03

Management and accountability

Our governance, people and resources

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

▶ Governance context

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

We are one of five statutory agencies in the Home Affairs portfolio and report to the Minister for Home Affairs.

In addition, we provide resources and corporate support to, and collaborate closely with, the Australian Institute of Criminology (AIC) on relevant criminological research. Our Chief Executive Officer (CEO) is also Director of the AIC, and AIC staff have transferred to the ACIC under a machinery of government process.

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

▶ Internal governance

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

ACIC Executive

On 30 June 2019, the ACIC Executive comprised the CEO, the Chief Operating Officer, three executive directors, 10 national managers and six state managers.

Table 3.1 provides details of the positions and responsibilities of the members of the ACIC Executive.

Table 3.1: Executive positions and responsibilities

	Position title and name	Responsibilities
CEO OFFICE	Chief Executive Officer **Michael Phelan APM**	Responsible for overseeing the management and administration of the ACIC, managing our relationship with ministers, working collaboratively with ACIC Board member agencies, and providing leadership, strategic direction and strong governance for our agency. Our CEO is a non-voting member of the ACIC Board.
	Chief of Staff **Jeremy Johnson**	Responsible for government relations and engagement; media and communication; strategy; planning and performance; and strategic policy.
CHIEF OPERATING OFFICER	Chief Operating Officer **Anne Brown**	Responsible for key enabling services, including people; security; business and innovation; finance; property; and legal services.
	National Manager Finance, Property and Procurement/ Chief Financial Officer **Yvette Whittaker**	Responsible for the financial management of the agency, procurement, the national property portfolio and business support.
	National Manager People, Security and Integrity **Mardi Stewart**	Responsible for overseeing people management functions, security, integrity and organisational psychology.
	National Manager Legal Services/General Counsel **Nicole Mayo**	Responsible for administrative and criminal law litigation; advice on the use of ACIC powers; policy development and legislative reform; risk and audit; agreements; and our examination capability.
	National Manager Business Services **Sabeena Oberoi**	Responsible for business strategy, the Portfolio Management Office and the National Police Checking Service.
TECHNOLOGY	Executive Director Technology **Rochelle Thorne**	Responsible for providing and maintaining our national information capabilities and services to support policing and law enforcement.
	Chief Technology Officer **Stewart Sibree**	Responsible for capabilities required to design, develop and operate ICT solutions to ensure connectivity between our agency's IT systems and external systems and ongoing access to critical sources of data.
	Senior Advisor Business Systems Delivery **Stephen McCarey**	Responsible for intelligence and national policing information ICT solutions for our agency.

Table 3.1: Executive positions and responsibilities (continued)

	Position title and name	Responsibilities
INTELLIGENCE OPERATIONS	Executive Director Intelligence Operations **Matthew Rippon**	Responsible for ACIC investigations and intelligence operations, our intelligence products development and oversight of state managers.
	National Manager Operational Strategy **Darshana Sivakumaran**	Responsible for the Australian Priority Organisation Target disruption unit; transnational serious and organised crime; criminal intelligence of cybercrime and gangs; and the monitoring and assessment unit.
	State Manager New South Wales **Warren Gray**	Responsible for operations and stakeholder relationships in New South Wales and national physical surveillance.
	State Manager Victoria **Jason Halls**	Responsible for operations and stakeholder relationships in Victoria.
	State Manager Queensland **Charlie Carver**	Responsible for operations and stakeholder relationships in Queensland.
	State Manager Western Australia **Doug Miller**	Responsible for operations and stakeholder relationships in Western Australia.
	State Manager Northern Territory and acting State Manager South Australia **David Richardson**	Responsible for operations and stakeholder relationships in the Northern Territory and South Australia.
	State Manager Tasmania **John Arnold**	Responsible for operations and stakeholder relationships in Tasmania.
	National Crminal Iintelligence System Program Director **Jakub Bartkowiak**	Responsible for specialist, covert and technical operations and compliance with statutes governing surveillance and operational activity.

	Position title and name	Responsibilities
CAPABILITY	Executive Director Capability **Mark Harrison**	Responsible for strategic intelligence, human intelligence and technical intelligence capabilities.
	National Manager Strategic Intelligence Capability **Katie Willis**	Responsible for national strategic intelligence, including drugs intelligence research, strategic analytics and criminal intelligence information services; and head of the determinations function for the agency.
	National Manager Technical Intelligence Capability **Nick Wolanin**	Responsible for covert technical intelligence capability and operations, covert system integration, and technical intelligence analytics.
	Senior Advisor Human Intelligence Capability **Hans Koenderink**	Responsible for human source capability, undercover capability, national surveillance, behavioural intelligence capability, covert operations assurance, capability protection, and intelligence and specialist capability training and development.

ACIC examiners

ACIC examiners are independent statutory officers appointed by the Governor-General to exercise the coercive powers set out in the ACC Act for the purpose of ACIC Board-approved special operations and special investigations.

To ensure accountability, coercive powers are used only when all legislative requirements are met, including a requirement that an ACIC examiner is satisfied that it is reasonable in all the circumstances to exercise those special statutory powers.

The ACIC currently has one full-time examiner and two part-time examiners, all of whom have extensive experience in the legal profession.

Senior management committees

Our committee structure comprises our Commission Executive Committee, Executive Leadership Group, Organised Crime Management Committee, Technology Governance Committee, Corporate Committee and several other committees, panels, working groups and consultative committees. The relationships between senior management committees are shown in Figure 3.1.

During 2018–19, we adjusted our committee structures to align with our functions and organisational structure. We will continue to review them to ensure that our governance is as effective and streamlined as possible.

Figure 3.1: ACIC senior management committee structure 2018–19

Executive committees ■ Supporting groups and sub-committees ■ Legislatively required committees
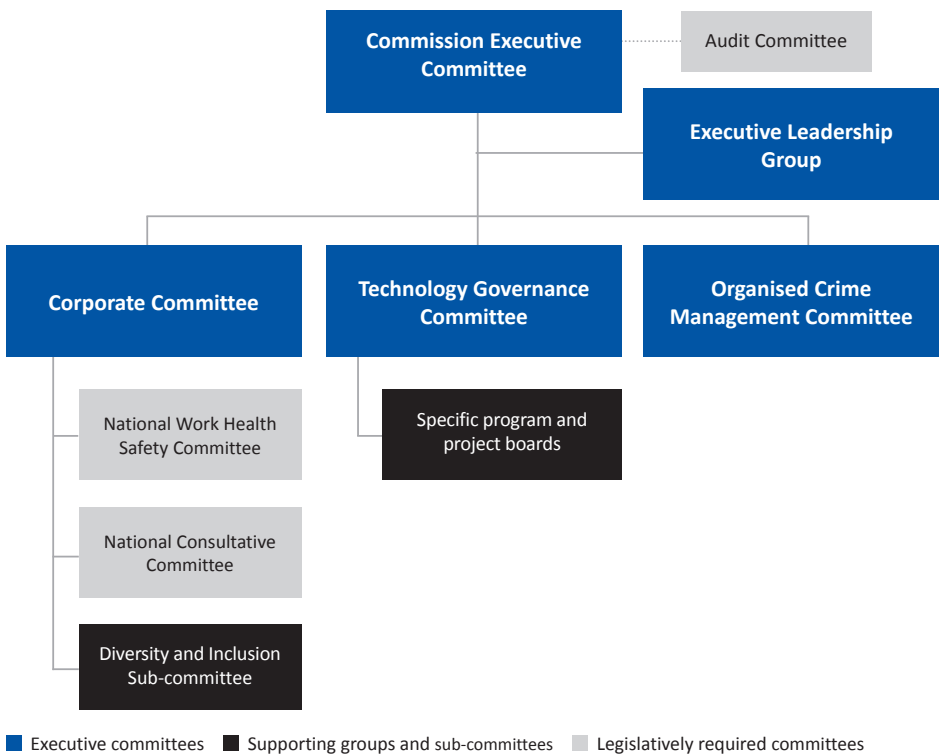
Commission Executive Committee

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

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

Executive Leadership Group

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

Audit Committee

The Audit Committee includes an independent external chair and two independent members as well as two internal members and an observer from the Australian National Audit Office.

The committee meets quarterly to review internal and external audit reports, consider findings and recommendations, and oversee the internal audit program. It also holds an additional meeting once a year to review the financial statements. In addition, the committee monitors risk, internal controls, fraud and corruption prevention activities and performance reporting (see further details on this committee on page 75).

Organised Crime Management Committee

The Organised Crime Management Committee makes decisions about the ACIC organised crime and intelligence work program and the allocation of relevant resources to support the delivery of its objectives.

The committee includes our Executive Director Intelligence Operations, Executive Director Capability and Chief Operating Officer, and the national managers of Strategic Intelligence Capability, Operational Strategy, Technical Intelligence Capability, and Human Intelligence Capability. State managers are voting members. The National Manager Legal Services attends as an adviser to the committee, which meets monthly.

Corporate Committee

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

Technology Governance Committee

The Technology Governance Committee oversees all technology projects and considers any technology-related risks, including information management and technology security risks. The committee meets quarterly and provides advice to the Commission Executive Committee on the health and performance of the ACIC technology work program.

The Technology Governance Committee is supported by sub-committees that focus on vendor management; architecture and design; ICT operations; and project/workplan management. It is also supported by specific program and project boards.

Consultative committees

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

Work health safety committees

The ACIC has both local work health safety committees and a National Work Health Safety Committee, with functions as described in section 77 of the *Work Health and Safety Act 2011*. Local committee meetings are held in our offices around the country and feed into the National Work Health Safety Committee meetings, which are held quarterly.

These committees are the primary means of consultation on work health and safety matters for our staff. They support the ACIC Executive by helping to identify, develop, implement and review measures designed to manage the health and safety of our staff at work.

Diversity and Inclusion Sub-committee

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

Other committees

Executive Health Panel

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

Management Review Board

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

Business planning

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

Our integrated planning approach links all our operational, technological and corporate work to our strategic direction to ensure that we are clear on achieving our purpose, as shown in Figure 3.2.

Figure 3.2: ACIC strategic planning process
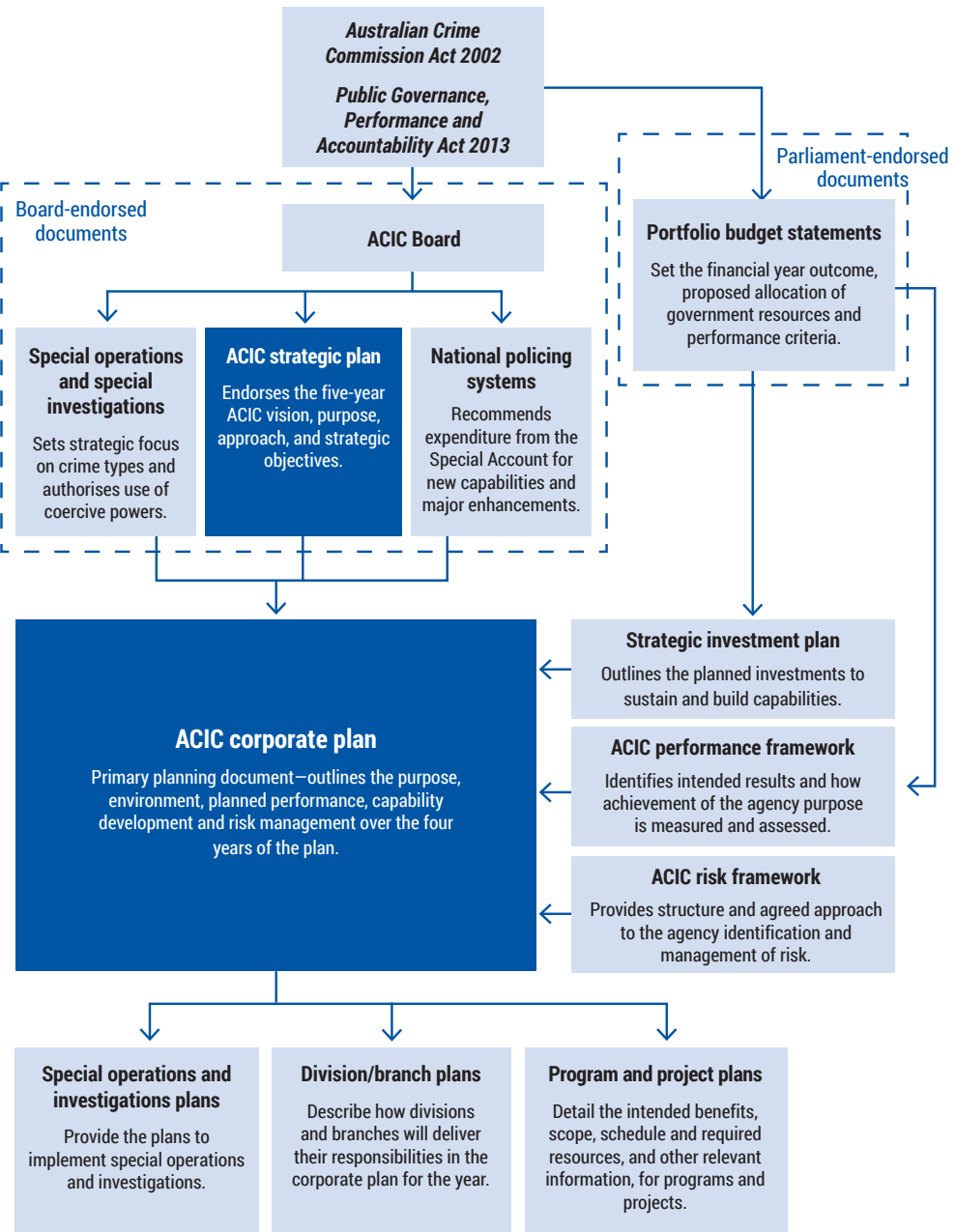
Strategic plan

In 2018, the ACIC Board endorsed our strategic plan for the financial years 2018–19 to 2022–23.

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

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

The ACIC's *Strategic Plan 2018–23* is on our website at <www.acic.gov.au/publications/corporate-documents>.

Corporate plan

The ACIC's *Corporate Plan 2018–19 to 2021–22* was published on 31 August 2018.

The plan has a four-year outlook and aligns to the strategic direction set in our strategic plan. It describes the environment in which we operate, how we manage risks and assess performance, and the strategies we will be delivering during the financial year and over the four-year life of the plan.

Our current corporate plan is on our website at <www.acic.gov.au/publications/corporate-documents>.

Performance measurement

Our performance criteria are outlined in our *Portfolio Budget Statements 2018–19* and *Corporate Plan 2018–19 to 2021–22*. Details of how we measure our performance and our results against each criterion are included in the annual performance statement in Part 2 of this report.

We take our performance measurement and agency reporting seriously and seek to continually improve and provide quality reporting. We are pleased that our 2017–18 annual report received a Gold Award, our fifth gold in a row, in the 2018 Australasian Reporting Awards.

Stakeholder research

We conducted market research in 2018–19 to understand stakeholder perceptions and satisfaction with the range of services and products that we provide and to help inform future planning. We also collected stakeholder views to help assess results against our performance criteria.

An external market research company conducted the research, which included an online survey of 149 stakeholders. Respondents represented a broad cross-section of agencies and classification levels. They also worked across different areas such as policy, information systems, intelligence and investigations. The survey was designed so that respondents were asked questions relevant to their areas of work and interactions with us.

Results and stakeholder comments are detailed in the annual performance statement in Part 2 of this report. Respondents rated our overall performance in meeting their needs at 6.9 on a scale of 1 to 10.

Most respondents agreed that the ACIC performs a unique and important function in preventing and responding to crime affecting Australia. Our most valuable functions were seen as:

▶ providing intelligence products

▶ providing information and intelligence services and systems.

Other areas of strength included our approach to investigations; our level of engagement; our knowledgeable and helpful staff; our use of coercive powers; and our unique role of connecting information, intelligence and stakeholders.

Areas for development were identified as ensuring that we are effectively engaging and communicating with partners; enhancing our intelligence products; settling uncertainty regarding system changes; and continuing to improve and increase the accessibility of ACIC systems.

We intend to work on areas for improvement, including stakeholder engagement; project management and delivery; timeliness; and the clear articulation of our strategic direction and role.

Internal audit

Our internal audit team has three main responsibilities:

▶ auditing organisational and operational systems and processes

▶ monitoring the implementation of audit outcomes

▶ developing business improvement opportunities to enhance effectiveness and efficiency in all ACIC business areas.

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

Key areas examined by internal audit during 2018–19 included:

▶ procurement

▶ project management

▶ management of operational equipment and exhibits

▶ covert arrangements.

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

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

Audit Committee operations

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

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

The committee provides advice on matters of concern raised by internal auditors or the Auditor-General and advises the CEO on the preparation and review of the ACIC's annual performance statement and financial statements.

At 30 June 2019, the Audit Committee comprised an independent external chair and four members, as well as an observer from the Australian National Audit Office. The independent audit committee members have held a range of senior roles in law enforcement, national security and financial crime investigation and are experienced in managing risk in those contexts.

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

Assumed identities

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

During 2018–19, as required under the legislation, we:

▶ reported to Commonwealth, state and territory ministers in accordance with legislative requirements

▶ reviewed the ongoing necessity for each authorised member of staff to continue to use an assumed identity

▶ conducted mandatory audits of ACIC records relating to assumed identities.

This year we worked on developing a system to manage the end-to-end lifecycle for assumed identities and online personas and to help ensure that compliance and legislative requirements are met. Once the system is rolled out, ACIC staff will be able to use a single, secure application to undertake intelligence, investigative and research activities using assumed identities and online personas to support strategic and operational outcomes.

Risk management

The ACIC's risk management framework assists us to make risk-informed decisions that support our work to achieve our purpose while meeting our corporate and legislated accountabilities.

During 2018–19, we:

▶ completed the Comcover risk management benchmarking exercise to assess the maturity of our current approach and guide further development

▶ focused on approaches to improving risk culture and understanding at all levels

▶ participated in multiagency risk forums and consulted with partner agencies on better practice approaches to managing risk.

Our Comcover Risk Management Benchmarking Survey result evidenced a decrease in the maturity of the ACIC's risk management framework.

Our risk function is represented in the Audit Committee and works closely with the internal audit team and the ACIC Executive.

Security and integrity

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

Our security and integrity framework outlines a defined approach to managing integrity and security risks across our agency. Our documented, agreed and understood policies, procedures and processes define how security and integrity are managed in the agency.

Our integrity assurance function contributes to effective fraud and corruption control by reporting, preventing, detecting and investigating suspected fraud and corruption in the agency.

The ACIC adopts a risk-based approach to the security environment, ensuring the protection of people, information and assets.

We implemented the Protective Security Policy Framework reforms during 2018–19 and strove for continuous growth and maturity in our security culture. The CEO, as the accountable authority, has appointed a Chief Security Officer, who is responsible for the agency's security framework.

During the year, the agency undertook a number of significant projects to enhance our security governance framework and physical security at a number of sites, to ensure the ongoing protection of sensitive capabilities.

The ACIC maintains appropriate personnel security arrangements and protections, ensuring that all staff have appropriate security clearances to access required information, in addition to reviewing the ongoing suitability of its personnel annually.

Fraud and corruption

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

We work closely with partners to ensure that we are adequately and appropriately addressing risks within this environment and that staff have appropriate education and awareness to identify potential instances of wrongdoing and make use of the reporting mechanisms available.

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

We are well connected with the broader anti-corruption environment. We participate in the Australian Commission for Law Enforcement Integrity (ACLEI) Community of Practice for Corruption Prevention. This network of integrity professionals from the agencies under ACLEI's jurisdiction shares best practice strategies in detecting and deterring corrupt conduct and participates in discussions on key or emerging issues.

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

External scrutiny

At 30 June 2019, the ACIC was part of the Home Affairs portfolio and accountable to the Minister for Home Affairs.

Our external scrutiny includes the ACIC Board, the Inter-Governmental Committee on the Australian Crime Commission, the Parliamentary Joint Committee on Law Enforcement and the Senate References Committee on Legal and Constitutional Affairs.

Due to the nature of our business, we operate in a contested environment and are subject to legal challenge as a normal part of our operations. The Commonwealth Ombudsman, ACLEI and the Australian National Audit Office also form part of our external scrutiny framework, as shown in Figure 3.3.

Figure 3.3: ACIC external accountabilities at 30 June 2019
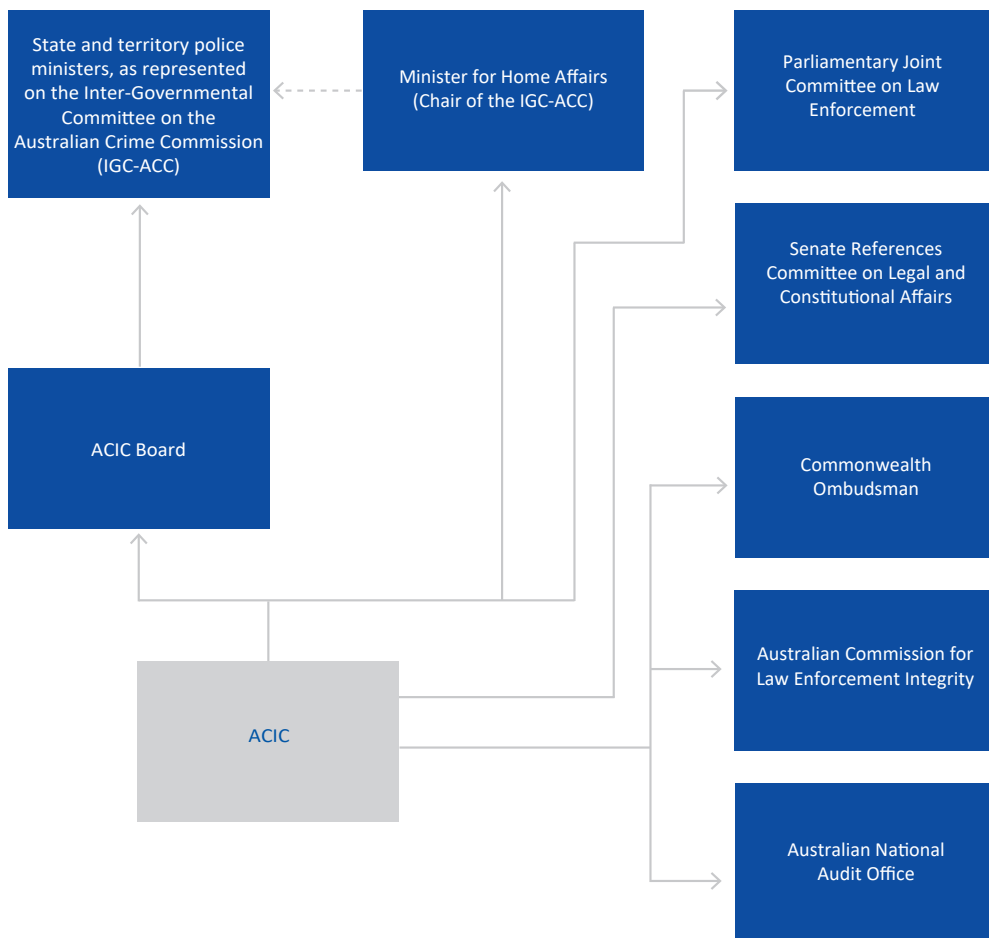
Ministerial arrangements

At 30 June 2019, the Home Affairs portfolio included the following ministers:

- Minister for Home Affairs, the Hon Peter Dutton MP

- Minister for Immigration, Citizenship, Migrant Services and Multicultural Affairs, the Hon David Coleman MP

- Assistant Minister for Customs, Community Safety and Multicultural Affairs, the Hon Jason Wood MP.

While we are accountable to all portfolio ministers as required, most of our work during 2018–19 related to the areas covered by Minister Dutton.

The Hon Peter Dutton MP was sworn in as the Minister for Home Affairs on 20 December 2017. Following the 2019 federal election, the Hon Peter Dutton MP was again sworn in as the Minister for Home Affairs on 29 May 2019.

Parliamentary Joint Committee on Law Enforcement

At 30 June 2019, the Parliamentary Joint Committee on Law Enforcement consisted of nine members. The committee is made up of four members from the Senate (appointed by the Senate) and five members from the House of Representatives (appointed by the House). The committee meets as required.

At 30 June 2019, the members of the committee were:

- Mr Craig Kelly MP (Chair)

- Senator the Hon Lisa Singh (Deputy Chair)

- Senator the Hon Eric Abetz

- Dr Anne Aly MP

- Senator the Hon Richard Colbeck

- Senator the Hon Kristina Keneally

- Mr Llew O'Brien MP

- Ms Clare O'Neil MP

- Mr Jason Wood MP.

The duties of the committee are to:

- monitor and review the performance of the ACIC and Australian Federal Police (AFP) and their functions

- report to both Houses of the Parliament any matters relating to the ACIC or AFP or their performance of which the committee thinks the Parliament should be aware

- examine the annual reports of the ACIC and AFP and report to the Parliament on any matter appearing in, or arising out of, any such annual report

- examine trends and changes in criminal activities, practices and methods and report to the Parliament any change to the functions, structure, powers and procedures of the ACIC or the AFP that the committee thinks desirable

- inquire into issues, within its area of responsibility, raised by the Parliament, and report back.

Under section 7(c) of the *Parliamentary Joint Committee on Law Enforcement Act 2010*, the committee is required to examine each annual report of the ACIC. This is usually done through a public hearing.

Other parliamentary committees

Each year we contribute to various parliamentary inquiries affecting national law enforcement capability and activities. For details of our contributions in 2018–19, see page 34.

In addition, in 2018–19, we were called on to appear before the Senate Legal and Constitutional Affairs References Committee at Budget Estimates hearings on 22 October 2018, 18 February 2019 and 8 April 2019. Transcripts of the proceedings and responses to questions on notice are available on the committee's website.

Inter-Governmental Committee on the Australian Crime Commission

The Inter-Governmental Committee on the Australian Crime Commission (IGC-ACC) is established by section 8 of the ACC Act, with the following functions:

- to monitor generally the work of the ACIC and the ACIC Board

- to oversee the strategic direction of the ACIC and the ACIC Board

- to receive reports from the ACIC Board for transmission to the governments represented on the committee and to transmit those reports accordingly.

The IGC-ACC monitors the work and strategic direction of the ACIC and the ACIC Board, including the use of coercive powers. Under certain circumstances, the committee has the authority to revoke a board determination.

The IGC-ACC comprises the Minister for Home Affairs and a minister to represent each state and territory government, nominated by the premier or chief minister of the state or territory. At 30 June 2019, the members were:

- the Hon Peter Dutton MP (Commonwealth) (Chair)

- the Hon David Elliot MP (New South Wales)

- the Hon Lisa Neville MP (Victoria)

- the Hon Michael Ferguson MP (Tasmania)

- the Hon Corey Wingard MP (South Australia)

- the Hon Michelle Roberts MLA (Western Australia)

▶ the Hon Nicole Manison MLA (Northern Territory)

▶ the Hon Mark Ryan MP (Queensland)

▶ the Hon Mick Gentleman MLA (Australian Capital Territory).

ACIC Board

The ACIC Board is established by section 7B of the ACC Act and is responsible for providing strategic direction to the ACIC and setting strategic priorities for the agency. The board is also responsible for determining whether an intelligence operation or investigation is 'special' and therefore may involve use of the coercive powers set out in the ACC Act.

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

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

As set out in section 7B of the ACC Act, the ACIC Board comprises the:

▶ Commissioner, Australian Federal Police (Chair)

▶ Secretary, Department of Home Affairs

▶ Comptroller-General, Customs (Commissioner of the Australian Border Force)

▶ Chairperson, Australian Securities and Investments Commission

▶ Director-General of Security, Australian Security Intelligence Organisation

▶ Commissioner of Taxation, Australian Taxation Office

▶ commissioners of all state police forces and the Northern Territory police force, and the Chief Police Officer, ACT Policing

▶ CEO, ACIC (as a non-voting member).

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

Chair's annual report

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

Board decisions and considerations

During 2018–19, the board was responsible for the authorisation and determination of special investigations and special operations and the establishment of task forces as shown in tables 3.2 and 3.3.

Table 3.2: ACIC Board authorisations and determinations at 30 June 2019

Authorisation/determination	Type	Date established
National Security Impacts from Serious and Organised Crime No. 2 (as amended)	Special investigation	4 September 2013
Outlaw Motor Cycle Gangs (as amended)	Special investigation	4 September 2013
Highest Risk Criminal Targets No. 2 (as amended)	Special investigation	4 September 2013
Targeting Criminal Wealth No. 2 (as amended)	Special investigation	4 September 2013
Criminal Exploitation of Australia's Migration System	Special operation	8 June 2016
Emerging Organised Crime Threats	Special operation	8 June 2016
Cyber-related Offending	Special operation	21 June 2017
Firearm Trafficking	Special operation	21 June 2017
High Risk and Emerging Drugs No. 3	Special operation	21 June 2017
Cyber-Related Offending No. 2	Special operation	13 June 2018
Firearm Trafficking No. 2	Special operation	13 June 2018
High Risk and Emerging Drugs No. 4	Special operation	13 June 2018
National Security Impacts from Serious and Organised Crime No. 3	Special operation	13 June 2018
Outlaw Motor Cycle Gangs No. 2	Special operation	13 June 2018
Highest Risk Criminal Targets No. 3	Special investigation	13 June 2018
Targeting Criminal Wealth No. 3	Special investigation	13 June 2018
Criminal Exploitation of Australia's Migration System No. 2	Special operation	13 June 2018
Emerging Organised Crime Threats No. 3	Special operation	13 June 2018

Table 3.3: ACIC Board-established task forces at 30 June 2019

Task force	Date established
National Task Force Morpheus	1 July 2014
Vestigo Task Force	30 November 2016
National Criminal Intelligence System Task Force	13 June 2018

In addition, in 2018–19, the board:

▶ approved the 2019–20 national criminal intelligence priorities

▶ reviewed ACIC strategic priority areas and the planned activity and response to identified threats, and determined the priorities for the ACIC's special investigations and special operations

▶ considered arrangements for the National Criminal Intelligence System

▶ approved ongoing access to information for the Enhanced Biometrics at the Border project

▶ noted that the Australian Cyber Security Centre has taken responsibility for a cybercrime reporting system to replace the Australian Cybercrime Online Reporting Network

▶ noted prioritisation of ICT projects to ensure delivery of key priorities

▶ agreed to progress further work on key recommendations in the 2015 *Independent Review of the ACC Act* (as required under section 61A of the ACC Act), which presents an opportunity to ensure that the ACIC has the necessary powers to support our investigative and intelligence functions.

During 2018–19, the ACIC Board farewelled Commissioner Ian Stewart, Queensland Police Service, who was appointed to the board in 2012.

Board-endorsed external governance and engagement model

The board endorsed updated external governance arrangements on 13 June 2018 to support the effective operation of the ACIC. The arrangements include external engagement bodies comprising representatives from board member agencies and other relevant partner agencies.

The role of these bodies is to provide advice to the ACIC CEO in accordance with the CEO's functions as prescribed under the ACC Act, as follows:

▶ **Law Enforcement Information Services Capability Committee**—This committee informs the development, implementation and operation of initiatives that support national law enforcement information-sharing services and systems for Australia's police, wider law enforcement and national security agencies.

▶ **National Criminal Intelligence Capability Committee**—This committee promotes and champions the professionalism of the national criminal intelligence capability and collaborates on strategic intelligence issues at the national level to ensure coordinated advice for Australia's police, wider law enforcement and national security agencies.

▶ **Technology Capability Committee**—This committee informs and supports the development, implementation and operation of the national services and systems that we deliver for Australia's police, wider law enforcement and national security agencies.

Australian Commission for Law Enforcement Integrity

The ACIC's primary oversight body is the ACLEI, which was established by the *Law Enforcement Integrity Commissioner Act 2006* to prevent, detect and investigate corruption in law enforcement agencies, including the ACIC and the former National Crime Authority where necessary.

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

Commonwealth Ombudsman

During 2018–19, the Ombudsman visited the ACIC offices in Brisbane, Sydney and Melbourne to conduct seven inspections.

The ACIC has since received a report on each of those inspections. The reports include issues that were self-disclosed by the ACIC to the Ombudsman during inspections, as well as instances that the Ombudsman identified based on its review of our records. In most of the reports the Ombudsman also expressed satisfaction with the ACIC's transparency, commitment to compliance measures and remedial action. Reports outlining results from inspections of ACIC records become publicly available once the Minister has tabled them in Parliament.

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

Australian National Audit Office

During 2018–19, the Australian National Audit Office completed a performance audit on the administration of the Biometric Identification Services project as well as the annual audit of the financial statements.

Freedom of information

As an agency subject to the *Freedom of Information Act 1982*, we are required to publish information to the public as part of the Information Publication Scheme. That information can be found on our website at <www.acic.gov.au/about-us/freedom-information>.

Judicial decisions

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

In 2018–19, the ACIC was involved in five significant matters, for which we prepared regular reports to the Office of Legal Services Coordination. Two of those matters were also reported on in last year's annual report.

XXVII v Commonwealth of Australia & Ors

XXVII (a court-ordered pseudonym) was summonsed to attend an examination under the ACC Act. On 15 March 2016, XXVII filed an application for judicial review seeking orders to prevent the examination from proceeding on a number of administrative law grounds. In particular, XXVII challenged the validity of the board's special investigation, under which XXVII was summonsed, and consequently the summons itself. The matter was heard before Justice Charlesworth.

On 29 March 2017, the court ruled in favour of the ACIC, dismissing the application. Justice Charlesworth found that the application sought to relitigate issues that had been resolved by the decisions in *XCIV v ACC & Sage, LX v Commonwealth of Australia* and *XX v Australian Crime Commission* and upheld the validity of the special investigation.

On 11 April 2017, XXVII filed an appeal against the decision of Justice Charlesworth. The appeal was heard on 22 August 2017, and on 13 April 2018 the Full Court dismissed the appeal. XXVII filed an application for special leave on 11 May 2018. On 12 September 2018 the application was dismissed on the papers.

Galloway v CDPP & Ors; Hodges v CDPP & Ors; Tucker v CDPP & Ors; Strickland v CDPP & Ors

In 2012, six people were charged with various offences. Four of the accused were examined pre-charge by the then Australian Crime Commission on matters in relation to which they were eventually charged. The trial judge ordered a stay of their prosecutions. That stay was overturned on appeal. Special leave to appeal was granted by the High Court.

On 8 November 2018, the court unanimously held that the ACIC had acted unlawfully on the basis that no special investigation was being conducted under the ACC Act at the relevant time. The majority granted permanent stays of the appellants' prosecutions.

CCXV v Commonwealth of Australia & Ors

CCXV (a court-ordered pseudonym) was summonsed to attend an examination under the ACC Act. On 3 September 2018, CCXV filed an application for judicial review seeking orders to prevent the examination from proceeding on a number of administrative law grounds. In particular, CCXV challenged the validity of the ACIC Board's special investigation under which CCXV was summonsed, the summons itself, and the constitutional validity of the provisions in the ACC Act that permit examinations of persons 'post-charge'.

The matter was resolved before the hearing and on 3 June 2019 Justice White made consent orders dismissing the application.

CXXXVIII v Commonwealth of Australia & Ors

CXXXVIII (a court-ordered pseudonym) was served with a summons to appear before an examiner in furtherance of a special investigation. He was also served with a forthwith notice to produce, at the time and place of service, certain items in his custody and control. The examiner conceded that the summons and notice were ineffectually served, for different reasons. The examiner exercised his powers and issued a fresh summons and a new notice, which were subsequently served on CXXXVIII.

On 27 June 2018, CXXXVIII filed an application for judicial review seeking to challenge the decision to issue the two summonses and two notices served on him. The ACIC conceded that the first notice and the first summons were ineffectually served/deficient, but contended that the second summons and second notice were lawfully and validly issued and served.

The matter was heard in an expedited hearing, and Justice Brown ruled in favour of the respondents on 31 August 2018. On 20 September 2018, CXXXVIII filed an application in the Full Federal Court seeking to appeal the whole of the decision of Justice Brown. His application was unsuccessful.

CXXXVIII has applied to the High Court for special leave in respect of the whole of the Full Federal Court's judgement. At the time of writing the report the High Court is considering the special leave application.

CXXXVIII v The Honourable Justice Richard Conway White & Ors

An ACIC examiner applied for the issue of a section 31 warrant under the ACC Act. The warrant was issued by Justice White on 8 August 2018. The AFP subsequently executed the warrant and stopped CXXXVIII (a court-ordered pseudonym) from leaving the country. On 31 December 2018, CXXXVIII filed an application seeking judicial review of the arrest warrant under section 39B of the *Judiciary Act 1903*. The matter is expected to be listed for hearing in November 2019.

Contempt of the ACIC

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

Three contempt proceedings were finalised in 2018–19.

Anderson v GPY18 [2019] FCA 954

On 11 September 2018, GPY18 (a court-ordered pseudonym) was summonsed to appear before an ACIC examiner. GPY18 appeared before the examiner and refused to take the oath or make an affirmation, and contempt proceedings were commenced under section 34A of the ACC Act. GPY18 pleaded guilty to the contempt.

On 21 June 2019, GPY18 was sentenced in the Federal Court to six months immediate imprisonment.

Anderson v DKH18 [2018] FCA 1571

On 6 June 2018, DHK18 (a court-ordered pseudonym) was summonsed to appear before the ACIC examiner. DHK18 appeared before the examiner and refused to answer questions. Contempt proceedings were commenced under section 34A of the ACC Act. On 5 October 2018, DHK18 pleaded guilty to six counts of contempt of the ACIC.

On 19 October 2018, DHK18 was sentenced in the Federal Court to an indefinite period of imprisonment.

Sage v AFL19—Federal Court proceeding VID1660/2018

On 22 June 2018, AFL19 (a court-ordered pseudonym) was summonsed to appear before an ACIC examiner. During the course of the examination, AFL19 refused to answer questions. Contempt proceedings were commenced under section 34A of the ACC Act. The examination was adjourned for mention to 17 December 2018. When the examination commenced, AFL19 purged his contempt and the application was discontinued.

Legislative change

Amendments to the ACC Act

The ACIC is established by the ACC Act. During 2018–19, the ACC Act was amended by the *Office of National Intelligence (Consequential and Transitional Provisions) Act 2018*, which commenced on 20 December 2018 and amended the ACC Act to facilitate information sharing with the newly established Office of National Intelligence.

Amendments to the ACC Regulations

The *Australian Crime Commission Regulations 2018* commenced on 18 December 2018, replacing the *Australian Crime Commission Regulations 2002*. The new Regulations retained existing provisions but with some updating and revised drafting.

Additional provisions included in the new ACC Regulations were:

▶ clarification that expressions defined in the ACC Act that contain 'ACC', such as 'ACC information', 'member of the staff of the ACC' and 'Board of the ACC' may also be referred to by replacing 'ACC' with a prescribed alternative acronym; this is intended to facilitate the use of the acronym 'ACIC'

▶ additional options for the service of summonses, such as electronic service and extensions to the categories of judges to whom the ACIC may apply for a substituted service order to include judges of the Federal Circuit Court

▶ amendments to the form of section 22 warrants

▶ the prescribing of additional international bodies, bodies corporate and classes of bodies corporate for the disclosure of ACIC information

▶ national policing information

- state and territory working with children screening agencies and court agencies prescribed as agencies that contribute information to a national policing information system for the Working with Children Checks National Reference System and the National Domestic Violence Order Scheme and the Interim Order Reference System, respectively

- the prescribing of new national policing information systems, namely the National Criminal Intelligence System; the End User Declaration Online System; and the Working with Children Checks National Reference System

▶ the removal of six national policing information systems to reflect the current systems maintained by the ACIC.

▶ Our people

At 30 June 2019, the ACIC had a staff of 770 Australian Public Service (APS) employees and statutory office holders, including 21 staff from the AIC, supplemented by 38 secondees from Commonwealth, state and territory law enforcement and other Commonwealth agencies.

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

We work with secondees from our partner agencies, some of whom are seconded to the ACIC to work in multiagency task forces and joint analyst groups. We also engage contractors and consultants to provide specialised services.

Staffing profile

Table 3.4 shows our staffing profile at the end of 2018–19. More details of the ACIC's staffing are provided in Appendix D. Information on consultants is provided in the 'Resource management' section on page 104.

Table 3.4: Staffing profile at 30 June 2019

Staffing categories	Number of staff	Number of full-time equivalent staff	Average staffing level during 2018–19
APS employees and statutory office holders	770	729.16	745.61
Secondees funded by the ACIC[a]	21	n.a.	n.a.
Secondees funded by jurisdictions[a]	17	n.a.	n.a.
Total core staff	**808**	**729.16**	**745.61**
Task force members	101	n.a.	n.a.
Total overall staff	**909**	**729.16**	**745.61**

APS = Australian Public Service, n.a. = not applicable
a   This table shows the number of secondees and task force members at 30 June 2019. However, as secondees and task force members work with us for different periods of time throughout the year, the overall total for 2018–19 was 227. Secondees and task force members cannot be accurately reflected in full-time equivalent and average staffing level numbers.

During 2018–19, we had four statutory office holders, which included three examiners and the CEO, all appointed on a fixed-term arrangement.

At 30 June 2019, we had a total of 38 secondees from 14 other agencies, on short-term or long-term assignment. During the year, we hosted a total of 64 secondees.

We coordinate and participate in joint task forces and joint analyst groups with partner agencies. At 30 June 2019, we had 101 task force members from 13 other agencies on short-term or long-term assignment. During the year, we hosted 163 task force members.

Table 3.5 shows a breakdown of secondees and task force staff by home agency and jurisdiction at 30 June 2019.

Table 3.5: Secondees and task force staff by home agency and jurisdiction at 30 June 2019

Agency	Secondees funded by the ACIC	Secondees funded by jurisdiction	Task force staff funded by jurisdiction
ACT Policing	1	–	–
Australian Transaction Reports and Analysis Centre	–	–	3
Australian Defence Force	–	1	–
Australian Federal Police	2	–	18
Australian Taxation Office	2	5	1
Department of Education and Training	–	2	–
Department of Health	1	–	–
Department of Home Affairs	–	2	35
NSW Crime Commission	–	–	1
NSW Police Force	5	3	2
Office of the Inspector-General of Intelligence and Security	–	2	–
Queensland Corrective Services	–	–	1
Queensland Crime and Corruption Commission	–	–	1
Queensland Police Service	2	–	10
South Australia Police	–	1	1
Tasmania Police	1	–	1
Victoria Police	6	–	22
Western Australia Police	1	1	5
Total	**21**	**17**	**101**

Table 3.6 shows staffing profile trends over the three most recent financial years.

Table 3.6: Staffing profile trends

Headcount at 30 June	2016–17	2017–18	2018–19
APS and statutory office holders	810	791	770
Secondees funded by the ACC/ACIC	14	17	21
Secondees funded by other jurisdictions	10	14	17
Total core staff	**834**	**822**	**808**
Task force and joint analyst group members	100	101	101
Total overall available resources	**934**	**923**	**909**
Full-time equivalent (APS only)	761.25	757.46	729.16
Average staffing level (APS only)	757.69	749.06	745.61

ACC = Australian Crime Commission, APS = Australian Public Service

Location

During the year, our staff were based in eight locations around Australia and three overseas locations, as shown in Table 3.7.

Table 3.7: Australian Public Service employees and statutory office holders by location at 30 June 2019

Location	Number
Canberra	414
Sydney	128
Melbourne	90
Brisbane	69
Adelaide	32
Perth	29
Darwin	2
Hobart	2
London	1
The Hague	1
Washington DC	2

Classification levels

As shown in Table 3.8, we have 12 different classification levels, including APS 1–6, Executive Levels 1 and 2, Senior Executive Service (SES) bands 1 and 2 and our CEO and examiners, who are statutory office holders.

Table 3.8: Australian Public Service employees and statutory office holders by classification level at 30 June 2019

Classification level	Number
APS 1	2
APS 2	2
APS 3	26
APS 4	118
APS 5	109
APS 6	132
EL 1	279
EL 2	80
SES 1	14
SES 2	4
CEO	1
Examiners	3

APS = Australian Public Service, EL = Executive Level, SES = Senior Executive Service
Note: These figures represent positions that were substantively filled as at 30 June 2019.

A breakdown of classifications in our different locations is in Appendix D, tables D.1 to D.4.

Age

Our workforce includes staff from 19 to 74 years of age.

Diversity and inclusion

The ACIC is committed to creating an environment that respects and values the expertise, experiences and abilities of all our employees. In doing so, we are able to build an inclusive and diverse workforce that allows us to better serve the community by delivering on our key purpose of making Australia safer.

The Diversity and Inclusion Sub-committee of the Corporate Committee provides oversight of our Workplace Diversity Program and provides support for and input into the development, maintenance and implementation of our disability action plans. The agency has four diversity action plans for 2017–19, focusing on:

▶ gender equity

▶ Aboriginal and Torres Strait Islander peoples

▶ people with disability

▶ people from culturally and linguistically diverse backgrounds.

The Diversity and Inclusion Sub-committee meets quarterly and consists of SES-level Diversity Champions and Deputy Champions as well as diversity working group members. They actively promote, participate in and support initiatives to improve diversity awareness, access and inclusion within the agency.

Gender

The agency's *Gender Action Plan 2017–2019* outlines our commitment and intention to address gender equality and aims to build on our inclusive culture with a broader and more diverse talent base to strengthen capability and operational effectiveness.

In 2018–19, the ACIC:

▶ launched our Gender Equality Pledge at our agency's 2019 International Women's Day event

▶ assisted with coordination of the National Intelligence Community's International Women's Day event, which included a panel discussion that created awareness and education to support women's progression into leadership roles affected by gender imbalance

▶ continued to offer opportunities to women to participate in leadership programs, such as Women in Law Enforcement Strategy mentoring

▶ developed and implemented an e-learning program on unconscious bias

▶ shared success stories of employees enjoying flexible working arrangements.

During the year, women made up 49 per cent of our organisation (Table 3.9). There are 119 more women than men at classification levels APS 1–6, but 127 more men than women at the EL 1, EL 2 and SES levels.

Table 3.9: Australian Public Service employees and statutory office holders by gender at 30 June 2019

Gender	Number
Male	391
Female	379
Indeterminate	–

A breakdown of gender distribution by classification is in Appendix D, tables D.5 to D.8.

Cultural and linguistic diversity

The ACIC acknowledges, respects and promotes the culturally and linguistically diverse demographic of our workforce.

In 2018–19, we continued to implement our culture strategy to foster an inclusive, positive and productive working environment by:

▶ celebrating significant events

▶ offering staff an opportunity to register their language skills

▶ holding a membership of Diversity Council Australia

▶ monitoring and tracking retention levels of staff across all diversity groups

▶ promoting the ACIC as an employer of choice for all position descriptions and diversity groups.

Of our staff, 22 per cent have self-identified as being from a non-English speaking background, 15 per cent have stated that they do not have English as their first language, and 16 per cent have stated that Australia is not their country of birth.

Reconciliation Action Plan

Our *Reconciliation Action Plan 2018–20* was launched on 19 April 2018. The plan, which is supported by two Senior Executive Champions and a working group, allows the ACIC to foster respectful and productive relationships with Aboriginal and Torres Strait Islander people and communities. In implementing the plan, we are making a meaningful contribution to reconciliation.

During 2018–19, we took the following actions:

▶ The ACIC celebrated and promoted the *Reconciliation Action Plan 2018–20* and encouraged employees to participate in National Reconciliation Week and NAIDOC Week events. This included a cultural immersion and awareness program on country, and attendance at the National NAIDOC Awards. We also invited an Indigenous elder to conduct a Welcome to Country and dancers to provide a cultural experience for employees at our all-staff meetings.

▶ We held the agency's inaugural Indigenous Employee Forum, which brought together all Indigenous staff, facilitated by a recognised Indigenous enterprise sourced through Supply Nation.

- We implemented the Acknowledgement of Country in all ACIC meetings by placing wording in each ACIC meeting room. Supporting guidelines are available on the intranet.

- We continued to participate in Indigenous programs, which included entry-level programs, the Indigenous Australian Government Development Program, the APS Indigenous Graduate Pathway and the Jawun secondment program.

- We held monthly Reconciliation Action Plan Working Group meetings to assist in the implementation of the *Reconciliation Action Plan 2018–20*.

Of our staff, 1.6 per cent have self-identified as being from an Indigenous background.

Disability

The ACIC is committed to changing attitudes and removing barriers by providing an inclusive workplace for employees and potential employees with disability.

The *Disability Action Plan 2017–2019* has provisions to ensure an accessible and inclusive workplace. We are changing attitudes by:

- ensuring that our two Senior Executive Disability Champions promote access and inclusion in the agency

- continuing to maintain a silver membership of the Australian Network on Disability

- participating in the Australian Network on Disability's 'Stepping Into' program

- developing draft reasonable adjustment policies, factsheets and an accessibility passport

- commencing development of a psychological health strategy which promotes mental health and wellbeing in the workplace

- implementing a disability awareness e-learning program available to all staff

- promoting and maintaining the Disability Working Group.

Of our staff, 2.1 per cent of staff have identified as having disability.

The National Disability Strategy 2010–2020 sets out a national policy framework to improve the lives of people with disability. Progress against the framework is tracked in a series of reports available from the Department of Social Services website <www.dss.gov.au>.

Remuneration and benefits

During 2018–19, our *ACIC Enterprise Agreement 2016–19* covered all APS employees (not including our substantive SES officers or examiners). The agreement commenced on 30 December 2016 and will expire on 30 December 2019. It provides a range of flexible working arrangements and aligns key ACIC conditions with APS-wide conditions.

Non-salary benefits include flexible working arrangements for staff at APS levels 1–6, time-off-in-lieu arrangements for Executive Level staff, tertiary studies assistance and a comprehensive Performance Development System. We also offer free influenza vaccinations and an employee assistance program that provides counselling and support for staff and their family members.

Details of salary ranges available under the enterprise agreement are provided in Table D.14 in Appendix D.

Incremental advancement is available to eligible staff as part of our Performance Development System. The ACIC does not have a system of performance payments.

Executive remuneration disclosures

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

The ACIC uses common law contracts for all SES employees to govern remuneration and entitlements. Details of SES total remuneration are in the financial statements (see page 130).

As our CEO and ACIC examiners are statutory office holders, the Remuneration Tribunal sets their remuneration and entitlements.

Tables 3.10 to 3.14 provide details of executive remuneration in 2018–19.

Table 3.10: Key management personnel for 2018−19

Name	Position	Term as key management personnel
Michael Phelan	Chief Executive Officer	Full year
Edward Williams	Chief Operating Officer	Part year—resigned 5 January 2019
Anne Brown	Chief Operating Officer	Part year—appointed 8 April 2019
Colin Blanch	Executive Director Intelligence	Part year—resigned 26 July 2018
Matthew Rippon	Executive Director Intelligence	Part year—appointed 15 October 2018
Mark Harrison	Executive Director Capability	Part year—appointed 2 October 2018
Rochelle Thorne	Executive Director Technology	Full year
Nicole Mayo	Acting Chief Operating Officer	Part year—acted 26 November 2018 to 5 April 2019

Table 3.11: Summary of key management personnel's remuneration for 2018–19

	$
Short-term benefits	
Base salary	1,306,974
Bonuses	–
Other benefits and allowances	22,933
Total short-term benefits	**1,329,907**
Superannuation	209,213
Total post-employment benefits	**209,213**
Other long-term benefits	
Long service leave	31,037
Total other long-term benefits	**31,037**
Termination benefits	100,000
Total key management personnel remuneration	**1,670,157**

Final figures have been rounded to the nearest dollar

Table 3.12: Information about remuneration for key management personnel 2018−19

| Name | Position title | Short-term benefits | | | Post-employment benefits | Other long-term benefits | | Termination benefits $ | Total remuneration $ |
		Base salary $	Bonuses $	Other benefits and allowances $	Superannuation contributions $	Long service leave $	Other long-term benefits $		
Michael Phelan	Chief Executive Officer	475,417	–	5,396	72,486	11,962	–	–	565,261
Edward Williams	Chief Operating Officer	114,182	–	2,698	22,582	3,050	–	100,000	242,511
Nicole Mayo	Chief Operating Officer (Acting)	118,366	–	1,799	16,371	1,718	–	–	138,255
Matthew Rippon	Executive Director Intelligence	169,670	–	3,597	30,073	4,000	–	–	207,340
Mark Harrison	Executive Director Capability	197,452	–	4,047	27,219	4,500	–	–	233,218
Rochelle Thorne	Executive Director Technology	231,887	–	5,396	40,481	5,808	–	–	283,571
Total		**1,306,974**	**–**	**22,933**	**209,213**	**31,037**	**–**	**100,000**	**1,670,157**

Note:
- Includes officers substantively holding or acting for a period exceeding three months in a key management personnel position.
- CEO salary is subject to a 2019 full-time office holder Remuneration Tribunal determination.
- The ACIC CEO is also the Director of the Australian Institute of Criminology (AIC). The full cost of the ACIC CEO is included.
- Base salary includes salary paid or due to employee for the year; it includes net annual leave (total annual accrual minus leave taken in this financial year) and any applicable acting allowances.
- Superannuation is subject to Public Sector Superannuation Scheme, Commonwealth Superannuation Scheme and Public Sector Superannuation Accumulation Plan rules.
- Super contributions are the 2018–19 contributions by the ACIC to the applicable super fund. They do not include employee post-tax contributions or additional lump sum payments.
- Long service leave is the value of long service accrued during this financial year.
- Final figures have been rounded to the nearest dollar.

Table 3.13: Information about remuneration for senior executives 2018–19

Total remuneration bands	Number of senior executives	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
		Average base salary $	Average bonuses $	Average other benefits and allowances $	Average superannuation contributions $	Average long service leave $	Average other long-term benefits $	Average termination benefits $	Average total remuneration $
0–220,000	4	126,987	–	3,710	22,707	3,285	–	–	156,688
220,001–245,000	7	188,489	–	5,396	31,733	4,821	–	–	230,439
245,001–270,000	3	208,716	–	5,396	39,524	5,298	–	–	258,934
270,001–295,000	1	227,794	–	5,396	32,595	5,478	–	–	271,263

Final figures have been rounded to the nearest dollar.

Table 3.14: Information about remuneration for other highly paid staff 2018–19

Total remuneration bands	Number of other highly paid staff	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
		Average base salary $	Average bonuses $	Average other benefits and allowances* $	Average superannuation contributions $	Average long service leave $	Average other long-term benefits $	Average termination benefits $	Average total remuneration $
220,001–245,000	1	143,378	–	70,847	14,304	2,828	–	–	231,357
245,001–270,000	1	128,064	–	98,322	16,455	2,651	–	–	245,493
320,001–345,000	1	129,974	–	195,442	14,935	3,088	–	–	343,439
495,001–520,000	1	410,746	–	–	76,229	10,302	–	–	497,277

* Other benefits and allowance paid to staff include allowances and benefits paid in relation to living costs whilst on international deployment.
Final figures have been rounded to the nearest dollar.

Table 3.15: Details of accountable authority during the reporting period 2018–19

Name	Position title/Position held	Period as the accountable authority or member	
		Date of commencement	Date of cessation
Michael Phelan	Chief Executive Officer	13 November 2017	–

Staff retention and turnover

In 2018–19, a total of 170 staff left the agency. Reasons for leaving included moving to another APS agency, retirement, redundancy and the completion of non-ongoing contracts, as shown in Table 3.16.

Table 3.16: Australian Public Service staff and statutory office holders turnover 2018−19

Reasons for terminations	Number
Completed non-ongoing contract	6
Early termination of non-ongoing contract	1
External promotion	2
External transfer	49
Invalidity retirement	–
Resignation	67
Retired after age 55	7
Section 29(3)(c) of the *Public Service Act 1999* (poor performance)	1
Involuntary redundancy	1
Voluntary redundancy	36

In 2018–19, our average retention rate was 80.9 per cent.

Our staff retention strategies include:

▶ recognition and performance development

▶ performance feedback and support

▶ learning and development opportunities

▶ mentoring

▶ opportunities for higher duties

▶ involvement in cross-directorate projects

▶ short-term transfers to other business areas

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

Learning and development

Our learning and development strategies support capability development in identified priority areas. The objective is to develop a responsive and high-performing workforce so that we can deliver on our strategic direction and priorities.
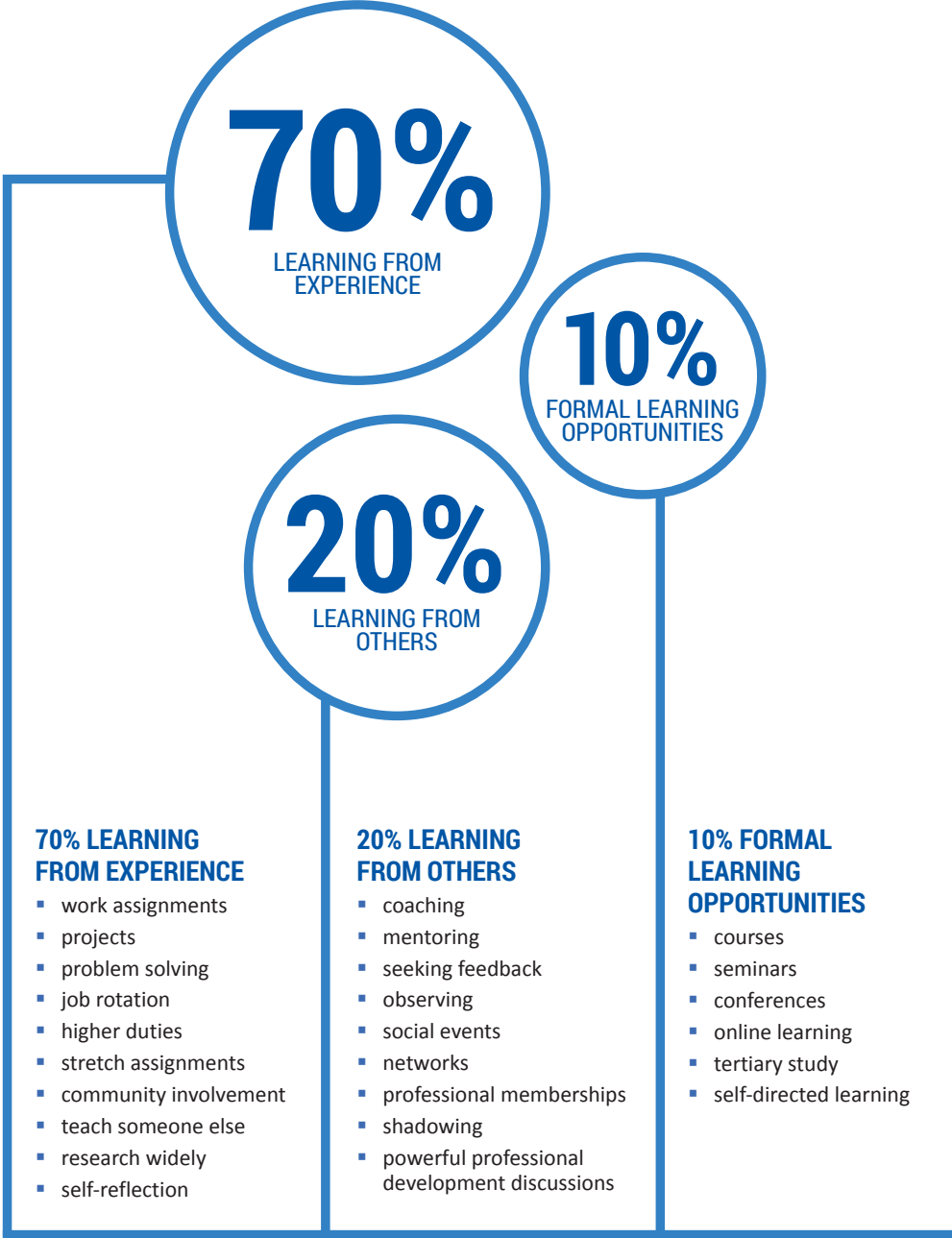
We adopt a blended learning and development philosophy, which recognises that experience within the workplace provides for the most effective learning, when blended with learning from others through coaching and mentoring and formal learning opportunities. This learning approach follows the 70:20:10 learning philosophy shown in Figure 3.4.

Opportunities

We provide learning and development opportunities in three key areas:

- ▶ **Core**—We provide learning activities to support positive workplace culture and fundamental organisational practices that enable employees to work successfully in the ACIC environment. Examples include induction, APS Core Skills programs, culture strategies, systems training, performance development training and project management courses.

- ▶ **Intelligence and specialist capability**—We work with internal subject matter experts, partner agencies and tertiary institutions to provide job-specific opportunities to enhance specialist and tradecraft capabilities. Examples include the delivery of training and qualifications in investigations, compliance, intelligence analysis, data analytics, national security policy, money laundering methodologies, strategic intelligence, criminology, telecommunications technology and information security.

- ▶ **Leadership and management**—We have worked closely with the Home Affairs portfolio to provide our managers and leaders with development opportunities through an executive leadership conference and the Leadership in Action series. We also provide leadership and executive coaching opportunities through external programs, such as those delivered through the Australian Institute of Police Management, the Australian Public Service Commission, the National Security College, the Australia and New Zealand School of Government, the Australian Federal Police, and the Women in Law Enforcement Strategy mentor program.

Figure 3.4: Learning and development 70:20:10 philosophy

70% LEARNING FROM EXPERIENCE

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

20% LEARNING FROM OTHERS

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

10% FORMAL LEARNING OPPORTUNITIES

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

Outcomes

In 2018–19, staff collectively attended more than 4,005 training and development opportunities and events through a combination of e-learning and face-to-face modes, on topics including core/business skills; coaching and mentoring; leadership and management; conferences/networking; specialist capability development (cyber, finance and international capability, as well as ICT, intelligence, investigations and psychology); induction; and compliance.

Specialist capability

In partnership with the AFP and AUSTRAC, the ACIC delivers foundation and intermediate criminal intelligence training as part of the Criminal Intelligence Training and Development Continuum. The continuum aims to develop intelligence professionals in both collection and analytical roles, to ensure a consistent, best practice approach to criminal intelligence. It awards vocational qualifications and is tertiary aligned, providing a formal pathway for staff to continuously develop and specialise in their roles.

In 2018–19, six iterations of the foundation-level Criminal Intelligence Development Program were delivered to staff within the agency. The course develops knowledge of intelligence processes and methodology and gives staff the skills to be effective in collection or analytical roles.

One iteration of the intermediate-level Criminal Intelligence Analysis Program was delivered to experienced intelligence analysts in the agency. The course gave staff advanced tools and techniques to ensure that they have the knowledge and skills to operate in joint agency taskforces, and in an increasingly complex criminal environment.

Over time, our partnership with the AFP and AUSTRAC for the joint delivery of criminal intelligence training will increase the quality of intelligence outputs across the tactical, operational and strategic spectrum, enhancing the effectiveness and interoperability of Commonwealth, state and territory agencies operating in the criminal intelligence domain.

Business capability

We provide a wide range of management and core business development opportunities for staff, to enhance our workforce capability. In 2018–19, such programs covered:

- learning cabinet processes
- employment law reform
- APS ethics and values
- writing skills
- presentation and briefing skills
- certified IT security
- operational ICT systems
- leadership and management
- project management
- training and assessment
- unconscious bias
- cultural immersion
- work health and safety.

Studies assistance

The ACIC supported 25 eligible employees to undertake tertiary studies resulting in a diploma qualification or higher, in fields such as business; criminology; forensics; cybersecurity; fraud and financial crime; accounting; project management; psychology; computing; and law.

Evaluations

We conducted 66 evaluation processes for internal and external training and development programs. Our evaluations seek to assess whether we have met our intended objectives and achieved continuous improvement while using resources wisely and achieving value for money.

Employee engagement

In 2018–19, 77 per cent of our staff participated in the voluntary survey.

Work health and safety

We are committed to preventing injuries and exposure to hazards in the workplace by taking all reasonably practicable steps to protect the health and safety of all workers at work through identifying, eliminating and minimising hazards. Appendix B details our 2018–19 work health and safety arrangements, initiatives and outcomes.

► Resource management

The ACIC's financial accountability responsibilities are set out in the Commonwealth Resource Management Framework, which governs how officials in the Commonwealth public sector use and manage public resources.

Asset management

During 2018–19, we engaged an independent professional valuer to undertake a desktop valuation of leasehold improvements and property, plant and equipment to determine whether asset book values at 30 June 2019 had changed materially since the previous fair value assessment in 2017–18. The valuer's report concluded 'After undertaking qualitative, quantitative and uncertainty analyses for the asset classes, we are of the opinion that there are no significant material difference between the carrying amounts and the fair values for the ACIC assets'. It is ACIC policy to undertake a full revaluation every three years and a desktop assessment each year in between.

Our asset mix (including assets under construction) at the end of 2018–19 comprised:

▶ $23.656 million of leasehold improvements

▶ $17.235 million of property, plant and equipment

▶ $27.170 million of intangibles.

Property

We have ACIC offices in each capital city to support the delivery of our national service. Premises in Hobart and Darwin are provided by those jurisdictions' police forces and are not subject to formal lease arrangements. All other offices are under lease until at least 2022; most of those leases are due to expire from 2024 onward.

We have continued to engage with Victoria Police in the design of premises in its development at 311 Spencer Street, Melbourne, with the intention of moving the Victorian regional office in 2020. The Minister for Finance and the Parliamentary Standing Committee on Public Works approved this project during 2017–18.

We monitor our property performance nationally with a view to minimising our property footprint and taking advantage of efficiency initiatives, including opportunities to share facilities. Overall, the agency has a fit-out density of 13.0 square metres per workpoint.

Purchasing

Our approach to procuring property and services, including consultancies, is consistent with Australian Government policy and legislation covering procurement. The Commonwealth Procurement Rules are applied to activities through the Accountable Authority Instructions and supporting operational policies and procedures, which are reviewed for consistency with the Commonwealth Procurement Framework.

The procurement framework reflects the core principle governing Australian Government procurement—value for money. Our policies and procedures also focus on:

▶ competitive, non-discriminatory procurement processes

▶ efficient, effective, economical and ethical use of resources

▶ accountability and transparency.

During 2018–19, we continued to participate in whole-of-government, coordinated procurement initiatives and used clustering and piggybacking opportunities to lower tendering costs and provide savings through economies of scale.

Consultants

Table 3.17 gives details our use of consultants in 2018–19.

Table 3.17: Consultancy contracts

Measure	Total
No. of new contracts entered into during the period	1
Total actual expenditure during the period on new contracts (including GST)	$180,125
No. of ongoing contracts engaging consultants that were entered into during a previous period	–
Total actual expenditure during the period on ongoing contracts (including GST)	–

During 2018–19, the ACIC entered into one new consultancy contract, involving total actual expenditure of $0.180 million (including GST). No ongoing consultancy contracts were active during 2018–19.

Consultants are typically engaged to investigate or diagnose a defined issue or problem, carry out defined reviews or evaluations, or provide independent advice, information or creative solutions to assist in the ACIC's decision-making. Prior to engaging consultants, we take into account the skills and resources required for the task, the skills available internally, and the cost-effectiveness of engaging external expertise.

We make decisions to engage consultants in accordance with the *Public Governance, Performance and Accountability Act 2013* and related Regulations, including the Commonwealth Procurement Rules and relevant internal policies.

Information on the value of contracts and consultancies is available on the AusTender website at <www.tenders.gov.au>.

Access clauses

During 2018–19, we did not enter any contracts of $100,000 or more that excluded provision for access by the Auditor-General.

Exempt contracts

Contract details are exempt from being published on AusTender if those details would disclose exempt matters under the *Freedom of Information Act 1982.* No such contract details were excluded from being published on AusTender in 2018–19.

Procurement initiatives to support small business

The ACIC supports small business participation in the Australian Government procurement market. Small and medium-sized enterprises (SMEs) and small enterprise participation statistics are available on the Department of Finance's website at <www.finance.gov.au/procurement/ statistics-on-commonwealth-purchasing-contracts/>.

We support the use of SMEs through various means, including the use of template contracts for both low-risk and higher risk procurements, and compliance with the government's Supplier Pay On-Time or Pay Interest Policy.

The ACIC recognises the importance of ensuring that small businesses are paid on time. The results of the survey of Australian Government payments to small business are available on the Treasury's website <www.treasury.gov.au>.

Grants and sponsorships

The ACIC did not enter into any new grant or sponsorship arrangements during 2018–19.

Ecologically sustainable development

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

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

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

▶ using electronic document management systems and web-based information-sharing tools that reduce or eliminate the need to print and retain paper copies of documents

▶ using video and telephone conferencing where possible to reduce the need for local and interstate travel

▶ reviewing leased buildings and encouraging owners to improve their buildings' energy performance

▶ ensuring that new leases entered into comply with the Australian Government's energy policy

▶ procuring energy-efficient equipment and lighting solutions, including a smart lighting system that activates only when areas are occupied

▶ providing recycling facilities in breakout areas.

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

Feature: Indigenous Employee Forum

Diversity drives innovation, which is critical when responding to crime impacting Australia. We are committed to creating an environment where everyone feels respected, valued and empowered to be themselves and bring their best selves to work—an inclusive, equitable and accessible workplace that reflects the Australian community.

We established the Reconciliation Action Plan Working Group to develop our *Reconciliation Action Plan 2018–20*, in consultation with all staff, and to oversee the progress of the planned outcomes.

The *Reconciliation Action Plan 2018–20* outlines practical actions that we will take to build strong relationships with Aboriginal and Torres Strait Islander people and enhance respect between Indigenous and non-Indigenous Australians. It includes a commitment to investigate opportunities to expand employment opportunities for Aboriginal and Torres Strait Islander people across the ACIC.

As a result of the working group's activities, the ACIC held its first Indigenous Employee Forum, bring Aboriginal and Torres Strait Islander staff together, in Canberra on 21 November 2018.

Facilitated by the Supply Nation accredited consultancy Building Indigenous Capability, the forum provided an opportunity for people to be inspired and generate innovative ideas about how ACIC can further support its Indigenous staff.

The forum's highlights included a Welcome to Country by Elder Aunty Louise Brown and a yarning circle, which is a harmonious, creative and collaborative way of communicating to build openness, honesty and trust.

ACIC CEO Michael Phelan addressed the forum, outlining four key focus areas for improvement:

▶ increasing the representation of Indigenous employees

▶ expanding the range of Indigenous employment opportunities

▶ investing in developing the capability of Indigenous employees

▶ improving awareness of Indigenous culture in the workplace.

Our Indigenous Champion and Deputy Indigenous Champion also attended the forum to help drive meaningful discussion.

Key themes highlighted during the day included leading powerfully in the workplace, managing change in the Australian Public Service, and creating culture, action and outcomes through language and conversations.

Forum participants said that they enjoyed working through issues facing Aboriginal and Torres Strait Islander employees and appreciated the opportunity to hold robust group discussions with our agency's leaders throughout the day.

Feature: Criminal intelligence training and development

Our Criminal Intelligence Training and Development Continuum (CITDC) continued to mature and expand in 2018–19. The CITDC provides a structured learning pathway for our staff in intelligence collection and analytical roles. Composed of various sequential, interrelated training programs and learning modules, the CITDC continues to develop a high-performing criminal intelligence workforce.

A key element of the CITDC is the Criminal Intelligence Development Program, run in partnership with the Australian Federal Police. The program is our agency's foundational course, leading to a formal qualification for our staff—a Diploma of Police Intelligence Practice. It introduces the concepts underpinning the intelligence cycle in the context of criminal intelligence and provides practical skills which are directly transferrable to the workplace.

This year, for the first time, places in a number of our intelligence programs were offered to our Commonwealth and state and territory partners. Participants from the Australian Transaction Reports and Analysis Centre, the Department of Home Affairs, Tasmania Police, Northern Territory Police, the Victorian Independent Broad-based Anti-corruption Commission and Western Australia Police completed programs within the CITDC. Importantly, the expansion of our training programs has fostered common understanding among agencies and interoperability at an operational level.

We received positive feedback from our partner training participants and there has been a surge of interest in placement on the course among other partners, including our international partners.

Although our agency has recently undergone a period of change through workforce planning initiatives, our 2019 Australian Public Service Commission Census results show that we have maintained positive levels of staff engagement, particularly in relation to specialist training and capability development.

This mirrors the positive feedback that we have received from our program participants, in particular about the clear learning and career progression pathways that the program gives staff in our Intelligence Operations and Capability divisions.

These programs are particularly important now that we have formally joined Australia's National Intelligence Community and as we strengthen our relationships with our international Five Eyes partner agencies. We now have a common benchmark for intelligence training so that our partners have a clear idea of what to expect from our staff.