

Stakeholder survey results

Table 2.16: Stakeholder survey results—Connect 1

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

Connect (continued)

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

Analysis

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

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

Achievements

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

Projects delivered to partners

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

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

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

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

Projects progressed

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

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

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

Projects planned

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

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

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

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

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

Projects changed

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

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

Stakeholder survey results

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

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


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

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

Table 2.17: Stakeholder survey results—Connect 2

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

Connect (continued)

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

Analysis

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

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

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

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

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

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

Achievements

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

We share our information by:

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

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

Information and intelligence shared

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

Figure 2.9: Analytical and tactical intelligence products disseminated

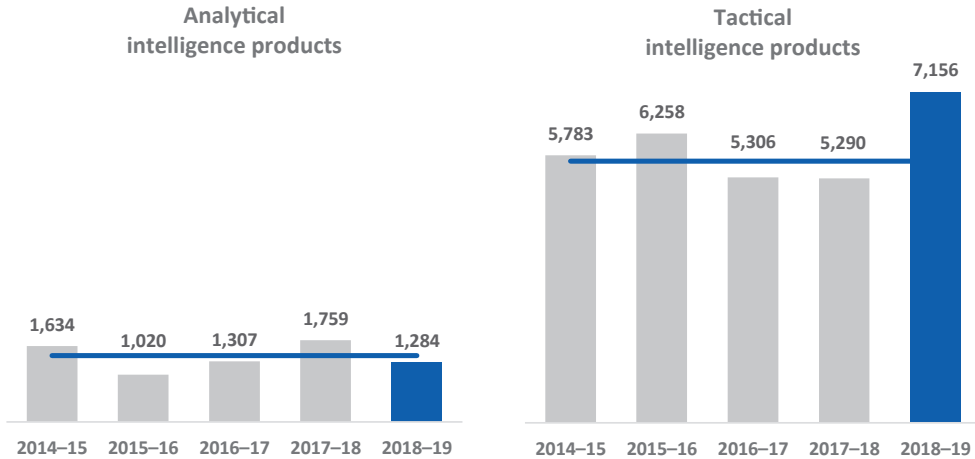
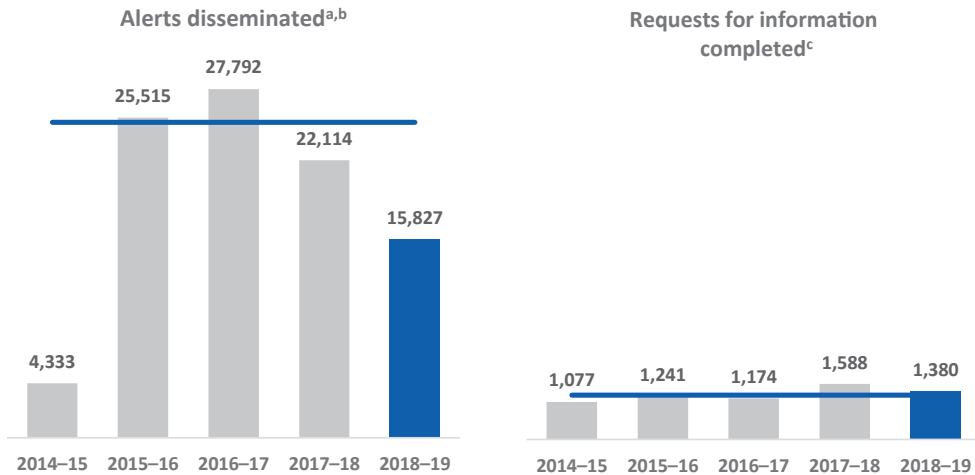


Figure 2.10: Alerts disseminated and requests for information completed



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

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

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

Volume of data accumulated

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

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

Table 2.18: System records held

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

↑ Result 5% or more above previous financial year

↓ Result 5% or more below previous financial year

↔ Result within 5% of previous financial year

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

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

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

Publicly available information provided

Illicit Drug Data Report

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

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

National Wastewater Drug Monitoring Program reports

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

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

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

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

New techniques and formats for sharing

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

Feature: Wastewater analysis

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

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



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

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

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

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

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

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

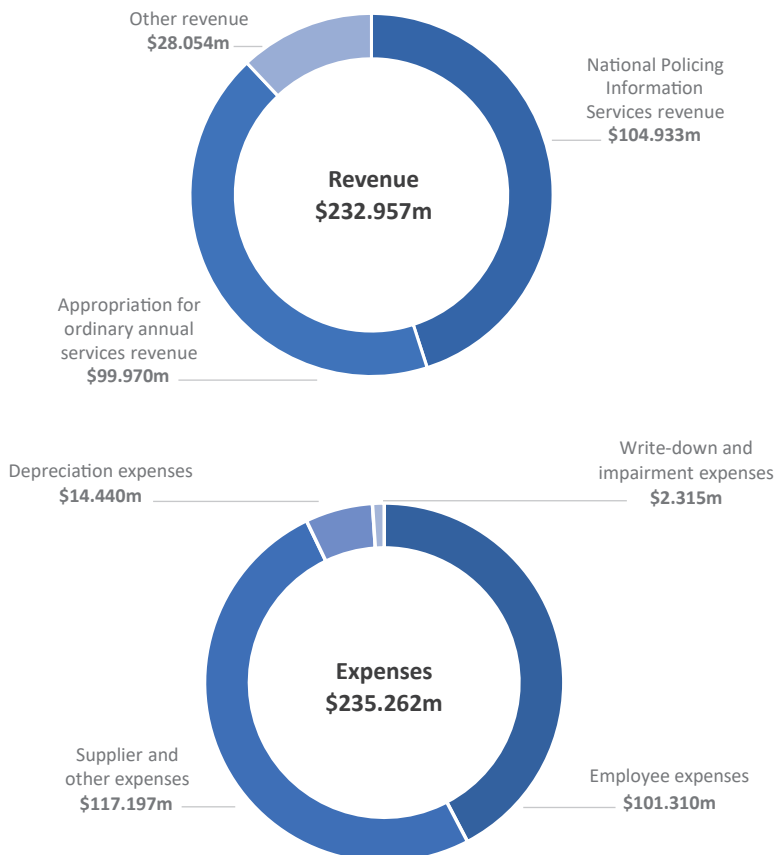
► Overview of financial performance

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

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

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

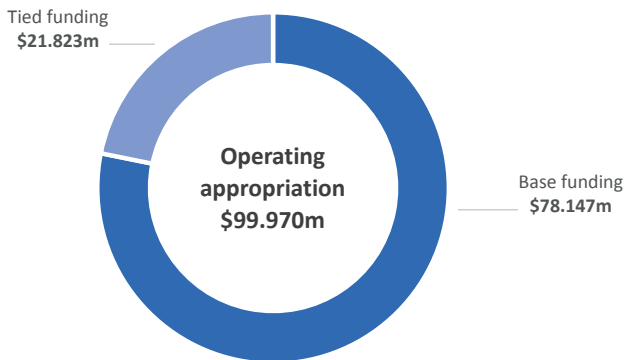
Figure 2.11: Revenue and expenditure 2018–19



Appropriation for 2018–19

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

Figure 2.12: Operating appropriation 2018–19



The tied funding in 2018–19 consisted of:

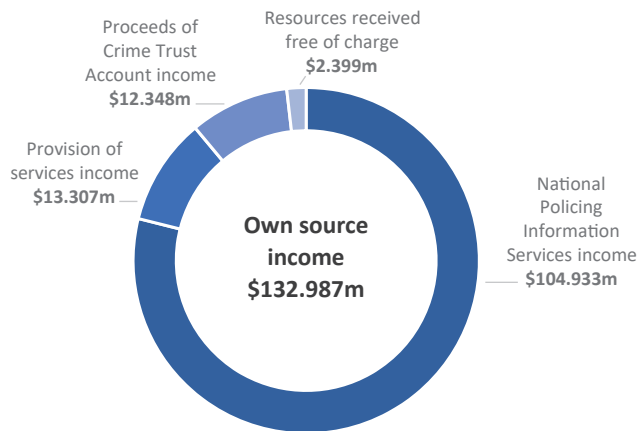
- ▶ \$1.754 million funding for the Australian Gangs Intelligence Coordination Centre
- ▶ \$0.891 million to enhance physical security to all office buildings and personnel security capabilities, in response to the current heightened security threat
- ▶ \$4.385 million to develop and enhance the ACIC's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

Own source income in 2018–19

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

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

Figure 2.13: Own source income in 2018–19



Internal controls

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

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

Table 2.19: Entity resource statement

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

1 Annual departmental appropriation includes \$3.622m quarantined.

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

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

Table 2.20: Expenditure and staffing by outcome

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

Table 2.21: Average staffing level

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

Feature: Infrastructure Capability and Consolidation Program

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

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

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

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

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

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

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

