



AUSTRALIAN  
**CRIMINAL  
INTELLIGENCE  
COMMISSION**



***2019–20***

# ***ANNUAL REPORT***

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

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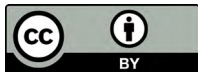
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We welcome feedback on our annual report, particularly about its readability and usefulness. Please send your feedback to <annualreport@acic.gov.au>.

An electronic version of this report, along with further information about the ACIC and our work, is available on our website at <www.acic.gov.au/publications/annual-reports>.

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# ACIC at a glance

The ACIC is a national criminal intelligence agency with investigative, collection, analysis and information delivery functions. We are part of the national collaborative response to crime affecting Australia.



## Our vision

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



## Our approach

**Discover**, **understand** and **connect** to improve the national ability to **respond** to crime impacting Australia.



## Our work

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



## Our purpose

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.

# About our report

This report summarises the performance of the Australian Criminal Intelligence Commission for the financial year ending 30 June 2020.

As a statutory agency within the Home Affairs portfolio, we manage our performance through the outcome and program structure in the annual portfolio budget statements.

This report reviews our performance against the performance measures in our portfolio budget statements and our corporate plan, and provides information on our financial performance, accountability and management of people and resources, as required by the *Public Governance, Performance and Accountability Act 2013*.

## How we assess our performance

Through both quantitative and qualitative measures, this report demonstrates how we have performed in our work to discover, understand and connect to improve the national ability to respond to crime impacting Australia.

Our performance indicators this year reflect our strategic outlook and directly align with our *Strategic Plan 2018–23*, *Corporate Plan 2019–20* and *Portfolio Budget Statements 2019–20*.

Our strategic plan and corporate plan, and a link to our portfolio budget statements, are available from our website at <[www.acic.gov.au](http://www.acic.gov.au)>.

## How the nature of our work affects our reporting

For operational reasons and because much of our work is classified, we cannot publicly report on some activities.

When activities are no longer sensitive or constrained by legal or statutory requirements, and wherever possible, we are committed to being open and transparent and providing information to the public. This includes our intention to produce additional reports each year, in both classified and unclassified forms, to enhance understanding of what we do.

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

# Performance in 2019–20

ACIC performance criteria		Result	Comments
DISCOVER	The picture of crime impacting Australia is improving because the ACIC is discovering crime threats, vulnerabilities, patterns, methods and trends previously unknown.	✓	<b>Met</b> —Our discovery of previously unknown targets was significantly higher than in previous years, and six new targets were added to the Australian Priority Organisation Target (APOT) list. We identified and understood new criminal methodologies impacting Australia. Stakeholder satisfaction with our information and intelligence on changes in the crime environment increased.
	The understanding of the picture of crime impacting Australia is increasingly more comprehensive, integrated and relevant.	✓	<b>Met</b> —Our range of intelligence products improved the understanding of the national picture of serious and organised crime impacting Australia. The number of analytical intelligence products produced was in line with the four-year average while the number of tactical products exceeded the average. We delivered products addressing all board-agreed priority crime themes, exceeding the four-year averages for the majority of themes. Stakeholder satisfaction with our information products increased.
UNDERSTAND	The understanding of the picture of crime impacting Australia is increasingly used to influence strategies and responses to crime.	✓	<b>Met</b> —Our intelligence informed and guided strategies to respond to crime, including through the findings of the ongoing National Wastewater Drug Monitoring Program and the release of the <i>Serious and Organised Crime Risk Assessment</i> . Stakeholder agreement that our intelligence informs policy/legal responses to criminal activity increased.
	The ACIC better informs and influences collaborative efforts to harden the environment against crime.	✓	<b>Met</b> —We provided information to support hardening of the environment against crime, and participated in the development, implementation and evaluation of policy and legislation in relation to agency powers, emerging issues and trends, and oversight of the broader intelligence community. This was confirmed by our stakeholders.
RESPOND	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.	✓	<b>Met</b> —We continued to work with partners to disrupt serious and organised crime affecting Australia. We are evolving our approach to disrupting APOTs to focus on achieving more significant and longer term effects. We continue to work with partners on a range of task forces. Stakeholder agreement that our investigations are of value increased.
	ACIC partners are better informed and enabled to undertake policing and community safeguarding activities through access to national information systems and services.	✓	<b>Met</b> —We informed our partners, and enabled them to protect the community, through the delivery of national information systems and services. Stakeholder satisfaction with our systems and services increased.
CONNECT	Existing ACIC systems and services are accessible, used and reliable.	✓	<b>Met</b> —We met the board-agreed availability benchmarks for all relevant systems. Numbers of service users increased or remained steady for 7 out of 12 systems and numbers of searches increased for 5 out of 7 systems. Stakeholder satisfaction with the reliability and accessibility of our systems and services increased.
	Through effective collaboration, enable the delivery and implementation of new and enhanced ACIC systems and services that satisfy the needs of stakeholders and users.	⊘	<b>Partially met</b> —While we delivered new and enhanced services and made progress in the delivery of others, due to a decline in stakeholder satisfaction we did not fully meet the criterion.
	The ACIC is sharing increasing volume, breadth and formats (mediums, platforms) of criminal intelligence and information, police information, and other relevant information.	✓	<b>Met</b> —Our dissemination of analytical and tactical intelligence products increased significantly while dissemination of alerts decreased due to COVID-19. We completed a number of requests for information in line with the four-year average, and provided five public reports.

# 2019–20 highlights

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



**208** previously unknown targets discovered



**6** potential new Australian Priority Organisation Targets (APOTs) listed



**139** intelligence products containing examination material finalised



**157** examinations to discover new information about serious and organised crime conducted



**153** analytical intelligence products finalised



key reports produced on **gangs**, **cybercrime**, **wastewater drug data** and **emerging threats from criminal encrypted communications**



**85%** of stakeholders surveyed agreed that the ACIC provides information and intelligence on changes in the crime environment (such as new crime threats, methods, trends and patterns)

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



**5** APOTs disrupted to the point that they are no longer considered APOT-level threats



**34** criminal entities disrupted



**68** entities involved in **9** financial referrals totalling **\$22.2 million** of offences



**260** charges laid and **106** people charged



**\$3.1 billion** street value of drugs and precursors seized



**84%** of stakeholders surveyed agreed that our intelligence and information inform policy and legal responses to criminal activity threatening Australia

# 2019–20 highlights

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



**14** systems that help our partners prevent, detect and reduce crime in the community provided



**14,507** information and intelligence products disseminated among **321** national and international law enforcement partners and other stakeholders



**Australian Firearms Information Network** system enhancements delivered



**3** National Wastewater Drug Monitoring Program reports released



**89%** of stakeholders surveyed that used our services and systems agreed that our information and intelligence services were valuable to the work of their organisation

Our **FINANCIAL PERFORMANCE** is underpinned by an accountable and transparent governance framework



**\$244.602 million** total revenue



**\$140.761 million** own source income



**\$239.276 million** total expenses



**\$5.333 million** operating surplus



**\$103.841 million** operating appropriation



**\$0.831 million** adjusted loss

Our **PEOPLE** are skilled, experienced and diverse



**781** staff and **43** secondees from partner agencies



**15%** of staff from non-English speaking backgrounds



**394** male, **387** female and **0** indeterminate staff



**81%** retention rate

# Letter of transmittal



AUSTRALIAN  
CRIMINAL  
INTELLIGENCE  
COMMISSION

16 September 2020

The Hon Peter Dutton MP  
Minister for Home Affairs  
Parliament House  
Canberra ACT 2600

Dear Minister

I am pleased to present the annual report of the Australian Criminal Intelligence Commission (ACIC) for the year ending 30 June 2020, prepared in accordance with the requirements of the *Public Governance, Performance and Accountability Act 2013*.

The report outlines the ACIC's performance for 2019–20 and includes audited financial statements.

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

In addition, I certify that I am satisfied that the ACIC has undertaken all appropriate fraud control measures as set out in section 10 of the *Public Governance, Performance and Accountability Rule 2014*.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Michael Phelan', is written over a light blue horizontal line.

**Michael Phelan APM**  
Chief Executive Officer  
Australian Criminal Intelligence Commission



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We are Australia's **national criminal intelligence** agency with **investigative** and **information delivery** functions.

# *Section 1*

## *Agency overview*

### *Who we are and what we do*

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# Chief Executive Officer's review

## Michael Phelan APM

During 2019–20, my focus remained on strengthening our relationships within the National Intelligence Community and responding to the criminal risks facing Australia, through our criminal intelligence capability, national criminal intelligence, national policing information services and National Police Checking Service (NPCS).



Amendments that were made in December 2019 to the *Australian Crime Commission Act 2002* (ACC Act) have changed how the ACIC Board authorises us to undertake special investigations and special operations. The legislative changes validated existing special investigations and special operations in relation to serious and organised crime, allowing us to continue to contribute to a safer and more secure Australia.

## Priority targets

The Australian Priority Organisation Target (APOT) list details the top international and transnational targets that play a significant role within Australia's serious and organised crime environment. We have coordinated operational activities with Australian and international partner agencies to cause maximum global and local disruption of APOT networks.

Over the past year, the APOT strategy saw unprecedented levels of cooperation between partner agencies, including those from the law enforcement, national intelligence, regulation and public integrity communities. Since October 2019, agencies have collaborated on 15 APOT disruption strategies, resulting in the disruption of five APOT networks.

## National Criminal Intelligence System

The development of the National Criminal Intelligence System (NCIS) progressed throughout 2019–20. This important national capability will give Australia's law enforcement and intelligence agencies the first truly national and unified picture of criminal activity.

The foundations of the system focus on frontline services and aim to improve officer safety by providing a national view of crime. NCIS will provide targeted, timely, relevant, prioritised national policing information, improving our ability to work together across jurisdictions and agencies.

We are now working in close collaboration with the Department of Home Affairs, which has come on board as our senior supplier. In 2019–20, we completed two test builds which demonstrated the immense potential of NCIS. Using existing

National Police Reference System data, NCIS has already made over seven million correlations across records of persons of interest nationally. This has enabled officers to have a unified view of an individual's reference information across all jurisdictions for the first time.

To be successful, NCIS relies on the active involvement of multiple partners across state, territory and Commonwealth law enforcement and intelligence agencies. Our work with partners during the year has readied NCIS for real-world use by frontline officers as agencies are progressively onboarded during 2020–21.

## IT improvements

In late 2019, our Technology Division moved to a new operating structure, in order to build a sustainable and professional workforce and support our staff in meeting the needs of our partner agencies. The model aligns closely with the models designed by the Digital Transformation Agency, the Home Affairs portfolio and the Australian Public Service Commission to build digital capability across the public service and support agencies to deliver services that meet the Australian Government's Digital Service Standard.

We worked on a number of system upgrades throughout the year, installed replacement hardware for the National Automated Fingerprint Identification System, successfully upgraded elements of the National Child Offender System platforms, and established a 24-hour on-call capability for national policing information systems.

We also completed major upgrades and enhancements to the Australian Firearms Information Network systems and infrastructure, and delivered and rolled out the Compliance Management System—Surveillance Devices and the Assumed Identities Management System.

The NPCS enhances the safety of the community by providing accurate and timely police information that helps organisations to make informed decisions about the suitability of applicants for a range of employment, registration, licensing and other entitlements. Looking forward, we have a project underway to enhance the NPCS Support System, which is the system used to submit and process checks. The project will deliver necessary security and technical improvements, as well as enhanced business functionality, to ensure that the NPCS operates more effectively, efficiently and accurately into the future.

## Training

We continued to deliver our core and specialist criminal intelligence training programs in 2019–20, as part of the Criminal Intelligence Training and Development Continuum (CITDC). The CITDC provides a structured learning pathway for our staff in intelligence collection and analysis roles, providing formal training and nationally recognised qualifications.

Composed of a number of interrelated training programs and learning modules, the CITDC continues to develop a high-performing criminal intelligence workforce for us and our partners. Of note this year, we focused on developing specialist tradecraft through the delivery of our human source training, intelligence systems training and intelligence analysis program.

Given the impact of COVID-19, we transitioned many of the training programs to remote delivery to ensure that our staff remained engaged in learning, and reviewed and redeveloped our core programs to ensure that they continue to represent best practice.

## Pandemic response

The year 2020 has brought with it significant challenges. I am proud of the agility our agency has shown in responding to the COVID-19 pandemic, and of the way we have operated. Our Technology Division was able to work quickly to ensure that we had remote working infrastructure and support systems enabled for the agency within days, with no disruption to the services we provide to our partners.

Not only have we continued to deliver on our core functions, we have also pivoted our business to deliver high-quality strategic intelligence assessments of the impacts that COVID-19 is having on the criminal environment.

In 2019–20, we released three reports (numbers 8 to 10) of our successful wastewater drug monitoring program. Leveraging this program, we were able to fund a wastewater analysis ‘proof of concept’ project which successfully detected—for the first time in Australia—the SARS-CoV-2 (COVID-19) virus in wastewater in a number of locations.

## Looking forward

The ACIC will continue to focus on making Australia hostile to criminal exploitation. Our strategic priorities are to be the criminal intelligence partner of choice, to provide comprehensive policing information to our partners, to keep the community safe, and to deliver a sustainable agency into the future.

The way that we responded to the challenges of the past year has only bolstered my confidence in our agency’s ability to deliver on these commitments and provide a service of value to our law enforcement and intelligence partners.



**Michael Phelan APM**  
Chief Executive Officer  
Australian Criminal Intelligence Commission

## About us

The ACIC has a vision of a safer Australia that is better connected, informed and capable of responding to crime.

We work with our partners on investigations and to collect intelligence to combat serious and organised crime, cybercrime and national security threats. We are the conduit for sharing criminal information and intelligence between all state, territory and Commonwealth law enforcement agencies.

We began operating on 1 July 2016. The ACIC is a statutory agency within the Home Affairs portfolio, in which the Department of Home Affairs is the central policy department.

## Purpose

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

## Role

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

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

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

## Approach

Our strategic and corporate plans are framed around four key elements:

- ▶ **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.
- ▶ **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.
- ▶ **Respond**
  - **Prevent**—Our information services inform and protect police, the community and potential victims of crime. We work with our partners to make it harder for criminals to operate by informing legislative change and preventative strategies.
  - **Disrupt and protect**—We provide critical intelligence contributions to partners that drive the disruption, disabling and dismantling of serious and organised criminal enterprises. We provide police with timely access to police information when they are investigating crime and safeguarding the community.
- ▶ **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.

## Culture and values

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

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

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



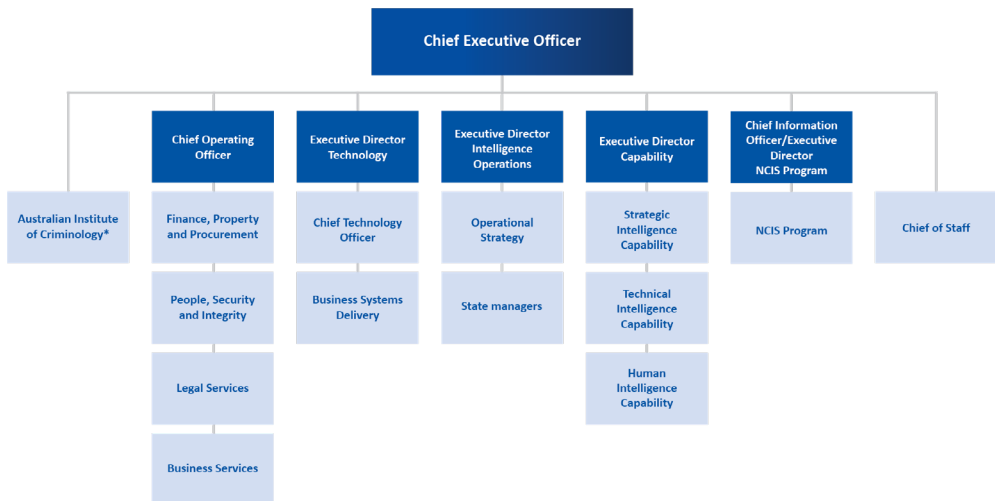
# Our organisation

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

## Structure

Figure 1.1 sets out the organisational structure of the agency. Section 3 of the report provides more information on the members of our executive, our staffing and the locations of our activities.

**Figure 1.1:** Organisational structure at 30 June 2020



NCIS = National Criminal Intelligence System

\* The ACIC Chief Executive Officer is also Director of the Australian Institute of Criminology.

## Board

The ACIC Board is established by section 7B of the ACC Act. It represents Commonwealth, state and territory law enforcement, and key regulatory and national security agencies.

The board is responsible for providing strategic direction to the ACIC and setting strategic priorities. The board is also responsible for determining the ACIC's special operations and special investigations, which includes approving our use of coercive powers.

As a powerful law enforcement and national security body, the board provides a significant platform to drive the collegial approach necessary to make Australia better connected, informed and capable of responding to crime.

## Specialist capabilities

The capabilities that enable us to perform our functions include:

- ▶ **National criminal intelligence data holdings**—We collect criminal intelligence and combine it with information and intelligence from partner agencies to create and share a comprehensive national picture of criminality in Australia.
- ▶ **National information and intelligence sharing services and systems**—We provide timely and reliable police and law enforcement information services and, through consultation and collaboration, we develop new and innovative capabilities.
- ▶ **Coercive powers**—We have coercive powers, similar to those of a royal commission, which may be exercised by an ACIC examiner in the course of a special operation or special investigation.
- ▶ **International collaboration**—We work in collaboration with international networks and have deployed ACIC officers to countries of strategic importance in our efforts to counteract serious and organised crime impacting Australia.
- ▶ **Strategic products**—Our strategic intelligence products build a comprehensive picture of criminality in Australia to support our partners in decision-making, strategic targeting and policy development.
- ▶ **National target management framework**—Our national target management framework guides law enforcement in establishing and sharing organised crime priorities and targets. This framework and our APOT list support nationally coordinated operational strategies for dealing with multijurisdictional and transnational serious and organised crime investigations.
- ▶ **Legislative framework allowing appropriate data sharing**—By sharing intelligence, information, resources and expertise with our partners, and with private industry where permitted and appropriate, we maximise the collective impact against crime. We are a conduit between the states and territories and the Commonwealth for the sharing of criminal information and intelligence.
- ▶ **Specialist technology and skills**—Our work is underpinned by sophisticated and tailored intelligence gathering and analysis capabilities.

## 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 board-approved special operations and special investigations.

An examiner may exercise coercive powers only for the purpose of a special operation or special investigation and when all legislative requirements are met, including 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.

## Relationship with the Australian Institute of Criminology

The ACIC supports and closely collaborates with the Australian Institute of Criminology (AIC), to ensure that criminological research and evidence remain central to law enforcement's collective response to crime. Our Chief Executive Officer is also Director of the AIC and the two agencies are co-located. While the AIC operates independently, its high-quality research is important to our work.

# Our outcome

Our annual portfolio budget statements detail our outcome and program structure. Within that framework, the ‘outcome’ is the intended result, impact or consequence of our actions. We work towards our outcome through the activities that make up our program.

Our outcome and program structure is shown in Figure 1.2, along with its relationship to our *Strategic Plan 2018–23* and *Corporate Plan 2019–20*. Both plans and a link to our *Portfolio Budget Statements 2019–20* are on our website at <[www.acic.gov.au/publications/corporate-documents](http://www.acic.gov.au/publications/corporate-documents)>.

Figure 1.2: Portfolio, corporate and strategic performance framework

STRATEGIC PLAN	<p><b>PURPOSE:</b> 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><b>APPROACH:</b> We connect, discover and understand to improve the national ability to respond to crime impacting Australia.</p>
PORTFOLIO BUDGET STATEMENTS OUTCOME AND PROGRAM	<p><b>Outcome 1</b></p> <p>To make Australia safer through improved national ability to discover, understand and respond to current and emerging crime threats, including the ability to connect police and law enforcement to essential criminal intelligence, policing knowledge and information through collaborative national information systems and services.</p>
	<p><b>Program 1.1 Australian Criminal Intelligence Commission</b></p> <p>The ACIC will improve the national ability to respond to crime 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 collaborative enforcement, as well as informing and influencing 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>

Figure 1.2: Portfolio, corporate and strategic performance framework (continued)

CORPORATE PLAN PERFORMANCE OBJECTIVES	DISCOVER	UNDERSTAND	RESPOND	CONNECT
	We build the picture of crime impacting Australia by collecting and combining information to discover new areas of national focus.	We improve our understanding of the picture of crime impacting Australia by undertaking analysis to influence a better response.	We improve the national ability to prevent and disrupt crime and protect the community.	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.
CORPORATE PLAN AND PORTFOLIO BUDGET STATEMENTS PERFORMANCE CRITERIA	<b>Discover 1:</b> The picture of crime impacting Australia is improving because the ACIC is discovering crime threats, vulnerabilities, patterns, methods and trends previously unknown.	<b>Understand 1:</b> The understanding of the picture of crime impacting Australia is increasingly more comprehensive, integrated and relevant.  <b>Understand 2:</b> The understanding of the picture of crime impacting Australia is increasingly used to influence strategies and responses to crime.	<b>Respond 1:</b> The ACIC better informs and influences collaborative efforts to harden the environment against crime.  <b>Respond 2:</b> 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.  <b>Respond 3:</b> ACIC partners are better informed and enabled to undertake policing and community safeguarding activities through access to national information systems and services.	<b>Connect 1:</b> Existing ACIC systems and services are accessible, used and reliable.  <b>Connect 2:</b> Through effective collaboration, enable the delivery and implementation of new and enhanced ACIC systems and services that satisfy the needs of stakeholders and users.  <b>Connect 3:</b> The ACIC is sharing increasing volume, breadth and formats (mediums, platforms) of criminal intelligence and information, police information, and other relevant information.

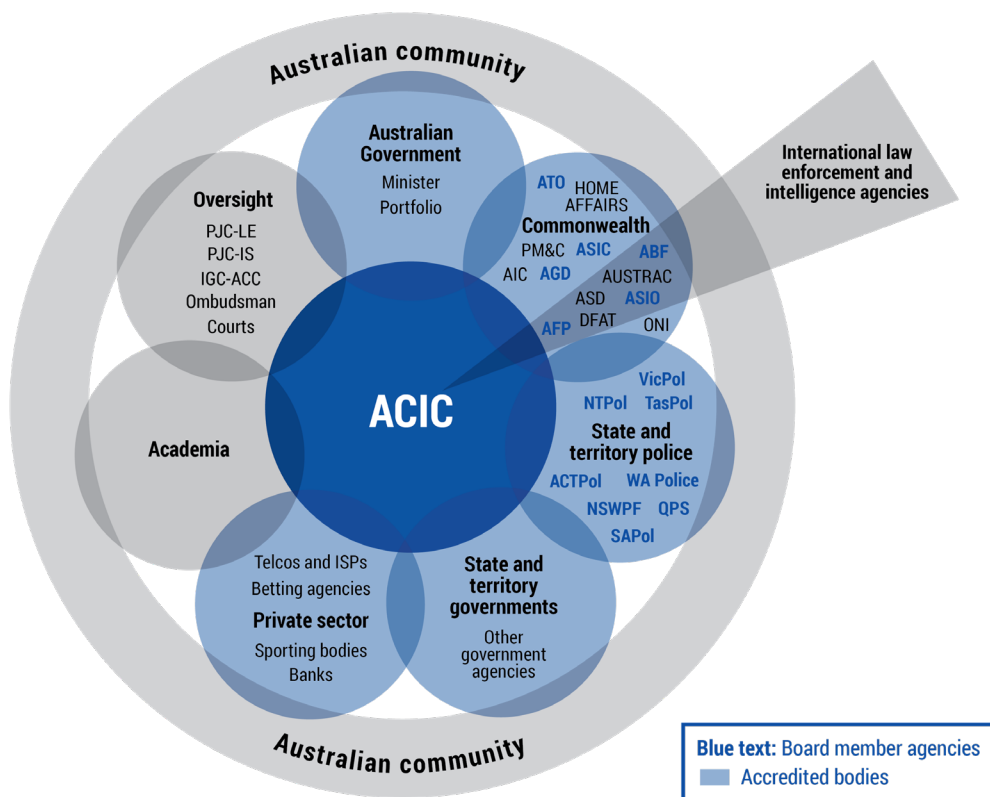
# Our stakeholders

We work with a wide range of stakeholders to achieve a shared national outcome of a safer Australia, as shown in Figure 1.3. Our stakeholders include:

- ▶ **Australian community**—We undertake our activities in order to support and improve the safety of the Australian community, through generating and sharing intelligence about serious and organised criminal activity, supporting police partners to respond to crime, or providing information to support decision-making on entitlement or employment through the NPCS.
- ▶ **Australian Government**—We report to the Minister for Home Affairs and work within the Home Affairs portfolio to ensure that our response to serious and organised crime is coordinated across government.
- ▶ **Commonwealth agencies**—We leverage our unique position to link Commonwealth and state law enforcement and intelligence agencies. We generate intelligence that is shared among relevant Commonwealth partners to support responding to serious and organised crime in Australia. The heads of a number of Commonwealth agencies are members of the ACIC Board.
- ▶ **State and territory police**—We provide state and territory law enforcement agencies with information and services that support them to undertake their role. Each police commissioner is a member of the ACIC Board and provides strategic direction and oversight to our agency.
- ▶ **State and territory governments**—We generate intelligence that can be used by state and territory governments to close opportunities for criminal activity, strengthen regulations or directly disrupt criminal activity through court proceedings.
- ▶ **Private sector**—We rely on parties in the private sector to support the delivery of national police systems, act as accredited bodies and build relationships to support responses to the evolving criminal threats that Australia faces.
- ▶ **Academia**—The ACIC partners with established sources of scientific expertise within Australian academic institutions to ensure that we remain at the forefront of responding to serious and organised criminal threats to Australia.
- ▶ **Oversight bodies**—To make sure that we use our agency powers responsibly, effectively and in accordance with the law at all times, we are properly subject to significant external oversight.
- ▶ **International agencies**—We leverage our relationships with international law enforcement and intelligence agencies to support our response to serious and organised crime in Australia.

The ACIC has accredited certain organisations to help individuals apply for and submit police checks. These organisations are entrusted with direct access to the NPCS and play a vital role to help safeguard the Australian community. Accredited bodies include Australian Government agencies, private sector businesses, not-for-profit organisations and screening units for working with children or vulnerable people.

Figure 1.3: Stakeholders



ABF = Australian Border Force, ACTPol = Australian Capital Territory Policing, AFP = Australian Federal Police, AGD = Attorney-General's Department, AIC = Australian Institute of Criminology, ASD = Australian Signals Directorate, ASIC = Australian Securities and Investments Commission, ASIO = Australian Security Intelligence Organisation, ATO = Australian Taxation Office, AUSTRAC = Australian Transaction Reports and Analysis Centre, DFAT = Department of Foreign Affairs and Trade, IGC-ACC = Inter-Governmental Committee on the Australian Crime Commission, ISPs = internet service providers, NSWPF = New South Wales Police Force, NTPol = Northern Territory Police, ONI = Office of National Intelligence, PJC-IS = Parliamentary Joint Committee on Intelligence and Security, PJC-LE = Parliamentary Joint Committee on Law Enforcement, PM&C = Department of the Prime Minister and Cabinet, QPS = Queensland Police Service, SAPol = South Australia Police, TasPol = Tasmania Police, VicPol = Victoria Police, WA Police = Western Australia Police Force

Due to the collaborative nature of our work, our stakeholder relationships are critical to achieving our purpose. We regularly seek feedback from our stakeholders, and incorporate it into our performance measurement and ongoing stakeholder engagement. Key results and stakeholder comments are included in the annual performance statements in Section 2 of this report, and an overview of feedback in 2019–20 is in the 'Stakeholder research' section on page 78.

# Australia's criminal environment

We operate in a complex environment. Understanding the dynamic and changing criminal environment is critical to determining how Australia responds. Our work is central to ensuring an informed, collaborative and connected national response to serious and organised crime impacting Australia.

The main features of serious and organised crime as it affects Australia are as follows:

- ▶ **Destructive, pervasive and complex**—Serious and organised crime touches the lives of Australians in unprecedented ways. Criminals seek to exploit vulnerabilities, emerging technologies and perceived gaps in law enforcement. The impacts on the lives of Australians are clear, including damage to families and communities, lost income, health and social impacts, and the erosion of public trust.
- ▶ **Globalised**—Around 70 per cent of Australia's serious and organised criminal threats are based offshore or have strong offshore links.
- ▶ **Big business**—Serious and organised crime has a significant financial impact. The Australian Institute of Criminology estimates that the cost of serious and organised crime to Australia in 2016–17 was up to \$47.4 billion, including \$31.5 billion in direct costs and \$15.9 billion in prevention and response costs.
- ▶ **Concealed**—Serious and organised criminals corrupt officials, employ professional experts to advise on complex methods and techniques, use violence and intimidation, and blend criminal activity with legitimate business to support and conceal their criminal enterprises.
- ▶ **Resilient**—Criminal groups are enduring and resilient, collaborating for mutual gain and quickly dispersing or shifting focus when disrupted.
- ▶ **Cyber-savvy**—Advances in technology have offered new opportunities for serious and organised crime, which uses increasingly sophisticated methods to counter law enforcement efforts. Cybercriminal groups can target thousands of Australians simultaneously from anywhere in the world. They enhance their capability through dark web forums and marketplaces in which they share tools, techniques and information.
- ▶ **National security threat**—Enhanced counter-terrorism efforts are being made throughout Australia, but the links between terrorism and broader organised crime and volume crime in Australia remain. This includes Australians who engage in organised crime to generate funds to support proscribed terrorist groups or to support individuals who depart Australia to engage in terrorist activities.
- ▶ **Diversified**—New forms of business are emerging in addition to traditional organised crime activities. This diversification into multiple criminal markets provides consistent revenue streams to finance higher risk ventures and enables criminal enterprises to respond to shifts in supply and demand.



This year the world has been challenged by the COVID-19 pandemic. Just like the rest of the community, those involved in serious and organised crime have been forced to adapt quickly in order to continue their operations. We have adapted in response, to continue to target them and share timely and relevant intelligence and information with our partners.



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

# Section 2

## *Annual performance*

### *How we achieved our purpose and managed our finances*

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# Annual performance statements

## Statement by the accountable authority

As the accountable authority of the Australian Criminal Intelligence Commission (ACIC), I present the 2019–20 annual performance statements of the ACIC, as required under paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

In my opinion, these annual performance statements are based on properly maintained records, accurately reflect the performance of the entity, and comply with subsection 39(2) of the PGPA Act.



**Michael Phelan APM**  
Chief Executive Officer  
Australian Criminal Intelligence Commission

22 September 2020

## 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 2019–20* and *Strategic Plan 2018–23*, and is aligned with Outcome 1 and Program 1.1 in the ACIC's *Portfolio Budget Statements 2019–20*, as shown in Figure 2.1.

**Figure 2.1: Outcome and program framework**

Strategic plan		
Corporate plan		
Portfolio budget statements		
<b>Approach</b> We connect, discover and understand to improve the national ability to respond to crime impacting Australia	<b>Purpose/Outcome 1</b> 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.	<b>Program 1.1 Australian Criminal Intelligence Commission</b> The ACIC will improve the national ability to respond to crime 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 collaborative enforcement, as well as informing and influencing 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.

## Performance measurement

Our performance in achieving our purpose is measured against detailed criteria set out on page 22 of the *Corporate Plan 2019–20* and page 90 of the *Portfolio Budget Statements 2019–20*.

## Measures

The performance measures in the ACIC's two key planning documents are aligned, as shown in Figure 2.2.

**Figure 2.2: Performance measurement framework**

Corporate plan		
Portfolio budget statements		
Approach	Performance criteria	Forecast performance
<b>DISCOVER</b> We build the picture of crime impacting Australia by collecting and combining information to discover new areas of national focus.	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"> <li>▶ comparative statistics on information and intelligence systems and services availability, usage and support levels;</li> </ul>
<b>UNDERSTAND</b> We improve our understanding of the picture of crime impacting Australia by undertaking analysis to influence a better response.	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.	<ul style="list-style-type: none"> <li>▶ demonstrated delivery and implementation of planned systems and services that satisfy stakeholders and users;</li> <li>▶ comparative statistics on volume and breadth of intelligence shared;</li> </ul>
<b>RESPOND</b> We improve the national ability to prevent and disrupt crime and protect the community.	The ACIC better informs and influences collaborative efforts to harden the environment against crime.  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.	<ul style="list-style-type: none"> <li>▶ the level and types of the ACIC's activities to discover and understand crime impacting Australia;</li> <li>▶ the level, types and results of the ACIC's responses to disrupting serious and organised crime; and</li> <li>▶ annual stakeholder survey results that form an overall assessment against the performance criteria.</li> </ul>
<b>CONNECT</b> 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.	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.	

## Results

These annual performance statements begin with an analysis of the ACIC's performance across the performance measures for 2019–20, then provide detailed results against each of the nine criteria set out in the corporate plan and portfolio budget statements.

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

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**

---

## Analysis of performance against purpose

In 2019–20, the ACIC fully met eight performance criteria and partially met one. This is a particularly pleasing result given the significant impact of COVID-19 on our work and demonstrates that we are achieving our purpose to discover, understand and respond to current and emerging crime, and to connect police and law enforcement to information through our national systems.

Overall stakeholder satisfaction with the ACIC's performance in meeting their needs was 7.0 out of 10. This reflects an increase of 1 percentage point from 2019 levels (6.9 out of 10), 4 percentage points from 2018 levels (6.6 out of 10) and 2 percentage points from 2017 levels (6.8 out of 10).

## Impact of the COVID-19 pandemic

The ACIC was impacted by the COVID-19 pandemic, with staff being forced to commence working from home in a very short space of time. Our IT service area was able to have ACIC staff working remotely within days, allowing our work to continue relatively unimpeded.

We responded to the call to release staff to work in areas of government with frontline needs and also increased our strategic intelligence capability to deliver timely insights into areas of the government response that were open to criminal exploitation. We collected and released 87 tactical intelligence reports relating to COVID-19 and 33 analytical assessments of the impact of COVID-19 on serious and organised crime.

The feature on page 28 provides a detailed overview of the work we have done to respond to the COVID-19 pandemic. It is likely that this work will continue while the pandemic continues.

COVID-19 has forced the cessation of some activities—such as large group information-sharing sessions and training—and where possible we have transitioned to online or virtual delivery. It has also had a significant negative impact on our revenue received from the National Police Checking Service (NPCS).

NPCS revenue is used to pay for the delivery and operation of current national policing information systems and services, and the delivery of new systems and services for the law enforcement community. The number of nationally coordinated criminal history checks conducted through ACIC systems rose by 0.1 per cent this year, with check volumes and revenue reducing significantly from March 2020.

As a consequence, we have had and will continue to have detailed discussions with the ACIC Board about priority investments in national policing information systems going forward. The National Criminal Intelligence System (NCIS) and the National Automated Fingerprint Identification System (NAFIS) NextGen remain priority projects.



## Criminal intelligence delivery

We met our performance metrics in relation to the discovery of crime threats and vulnerabilities that were previously unknown. We doubled our discovery of previously unknown criminals and continued our efforts to identify and designate criminal enterprises at the Australian Priority Organisation Target (APOT) level. The bar for entry to the APOT list is getting higher as we refine our approach to ensure that we are focusing only on the most significant threats facing Australia. For this reason, we are adding only small numbers to the APOT list each year, but this does not reflect poor performance: it is in fact right where it should be.

We have generated strategic intelligence insights across the ACIC Board's priority crime areas, and stakeholder feedback in relation to our intelligence work has been particularly pleasing. It reflects a deliberate decision that we have taken to focus on our niche role in supporting partners operationally and using insights gained from operational activities to generate strategic intelligence insights. As a consequence, we are receiving less criticism from partners about overstepping our role. The main feedback we now receive is that partners want more intelligence products than we produce. This can be difficult to address as the number of products is directly related to our capacity to collect and analyse information.

Our National Wastewater Drug Monitoring Program continues to deliver monitoring and reporting of drug consumption across Australia. This program is internationally recognised as being world's best practice. We have delivered 10 reports and have received funding to deliver an additional 11 reports over the next four years. We leveraged our wastewater program and funded the University of Queensland and the Commonwealth Scientific and Industrial Research Organisation (CSIRO) to determine whether the SARS-CoV-2 virus could be detected in wastewater. The virus was detected and the results were widely reported internationally and to Australian Government and state and territory stakeholders.

A further benefit of the longitudinal data we are collecting through the National Wastewater Drug Monitoring Program was our comparison of consumption data obtained through wastewater analysis and data from our Illicit Drug Data Report to determine whether significant seizures of illicit drugs can have an impact on the consumption of illicit drugs. The two markets selected for initial analysis were the methylamphetamine and cocaine markets. In both cases it was revealed that large seizures can have a tangible short-term impact by reducing consumption in the jurisdiction where the seizure occurred, and sometimes in other jurisdictions, for several months. Police partners are actively using the information and insights we are generating to support their local investigative strategies.

In December 2019, we worked closely with the Department of Home Affairs to progress amendments to the ACC Act to streamline the process by which the ACIC Board authorises the ACIC to undertake special operations or investigations in relation to serious and organised crime.

The amendments also confirmed the validity of existing special operation and special investigation determinations, ensuring that the ACIC could continue to effectively fulfil its statutory functions and actively contribute to a safer and more secure Australia. This provides a strong basis for us to continue to deliver our purpose and meet our performance metrics.

## National policing information systems and services

We met board-agreed benchmarks for availability across all of our national policing information systems and services and continued to implement system improvements as needed. Our stakeholder survey results demonstrate that the police partners are satisfied with our information systems and find them useful.

We remain disappointed by the low stakeholder survey results for our ability to develop and deliver enhancements to policing information systems and the extent to which the systems meet the needs of stakeholder organisations. The ACIC created business hubs to address gaps in how we engage with and deliver services to internal and external stakeholders, clients and partners. These were established during 2019–20 and we expect that they will support engagement with stakeholders in the development and delivery of information systems that meet stakeholder needs.

During 2019–20, significant work occurred to progress the NCIS program. NCIS will be a whole-of-government capability which will give Australia's law enforcement and intelligence agencies the first truly national and unified picture of criminal activity. It will improve community safety by providing frontline law enforcement with a secure and trusted information-sharing platform, enabling jurisdictions to share criminal information and intelligence. NCIS will improve the law enforcement and intelligence community's ability to work together across jurisdictions to achieve common outcomes. The NCIS program will deliver core capability by December 2020.

## National Police Checking Service

We continue to facilitate the NPCS, although the volume of checks submitted has been impacted by the reduction in employment across Australia as a result of the economic impact of COVID-19.

In reviewing the timeframes for processing checks, we are disappointed that the service levels agreed with our police partners for standard and urgent checks are not being met. This is a measure that we share with our police partners; it reflects the occasions (approximately 30 per cent of checks) on which a potential match is referred to relevant jurisdictions for confirmation and a result is returned, which can in some cases be a fairly complicated process.

Overall, we assess that we met our purpose with demonstrated achievement of the majority of our performance measures. We are implementing ways to enhance the NPCS and improve delivery to meet current and future needs; this includes implementing critical updates and enhancements to the NPCS Support System and assessing the feasibility of the ACIC's undertaking matching and vetting functions for the delivery of checks.

## Discover

*We build the picture of crime impacting Australia by collecting and combining information to discover new areas of national focus.*

Performance criterion	Result
<b>Discover 1</b> The picture of crime impacting Australia is improving because the ACIC is discovering crime threats, vulnerabilities, patterns, methods and trends previously unknown.	✓

## 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 2019–20, our intelligence gathering and analysis led to the identification and understanding of new criminal methodologies and the discovery and disruption of previously unknown criminal threats to Australia.

For example:

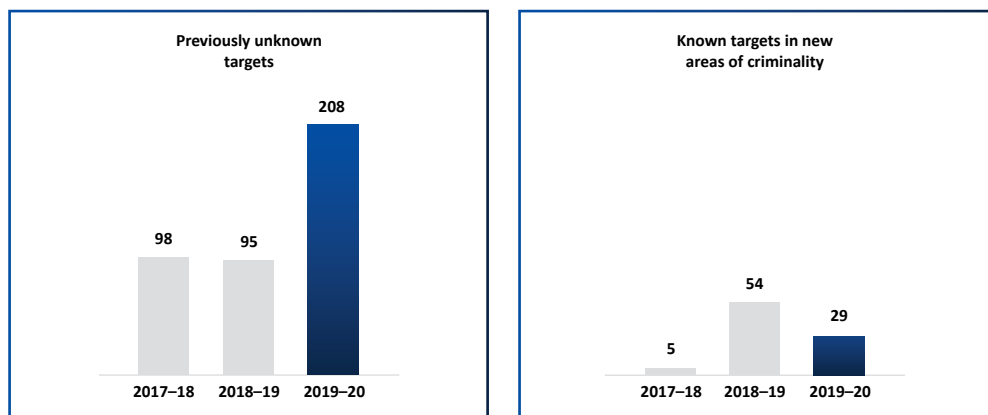
- ▶ The ACIC utilised knowledge gained from coercive hearings into insider threats within the bookmaking sector to obtain unique insights into vulnerabilities within domestic bookmakers' processes and wider risks to the corporate bookmaking sector.
- ▶ We identified the complicit involvement of business owners linked to a corrupt registered migration agent, providing insights to the vulnerabilities and methodologies of the agent and other, complicit migration agents.
- ▶ An investigation was conducted into cross-border trafficking of firearms. Our analysis of intelligence indicated that the suspect and associates were involved in the theft and trafficking of firearms between Tasmania and Victoria, in conjunction with trafficking of methylamphetamine.

Efforts such as these have strengthened our relationships and collaboration with domestic and 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.

### Identifying criminal targets

In addition to the 208 previously unknown criminal targets identified in 2019–20, 29 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 is not comparable.

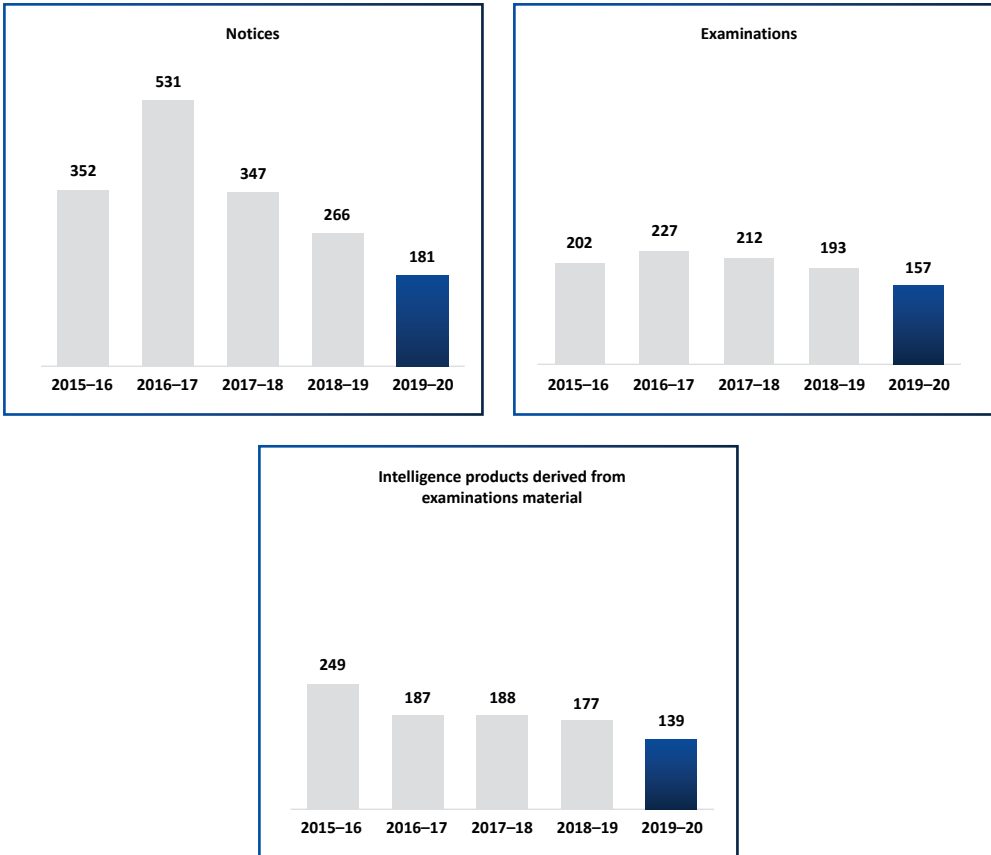
The APOT strategy is an ACIC-led initiative focused on identifying, assessing, designating and coordinating operational responses to the transnational serious and organised crime targets that pose the greatest threat to Australia’s interests. The intent of the strategy is to improve understanding and 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 2019–20, we assessed a range of targets across the transnational serious and organised crime environment, resulting in the addition of six new targets to the APOT list.

### 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. When it is lawful to do so, we share with partners our intelligence products containing discoveries and any understanding gained through the use of coercive powers.

We report our use of coercive powers to support accountability and transparency. However, we do not provide a performance benchmark such as data on the historical averages for examinations and notices. A benchmark for comparison could create the impression that the use of coercive powers is driven by targets, when in fact the ACIC uses the powers when it is expedient to do so. Results of this work are shown in Figure 2.4.

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

## Stakeholder survey results

*'The transformation of the ACIC to be operationally agile and move closer to the cutting edge of significant criminality affecting Australia in the past 12 months has been excellent.'*—Australian Government partner, 2020 Stakeholder Survey

**Table 2.1:** Stakeholder survey results—Discover 1

Survey statement	Proportion of respondents who agreed or strongly agreed			
	2019-20	Change	2018-19	2017-18
ACIC provides information and intelligence on changes in the crime environment (such as new crime threats, methods, trends and patterns)	85%	+4	81%	78%

## FEATURE:

### *Responding to the COVID-19 pandemic*



**We produced numerous intelligence reports and assessments relating to COVID-19.**

Our response to the COVID-19 pandemic demonstrates our agility and ability to respond to changing operational circumstances while continuing to achieve our priorities.

The ACIC responded to the pandemic by providing infrastructure to support staff to work from home. We also made staff available to be redeployed to Home Affairs to support the frontline response.

Operationally, we provided analytical support to directly assist the frontline response. We assisted with advanced analytics at the request of local partners, to help map the spread of the virus and enable fully informed tactical decisions. This supported local partners to manage international arrivals and assist with contact tracing efforts.

We also harnessed the skill of our intelligence analysts to increase our outputs in response to the pandemic, producing numerous intelligence reports and assessments relating to COVID-19.

These intelligence reports and assessments included analysis of the increased threat from counterfeit pharmaceuticals and medical equipment during the pandemic and the impact of COVID-19 on domestic illicit drug markets. We also generated intelligence on illicit drug consumption during the lockdown period of the pandemic. Our products assisted policy and operational discussions in various Australian Government departments.

We produced intelligence reports to help understand cybercriminal behaviour during the pandemic, including emerging ransomware threats, SMS phishing campaigns, mobile malware, and online criminal infrastructure services on the dark web.

We also used our intelligence holdings to develop an assessment of the serious and organised fraud targeting key Australian Government programs responding to COVID-19. This assessment enabled us to target criminal exploitation of COVID-19 government stimulus measures.

In addition, we leveraged our globally recognised National Wastewater Drug Monitoring Program and funded the University of Queensland and CSIRO to determine whether the SARS-CoV-2 virus could be detected in wastewater. The virus was detected and the results have been widely reported internationally and to federal, state and territory stakeholders.

The ACIC stakeholder survey report found that stakeholders 'were very impressed at the timely provision and quality of the ACIC's COVID-related intelligence products and felt that this team had gone "above and beyond"'.

In the stakeholder survey, a federal agency partner said, 'The pivot to COVID intelligence is the standout'.

## Understand

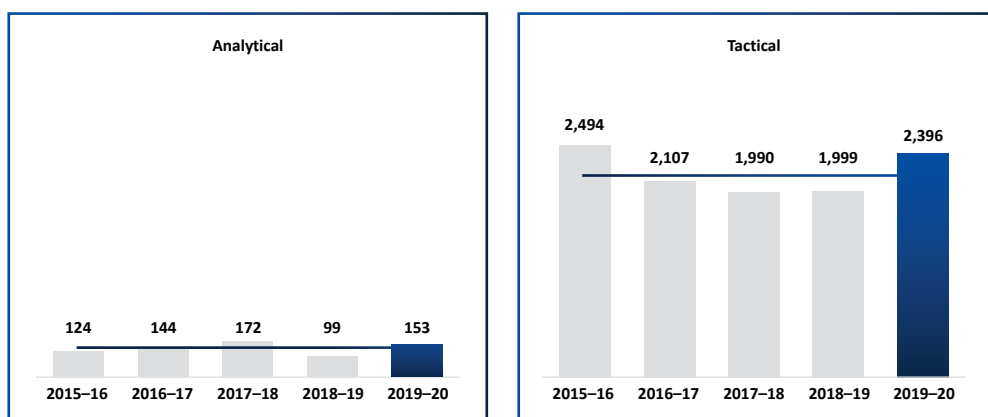
*We improve our understanding of the picture of crime impacting Australia by undertaking analysis to influence a better response.*

Performance criterion	Result
<b>Understand 1</b> The understanding of the picture of crime impacting Australia is increasingly more comprehensive, integrated and relevant.	✓

## Achievements

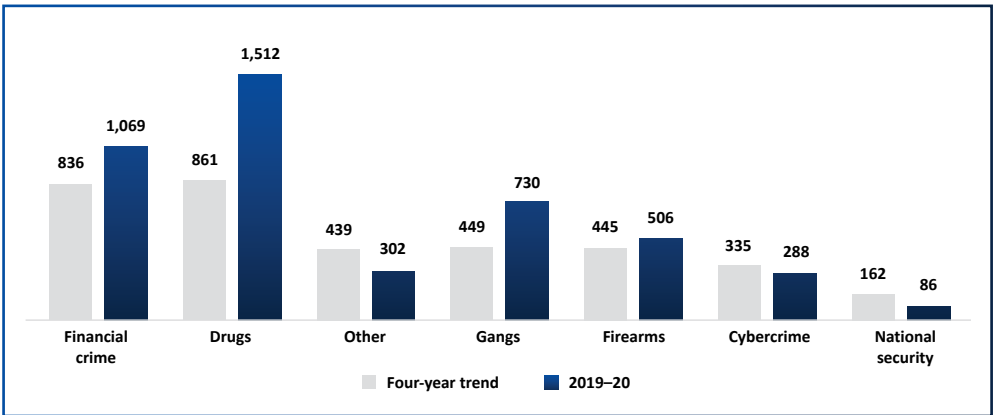
We collected criminal intelligence and combined it with information and intelligence from partner agencies to create and share a comprehensive national picture of criminality in Australia. Figures 2.5 and 2.6 show the numbers of unique products that we finalised.

**Figure 2.5: Analytical and tactical intelligence products finalised**



The ACIC developed a range of intelligence products against all board-agreed priority crime themes. The totals in Figure 2.6 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.

**Figure 2.6:** Intelligence products focused on priority crime themes



Note: Work was undertaken in 2018–19 and 2019–20 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 the categories outlined continue to be captured as ‘other’.

### *Highest risk serious and organised crime*

We maintained the APOT list and jurisdictional Regional Priority Organisation Target lists, and delivered tactical and strategic insights to our partners on the activities of highest risk criminals. Intelligence reporting improved our understanding of key networks, transnational criminal business models, professional facilitators, and the exploitation of global migration systems.

For example, analysis of criminal enablers identified a number of significant transnational criminals impacting Australia who had engaged in ‘golden visa’ schemes in various countries to obtain citizenship or residency. These schemes, which have become cheaper and increasingly common since the global financial crisis, often provide opportunities to move assets to jurisdictions with opaque financial systems.

### *Financial crime*

We produced a wide range of intelligence products relating to illicit finance and the laundering of proceeds of crime to support the agency’s stakeholders. The products cover topics such as new and emerging methodologies to launder money—including cryptocurrency—and identify new individuals potentially engaged in this criminal activity domestically and internationally.

In 2019–20, the ACIC contributed significantly to Australia’s understanding of new and emerging money laundering methodologies. We utilised our unique powers to collect intelligence which has contributed to domestic and international operations. The ACIC also led the Serious Financial Crime Taskforce Fusion Team, which targeted tax evasion and criminal exploitation of government stimulus measures related to COVID-19.

### *Cybercrime*

In 2019–20, the ACIC cybercrime intelligence team based at the Australian Cyber Security Centre discovered and prioritised cybercrime threats to Australia, understood the criminal networks behind those threats, and supported Australian Government response strategies by working closely with law enforcement, intelligence and industry security partners in Australia and internationally.



The ACIC produced intelligence reporting to improve the understanding of cybercriminal behaviour during the COVID-19 pandemic, including emerging ransomware threats, SMS phishing campaigns, mobile malware, and online criminal infrastructure services on the dark web.

We also produced intelligence to improve understanding of business email compromise scams; malware; anonymity features in cryptocurrencies; the threat of ransomware to Australian businesses; and cybercriminal exploitation of government systems.

We worked with domestic and international partners to identify cybercriminals who purchased access to Australian networks on dark web marketplaces to facilitate fraud and cybercrime activities. We identified a number of significant cybercriminals operating in or targeting Australia and disseminated that intelligence to law enforcement agencies.

Our participation in the 2019 Cyber War Games, on the theme of ‘it’s a good day to be a bad guy’, allowed for interactions and sharing between government agencies and private organisations with interests in cyber security.

### *Illicit drugs*

We produced intelligence products to improve understanding of illicit drug consumption during the period of the COVID 19 pandemic and the resultant national restrictions; consumption of pharmaceutical opioids; trends in the Australian methylamphetamine and related precursor market; the threat posed by counterfeit pharmaceuticals; and the domestic manufacture of drugs for sale on the dark web.

We completed two assessments which compared data from our National Wastewater Drug Monitoring Program with data from our Illicit Drug Data Report to determine whether significant seizures of illicit drugs can have an impact on the consumption of illicit drugs. The two markets selected for initial analysis were the methylamphetamine and cocaine markets. In both cases it was revealed that large seizures can have a tangible short-term impact by reducing consumption in the jurisdiction where the seizure occurred, and sometimes in other jurisdictions, for several months.

The ‘ACIC hosts conference to combat pharmaceutical opioid threat’ feature on page 69 provides information on the pharmaceutical opioid threat in Australia.

### *Gangs*

We used our coercive powers to source information relevant to the Outlaw Motor Cycle Gangs special operation, which targets outlaw motor cycle gang (OMCG) members involved in drug and firearm trafficking, violence, corruption, fraud and money laundering.

Members of the Australian Gangs Intelligence Coordination Centre (AGICC) presented at international events in 2019 and 2020, including in Thailand, New Zealand and the Netherlands. These presentations outlined the regional OMCG threat, particularly in South-East Asia and the Pacific, push–pull factors relevant to the region, and the risks and/or effectiveness of a range of disruption methods. Contributing to collaborative international efforts to combat gangs continues to be a key strategy in Australia’s effort to reduce the threat posed by transnational OMCG networks.

Illicit firearms

We produced intelligence to improve understanding of firearms supply methodologies used by serious and organised crime groups in Australia, and systemic vulnerabilities the groups are exploiting; the illicit manufacture of handguns; and the role of firearms trace analysis in determining the means by which firearms are diverted to the illicit market.

An assessment was completed of a significant national vulnerability that is being exploited by criminally minded firearms dealers to divert multiple firearms to the illicit market. The assessment was widely shared across Australia; informed, and was informed by, successful operational activity in a number of jurisdictions; and contributed to discussions concerning procedural and regulatory reform.

Other criminal threats to Australia

We produced intelligence to identify and improve understanding of criminal threats to Australia such as threats to national security; sports integrity risks, including links between sports betting and serious and organised crime; visa and migration fraud; the organised sexual exploitation of children; and emerging threats from the criminal encrypted communications market.

The ACIC obtained intelligence on a major illicit tobacco network and its money laundering activities and links with Middle Eastern serious and organised crime groups. The ACIC’s intelligence supported disruption activities that hampered the network leader’s ability to operate, which led the network leader to discontinue involvement in the illicit tobacco market.

Stakeholder survey results

*‘The ACIC has continued to provide high-quality intelligence products across a wide spectrum of threats.’—International partner, 2020 Stakeholder Survey*

*‘The ACIC has transformed itself in the past couple of years to provide more unique insights and intelligence. The transition away from policing activities into a more informed national and international-led role has provided significantly more value than simply replicating the work of policing agencies.’—Australian Government partner, 2020 Stakeholder Survey*

Table 2.2: Stakeholder survey results—Understand 1

Survey statement	Proportion of respondents who agreed or strongly agreed			
	2019–20	Change	2018–19	2017–18
ACIC intelligence products provide a comprehensive and relevant understanding of crime impacting Australia	74%	+5	69%	75%

## Understand (continued)

Performance criterion	Result
<b>Understand 2</b> The understanding of the picture of crime impacting Australia is increasingly used to influence strategies and responses to crime.	✓

### 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.

#### *Serious and organised crime risk assessment*

In late 2019, the ACIC developed a detailed assessment of serious and organised crime risks posed to Australia. This assessment provides a threat, harm and overall risk rating for a range of crime types and markets, along with an outlook for the next three years. This detailed intelligence product allows state and federal agencies to better target and prioritise crime threats to Australia to maximise the impact of policing and intelligence activities and better disrupt criminal syndicates.

#### *Wastewater drug monitoring*

In 2019–20, data derived from the ACIC's National Wastewater Drug Monitoring Program was used by two state police forces to inform and justify local investigative strategies and to better understand the relationships between drug consumption and certain other types of crime. Their analysis included a focus on licit and illegal drugs and assisted them to confirm previously suspected relationships between drug use and crime, exploring potential factors contributing to community harm.

The methods by which the ACIC is using its national wastewater program to inform and influence government and public and private sector decision-making and reporting are internationally recognised as being world best practice. This was the subject of an ACIC presentation to an international conference in China in October 2019 that led to the ACIC and its Australian partners being nominated to host the next conference in October 2021. Partnerships developed by the ACIC with academic institutions and CSIRO have been a force multiplier in this area.

#### *Cybercrime*

In the second half of 2019, the Australian Cyber Security Centre invited the ACIC to use its unique expertise in crime scripting to facilitate development of the Australian Government's response to cybercrime threats impacting the financial sector. The ACIC's cybercrime intelligence team led a multi-day crime-scripting program with representatives from federal government and private financial institutions, resulting in significant enhancements in how these stakeholders work together to target and disrupt cybercriminals engaged in malware development and deployment.

## International collaboration

The ACIC's involvement overseas includes long-term and short-term deployments to international partner agencies. Joint operations with overseas partners to help us to prevent offshore serious and organised crime threats targeting Australia extended our international engagement.

During 2019–20, deployees supported a range of activities, including:

- ▶ enhancing the national understanding of Australian gangs and their international networks
- ▶ improving the national understanding of visa and migration fraud
- ▶ identifying Australians engaged in money laundering
- ▶ aiding disruption of the international flow of money, drugs and precursors
- ▶ supporting the disruption of international drug traffickers utilising previously unseen methodologies
- ▶ uncovering real-world identities of cybercriminals.

The ACIC continued to facilitate Dare-to-Share (DTS) sessions in the first half of 2019–20 (the sessions were cancelled in the second half of the financial year due to the COVID-19 pandemic).

DTS provides 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

**Table 2.3: Stakeholder survey results—Understand 2**

Survey statement	Proportion of respondents who agreed or strongly agreed			
	2019–20	Change	2018–19	2017–18
ACIC intelligence and information inform policy/legal response to criminal activity threatening Australia <sup>a</sup>	84%	+8	76%	75%
ACIC intelligence products on crime impacting Australia influence their approach to tackling crime	67%	–	67%	64%

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

## FEATURE:

### *Data confirms that large seizures impact methylamphetamine consumption*



**Methylamphetamine is the most highly consumed illicit substance among those monitored by the National Wastewater Drug Monitoring Program.**

We compare data from the ACIC's National Wastewater Drug Monitoring Program with other indicators on illicit drugs to understand the relationship between supply and demand within the Australian methylamphetamine market.

Methylamphetamine is the most highly consumed illicit substance among those monitored by the National Wastewater Drug Monitoring Program. Over the past five years, the National Wastewater Drug Monitoring Program's reports have shown that the market for methylamphetamine in Australia is robust, resilient and steadily increasing.

Using data derived by the program, we determined that large seizures of methylamphetamine have a noticeable short-term impact on methylamphetamine consumption in Australia.

In particular, there is a pattern of decline in capital city consumption following one or more significant seizures. Where a multi-hundred-kilogram seizure occurs, the data shows a significant decrease in consumption over time and across jurisdictions. The data demonstrates a broad national trend whereby large methylamphetamine seizures have a significant but temporary impact on average capital city consumption.

Although illicit drugs are seized across the nation and at Australia's borders, the jurisdiction in which a seizure occurs is not necessarily the destination market for the drugs. It is likely that the drugs seized in large wholesale methylamphetamine seizures are destined for several retail markets.

Supply reduction appears most effective when directed towards disrupting the wholesale methylamphetamine market. The market is made up of imported methylamphetamine as well as methylamphetamine produced in concealed domestic laboratories. Notably, the report shows that the scale of domestic production is probably higher than previously understood.

The data demonstrates that significant market disruptions follow large seizures. This has improved our understanding of how the methylamphetamine market is impacting Australia. A long-term disruption to the market requires continual interruptions, achieved through targeted drug seizures. This will have the greatest effect on reducing methylamphetamine consumption.

These findings demonstrate how we improve our understanding of the picture of crime impacting Australia by undertaking analysis, to guide a better response.

## Respond

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

Performance criterion	Result
<b>Respond 1</b> The ACIC better informs and influences collaborative efforts to harden the environment against crime.	✓

## 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.

The primary focus of our work is to protect the community from the threat of transnational serious and organised crime. To reduce the impact of transnational serious and organised crime on Australia, the ACIC uses its specialist capabilities and powers to collect, assess and distribute actionable intelligence to law enforcement and intelligence partners, both domestically and overseas. In support of these efforts, the ACIC actively participates in the development, implementation and evaluation of policy and legislation relating to agency powers and functions, emerging issues and trends, and oversight of the broader intelligence and law enforcement community.

### National policy

During 2019–20, the ACIC provided a number of submissions to the Comprehensive Review of the Legal Framework Governing the National Intelligence Community, and worked with the Attorney-General's Department and the broader Home Affairs portfolio to collaboratively develop the Australian Government response. The recommendations of the review and the government response are expected to be publicly released in August 2020.

In 2019–20, the ACIC lodged a submission to the Parliamentary Joint Committee on Intelligence and Security review of the mandatory data retention regime. The submission outlined the effectiveness of the existing data retention regime in balancing the ACIC's vital need for timely and consistent access to telecommunications data with the need for firm accountability mechanisms to ensure that access remains proportionate and transparent.

### Legislation

In 2019, the ACIC worked with the Department of Home Affairs to develop amendments to the ACC Act to streamline the process by which the ACIC Board authorises the ACIC to undertake special operations or investigations in relation to serious and organised crime. These amendments also confirmed the validity of existing special operation and special investigation determinations, ensuring that the ACIC could continue to effectively fulfil its statutory functions and actively contribute to a safer and more secure Australia.

In November 2019, the ACIC lodged a submission to the Independent National Security Legislation Monitor's review of the *Telecommunications and Other Legislation Amendment (Assistance and Access) Act 2018*. Through its submission, the ACIC addressed the agency's implementation and use of powers under the Act; the persistent threat environment in which intelligence and law enforcement agencies operate; and the critical need to ensure that the ACIC's search and surveillance powers in the cyber domain are equivalent to its existing powers in the physical domain.

In February 2020, the ACIC Chief Executive Officer (CEO) appeared at a public hearing of the Senate Legal and Constitutional Affairs Legislation Committee inquiry into the Transport Security Amendment (Serious Crime) Bill 2019. At the hearing, the CEO identified significant threats to Australia's border environments from serious and organised crime, including at airports, seaports and offshore facilities. The CEO also discussed the potential use of ACIC criminal intelligence in background checking for the aviation and maritime security identification card schemes, noting the residual risk posed by card holders who may not have serious criminal convictions but have been identified as having links to serious and organised crime groups.

## Stakeholder survey results

*'The ACIC has been providing intelligence in a timely matter so we can act on the information asap.'*—State policing partner, 2020 Stakeholder Survey

**Table 2.4:** Stakeholder survey results—Respond 1

Survey statement	Proportion of respondents who agreed or strongly agreed			
	2019–20	Change	2018–19	2017–18
ACIC intelligence and information inform policy/legal response to criminal activity threatening Australia <sup>a</sup>	84%	+8	76%	75%

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

## Respond (continued)

Performance criterion	Result
<b>Respond 2</b> 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.	✓

## 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 2019–20, the work of the ACIC contributed to 33 significant disruptions and one severe disruption (compared to the previous year's result of 27 significant disruptions and one severe disruption).

To achieve the complete dismantling of a crime entity or cessation of its serious and organised crime is exceptionally difficult, due to the large, complex and international networks many serious and organised criminal syndicates employ. In the past three years, the ACIC has contributed to three severe disruptions.

In 2019–20, our Australian law enforcement and offshore partners disrupted five APOT networks to the point that they are no longer considered APOT-level threats. Elements of a further 14 APOT networks were significantly disrupted, decreasing the overall threat of the criminal organisation but leaving it still able to operate at the APOT level.

No individuals designated as the head of an APOT organisation were arrested, compared to three in 2018–19 and four in 2017–18. This reflects a change in strategy, shifting focus from disrupting APOT individuals to disrupting the APOT organisations. While focusing on disrupting individuals has had success in the past, disrupting multiple elements of the APOT organisation has a much more significant and long-term disruptive effect.

The ACIC, together with the Australian Federal Police (AFP), investigated alleged proceeds of crime from illicit drug activities. Search warrants were executed resulting in an arrest and the seizure of methylamphetamine and a large sum of cash. It was determined the suspect was likely an upper level distributor of methylamphetamine for an organised crime syndicate. The arrest is likely to have a noticeable impact on the distribution activities of the syndicate.

The 'Joint efforts disrupt transnational syndicate distributing drugs to Australia' feature on page 48 provides a detailed case study of the ACIC's contribution to disrupting the highest level of serious and organised 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 law enforcement initiative through which all Australian state and territory police, the AFP National Anti-Gangs Squad, other Australian Government partners and New Zealand Police collaboratively target the highest threat OMCGs impacting Australia. Morpheus was approved by the ACIC Board in September 2014.

The task force takes coordinated multiagency action against the highest threat OMCGs, with a focus on cross-border serious criminal activity. The task force facilitates the development and implementation of joint response strategies to prevent, disrupt and dismantle OMCGs. These responses are overseen by a management group of senior officers from each participating agency. The head of the task force is currently drawn from the Queensland Police Service, supported by a deputy from the ACIC.

Morpheus adopts an intelligence-led approach to targeting high-threat OMCGs. This is facilitated by the AGICC, in close collaboration with Morpheus partner agencies. As part of this process, the maintenance of a National Gangs List (a secure, validated and nationally endorsed list of OMCG members) is a key focus of the AGICC. Intelligence produced by the AGICC informs response strategies and future initiatives to tackle OMCGs.

In 2019–20, the task force's achievements included:

- ▶ 2,393 arrests, summonses and court attendance notices and 5,590 charges
- ▶ seizure of 170 firearms and \$4.3 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 these annual performance statements.

### *Criminal Assets Confiscation Taskforce*

The Criminal Assets Confiscation Taskforce is led by the AFP and includes the ACIC and the Australian Taxation Office. The task force is an Australian Government 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 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.

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

Detail	Four-year historical average	2019–20
Referrals	20	9
Entities involved	137	68
Total value of offending (\$ million)	83.17	22.17

### *Serious Financial Crime Taskforce*

The Serious Financial Crime Taskforce (SFCT) forms part of the Fraud and Anti-Corruption Centre led by the AFP. 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, with a specific focus on four key areas:

- ▶ cybercrime (technology-enabled crime) affecting the tax and superannuation systems
- ▶ offshore tax evasion
- ▶ illegal phoenix activity
- ▶ serious financial crime affecting the Australian Taxation Office administered measures of the *Coronavirus Economic Response Package (Payments and Benefits) Act 2020*.

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.

The ACIC hosts the Financial Crime Fusion Centre—a critical component of the SFCT. By co-locating seconded members from participating agencies, we can leverage our coercive powers and criminal intelligence holdings, while simultaneously maximising collaboration for greater effectiveness.

### *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.

Our intelligence activities undertaken as part of the ITTF focused on:

- ▶ domestic manufacturing capabilities
- ▶ illicit tobacco importation and distribution and associated money laundering
- ▶ identification of source countries, capabilities and involvement of serious and organised crime groups.

In support of these priorities, 27 examinations were conducted during the period.

As a result of the ITTF's activities in 2019–20:

- ▶ ACIC members and ITTF partners jointly developed a strategic intelligence product on the impact of COVID-19 on the Australian illicit tobacco market.
- ▶ With the ITTF and Australian Border Force Joint Strike Teams, we conducted targeting of entities involved in illicit importation, facilitation and distribution to a Chinese illicit tobacco supplier, a Middle Eastern facilitator, and domestic financial facilitators.
- ▶ We developed operational intelligence products on a range of illicit tobacco activities in Australia, such as the impact of COVID-19 on localised product shortages and price spikes.
- ▶ We provided specialist capability support to ITTF operations on surveillance, telephone interception, controlled operations and surveillance device capabilities.

### *Phoenix Taskforce*

The Phoenix Taskforce was established in 2014 to provide a whole-of-government approach to combating phoenix activity. It comprises 38 Commonwealth, state and territory government agencies, including the ACIC, the Australian Taxation Office, the Australian Securities and Investments Commission and the Fair Work Ombudsman.

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.

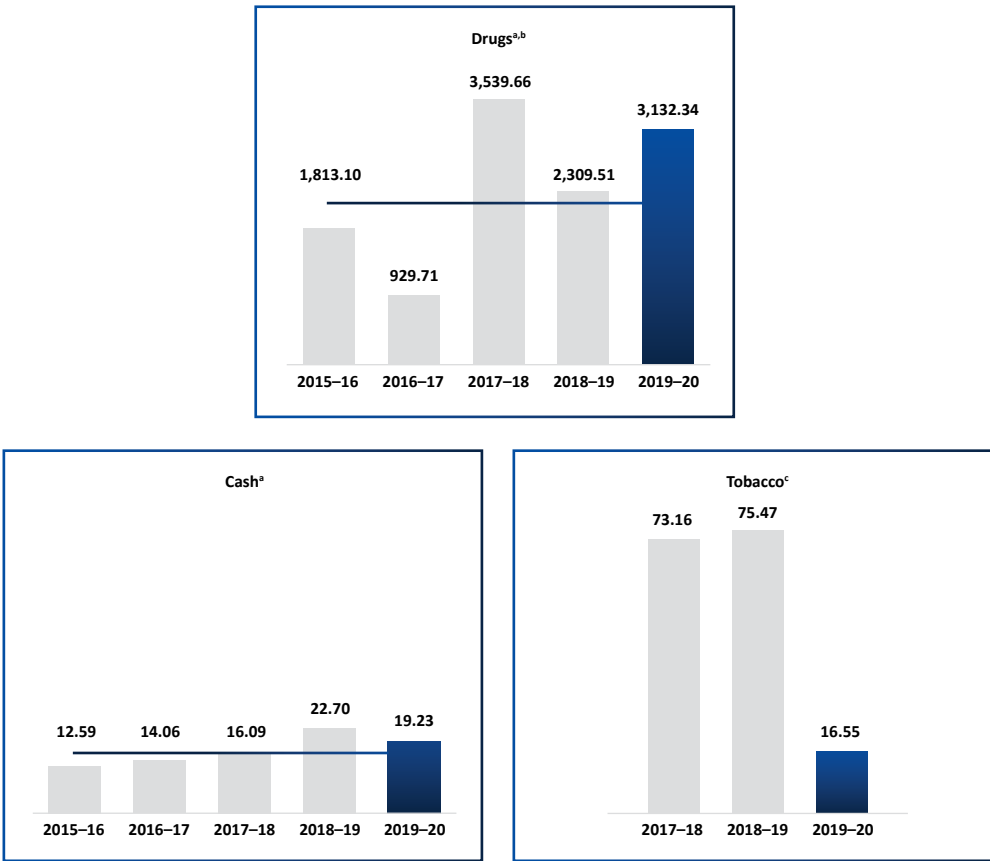
### Joint organised crime task forces

The ACIC cooperates with joint organised crime task forces in Victoria, Western Australia, the Northern Territory 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 2017-18*.
- c Tracking of tobacco seizures commenced in 2017-18. The historical average trendline will be added from 2020-21. Tobacco excise has been estimated using rates provided on the Australian Taxation Office website.

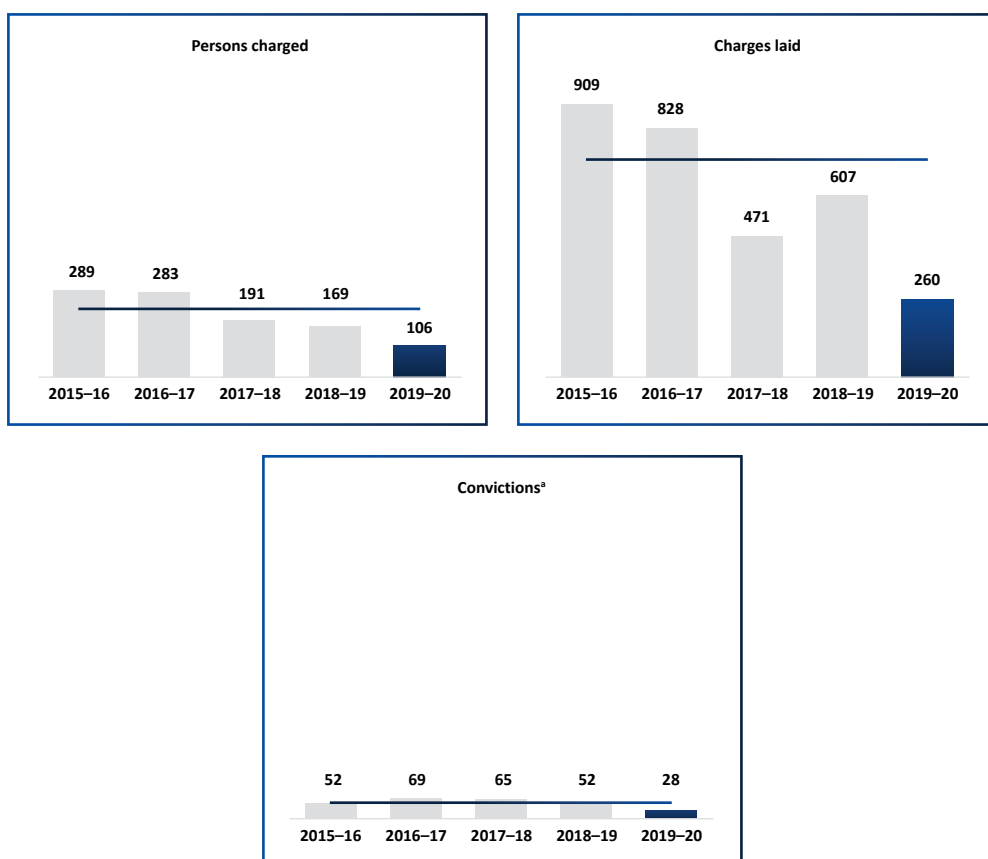
### Arrests and convictions

As an intelligence agency, the ACIC is focusing its efforts on the development and sharing of intelligence information that supports resolution activities by our partners. Therefore, the declines in the numbers of charges laid, persons charged and convictions recorded are not unexpected, as our work has shifted away from resolution activities.

In order to prioritise performance measures that more clearly reflect the performance of the ACIC, we will not report on these numbers in future annual reports. However, they will continue to be reported in the ACIC Board's Chair annual report as required by section 61 of the ACC Act.

The numbers of charges laid, persons charged and convictions recorded give some indication of the disruptive impact of the ACIC's work, as these activities disrupt organised criminal activity. 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**



<sup>a</sup> 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 AGICC’s sharing of information and liaison and assistance has been pivotal to our investigations and intelligence team.’—State policing partner, 2020 Stakeholder Survey*

**Table 2.6:** Stakeholder survey results—Respond 2

Survey statement	Proportion of respondents who agreed or strongly agreed			
	2019–20	Change	2018–19	2017–18
ACIC investigations collaborate with their organisation in the effective disruption of serious and organised criminals	67%	–2	69%	69%
ACIC investigations were of value or great value to them	95%	+1	94%	99%

## Respond (continued)

Performance criterion	Result
<b>Respond 3</b> ACIC partners are better informed and enabled to undertake policing and community safeguarding activities through access to national information systems and services.	✓

### 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.

In 2019–20, the ACIC undertook structural reform to enhance our ability to support our clients, partners and government, with a specific focus on stakeholder engagement, system and service sustainability, opportunities for improvement, project management and problem resolutions. At the forefront of this was the development of four business hubs that act as a single-entry point for internal and external clients and our partners, namely biometric/forensics, frontline systems, NPCS, and intelligence and corporate.

#### *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 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*

During 2019–20, the National Police Reference System (NPRS) Data Quality Project actively improved the quality of the data managed by Australian police services and provisioned to the NPRS, using a collaborative continuous improvement approach. Police partner agencies identify the data, records and issues of highest business value to them, and the ACIC bases its activities on those high-value items.

In late 2019, a number of policing information systems were retired as their functionality was transferred to other, more contemporary IT systems. They included the National Names Index, which was replaced by the NPRS, and the National Firearms Licensing and Registration System, which was replaced by the Australian Firearms Information Network (AFIN). These changes allowed for improved user interactions and enhanced software capabilities.

We assured our stakeholders that the NAFIS will be supported with contemporary technology until 2024, by commencing a project to refresh the hardware. The ACIC provided expert advice and training to approximately 150 NAFIS users across Adelaide, Brisbane, Melbourne, Perth and Sydney. The training was designed to improve partner agencies’ understanding and knowledge of the system, aiming to increase the value that partners gain from utilising the system.

NAFIS NextGen is the planned new version of NAFIS. It will ensure that fingerprint identification capability used by all police partner agencies continues to be supported and will deliver process automation to increase efficiencies for partner agency staff. The ACIC hosted three high-level workshops to gather information on NAFIS NextGen requirements, with NAFIS practitioners from partner agencies. This helped in the development and submission of a NAFIS NextGen business case.

The NCIS Interim Solution was shut down in December 2019. It was a proof-of-concept system developed as a pilot for the full NCIS, and was not intended to be a production system. The data in the interim system became out of date and further updates were not feasible. The numbers of active users and searches conducted using the interim system declined in the final months before the system was shut down.

The ACIC is working towards having a production-ready version of NCIS available for policing agencies for operational assessment by the end of 2020, with police agencies progressively contributing more information by connecting NCIS to their frontline systems through 2021.

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 2019–20 is consistent with the historical average, as shown in Table 2.7.

Table 2.7: Positive data matches

Service type	System name	Four-year historical average	2019–20	
Frontline	Australian Ballistic Information Network <sup>a</sup>	78	↔	77
Biometric and forensic	National Automated Fingerprint Identification System	92,162	↑	107,038
	National Criminal Investigation DNA Database	85,268	↑	111,393

↑ Result 5% or more above historical average

↓ Result 5% or more below historical average

↔ Result within 5% of historical average

<sup>a</sup> Because of Australia’s gun control regulations and relatively low level of gun crime, ballistics matches are less common than fingerprint or DNA matches across multiple crime scenes.



## Stakeholder survey results

**Table 2.8:** Stakeholder survey results—Respond 3

Survey statement	Proportion of respondents who agreed or strongly agreed			
	2019–20	Change	2018–19	2017–18
ACIC information and intelligence services were valuable to the work of their organisation	89%	–	89%	92%
ACIC information and intelligence services and systems were of value, or of great value, to them or their business area	97%	+3	94%	91%
ACIC national policing and intelligence systems enabled them to do their jobs more effectively	87%	+8	79%	67%

## FEATURE:

### *Joint efforts disrupt transnational syndicate distributing drugs to Australia*



**In August 2019, joint operations between the Australian Federal Police and our overseas counterpart resulted in the offshore seizure of 750 kilograms of MDMA from the target syndicate.**

An ACIC operation on high-risk and emerging drugs has contributed to the disruption of a transnational syndicate dealing in large commercial quantities of illicit drugs, including the seizure of large quantities of MDMA in Australia and overseas.

In 2018, we deployed a high-risk and emerging drugs expert to assist an overseas counterpart in a joint investigation. The investigation led to the identification of suspects linked to a syndicate which was facilitating the importation of a commercial quantity of MDMA. In August 2019, joint operations between the Australian Federal Police and our overseas counterpart resulted in the offshore seizure of 750 kilograms of MDMA from the target syndicate.

In late 2019, Australian-based targets were identified seeking to purchase 150 kilograms of MDMA from the target syndicate. Six arrests were made by host nation authorities following the seizures of more than 250 kilograms of dangerous drugs and more than 20,000 litres of precursor chemicals. Investigations are ongoing, with further arrests anticipated.

The seizures and arrests resulted in a clear disruption of the transnational serious and organised crime syndicate and the commercial

importation of border-controlled drugs, particularly MDMA, to Australia.

The discovery of the target syndicate has directly delivered noticeable interference outcomes for Australian law enforcement. The extent to which the disruption of a globally significant MDMA network has directly impacted Australia will be monitored through our National Wastewater Drug Monitoring Program.

The intelligence we delivered to our law enforcement partners, domestically and internationally, highlights the value of the ACIC's role in the disruption of internationally significant crime markets and transnational crime syndicates.

This demonstrates how we drive our investigations and intelligence activities by focusing on proactively discovering and targeting transnational serious and organised crime groups that impact Australia and supporting the development and implementation of offshore disruption strategies.

By responding to high-risk and emerging drugs, we improve our national ability to prevent and disrupt crime and protect the community.

## 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	Result
<b>Connect 1</b> Existing ACIC systems and services are accessible, used and reliable.	✓

## Achievements

We group our systems into broad service categories:

- ▶ **Frontline**—These 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**—These 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**—These systems assist police with finding information on domestic violence orders, managing child sex offenders and identifying child exploitation images.
- ▶ **Checking**—To protect the safety of the community, this system enables police agencies and ACIC-accredited bodies to request a nationally coordinated criminal history check to support organisations to make informed decisions about the suitability of applicants for employment and positions of trust.
- ▶ **Criminal intelligence**—These 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 are available and providing reliable access to services (excluding scheduled outages)
- ▶ **service beneficiaries**—the range of agencies to which we provide services
- ▶ **service usage**—the number of users in partner agencies and the numbers of system searches and nationally coordinated criminal history checks
- ▶ **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 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 <sup>a</sup>		2019–20	
		(%)	(%)		(%)	
Frontline	National Police Reference System	99.5	99.53	✓	99.64	✓
	National Firearms Identification Database	96.0	99.69	✓	99.84	✓
	Australian Ballistic Information Network	95.0	99.97	✓	100.00	✓
	Australian Firearms Information Network	n.a.	99.42	n.a.	99.93	n.a.
	National Vehicles of Interest System	99.0	99.89	✓	99.51	✓
Biometric and forensic	National Automated Fingerprint Identification System	99.4	99.68	✓	99.88	✓
	National Criminal Investigation DNA Database	99.0	99.60	✓	99.67	✓
	National Missing Persons and Victim System	96.0	99.84	✓	99.97	✓
Protection	National Child Offender System	99.5	99.57	✓	99.67	✓
	Child Exploitation Tracking System	96.0	99.95	✓	100.00	✓
Checking	National Police Checking Service/NPCS Support System <sup>b</sup>	99.0	98.54	✗	99.65	✓
Criminal intelligence	Australian Law Enforcement Intelligence Network	n.a.	99.93	n.a.	99.23	n.a.
	Australian Criminal Intelligence Database <sup>c</sup>	n.a.	99.99	n.a.	99.23	n.a.
	National Target System	n.a.	99.96	n.a.	99.98	n.a.

✓ Benchmark met

✗ Benchmark not met

n.a. not applicable

<sup>a</sup> 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.

<sup>b</sup> 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%.

<sup>c</sup> 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, the Department of Defence and state-based crime and corruption bodies.

Through the NPCS Support System, the NPCS administers access to nationally coordinated criminal history checks for ACIC-accredited bodies and Australian police agencies. The checks help organisations to make informed decisions about the suitability of applicants for things such as employment in paid or volunteer positions, Australian citizenship, work with children or vulnerable people, and various licensing and registration schemes. ACIC-accredited bodies include government agencies, private sector businesses and commercial businesses acting in a broker capacity; not-for-profit organisations; and screening units responsible for the assessment of people who apply to work with children or vulnerable people or under the National Disability Insurance Scheme.

As a result of stricter contractual obligations and increased compliance activities, the number of bodies for whom checks were performed reduced by 19 accredited bodies during 2019–20. The total remained in line with the historical average, as shown in Table 2.10.

**Table 2.10: Stakeholder bodies for whom criminal history checks were processed**

Stakeholders	Four-year historical average		2019–20
Bodies for whom nationally coordinated criminal history checks were processed	195	↔	191

↔ Result within 5% of historical average

Our web-based Court Portal enables domestic violence orders in the NPRS to be shared between police and courts across Australia. In 2019–20, the system was searched 2,114 times.

### Service users

Table 2.11 provides details of the numbers of users of our systems in 2019–20.

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 decommissioning of the National Names Index has centralised names to the NPRS. The National Firearms Licensing and Registration System has been superseded by AFIN. The final police partner agency will be migrated to AFIN during 2020–21.

**Table 2.11: Service users**

Service type	System	Historical average <sup>a</sup>	2019–20	
Frontline	National Police Reference System	76,886	↓	54,636
	National Firearms Identification Database <sup>b</sup>	32	↑	82
	Australian Ballistic Information Network	113	↔	108
	Australian Firearms Information Network	608	↑	1,080
	National Vehicles of Interest System	9,833	↑	36,870
Biometric and forensic	National Automated Fingerprint Identification System	704	↔	696
	National Criminal Investigation DNA Database	168	↓	103
	National Missing Persons and Victim System	579	↑	876
Protection	National Child Offender System	1,920	↓	940
Criminal intelligence	Australian Law Enforcement Intelligence Network	4,464	↓	4,135
	Australian Criminal Intelligence Database <sup>c</sup>	2,394	↓	2,279
	National Target System	860	↑	1,012

↑ 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; we are still building up data for a full four-year historical trend on the National Firearms Identification Database and Australian Firearms Information Network systems.

b The National Firearms Identification Database does not have an individual user login. User statistics are based on IP address.

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

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

## Searches

Results for numbers of searches were affected by transitions between systems in 2019–20.

The large increases in AFIN and National Firearms Identification Database (NFID) searches were expected, as users were transitioning to AFIN from the National Firearms Licensing and Registration System. In addition, the ACIC conducted a range of activities which contributed to increasing search numbers across these systems, including:

- ▶ a 'Firearm Systems Roadshow' which provided a user overview and promoted AFIN and NFID improvements
- ▶ technical enhancements to make the NFID more accessible
- ▶ the publication of NFID data on the ACIC's website, increasing access for firearm users.

The 'ACIC database assists New Zealand's firearm buyback scheme' feature on page 62 provides a case study of the ACIC's collaboration and contribution of specialist services to meet the needs of our New Zealand partners.

The ACIC is progressively integrating all police partners with AFIN: two policing partners integrated their data in 2019–20. Integration with AFIN provides each police partner with access to the full historical data holdings in the system and creates a national record showing the lifecycle of every firearm in Australia.

Table 2.12 provides details of searches conducted by users of the ACIC's active systems.

**Table 2.12: Searches conducted**

Service type	System	Four-year historical average		2019–20
Frontline	National Police Reference System	36,871,546	↑	38,922,218
	National Firearms Identification Database	18,436	↑	46,999
	Australian Ballistic Information Network <sup>a</sup>	2,626	↑	4,329
	Australian Firearms Information Network <sup>b</sup>	40,558	↑	443,921
	National Vehicles of Interest System	7,672,305	↓	6,223,497
Biometric and forensic	National Automated Fingerprint Identification System	1,487,537	↑	1,507,182
Criminal intelligence	Australian Criminal Intelligence Database	368,608	↓	241,517

↑ Result 5% or more above historical average

↓ Result 5% or more below historical average

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 Searches of the National Firearms Licensing and Registration System decreased during 2019–20, consistent with decommissioning of the platform. A number of police partner agencies had a low rate of adoption of the Australian Firearms Information Network when it was delivered at the end of 2016 and continued to actively use the National Firearms Licensing and Registration System until it was decommissioned. Therefore, the four-year historical average may not accurately reflect performance over time.

### *Nationally coordinated criminal history checks*

The number of nationally coordinated criminal history checks conducted through ACIC systems rose by only 0.1 per cent in 2019–20. This result was impacted by the COVID-19 pandemic, with check volumes and revenue reducing significantly from March 2020. In 2019–20, check submissions exceeded 5.6 million, as shown in Table 2.13.

**Table 2.13: Police history checks submitted**

Measure	Four-year historical average	2019–20	
Number of nationally coordinated criminal history checks submitted	5,002,569	↑	5,634,321

↑ Result 5% or more above historical average

The NPCS timeliness measure shown in Table 2.14 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 police jurisdiction for further assessment. 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 result directly to the accredited body or police agency that lodged the check. This process may be complicated and, in a small number of cases, may cause delays beyond the agreed timeframes.

**Table 2.14: Police history checks completed on time**

Measure	Board-agreed benchmark	Four-year historical average		2019–20	
On time—standard checks Target: 10 days	95.0%	96.2%	✓	94.9%	×
On time—urgent checks Target: 5 days	95.0%	91.1%	×	90.8%	×

✓ Benchmark met

× Benchmark not met


## Stakeholder survey results

**Table 2.15: Stakeholder survey results—Connect 1**

Survey statement	Proportion of respondents who agreed or strongly agreed			
	2019–20	Change	2018–19	2017–18
ACIC national policing and intelligence systems and services are reliable	75%	+2	73%	67%
ACIC national policing and intelligence systems and services are accessible	81%	+3	78%	79%
The ACIC is trustworthy in handling our partners' information	83%	—	83%	83%



## Connect (continued)

Performance criterion	Result
<b>Connect 2</b> Through effective collaboration, enable the delivery and implementation of new and enhanced ACIC systems and services that satisfy the needs of stakeholders and users.	

### 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*

The Australian Law Enforcement Intelligence Network (ALEIN) and Australian Criminal Intelligence Database remediation project commenced in 2019 and focused on replacing aging physical hardware and firewalls. Upgrades to the database, application services and the operating system were also conceived. The first component of replacing the ALEIN mail servers was completed, reducing the risks of failure of this system into the future. The other components have been postponed until further funding becomes available.

The development of the Working with Children Checks National Reference System was completed in 2018–19. The service supports decisions to approve applicants to work with children, including the national provision of negative notices to relevant stakeholders. Two of the relevant state agencies, in Tasmania and Western Australia, have completed their integration and are live on the system. Both agencies have benefitted from the system in several instances in which applicants applying for a certification were shown to have been refused certification in another jurisdiction. Due to COVID-19 limitations, the remaining states and territories are yet to join the system.

AFIN system enhancements were delivered on 30 September 2019, providing new features and improved functionality and usability. The enhancements included an infrastructure and version upgrade to version 8.1. Direct integration into AFIN was commenced by the Western Australia Police Force on 29 July 2020 and the AFP on 5 November 2020. To ensure access to the AFIN system for partners as more policing services integrate, the ACIC delivered the AFIN Backwards-Compatibility Solution on 19 October 2019. This allows legacy National Firearms Licensing and Registration System data to be provisioned to AFIN until partners have integrated directly into the system.

### Projects progressed

During 2019–20, significant work occurred to progress the NCIS development program. NCIS will be a whole-of-government capability which will give Australia's law enforcement and intelligence agencies the first truly national and unified picture of criminal activity. It will improve community safety by providing a secure and trusted information-sharing platform for frontline law enforcement, enabling jurisdictions to share criminal information and intelligence and improving the law enforcement and intelligence community's ability to work together across jurisdictions to achieve common outcomes. The NCIS program will deliver core capability by December 2020.

NCIS is now hosted in the ACIC environment and receiving continuous updates of NPRS data. Using only NPRS data, NCIS has enabled correlation not only across fingerprint identification but also around records containing same driver licence identification, same photo of the person of interest and exact address match for a person of interest.

A business case to replace the Child Exploitation Tracking System capabilities with a more contemporary application was prepared and presented to the ACIC Board. The new application will reside with the Australian Centre to Counter Child Exploitation, subject to the approval of funding to progress the development of the new application.

### Projects planned

The NPCS Technical Uplift and Business Enhancement Project has progressed a range of system changes to stabilise and improve the performance and enhance the existing functionality of the NPCS Support System.

The NAFIS Hardware Stabilisation Project was initiated in December 2019 and will be delivered by October 2020. The project will remove risk posed to NAFIS by obsolete infrastructure and will increase the performance, reliability and availability of the system.

NAFIS NextGen is the planned new version of the system. It will ensure that fingerprint identification capability used by all police partner agencies continues to be supported and will deliver process automation that will result in increased efficiencies for partner agency staff.

The Partner Collaboration Services Project is intended to sustain and improve the ability of the ACIC to collaborate and share protected information with our external partners in particular states and territories. This will be delivered by developing effective governance; configuring the service to meet business and security requirements; and expanding our software platform to replace our unsupported extranet.

## Stakeholder survey results

*'The underlying fingerprint system works well, and we use it a lot. Having that system makes a big difference, and keeping this older system working 24/7 has been vital.'*


—State policing partner, 2020 Stakeholder Survey

*'The Request For Information section of the ACIC has been outstanding.'*—Australian Government partner, 2020 Stakeholder Survey

**Table 2.16:** Stakeholder survey results—Connect 2

Survey statement	Proportion of respondents who agreed or strongly agreed			
	2019–20	Change	2018–19	2017–18
New and enhanced ACIC national policing and intelligence systems are being developed and improved to meet their organisation's needs	<b>43%</b>	–14	57%	61%
The ACIC systems meet the criminal information and intelligence needs of their organisation	<b>46%</b>	–2	48%	45%
Our information technology projects are of value or great value to their role	<b>89%</b>	–5	94%	84%

## Connect (continued)

Performance criterion	Result
<b>Connect 3</b> The ACIC is sharing increasing volume, breadth and formats (mediums, platforms) of criminal intelligence and information, police information, and other relevant information.	

### 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:

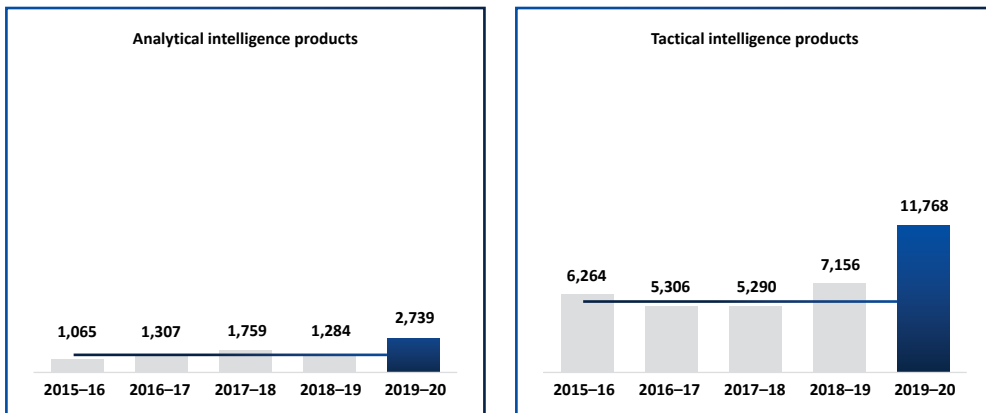
- ▶ providing systems that our stakeholders can search to find the information they need
- ▶ disseminating intelligence and other information directly to our partners
- ▶ providing public, unclassified information and intelligence.

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 and 2.10.

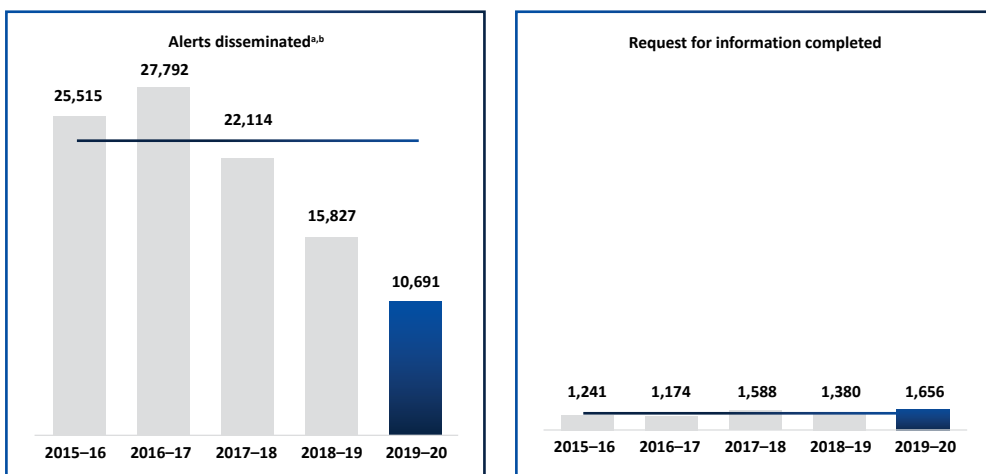
#### *Information and intelligence shared*

We measure the sharing of information and intelligence by tracking the numbers of products and alerts we have disseminated and the number of requests for information we have completed. This demonstrates the breadth and amount of criminal intelligence and information, police information, and other relevant information that we are producing and providing to our law enforcement partners each year.

We shared criminal information and intelligence with 321 national and international law enforcement partners and other stakeholders during 2019–20. Figures 2.9 and 2.10 provide details of how we delivered that information.

**Figure 2.9:** Analytical and tactical intelligence products disseminated

Note: The results for 2015-16 have been updated to include previously unreported products.  
The trendline represents the four-year historical average.

**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 2019-20 result for alerts disseminated is below the historical average due to the COVID-19 pandemic.

Note: The 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 2.17 provides details of the numbers of records held in our systems at 30 June 2020. 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 2.17: System records held**

Service type	System	2018–19	Change		2019–20
Frontline	National Police Reference System	12,070,156	556,787	↑	12,626,943
	National Firearms Identification Database	12,972	622	↑	13,594
	Australian Ballistic Information Network	83,819	2,312	↔	86,131
	Australian Firearms Information Network <sup>a</sup>	10,904,259	1,459,527	↑	12,363,786
	National Vehicles of Interest System	3,834,521	106,863	↔	3,941,384
Biometric and forensic	National Automated Fingerprint Identification System	10,034,465	756,798	↑	10,791,263
	National Criminal Investigation DNA Database	1,324,575	120,366	↑	1,444,941
	National Missing Persons and Victim System	3,383	163	↑	3,546
Criminal intelligence	Australian Criminal Intelligence Database	5,337,790	249,365	↑	5,587,155
	National Target System	15,951	–1,362	↓	14,589

↑ Result 5% or more above previous financial year

↓ Result 5% or more below previous financial year

↔ Result within 5% of previous financial year

<sup>a</sup> Status reports for the Australian Firearms Information Network have been updated to include separate address records. This is reflected in an increase in reported records for 2019–20.

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.

### *Publicly available information provided*

The ACIC released five public reports in 2019–20:

- ▶ The *Illicit Drug Data Report 2017–18* was released in August 2019. It is the 16th edition of the report and includes arrest, detection, seizure, purity, profiling and price data.
- ▶ The *Methylamphetamine supply reduction—Measures of effectiveness* report was published in September 2019. The report describes how, for the first time, the ACIC overlaid consumption data derived from the National Wastewater Drug Monitoring Program with other illicit drug indicator data to understand the relationship between supply and consumption within the Australian methylamphetamine market. The ‘Data confirms that large seizures impact methylamphetamine consumption’ feature on page 35 provides further information.
- ▶ The National Wastewater Drug Monitoring Program released three reports: Report 8 in October 2019, Report 9 in March 2020 and Report 10 in June 2020.

## FEATURE:

### *ACIC database assists New Zealand's firearm buyback scheme*

“Our NFID assisted New Zealand Police to identify a broad range of firearms subject to surrender and compensation.

In 2019, we made the ACIC's National Firearms Identification Database (NFID) available to our New Zealand Police partners to help them implement a firearm buyback scheme.

New Zealand banned semiautomatic weapons and launched a gun amnesty and buyback scheme in early 2019. Our NFID assisted New Zealand Police to identify a broad range of firearms subject to surrender and compensation. Additionally, an ACIC firearm matter expert attended regional buyback centres to assist New Zealand Police officers to identify firearms and their parts and components.

Our firearms database sets uniform national standards for the identification of firearms registered within Australia. The database is a reference tool that enables police to identify and characterise a firearm using descriptors such as make, model, calibre and magazine capacity. It assists police to ensure that firearms are recorded consistently during registration, importation or transfer of ownership and movement across state or territory borders.

The NFID has recently been a point of discussion between the Australian firearm industry and the ACIC in facilitating the allocation of firearm template numbers upon the importation of firearms. This process would create enhanced data for the national database and would be based upon a nationally accepted standard for firearm descriptors.

Through effective collaboration, we enabled the delivery and implementation of the NFID and our specialist services to meet the needs of our New Zealand partners. We continue to work with our New Zealand partners and improve each other's intelligence capabilities. By providing New Zealand Police with the database and other relevant services, we were able to collaborate and maintain innovative national and international information to help with our intelligence-sharing services.



## Overview of financial performance

The ACIC's financial result for 2019–20 was an operating surplus of \$5.333 million.

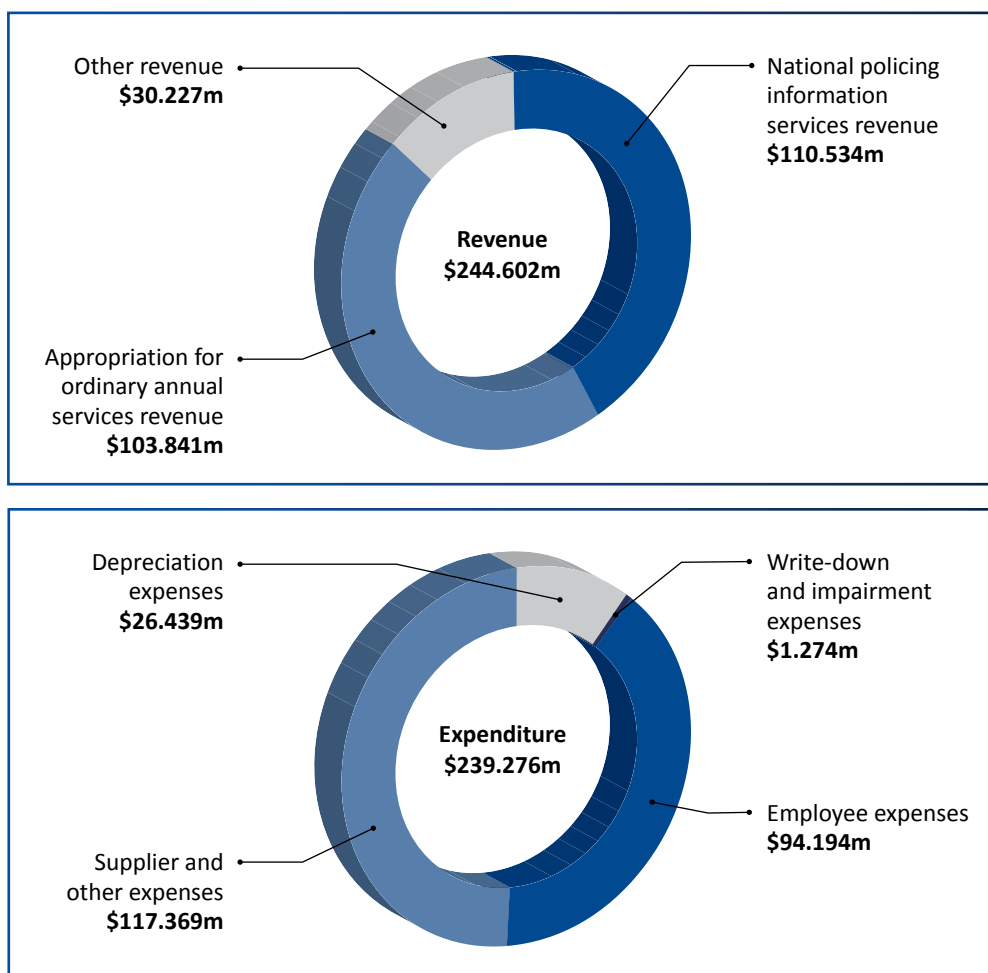
With the exclusion of unfunded depreciation (\$7.301 million), the impact of the new lease accounting standard (\$1.934 million), and capital funding income (\$15.399 million), the ACIC would have realised a loss of \$0.831 million for the financial year.

During 2019–20, 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.

### Revenue and expenditure

Figure 2.11 summarises sources of revenue and expenditure in 2019–20. More details of resources and expenses are provided in tables 2.18 to 2.20.

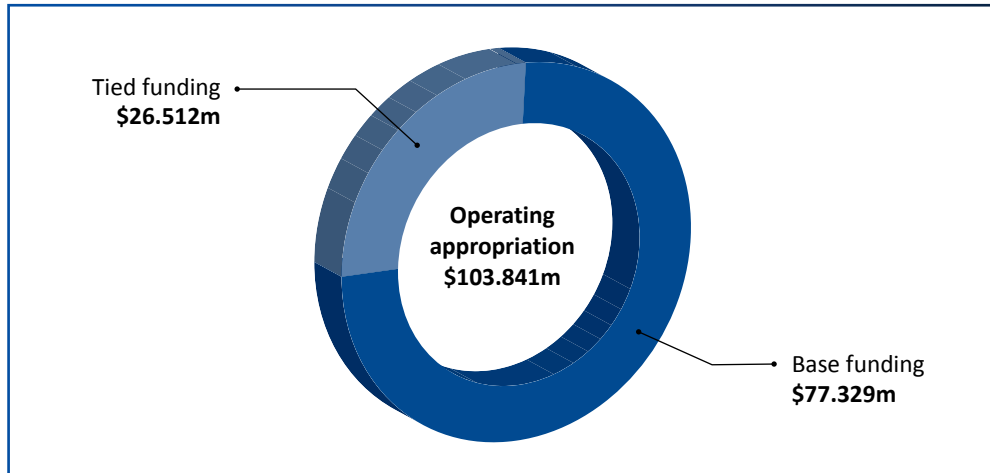
**Figure 2.11:** Revenue and expenditure



## Appropriation for 2019–20

The ACIC's operating appropriation of \$103.841 million was made up of base appropriation funding of \$77.329 million plus \$26.512 million of tied funding, as shown in Figure 2.12.

**Figure 2.12: Operating appropriation**



The tied funding in 2019–20 consisted of:

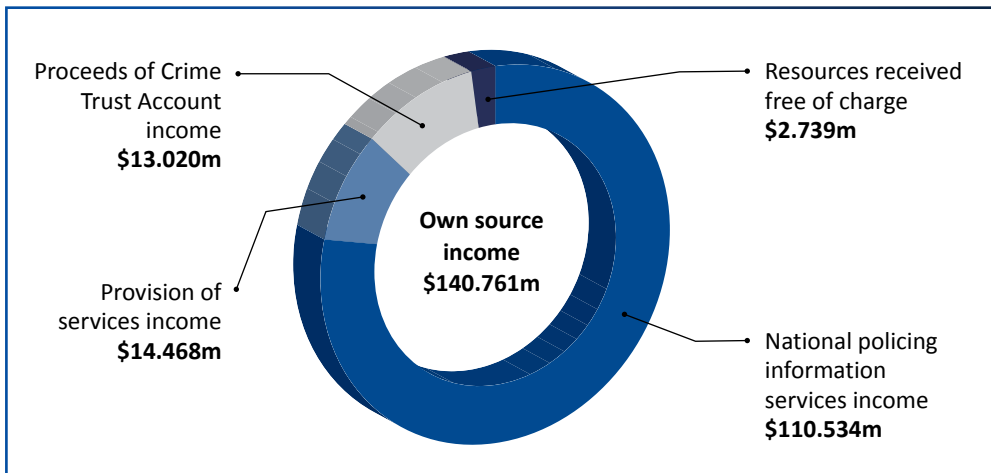
- ▶ \$1.647 million for the Australian Gangs Intelligence Coordination Centre
- ▶ \$0.891 million to enhance physical security for all office buildings and personnel security capabilities, in response to the current heightened security threat
- ▶ \$4.350 million to develop and enhance the ACIC's cybercrime intelligence and analysis capability in response to recommendations of the 2016 Cyber Security Review
- ▶ \$0.359 million to support 24/7 operation of the Australian Cyber Security Centre to prevent and combat cyber security threats
- ▶ \$1.194 million for the operation of the National Wastewater Drug Monitoring Program
- ▶ \$4.569 million to support deployment of surveillance capability
- ▶ \$1.735 million to enhance the Criminal Intelligence Capability program and provide better training to the intelligence workforce for the ACIC and partner agencies
- ▶ \$11.767 million to develop the NCIS Tranche 1 program.

## Own source income in 2019–20

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 \$110.534 million as a result of provision of national policing information services, \$13.020 million received from the Proceeds of Crime Trust Account, \$14.468 million from provision of services and \$2.739 million in resources received free of charge.

**Figure 2.13: Own source income**



## 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 the Chief Financial Officer
- ▶ centralised administration of procurement, property leases, assets, travel, credit cards, fleet vehicles, mobile phones and laptops.

**Table 2.18:** Entity resource statement

	Actual available appropriations for 2019–20 \$'000 (a)	Payments made 2019–20 \$'000 (b)	Balance remaining \$'000 (a–b)
<b>Departmental annual appropriations—ordinary annual services</b>			
Prior year appropriation available	57,819	57,819	–
Departmental appropriation (including departmental capital budget) <sup>1</sup>	106,857	44,386	62,471
Section 74 relevant agency receipts <sup>2</sup>	26,623	21,624	4,999
<b>Total ordinary annual services</b>	<b>191,299</b>	<b>123,829</b>	<b>67,470</b>
<b>Annual appropriation—other services non-operating</b>			
Prior year appropriation available	–	–	–
Equity injections <sup>3</sup>	23,636	8,758	14,878
<b>Total other services</b>	<b>23,636</b>	<b>8,758</b>	<b>14,878</b>
<b>Total annual appropriations</b>	<b>214,935</b>	<b>132,587</b>	<b>82,348</b>
<b>National Policing Information Systems and Services Special Account</b>			
Opening balance	125,812		
Appropriation receipts	20,525		
Non-appropriation receipts	114,175		
Payments made		139,433	
<b>Total special account</b>	<b>260,512</b>	<b>139,433</b>	<b>121,079</b>
Less: departmental appropriations drawn from annual appropriations and credited to special accounts	(20,525)		(20,525)
<b>Total resourcing and payments</b>	<b>454,923</b>	<b>272,020</b>	<b>182,903</b>

1 Annual departmental appropriation includes \$0.404m quarantined.

2 Section 74 agency receipts and payments exclude any GST component.

3 Equity injection funded for 2019–20 was \$23.636m of which \$14.878m has been re-phased for future years.

**Table 2.19: Expenditure by outcome**

<b>Outcome 1:</b> To make Australia safer through improved national ability to discover, understand and respond to current and emerging crime threats, including the ability to connect police and law enforcement to essential criminal intelligence, policing knowledge and information through collaborative national information systems and services.	<b>Budget 2019–20 \$'000</b>	<b>Actual expenses 2019–20 \$'000</b>	<b>Variation \$'000</b>
<b>Departmental expenses</b>			
Departmental appropriation and section 74 agency receipts	121,303	119,774	1,529
National Policing Information Systems and Services Special Account	116,343	109,462	6,881
Expenses not requiring appropriation in the budget year	11,443	10,040	1,403
<b>Total departmental expenses</b>	<b>249,089</b>	<b>239,276</b>	<b>9,813</b>
<b>Total expenses for Outcome 1</b>	<b>249,089</b>	<b>239,276</b>	<b>9,813</b>

**Table 2.20: Average staffing level**

	<b>Budget 2019–20</b>	<b>Actual 2019–20</b>
<b>Average staffing level (number)</b>	849	737

## FEATURE:

### *National Wastewater Drug Monitoring Program report provides valuable insights*

“**Australia ranks fourth highest for total estimated stimulant consumption specifically related to methylamphetamine, amphetamine, cocaine and MDMA.**

The ACIC's National Wastewater Drug Monitoring Program provides insights into the trends and emerging issues of drug consumption across Australia, while helping to identify new sources of threat.

In June 2020, the program released its tenth report, covering wastewater samples taken in October and December 2019 and February 2020.

The data in the report was comparable with international data on a variety of drugs and their consumption. A comparison with data from 30 other countries determined that Australia's level of stimulant consumption is among the highest in the world.

According to the data, Australia ranks fourth highest for total estimated stimulant consumption specifically related to methylamphetamine, amphetamine, cocaine and MDMA. Notably, Australia also ranked third highest for consumption of methylamphetamine and consumption of MDMA.

The tenth report covers 43 per cent of the population, which equates to about 10 million people. Fifty-three wastewater treatment plants across Australia participated in the sample collection, which monitored the consumption of 13 substances.

Consistent with the findings of other National Wastewater Drug Monitoring Program reports, nicotine and alcohol were the highest consumed of the drugs measured by the program for which dose data is available. Likewise, methylamphetamine remained the highest consumed illicit drug.

Record levels were reported for capital city and regional MDMA and nicotine consumption, capital city methylamphetamine consumption, regional cocaine consumption, and regional alcohol consumption. Regional consumption of heroin decreased to the lowest level recorded by the program.

In the 2019 Budget, the ACIC received an additional \$4.8 million over four years to fund the National Wastewater Drug Monitoring Program, building its longitudinal data and delivering an additional 12 public reports. With this support, the program will continue to evolve and demonstrate its flexibility.

As Australians continue to consume illicit drugs at increasing levels, the National Wastewater Drug Monitoring Program is providing an important and consistent measure to guide and monitor drug responses.

## FEATURE:

### *ACIC hosts conference to combat pharmaceutical opioid threat*

“The conference highlighted **key insights** on the **pharmaceutical opioid threat in Australia** as well as the ways in which the **crisis is affecting other countries**.

In February 2020, the ACIC hosted the Pharmaceutical Opioid Conference, which welcomed representatives of law enforcement agencies, health agencies and other key stakeholders from across Australia. The conference was also attended by international subject experts and members of our partner agencies in the United Kingdom and the United States.

The conference highlighted key insights on the pharmaceutical opioid threat in Australia as well as the ways in which the crisis is affecting other countries. Representatives from the United States and the United Kingdom shared their perspectives on the opioid crisis and how their countries are responding to the threat.

A number of initiatives being undertaken by our international partner agencies are also being implemented in Australia by the ACIC and domestic partners as part of projects which target high-risk and emerging drugs.

The ACIC presented key findings on research and analysis related to illicit markets in which oxycodone and fentanyl feature. We provided detailed insights into the demand and supply sides of those markets.

Our partners from the Australian Institute of Criminology also discussed research on patterns in fentanyl use and supply, drawn from their Drug Use Monitoring in Australia program.

The Pharmaceutical Opioid Conference provided us and our partner agencies with a valuable opportunity to discuss current and emerging trends in relation to high-risk and emerging pharmaceutical opioids.





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



# Section 3

## ***Management and accountability***

### *Our governance, people and resources*

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## Governance context

The ACIC is a Commonwealth statutory body, established under the *Australian Crime Commission Act 2002* (ACC Act). We are one of five statutory agencies in the Home Affairs portfolio and report to the Minister for Home Affairs.

Our role and functions are set out in the ACC Act and underpinned by supporting legislation in each state and territory. We also have responsibilities under the *Public Service Act 1999* and the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

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.

## 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.

### Accountable authority

The CEO is the accountable authority of the ACIC for the purposes of the PGPA Act. Mr Michael Phelan APM was appointed CEO on 13 November 2017 and held that position throughout 2019–20.

### ACIC Executive

On 30 June 2020, the ACIC Executive comprised the CEO, the Chief Operating Officer, four executive directors, 11 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 <b>Michael Phelan APM</b>	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 <b>Jeremy Johnson</b>	Responsible for government relations and engagement; media and communication; strategy; planning and performance; and strategic policy.
CHIEF OPERATING OFFICE	Chief Operating Officer <b>Anne Brown</b>	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 <b>Yvette Whittaker</b>	Responsible for the financial management of the agency, procurement, the national property portfolio and business support.
	National Manager People, Security and Integrity <b>Tim Simpson</b>	Responsible for the delivery of people management and strategies, security, integrity and organisational psychology.
	National Manager Legal Services/ General Counsel <b>Nicole Mayo</b>	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 <b>Peter Ingram</b>	Responsible for business strategy, the Portfolio Management Office and the National Police Checking Service.
TECHNOLOGY	Acting Executive Director Technology <b>Stewart Sibree</b>	Responsible for providing and maintaining our national information capabilities and services to support policing and law enforcement.
	Acting Chief Technology Officer <b>Sam Lewis</b>	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 <b>Stephen McCarey</b>	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 <b>Matthew Rippon</b>	Responsible for ACIC investigations and intelligence operations, our intelligence products development and oversight of state managers.
	National Manager Operational Strategy <b>Darshana Sivakumaran</b>	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 <b>Warren Gray</b>	Responsible for operations and stakeholder relationships in New South Wales.
	State Manager Victoria <b>Jason Halls</b>	Responsible for operations and stakeholder relationships in Victoria.
	State Manager Queensland <b>Charlie Carver</b>	Responsible for operations and stakeholder relationships in Queensland.
	State Manager Western Australia <b>Doug Miller</b>	Responsible for operations and stakeholder relationships in Western Australia.
	State Manager Northern Territory and State Manager South Australia <b>Simon Warwick</b>	Responsible for operations and stakeholder relationships in the Northern Territory and South Australia.
	State Manager Tasmania <b>John Arnold</b>	Responsible for operations and stakeholder relationships in Tasmania.
CAPABILITY	Executive Director Capability <b>Mark Harrison</b>	Responsible for strategic intelligence, human intelligence and technical intelligence capabilities.
	National Manager Strategic Intelligence Capability <b>Katie Willis</b>	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 Human Intelligence Capability <b>Hans Koenderink</b>	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.
	National Manager Technical Intelligence Capability <b>Robert Jackson</b>	Responsible for covert technical intelligence capability and operations, covert system integration, and technical intelligence analytics.
NCIS	Chief Information Officer/Executive Director NCIS Program <b>Rochelle Thorne</b>	Responsible for providing and maintaining national information capabilities and services to support policing and law enforcement, and for the delivery of NCIS, including the delivery of committed benefits to the ACIC and its partners.

NCIS = National Criminal Intelligence System

## Senior management committees

Our committee structure comprises our Commission Executive Committee, Organised Crime Management Committee, Project Governance Committee and 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 and 2019–20, we adjusted our internal committee structures to align with our functions and updated organisational structure. The scope of all committees was reviewed, and the Project Governance Committee (formerly the Technology Governance Committee) was expanded to capture governance of all non-operational projects in the agency. The sub-committees of the senior management committees were reviewed and, where appropriate, removed, to streamline governance.

We will continue to review the structure to ensure that our governance is as effective and streamlined as possible.

**Figure 3.1:** Senior management committee structure at 30 June 2020



## 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 CEO (Chair), the Chief Operating Officer and all executive directors. The committee meets monthly, or more often as required.

## 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 Work Health Safety Committee and the Diversity and Inclusion Sub-committee (DISC).

The committee consists of the Chief Operating Officer (Chair), the Executive Director Technology, the Executive Director Intelligence Operations and the Executive Director Capability. The Chief of Staff attends as an observer. The committee meets quarterly, or more often as required.

### *Work health safety committees*

The ACIC has 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 quarterly in our offices around the country and feed into the National Work Health Safety Committee meetings.

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 a healthy and safe workplace for all staff.

More information on National Work Health Safety Committee activities in 2019–20 is in Appendix B.

### *Diversity and Inclusion Sub-committee*

The DISC oversees the ACIC's Workplace Diversity Program and provides support for and input into the development, maintenance and implementation of our diversity action plans. These plans focus on gender equality, people from culturally and linguistically diverse backgrounds, Aboriginal and Torres Strait Islander people and people with disability.

The DISC consists of Senior Executive Service (SES) level Diversity Champions and Deputy Champions and diversity working group members. The sub-committee meets quarterly and reports to the Corporate Committee.

## Project Governance Committee

The Project Governance Committee provides executive insight and direction to ensure that all agency technology projects and activities are aligned to ACIC objectives and operate effectively. The committee performs a portfolio management role to enable the most effective balance between business as usual and organisational change and improvement.

The committee consists of the Chief Operating Officer (Chair); all executive directors; the Chief Technology Officer, Chief Financial Officer, Chief of Staff, National Manager Business Services, National Manager Operational Strategy, and Senior Advisor Business Systems Delivery; and the Manager Portfolio Office (Adviser), IT Security Advisor and Manager Board and Strategic Engagement (Liaison). The committee meets quarterly, or more often as required.

The Portfolio Working Group is a formal sub-committee of the Project Governance Committee. The Portfolio Working Group provides advice to the Project Governance Committee on project prioritisation, project management, and portfolio risk and issues.

## Organised Crime Management Committee

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

The committee consists of the Executive Director Intelligence Operations (Chair), the Executive Director Capability and the Chief Operating Officer; the national managers of Strategic Intelligence Capability, Operational Strategy, Technical Intelligence Capability, and Human Intelligence Capability; and all state and territory managers. The National Manager Legal Services attends as an adviser to the committee, which meets monthly.

## Strategic planning

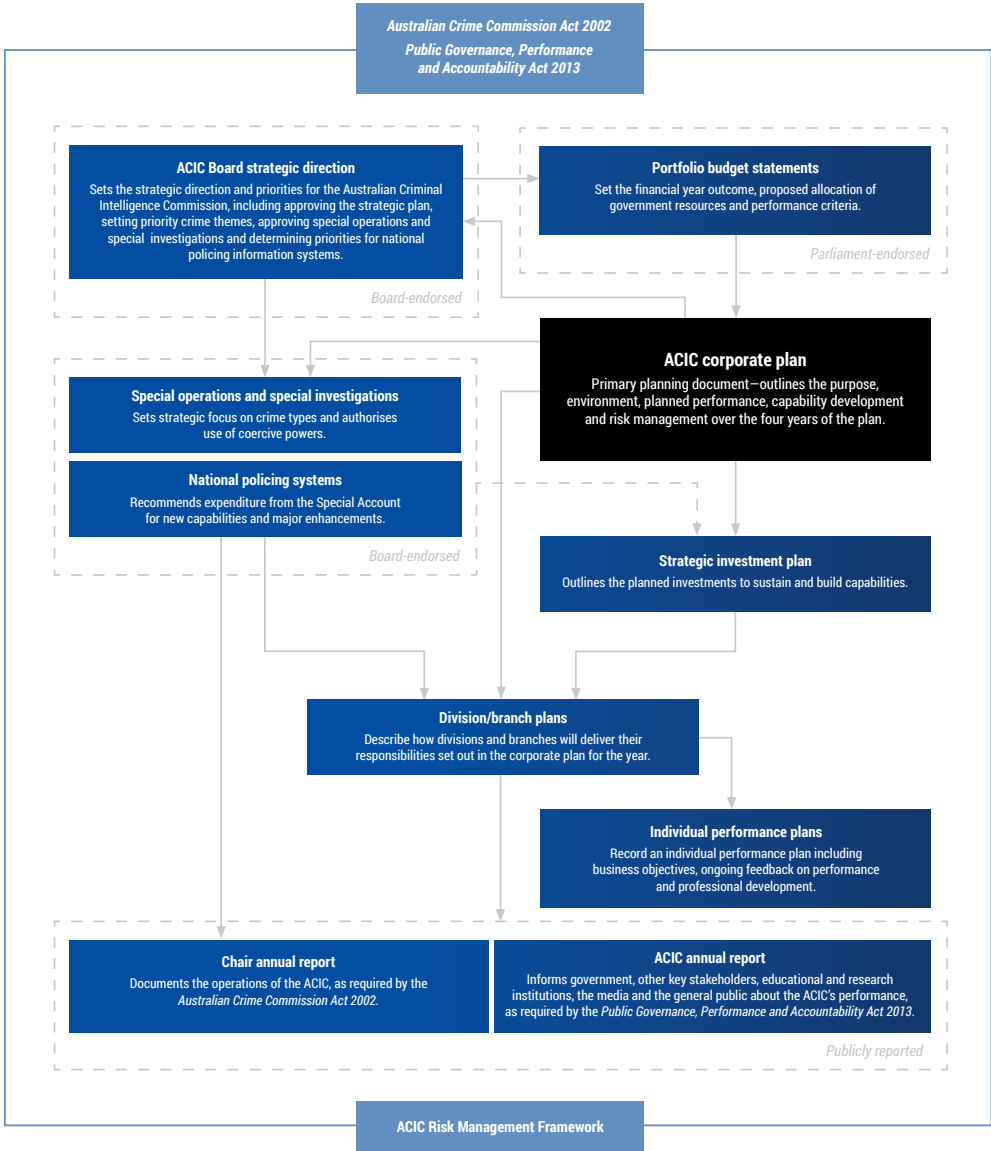
Strategic planning ensures that our activities and resources align with our strategic priorities and support the achievement of our purpose. Two key documents set out our goals and the approach we take to achieve them:

- ▶ the strategic plan, endorsed by the ACIC Board, which identifies our strategic objectives and articulates our functions, how we operate and our culture for the five financial years to 2022–23
- ▶ the corporate plan, updated annually, which describes our priorities and operating environment and how we will manage risk, achieve our purpose and measure our performance over four financial years.

The strategic plan and corporate plan are available on our website at <[www.acic.gov.au/publications/corporate-documents](http://www.acic.gov.au/publications/corporate-documents)>.

Our strategic planning framework connects our strategic direction and priorities as approved by the ACIC Board, key activities, risk assessment, resource allocation, performance measurement and monitoring, as shown in Figure 3.2.

Figure 3.2: Strategic planning framework



# Stakeholder research

We conduct an annual stakeholder survey to better understand stakeholders’ perceptions and levels of satisfaction with our delivery of systems and services. The results also help us to assess our results against our performance criteria.



In 2019–20, a specialist market research company undertook the research, which included an online survey. The survey attracted 233 respondents from a broad cross-section of agencies and classification levels and a range of areas, including policy, information systems, intelligence and investigations. Respondents were asked questions relevant to their areas of work and interactions with us.

Key results and stakeholder comments are detailed in the annual performance statements in Section 2 of this report. Respondents rated our overall performance in meeting their needs at 7.0 on a scale of 1 to 10, an improvement on the 2018–19 result of 6.9.

Most respondents agreed that the ACIC plays a unique and important role, particularly as a service provider to its partner agencies, facilitating the sharing of information through its policing and intelligence systems and collating and disseminating shared intelligence products.

Respondents rated the following as our most valuable services:

- ▶ the National Police Checking Service
- ▶ the production and dissemination of intelligence products
- ▶ the provision of specialist capabilities
- ▶ investigations work
- ▶ information and intelligence systems and services.

We will continue to focus on what our stakeholders told us were their biggest needs over the next 12 months. For 2020–21, those needs include:

- ▶ continued production and sharing of high-quality intelligence products
- ▶ continued, proactive engagement with domestic and international partners and strengthened opportunities for collaboration between agencies
- ▶ delivery of IT projects.

## Internal audit

The internal audit function provides an independent advisory service which delivers 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.

In supporting the ACIC to achieve its objectives, our internal audit team has three main responsibilities:

- ▶ working with management to systematically review enterprise risks, controls, governance, systems and processes
- ▶ adding value to the ACIC by identifying opportunities for innovation and efficiency
- ▶ monitoring the implementation of audit outcomes.

The following key areas were examined by internal audit during 2019–20:

- ▶ **Information technology security**—The audit noted the continuing maturity of the ACIC’s implementation of the Australian Signals Directorate Essential Eight.
- ▶ **Project management**—The audit noted the improvements resulting from the ACIC’s adoption of the P3M framework for project management.
- ▶ **Work health and safety**—The audit found that the ACIC is aware of its work health and safety risks and noted a number of improvements to the framework required to manage the broad range of those risks faced by the ACIC, given the nature of the operational activities undertaken.
- ▶ **Covert arrangements**—A range of audits were undertaken in accordance with legislative requirements.

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

## Audit Committee

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 a charter, which sets out its functions and responsibilities. The ACIC Audit Committee Charter is available at <[www.acic.gov.au/about-us/governance#accordion-7](http://www.acic.gov.au/about-us/governance#accordion-7)>.

### Role

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

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

During 2019–20, the Audit Committee met six times and reviewed areas including:

- ▶ financial performance
- ▶ internal and external audit reports
- ▶ progress against audit recommendations
- ▶ planning and performance frameworks and reporting
- ▶ compliance with legislation
- ▶ risk oversight and management
- ▶ Australian National Audit Office activity.

## Members

At 30 June 2020, the Audit Committee consisted of an independent chair and two other independent members, two members from the ACIC Executive, and an observer from the Australian National Audit Office.

As committee members, the ACIC officials provided insight and understanding into operational and technical aspects of ACIC work to support the committee's deliberations. From 1 July 2020, the Audit Committee will cease to have members who are ACIC officials.

As prescribed under section 17AG(2A) of the *Public Governance, Performance and Accountability Rule 2014*, information on each audit committee member's qualifications, attendance at meetings and remuneration is set out in Table 3.2.

**Table 3.2: Audit Committee members**

Name	Qualifications, knowledge, skills or experience	Meetings attended/held	Total remuneration <sup>a</sup>
<b>Geoff Knuckey (Chair)</b>	Bachelor of Economics (ANU), FCA, GAICD, RCA  An experienced audit committee member and chair, Geoff currently serves on audit committees for numerous government entities. He also has extensive experience as a director and serves on the boards and audit committees of several private sector entities. He has been a full-time company director and audit committee member since 2009, following a 32-year career with Ernst & Young specialising in audit and assurance services in the public and private sectors across a range of industries.	6/6	\$14,819
<b>Elizabeth Montano</b>	Bachelor of Arts and Bachelor of Laws (UNSW), FAICD  Elizabeth has over 20 years experience as a chair, deputy chair and member of boards and audit committees across a range of government and not-for-profit entities. She has broad-ranging experience in governance and the machinery of government, including in financial and performance reporting, risk, assurance, and program and project management and oversight. She is a former CEO of the Australian Transaction Reports and Analysis Centre (AUSTRAC) and senior financial services lawyer with King & Wood Mallesons.	6/6	\$13,707

**Table 3.2: Audit Committee members (continued)**

Name	Qualifications, knowledge, skills or experience	Meetings attended/held	Total remuneration <sup>a</sup>
<b>Janine McMinn</b>	<p>Bachelor of Arts (Computing, Statistics) (ANU), FAICD, CISA, CISM</p> <p>Janine is an independent director and executive adviser with more than 34 years experience in internal audit, risk and information technology. Janine currently sits on eight audit and risk committees and is President of the Australian War Memorial Voluntary Guides. She provides mentoring and coaching support to senior executives and to Master of Arts students at the Australian National University. Prior to retirement in 2015, she was a partner for Oakton's ICT assurance and security business. She has advised many organisations in the management of risk and ICT security and conducted assurance reviews in public and private organisations.</p>	6/6	\$11,413
<b>Matthew Rippon</b>	As the ACIC's Executive Director Intelligence Operations, Matthew is responsible for ACIC investigations and intelligence operations, our intelligence products development and oversight of state managers.	3/6	\$0
<b>Rochelle Thorne<sup>b</sup></b>	As the ACIC's Chief Information Officer/ Executive Director NCIS Program, Rochelle is responsible for providing and maintaining national information capabilities and services to support policing and law enforcement, and for the delivery of the National Criminal Intelligence System, including the delivery of committed benefits to the ACIC and its partners.	2/6	\$0
<b>Stewart Sibree<sup>b</sup></b>	As the ACIC's Acting Executive Director Technology, Stewart is responsible for providing and maintaining our national information capabilities and services to support policing and law enforcement.	3/6	\$0

<sup>a</sup> Independent members receive \$2,000–\$2,500 (excluding GST) for each meeting, including meeting preparations. Remuneration for committee service is not applicable to members who are ACIC officials.

<sup>b</sup> Stewart Sibree replaced Rochelle Thorne as a committee member on 27 February 2020.

## 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 operational accountabilities.

During 2019–20, we:

- ▶ revised the ACIC Risk Management Policy and Procedures to more closely align with the Commonwealth Risk Management Policy and address improvement opportunities identified in the Comcover Risk Management Benchmarking Survey
- ▶ developed more formalised risk management forums across the organisation to support a more integrated enterprise risk management framework
- ▶ participated in multiagency risk forums and consulted with partner agencies on better practice approaches to managing risk.

Our risk function is represented at 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 effectively work 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 the Australian Government, our partner agencies and, more broadly, the public.

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

### Protective security

The ACIC adopts a risk-based approach to the security environment, ensuring protection of people, information and assets. We continue to enhance our security maturity against the Australian Government's Protective Security Policy Framework, under the guidance of the ACIC's leadership team. In 2019–20, the work included the delivery of additional security awareness training; review and enhancement of the agency's security plan to ensure that people, information and assets are appropriately protected; and appointment of a chief security officer.

In 2019–20, an agency security plan was developed to inform decision-making, help identify security requirements, and provide a planning framework to ensure that security risks are mitigated to protect all ACIC assets: people, information, property, reputation, operations and activities. The plan provides authority for the operation of management structures, the assignment of accountabilities and resourcing, to enable the governance and implementation of appropriate, risk-based protective security arrangements.

We undertook a number of significant projects in 2019–20 to enhance the ACIC's security governance framework and enhance 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 ongoing suitability annually.

## Security incidents

The ACIC investigates all security breaches and ensures that appropriate action is undertaken. We report such incidents to external agencies where required and have a rigorous after-action process which includes providing additional security awareness training for relevant staff. Where possible, we incorporate specific examples of security incidents or breaches, within the ACIC or shared by other agencies, into security awareness sessions.

The majority of security incidents reported in 2019–20 were low level and occurred within secure ACIC premises (for example, low-level classified documents being left on desks). These incidents have not significantly compromised the security of ACIC information, people or premises.

## Integrity assurance

Our integrity assurance function contributes to effective fraud and corruption control by providing a reporting, prevention, detection and investigation function regarding suspected internal fraud and corruption in the ACIC.

## 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.

The ACIC works closely with partners to ensure that we are adequately and appropriately addressing risks within our operating environment, and ensures that staff have appropriate education and awareness to identify potential instances of wrongdoing and 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 of a criminal offence is found, the matter may be referred to the Commonwealth Director of Public Prosecutions for consideration of criminal prosecution.

We are well connected with other organisations focused on preventing corruption. We participate in the Australian Commission for Law Enforcement Integrity (ACLEI) Community of Practice for Corruption Prevention, a network of integrity professionals from the agencies under ACLEI's jurisdiction that shares best practice strategies for 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.

## 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.

During 2019–20, 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.

In 2019–20, the ACIC delivered the new, bespoke Assumed Identities Management System (AIMS). AIMS is a self-service portal offering a single point of truth for activities relating to the management of assumed identities. 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.

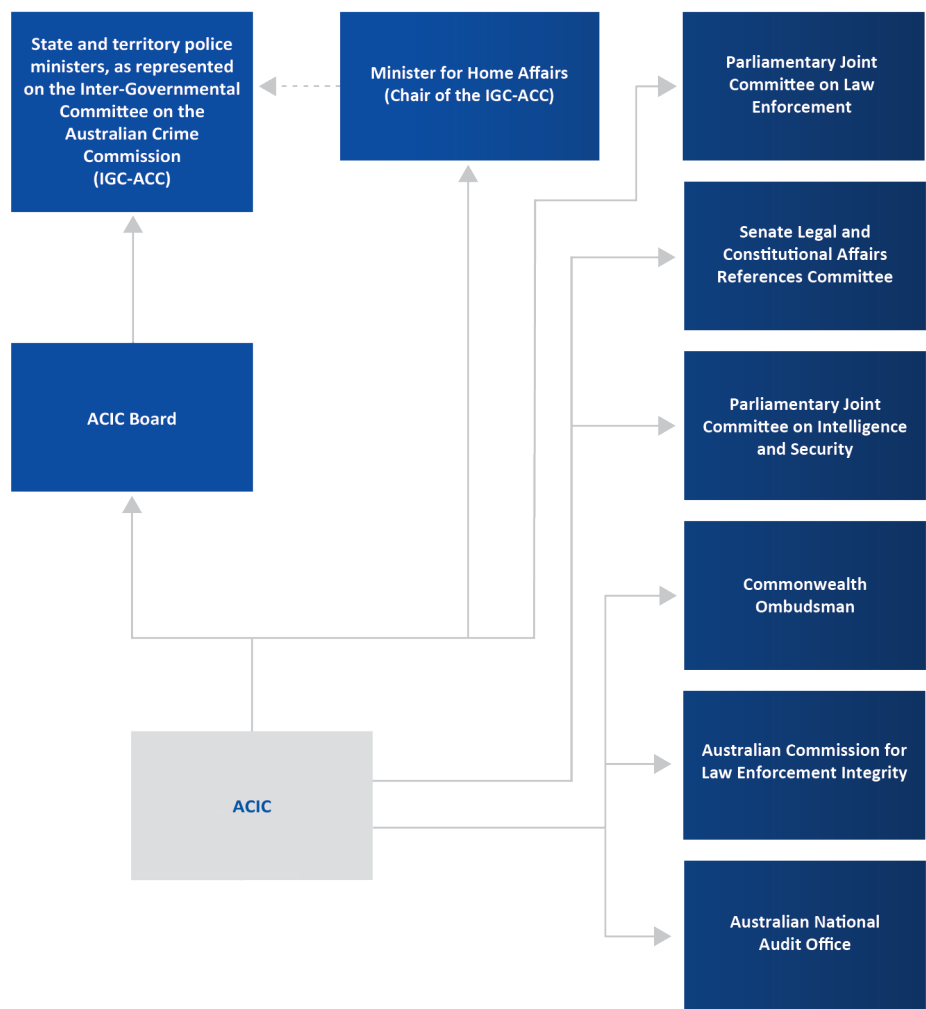
# External scrutiny

At 30 June 2020, the ACIC was part of the Home Affairs portfolio and accountable to the Minister for Home Affairs.

External scrutiny of the ACIC is exercised by the ACIC Board, the Inter-Governmental Committee on the Australian Crime Commission (IGC-ACC), the Parliamentary Joint Committee on Law Enforcement, the Senate Legal and Constitutional Affairs References Committee, and the Parliamentary Joint Committee on Intelligence and Security.

Due to the nature of our business, we operate in a contested environment and may be subject to legal challenge as 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: External accountabilities at 30 June 2020





## Ministerial arrangements

At 30 June 2020, the Home Affairs portfolio included the following ministers:

- ▶ Minister for Home Affairs, the Hon Peter Dutton MP
- ▶ Minister for Agriculture, Drought and Emergency Management, the Hon David Littleproud 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 2019–20 related to the areas covered by the Minister for Home Affairs.

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

The Parliamentary Joint Committee on Law Enforcement is established by the *Parliamentary Joint Committee on Law Enforcement Act 2010*. The functions of the committee are to:

- ▶ monitor and review the performance of the ACIC and Australian Federal Police (AFP) and their functions
- ▶ report on 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 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 on any changes to the functions, structure, powers and procedures of the ACIC or AFP that the committee thinks desirable
- ▶ inquire and report on any question in connection with its functions that is referred to it by the parliament.

At 30 June 2020, the Parliamentary Joint Committee on Law Enforcement consisted of eight members: four members from the Senate (appointed by the Senate) and four members from the House of Representatives (appointed by the House of Representatives).

The members of the committee were:

- ▶ Mr Craig Kelly MP (Chair)
- ▶ Dr Anne Aly MP (Deputy Chair)
- ▶ Senator Alex Antic

- ▶ Mr Pat Conaghan MP
- ▶ the Hon Justine Elliot MP
- ▶ Senator Sue Lines
- ▶ Senator Helen Polley
- ▶ Senator Paul Scarr.

The committee's review of the ACIC annual report is usually done through a public hearing. The committee meets as required.

## Parliamentary Joint Committee on Intelligence and Security

The Parliamentary Joint Committee on Intelligence and Security is established by section 28 of the *Intelligence Services Act 2001*. It has three main functions:

- ▶ providing oversight of Australian intelligence agencies by reviewing their administration and expenditure
- ▶ building bipartisan support for national security legislation by reviewing national security bills introduced to parliament
- ▶ ensuring that national security legislation remains necessary, proportionate and effective by conducting statutory reviews.

At 30 June 2020, the Parliamentary Joint Committee on Intelligence and Security consisted of 10 members: five members from the Senate (appointed by the Senate) and five members from the House of Representatives (appointed by the House of Representatives).

The members of the committee were:

- ▶ Mr Andrew Hastie MP (Chair)
- ▶ the Hon Anthony Byrne MP (Deputy Chair)
- ▶ Senator the Hon Eric Abetz
- ▶ the Hon Mark Dreyfus QC MP
- ▶ Senator the Hon David Fawcett
- ▶ Senator the Hon Kristina Keneally
- ▶ Mr Julian Leeser MP
- ▶ Senator Jenny McAllister
- ▶ Senator Amanda Stoker
- ▶ Mr Tim Wilson MP.

The committee meets as required.

## Other parliamentary committees

Each year we contribute to various parliamentary inquiries affecting the Commonwealth's law enforcement and intelligence capability and activities. For details of our contributions in 2019–20, see pages 36–37.

In addition, the ACIC appeared before the Senate Legal and Constitutional Affairs References Committee as part of the Budget Estimates hearings on 21 October 2019 and 2 March 2020. 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 consists of 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 2020, the members were:

- ▶ the Hon Peter Dutton MP (Commonwealth) (Chair)
- ▶ the Hon David Elliott MP (New South Wales)
- ▶ the Hon Mick Gentleman MLA (Australian Capital Territory)
- ▶ the Hon Nicole Manison MLA (Northern Territory)
- ▶ the Hon Lisa Neville MP (Victoria)
- ▶ the Hon Michelle Roberts MLA (Western Australia)
- ▶ the Hon Mark Ryan MP (Queensland)
- ▶ the Hon Mark Shelton MP (Tasmania)
- ▶ the Hon Corey Wingard MP (South Australia).

## 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 approving special ACIC operations and special ACIC investigations to allow 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.

## Members

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.

The ACIC Board consists of 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.

During 2019–20, the board farewelled Commissioner Andrew Colvin OAM, Australian Federal Police, and welcomed Commissioner Reece Kershaw APM as the new Chair of the ACIC Board. The representatives of ACT Policing, Northern Territory Police, Queensland Police Service and the Australian Security Intelligence Organisation also changed during the year.

## Meetings

In 2019–20, the board met three times and:

- ▶ reviewed the ACIC's strategic priority areas, 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

- ▶ noted that the Australian Cyber Security Centre has taken responsibility for the Cyber Incident Reporting System, a cybercrime reporting system to replace the Australian Cybercrime Online Reporting Network
- ▶ noted that a review of the ACC Act will commence in 2020 (as required under section 61A of the ACC Act), presenting an opportunity to ensure that the ACIC has the necessary powers to support our investigative and intelligence functions
- ▶ reviewed the National Policing Information Systems and Services Special Account revenue and prioritisation of national policing information projects for 2020–21
- ▶ endorsed a model for establishing the strategic direction and priorities of the ACIC.

## Approvals

During 2019–20, the board-approved special operations, special investigations and task forces shown in tables 3.3 and 3.4 were in effect.

**Table 3.3: ACIC Board-approved special investigations and special operations at 30 June 2020**

Authorisation/determination	Type	Date established
Highest Risk Criminal Targets No. 2 (as amended)	Special investigation	4 September 2013
High Risk and Emerging Drugs No. 3	Special operation	21 June 2017
Criminal Exploitation of Australia's Migration System No. 2	Special operation	13 June 2018
Cyber-Related Offending No. 2	Special operation	13 June 2018
Emerging Organised Crime Threats No. 3	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
Highest Risk Criminal Targets No. 3	Special investigation	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
Targeting Criminal Wealth No. 3	Special investigation	13 June 2018

**Table 3.4: ACIC Board-established task forces at 30 June 2020**

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

## Annual report

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

## External engagement

The board has endorsed external committees comprising representatives from board member agencies and other relevant partner agencies to provide advice to the ACIC CEO in accordance with the CEO's functions as prescribed under the ACC Act. The three committees and their roles are 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

ACLEI 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 the *Law Enforcement Integrity Commissioner Act 2006*, 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 2019–20, 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

The Australian National Audit Office did not undertake any specific performance audits involving the ACIC during 2019–20. However, the Auditor-General's performance audits of other agencies provided insights and learning to the Audit Committee.

## 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/freedom-information-process](http://www.acic.gov.au/about-us/freedom-information/freedom-information-process)>.

## Judicial decisions

The ACIC is subject to legal challenge as a normal part of its 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 2019–20, the ACIC was involved in three significant matters, for which we prepared regular reports to the Office of Legal Services Coordination. Two of those were continuations of matters described in last year's annual report

### *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 applied to the High Court, and was granted special leave in respect of the whole of the Full Federal Court's judgement.

Following amendments to the ACC Act by the *Australian Crime Commission Amendment (Special Operations and Special Investigations) Act 2019*, which came into effect on 10 December 2019, the applicants have amended the grounds of appeal to challenge the validity of parts of those legislative amendments.

The matter is listed for hearing before the High Court on 4 August 2020.

### *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 was heard on 25 November 2019.

On 1 May 2020, the Full Court delivered its decision, dismissing the application for judicial review of the decision made by Justice White to issue a warrant for the applicant's arrest.

### *X v Sage*

X (a court-ordered pseudonym) was summonsed to attend an examination under the ACC Act. On 28 May 2020, X filed an application for judicial review seeking orders to prevent the examination from proceeding on a number of administrative law grounds. In particular, X challenged the constitutional validity of the provisions in the ACC Act that permit examinations of persons 'post-charge'.

## 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.

Two contempt proceedings were finalised in 2019–20. One of those proceedings was related to a proceeding described in last year's annual report.

### *Anderson v BYF19 [2019] FCA 1959*

On 14 December 2018, BYF19 (a court-ordered pseudonym) appeared before an ACIC examiner and refused to answer questions. Contempt proceedings were commenced under section 34A of the ACC Act. On 19 June 2019, BYF19 pleaded guilty to six counts of contempt of the ACIC.

On 22 November 2019, the Federal Court sentenced BYF19 to eight months imprisonment, to be released after serving four months, the remainder of the sentence to be suspended on the basis that the respondent be of good behaviour for a period of two years.



### *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. On 25 July 2019, DHK18 appeared before an examiner and purged his contempt.

Following the purging of his contempt, DKH18 made an application for review of the continuance of the indefinite sentence. On 16 August 2019, the Federal Court handed down its decision regarding DKH18's application to review the continuance of the indefinite sentence imposed and ordered that DKH18 be released from custody. At the time of his release, DKH18 had served approximately 10 months in custody.

## Legislative changes

The *Australian Crime Commission Amendment (Special Operations and Special Investigations) Act 2019*, which received Royal Assent on 10 December 2019, amended the ACC Act to:

- ▶ confirm the validity of current and former special operation and special investigation determinations
- ▶ amend the process in the ACC Act for the ACIC Board to make future special operations and special investigations determinations.

The amendments made by the Act do not expand or otherwise alter the powers available to the ACIC in the course of undertaking a special operation or special investigation.

The *Australian Crime Commission Establishment Regulations 2020* commenced on 27 February 2020, repealing the *Australian Crime Commission Establishment (Transitional Provisions) Regulations 2003*.

Section 4 of the 2003 regulations empowered the CEO of the ACIC to vary or revoke a non-publication direction made under the *National Crime Authority Act 1984*. Section 6 of the 2020 regulations remakes that section, ensuring that the CEO can continue to vary or revoke non-publication directions in force, as necessary, and with due consideration of the implications for persons affected by the direction. Two transitional provisions in the 2003 regulations were not remade in the 2020 regulations as they are no longer required.

## Our people

At 30 June 2020, the ACIC had a staff of 781 Australian Public Service (APS) employees and statutory office holders, including 25 staff from the AIC, supplemented by 43 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 have staff from 20 years to 75 years of age.

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.

Detailed statistics on the ACIC's staffing are provided in Appendix C. Information on our use of consultants is provided in the 'Resource management' section on page 109.

## Staffing profile

Table 3.5 shows our staffing profile at the end of 2019–20.

**Table 3.5: Staffing profile at 30 June 2020**

Staffing category	Number of staff
APS employees and statutory office holders	781 <sup>a</sup>
Secondees funded by the ACIC <sup>b</sup>	24
Secondees funded by jurisdictions <sup>b</sup>	19
<b>Total core staff</b>	<b>824</b>
Task force members	113
<b>Total overall available resources</b>	<b>937</b>

APS = Australian Public Service

a This is equivalent to 740.71 full-time staff. Secondees and task force members cannot be accurately reflected in full-time equivalent staffing level numbers.

b This table shows the numbers of secondees and task force members at 30 June 2020. However, as secondees and task force members work with us for different periods of time throughout the year, the overall total for 2019–20 was 224.

Note: Staffing numbers include AIC staff. Further staffing details are provided in the AIC Annual Report.

During 2019–20, our average staffing level of APS employees and statutory office holders was 737.22 staff. This included four statutory office holders—three examiners and the CEO—all appointed on fixed-term arrangements.

At 30 June 2020, we had a total of 43 secondees from 13 other agencies, on short-term or long-term assignment. During the year, we hosted a total of 66 secondees.

We coordinate and participate in joint task forces and joint analyst groups with partner agencies. At 30 June 2020, we had 113 task force members from 11 other agencies, on short-term or long-term assignment. During the year, we hosted a total of 158 task force members.

Table 3.6 shows a breakdown of secondees and task force staff by home agency and jurisdiction at 30 June 2020.

**Table 3.6:** Secondees and task force staff by home agency and jurisdiction at 30 June 2020

Agency	Secondees funded by the ACIC	Secondees funded by jurisdiction	Task force staff funded by jurisdiction
Australian Transaction Reports and Analysis Centre	–	2	8
Australian Defence Force	–	1	–
Australian Federal Police	2	6	20
Australian Securities and Investments Commission	–	2	–
Australian Taxation Office	–	2	4
Department of Health	1	–	–
Department of Home Affairs	–	3	36
NSW Police Force	4	3	1
Queensland Crime and Corruption Commission	–	–	1
Queensland Police Service	3	–	12
Services Australia	1	–	–
South Australia Police	–	–	3
Tasmania Police	2	–	1
Victoria Police	7	–	23
Western Australia Police Force	4	–	4
<b>Total</b>	<b>24</b>	<b>19</b>	<b>113</b>

Table 3.7 shows staffing profile trends over the three most recent financial years.

**Table 3.7:** Staffing profile trends

Headcount at 30 June	2017–18	2018–19	2019–20
APS employees and statutory office holders	791	770	781
Secondees funded by the ACIC	17	21	24
Secondees funded by other jurisdictions	14	17	19
<b>Total core staff</b>	<b>822</b>	<b>808</b>	<b>824</b>
Task force and joint analyst group members	101	101	113
<b>Total overall available resources</b>	<b>923</b>	<b>909</b>	<b>937</b>
Full-time equivalent <sup>a</sup>	757.46	729.16	740.71
Average staffing level <sup>a</sup>	749.06	745.61	737.22

APS = Australian Public Service

<sup>a</sup> Australian Public Service employees and statutory office holders only.

Note: Staffing numbers include AIC staff. Further staffing details are provided in the AIC Annual Report.

During the year, our staff were based in eight locations around Australia and three overseas locations, as shown in Table 3.8.

**Table 3.8: Australian Public Service employees and statutory office holders by location at 30 June 2020**

Location	Number
Canberra	455
Sydney	118
Melbourne	83
Brisbane	60
Adelaide	31
Perth	30
Darwin	2
Hobart	2

As shown in Table 3.9, we have 12 different classification levels, including APS levels 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 3.9: Australian Public Service employees and statutory office holders by classification level at 30 June 2020**

Classification level	Number
CEO	1
SES 2	4
SES 1	14
EL 2	79
EL 1	299
APS 6	137
APS 5	97
APS 4	121
APS 3	24
APS 2	1
APS 1	1
Examiners	3

APS = Australian Public Service, CEO = Chief Executive Officer, EL = Executive Level, SES = Senior Executive Service  
 Note: These figures represent positions that were substantively filled at 30 June 2020.

Staffing numbers include AIC staff. Further staffing details are provided in the AIC Annual Report.

## 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 purpose of making Australia safer.

The DISC oversees our Workplace Diversity Program and reports to the Corporate Committee. The DISC consists of SES-level Diversity Champions and Deputy Champions who meet quarterly to discuss, monitor and track the ACIC's progress against its diversity action plans and key Australian Government initiatives for diversity groups. The ACIC currently supports Reconciliation Action Plan and LGBTIQ+ working groups which include employees at all levels who meet regularly to develop and review documents and initiatives to actively promote diversity awareness, access and inclusion within the ACIC.

The DISC provides support for and input into the development, maintenance and implementation of our diversity action plans. The agency has four diversity action plans, focusing on:

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

Except for the Reconciliation Action Plan, which commenced in 2018, the plans were framed to run from 2017 to 2019 and later extended to include 2020.

In 2019–20, we developed the Diversity Action Plan Progress Scorecard to summarise and report on progress against the action plans. The scorecard highlights key successes as well as initiatives in progress to track, monitor and review the implementation of the action plans for DISC members.

## Gender

Our *Gender Action Plan 2017–2020* outlines our commitment and intention to address gender equality and aims to build on our inclusive culture by fostering a broader and more diverse talent base to strengthen capability and operational effectiveness.

Since the plan was introduced, we have:

- ▶ launched our Gender Equality Pledge, signed by members of the ACIC Executive
- ▶ offered opportunities for women to participate in leadership programs, such as the Women in Law Enforcement Strategy mentor program
- ▶ developed and implemented an e-learning program on unconscious bias, which has been completed 1,055 times
- ▶ provided a diversity statement of equity to all recruitment panels
- ▶ participated in agency-wide and portfolio-wide events for International Women's Day.

In 2019–20, the ACIC:

- ▶ provided opportunities for staff across all state and territory offices to celebrate International Women's Day by attending forums and leadership conferences
- ▶ hosted a panel discussion and staff Q&A event in our national office, on the theme of 'Women, Community and the Frontline', to celebrate International Women's Day in March 2020. This focused on the role of women as senior leaders in operational response environments, and working with culturally and linguistically diverse communities
- ▶ assisted with coordinating the National Intelligence Community's International Women's Day event and panel discussions. The 2020 event focused on Indigenous perspectives on creating culturally safe working environments to foster respect and understanding for Aboriginal and Torres Strait Islander people with gender and intergenerational considerations
- ▶ shared success stories of staff enjoying flexible working arrangements.

Women made up 49.6 per cent of our organisation in 2019–20, as shown in Table 3.10.

**Table 3.10: Australian Public Service employees and statutory office holders by gender at 30 June 2020**

Gender	Number	Percentage
Male	394	50.4
Female	387	49.6
Indeterminate	—	—

Note: Staffing numbers include AIC staff. Further staffing details are provided in the AIC Annual Report.

At 30 June 2020, the gender distribution of our female APS employees by classification was 64.3 per cent in APS levels 1–6 and 35.7 per cent in Executive Levels 1 and 2 and the SES. The gender distribution of our male APS employees by classification was 33.8 per cent in APS levels 1–6 and 66.2 per cent in Executive Levels 1 and 2 and the SES. A further breakdown of the gender distribution of our APS employees by classification is in Appendix C, tables C.5 to C.8.

## Cultural and linguistic diversity

The ACIC acknowledges, respects and promotes the culturally and linguistically diverse demographic of our workforce. Our *Cultural and Linguistic Diversity Action Plan 2017–2020* embraces multiculturalism in our workplace, creating safe and inclusive environments and a sense of cultural awareness among our staff.

In 2019–20, we continued to foster an inclusive, positive and productive working environment by:

- ▶ celebrating significant events such as Harmony Day, including by developing a shared Harmony Day recipe book
- ▶ continuing to develop our multilingual capabilities, including by offering staff an opportunity to register their skills in our language registry, which currently has over 37 languages registered to assist with operations
- ▶ holding a corporate membership with Diversity Council Australia and promoting this resource to all new starters in the agency

- ▶ promoting the ACIC as an employer of choice in all position descriptions and diversity groups, including by publishing a statement of diversity and inclusion for externally advertised vacancies.

Of our staff, 15 per cent have self-identified as being from a non-English speaking background, 8 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 2019–20:

- ▶ 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 tour on Ngunnawal country and attendance at the National NAIDOC Awards. We also invited an Indigenous elder to conduct a Welcome to Country and traditional dancers to perform at a major national office event.
- ▶ We featured an Acknowledgement of Country in all ACIC meetings, with wording displayed in each meeting room. Supporting guidelines are available for our staff on the intranet. We also published a permanent Acknowledgement of Country on our external website and internal intranet, in line with advice provided by the National Indigenous Australians Agency.
- ▶ We encouraged and supported our Reconciliation Action Plan Working Group members to attend external events such as the 14th National Indigenous Legal Conference and Indigenous Health Justice Conference held on Larrakia land in 2019. Working group members also attended the Nyiyanang wuunggalu! Symposium hosted by the Australian Institute of Aboriginal and Torres Strait Islander Studies in 2020, as well as RAP Learning Circles hosted by Reconciliation Australia.
- ▶ We continued to participate in Indigenous employment programs, including the Jawun secondment program and entry-level programs such as the Indigenous Australian Government Development Program and the APS Indigenous Graduate Pathway.
- ▶ We held regular Reconciliation Action Plan Working Group meetings to assist in the implementation of the plan.

Of our staff, 1.2 per cent have self-identified as being from an Indigenous background. The ACIC continues to look at ways to increase development and leadership opportunities for Indigenous staff, including career development. A breakdown of Indigenous staffing by classification level is provided in Table 3.11.

**Table 3.11: Indigenous staffing by classification at 30 June 2020**

Classification	Indigenous employees
SES 1–3	–
EL 2	–
EL 1	2
APS 6	–
APS 5	1
APS 4	6
APS 1–3	–
<b>Total</b>	<b>9</b>

APS = Australian Public Service, EL = Executive Level, SES = Senior Executive Service

## 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 2017–2020* has provisions to ensure that our workplace is accessible and inclusive. During 2019–20, the ACIC:

- ▶ hosted and celebrated International Day of People with Disability events across state and territory offices to create an opportunity for employees to listen to the perspectives and experiences of people with disability
- ▶ partnered with JobAccess and the National Disability Recruitment Coordinator to undertake a review of recruitment processes and practices to ensure equitable access and inclusion for candidates with disability
- ▶ hosted face-to-face disability awareness training sessions for staff and managers
- ▶ attended the Australian Network on Disability's annual virtual conference as a member organisation
- ▶ implemented a disability awareness e-learning program available to all staff and managers.

We are changing attitudes by:

- ▶ ensuring that our two SES Disability Champions promote access and inclusion in the agency
- ▶ maintaining a silver membership of the Australian Network on Disability
- ▶ developing a reasonable adjustment policy, factsheets and an accessibility passport
- ▶ developing an organisational wellbeing and mental health strategy which promotes mental health and wellbeing in the workplace



- ▶ improving our leadership capability in leading diverse teams by participating in disability mentoring programs, such as the Positive Action towards Career Engagement program coordinated by the Australian Network on Disability. The program connects graduates and job seekers with disability with professionals who assist them in gaining confidence and developing skills for the workplace.

Of our staff, 1.9 per cent have identified as having disability.

The *National Disability Strategy 2010–2020* is Australia's overarching framework for disability reform. It acts to ensure that the principles underpinning the United Nations *Convention on the Rights of Persons with Disabilities* are incorporated into Australia's policies and programs that affect people with disability, their families and carers.

All levels of government will continue to be held accountable for the implementation of the strategy through biennial progress reporting to the Council of Australian Governments. Progress reports can be found at <dss.gov.au>.

Disability reporting is included in the Australian Public Service Commission's State of the Service reports and the APS Statistical Bulletin. These reports are available at <<https://www.apsc.gov.au>>.

## Remuneration and benefits

During 2019–20, our *ACIC Enterprise Agreement 2016–19* covered all APS employees (not including substantive SES officers or examiners). The agreement commenced on 30 December 2016 with a nominal expiry date of 30 December 2019. It provides a range of flexible working arrangements and aligns key ACIC conditions with APS-wide conditions.

On 8 November 2019, the CEO signed a determination under section 24(1) of the *Public Service Act 1999* to extend the terms and conditions of the *ACIC Enterprise Agreement 2016–19* and increase pay rates by 2 per cent on 30 December each year for three years, subject to the determination signed on 14 April 2020 by Assistant Minister to the Prime Minister and Cabinet the Hon Ben Morton MP, under section 24(3) of the Act, to pause general wage increases and salary-related allowances in Commonwealth agencies for six months.

Non-salary benefits available under the enterprise agreement include flexible working arrangements for staff at APS levels 1–6, time-off-in-lieu arrangements for EL staff, tertiary studies assistance and our 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 Appendix C, Table C.14. Details of the remuneration of key management personnel, senior executives and other highly paid staff are provided in Appendix D, tables D.1 to D.5.

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

## Staff retention and turnover

In 2019–20, a total of 156 staff left the ACIC. Reasons for leaving included moving to another APS agency, retirement, redundancy and the completion of non-ongoing contracts, as shown in Table 3.12.

**Table 3.12:** Australian Public Service employees and statutory office holders turnover

Reason for termination	Number
Completion of non-ongoing contract	4
Early termination of non-ongoing contract	1
External promotion	11
External transfer	42
Invalidity retirement	1
Resignation	64
Retired after age 55	10
Involuntary redundancy	2
Voluntary redundancy	21

Note: Staffing numbers include AIC staff. Further staffing details are provided in the AIC Annual Report.

In 2019–20, our average retention rate was 81.0 per cent.

Our staff retention strategies include:

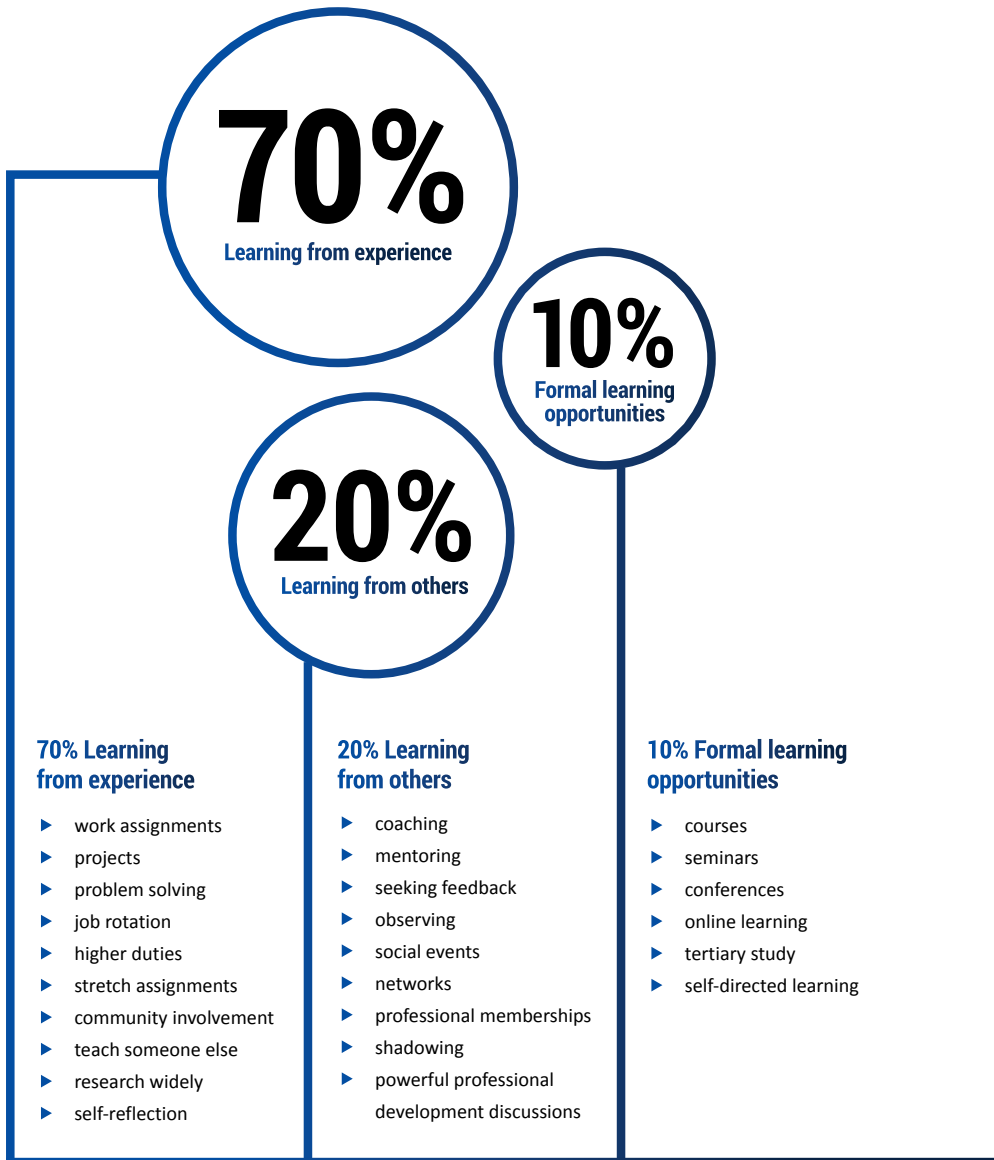
- ▶ performance recognition and development
- ▶ performance feedback and support
- ▶ learning and development opportunities
- ▶ mentoring and coaching
- ▶ opportunities for higher duties
- ▶ involvement in cross-directorate projects
- ▶ short-term transfers to other business areas
- ▶ ongoing evaluation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

## Learning and development

Our learning and development strategies are designed to develop an agile and high-performing workforce, enabling us to deliver on our strategic direction and priorities, including the delivery of the *Intelligence and Specialist Capability Development Strategy 2019–2022*. Our programs support the development of capability in identified priority areas.

We adopt a blended learning approach which recognises that experience within the workplace provides for the most effective learning when blended with learning from others through coaching, mentoring and formal learning opportunities. This learning approach follows the 70:20:10 learning philosophy shown in Figure 3.4.

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



## Corporate learning

We provide corporate learning and development opportunities in two key areas:

- ▶ **Core skills**—We provide learning activities to support positive workplace culture and enable our staff to work effectively in the ACIC environment. Our core skills programs ensure that staff can competently meet the expectations of the APS Integrated Leadership Skills framework and are aware of key legal and policy obligations. Our programs include induction, APS Core Skills programs, culture strategies, performance development training and project management courses.
- ▶ **Leadership and management**—In 2019–20, we developed and piloted the ACIC Leadership Program and Emerging Leaders Program. These programs, delivered through a combination of face-to-face and digital platforms, support the current and future leaders of the organisation to build their knowledge of public service policies, management practices, innovation, productivity, and engaging with people.

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 AFP, and the Women in Law Enforcement Strategy mentor program.

## Operational training and tradecraft

We provide operational training and tradecraft development to ensure that our operational workforce has the knowledge and skills to effectively tackle the complex nature of transnational serious and organised crime. This includes the delivery of training programs and facilitation of learning opportunities which develop our intelligence collection and analytical capabilities. Examples include training related to covert intelligence collection, critical thinking, intelligence analysis and intelligence writing, investigations, intelligence systems and databases, and strategic and financial intelligence.

## Outcomes

In 2019–20, ACIC staff collectively attended more than 4,715 individual 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; intelligence and specialist capability development; induction; and compliance.

### *Enhancing criminal intelligence capability*

The ACIC delivers a range of training opportunities as part of the Criminal Intelligence Training and Development Continuum. The continuum aims to develop intelligence professionals in both intelligence 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 2019–20, four iterations of the Criminal Intelligence Development Program were delivered to develop our intelligence professionals. The 30-week program combines classroom and work-integrated learning components. The course inducts staff into the ACIC, develops their knowledge of intelligence processes and methodology, and gives them the skills to be effective in a variety of intelligence collection or analytical roles.

To enhance specialist skills and tradecraft, we delivered or facilitated training opportunities focused on covert intelligence collection, human intelligence, behavioural intelligence and critical thinking. We also invested in the development of technical skills through the innovative delivery of advanced systems training, ensuring that our collectors and analysts can manage and exploit data to better understand the criminal environment.

As a centre of excellence for criminal intelligence, the ACIC works closely with partner agencies to develop criminal intelligence capability in Australia. Through various forums, the ACIC championed the development of consistent standards, as well as hosting or delivering 13 joint criminal intelligence training opportunities for Commonwealth, state and territory agencies. This collaborative approach contributes to the effectiveness and interoperability of all 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 2019–20, such programs covered:

- ▶ APS ethics and values
- ▶ writing, editing and proofreading
- ▶ influencing, negotiation and persuasion
- ▶ leadership and management
- ▶ responding to conflict
- ▶ working effectively in the APS
- ▶ work health and safety
- ▶ presentation and briefing skills
- ▶ procurement
- ▶ operational ICT systems
- ▶ change management
- ▶ project management.

### *Studies assistance*

The ACIC supported 44 eligible employees to undertake tertiary studies resulting in a diploma qualification or higher, in fields such as business, criminology, forensics, cybersecurity, intelligence analysis, accounting, project management, psychology, IT, and law.

### *Evaluations*

We adopt a continual improvement approach to learning and development, embedding evaluation into our training and development program management. Our evaluations seek to assess whether we have met our intended objectives and achieved continuous improvement while using resources wisely and ensuring value for money.

In 2019–20, we conducted ongoing evaluation of all our programs, with a particular focus on our pilot leadership programs, the ACIC induction program, APS core skills programs, and intelligence and specialist capability training.

## Employee engagement

The ACIC participates in the APS employee census survey to learn the views of staff and understand and increase their level of engagement. The survey planned for May 2020 has been postponed until October 2020 due to the COVID-19 pandemic. Employee participation results for this survey will be provided in the 2020–21 annual report.

## 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 of this report details our 2019–20 work health and safety arrangements, initiatives and outcomes.

## Resource management

The ACIC uses and manages resources in line with the principles of the Commonwealth Resource Management Framework, which is underpinned by the PGPA Act and related regulations, directions and guidance.

### Asset management

A full physical stocktake of tangible assets across all locations was planned for 2019–20, and stocktakes were completed in the Australian Capital Territory, Queensland and South Australia. However, COVID-19 restrictions impeded the progress of the stocktakes in other locations. The national stocktake will be finalised after COVID-19 restrictions are eased.

During 2019–20, we again engaged an independent professional valuer to undertake a materiality review of the ACIC's leasehold improvements and property, plant and equipment assets. A materiality review determines whether there have been any material changes in asset book values since the previous year's financial statements. The 2019–20 report concluded, 'After undertaking qualitative, quantitative and uncertainty analyses for the asset classes, we are of the opinion that there are no significant material differences between the carrying amounts and fair values for the ACIC assets'.

Under ACIC policy, all assets (excluding intangible assets) are to be independently valued every three years and a materiality valuation review is to be conducted each year in between. The full asset valuation will be undertaken in 2020–21.

The ACIC also conducted its annual review of intangible assets to confirm whether intangible assets are still in use, and to determine whether there is any impairment. No material financial impacts arose from our 2019–20 review of intangibles. The review helps us to maintain the currency and accuracy of our records.

As newly required by Australian Accounting Standards Board Standard AASB 16, our 2019–20 Statement of Financial Position includes assets held by the agency under leases as right-of-use of assets.

Our asset mix (including assets under construction) at the end of 2019–20 comprised:

- ▶ \$14.609 million of leasehold improvements
- ▶ \$42.096 million of property, plant and equipment
- ▶ \$37.302 million of intangibles
- ▶ \$43.681 million of leased right-of-use building assets.

## 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 will move our Victorian State Office into Victoria Police's new centre at 311 Spencer Street, Melbourne, in late 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 work point.

## 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 2019–20, 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 3.13 gives details of our use of consultants in 2019–20.

**Table 3.13: Consultancy contracts**

Measure	2019–20
No. of new contracts entered into during the period	3
Total actual expenditure during the period on new contracts (including GST)	\$2,130,618
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 2019–20, three new consultancy contracts were entered into involving total actual expenditure of \$1.735 million. No ongoing consultancy contracts were active during the period.

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 PGPA Act 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](http://www.tenders.gov.au)>.

## Access clauses

During 2019–20, we did not enter into 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 2019–20.

## Procurement initiatives to support small business

The ACIC supports small business participation in the Australian Government procurement market. Small and medium-sized enterprise (SME) and small enterprise participation statistics are available on the Department of Finance's website at <[www.finance.gov.au/government/procurement/statistics-australian-government-procurement-contracts](http://www.finance.gov.au/government/procurement/statistics-australian-government-procurement-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](http://www.treasury.gov.au)>.

## Advertising and market research

Section 311A of the *Commonwealth Electoral Act 1918* requires us to provide details of amounts paid for advertising and market research in our annual report.

In 2019–20, the ACIC did not conduct any advertising campaigns or make any payments for polling, direct mail or campaign advertising. The ACIC did not make any payments related to non-campaign advertising that were higher than the reporting threshold of \$14,000.

A total of \$25,481 (including GST) was paid to Andrews Group Pty Ltd to undertake work on the 2018–19 and 2019–20 stakeholder-related surveys.

## Grants

The ACIC did not award grants during 2019–20.

## 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 smart lighting 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:

### *Diversity working group supports our LGBTIQ+ community*



The ACIC is committed to increasing the visibility of LGBTIQ+ communities to ensure that our policies and workplace culture are reflective of a progressive and diverse Australian community.

In September 2019, the ACIC established a working group to support the LGBTIQ+ community in the agency and help ensure workplace equality. The working group aims to generate a more inclusive and supportive workplace for people who identify as LGBTIQ+ (lesbian, gay, bisexual, transgender, intersex, queer and more), as well as their allies.

Starting with membership of Pride in Diversity, the national not-for-profit employer support program for LGBTQ workplace inclusion, the ACIC has been building a supportive space for LGBTIQ+ people and their allies. We are committed to supporting the diversity of the workforce and ensuring that everyone can be their authentic self at work.

The LGBTIQ+ Working Group is a staff-led network which meets regularly to discuss queer-themed initiatives in the Australian Public Service and at the ACIC. The group is dedicated to creating a safe and supportive space for LGBTIQ+ people in the unique environments of law enforcement, security and intelligence.

The group meets every two months to discuss ways to make progressive changes in the workplace, based on equality, including the creation of inclusive policies and easily accessible resources.

The ACIC is committed to increasing the visibility of LGBTIQ+ communities to ensure that our policies and workplace culture are reflective of a progressive and diverse Australian community.



We manage our finances and assets  
**responsibly** to support our work against  
serious and organised crime.

# *Section 4*

## ***Audited financial statements***

### *Our financial statements for 2019–20*

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## INDEPENDENT AUDITOR'S REPORT

### To the Minister for Home Affairs

#### Opinion

In my opinion, the financial statements of the Australian Criminal Intelligence Commission ('the Entity') for the year ended 30 June 2020:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2020 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following statements as at 30 June 2020 and for the year then ended:

- Statement by the Accountable Authority and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement; and
- Notes to the financial statements, comprising a Summary of Significant Accounting Policies and other explanatory information.

#### Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Chief Executive Officer is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Reduced Disclosure Requirements and the rules made under the Act. The Chief Executive Officer is also responsible for such internal control as the Chief Executive Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Executive Officer is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Chief Executive Officer is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

GPO Box 707 CANBERRA ACT 2601  
38 Sydney Avenue FORREST ACT 2603  
Phone +61 2 6203 7500

### Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Jodi George  
Executive Director

Delegate of the Auditor-General

Canberra  
24 September 2020



**AUSTRALIAN  
CRIMINAL  
INTELLIGENCE  
COMMISSION**

**STATEMENT BY THE ACCOUNTABLE AUTHORITY AND CHIEF FINANCIAL OFFICER**

In our opinion, the attached financial statements for the year ended 30 June 2020 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Australian Criminal Intelligence Commission will be able to pay its debts as and when they fall due.

Signed.....

Michael Phelan APM  
Chief Executive Officer

24 September 2020

Signed.....

Yvette Whittaker  
Chief Financial Officer

24 September 2020



**STATEMENT OF COMPREHENSIVE INCOME**  
for the period ended 30 June 2020

		2020	Budget	
	Notes	\$'000	2020	2019
			\$'000	\$'000
<b>NET COST OF SERVICES</b>				
<b>Expenses</b>				
Employee benefits	1.1A	93,669	103,583	95,362
Suppliers	1.1B	114,499	121,350	120,712
Depreciation and amortisation	2.2A	26,439	19,386	14,440
Finance costs	1.1C	656	—	34
Write-down and impairment of property, plant and equipment	2.2A	1,274	—	2,315
Resources received free of charge	1.1D	2,739	4,770	2,399
<b>Total expenses</b>		<b>239,276</b>	<b>249,089</b>	<b>235,262</b>
<b>Own-source revenue</b>				
Revenue from contracts with customers	1.2A	138,022	125,536	130,588
Resources received free of charge	1.2B	2,739	1,670	2,399
<b>Total own-source revenue</b>		<b>140,761</b>	<b>127,206</b>	<b>132,987</b>
<b>Net cost of services</b>		<b>(98,515)</b>	<b>(121,883)</b>	<b>(102,275)</b>
Revenue from Government—Departmental Appropriations	1.2C	103,841	104,777	99,970
<b>Surplus/(Deficit) attributable to the Australian Government</b>		<b>5,326</b>	<b>(17,106)</b>	<b>(2,305)</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Items not subject to subsequent reclassification to net cost of services</b>				
Changes in asset revaluation reserves—provision for restoration obligations		7	—	(117)
<b>Total other comprehensive income</b>		<b>7</b>	<b>—</b>	<b>(117)</b>
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>		<b>5,333</b>	<b>(17,106)</b>	<b>(2,422)</b>

The above statement should be read in conjunction with the accompanying notes.  
Budget to actual variance commentary: see Note 7 for major variance explanations.

## STATEMENT OF FINANCIAL POSITION

as at 30 June 2020

			Budget	
		2020	2020	2019
	Notes	\$'000	\$'000	\$'000
<b>ASSETS</b>				
<b>Financial assets</b>				
Cash and cash equivalents	2.1A	124,915	96,431	130,303
Trade and other receivables	2.1B	77,440	68,925	70,170
<b>Total financial assets</b>		<b>202,355</b>	<b>165,356</b>	<b>200,473</b>
<b>Non-financial assets</b>				
Buildings <sup>1</sup>	2.2A	43,681	—	—
Leasehold improvements	2.2A	14,609	21,352	23,656
Property, plant and equipment <sup>1</sup>	2.2A	42,096	35,365	17,235
Intangibles	2.2A	37,302	60,985	27,170
Prepayments		9,448	9,408	9,180
<b>Total non-financial assets</b>		<b>147,136</b>	<b>127,110</b>	<b>77,241</b>
<b>Total assets</b>		<b>349,491</b>	<b>292,466</b>	<b>277,714</b>
<b>LIABILITIES</b>				
<b>Payables</b>				
Suppliers	2.3A	21,922	22,030	21,583
Other payables	2.3B	7,378	15,561	18,895
<b>Total payables</b>		<b>29,300</b>	<b>37,591</b>	<b>40,478</b>
<b>Interest bearing liabilities</b>				
Leases <sup>1</sup>	2.4	55,956	—	—
<b>Total interest bearing liabilities</b>		<b>55,956</b>	<b>—</b>	<b>—</b>
<b>Provisions</b>				
Employee provisions	4.1A	30,603	27,159	29,698
Other provisions	2.5	17,404	10,310	16,236
<b>Total provisions</b>		<b>48,007</b>	<b>37,469</b>	<b>45,934</b>
<b>Total liabilities</b>		<b>133,263</b>	<b>75,060</b>	<b>86,412</b>
<b>Net assets</b>		<b>216,228</b>	<b>217,406</b>	<b>191,302</b>
<b>EQUITY</b>				
Contributed equity		70,050	84,941	58,680
Reserves		16,965	16,524	16,411
Retained surplus		129,213	115,941	116,211
<b>Total equity</b>		<b>216,228</b>	<b>217,406</b>	<b>191,302</b>

1 Non-financial assets for 2020 include leased assets for the first time as required by new accounting standard AASB 16. The relevant liabilities under the lease contracts are shown as interest bearing liabilities.

The above statement should be read in conjunction with the accompanying notes.  
Budget to actual variance commentary: see Note 7 for major variance explanations.

**STATEMENT OF CHANGES IN EQUITY**  
for the period ended 30 June 2020

	Retained earnings		Asset revaluation reserve		Contributed equity/capital		Total equity	
	Budget		Budget		Budget		Budget	
	2020	2019	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance carried forward from previous period	116,211	133,047	16,411	16,528	58,680	46,477	191,302	208,251
Adjustment on initial application of AASB 16—leases <sup>1</sup>	7,676	—	547	—	—	—	8,223	—
<b>Adjusted opening balance</b>	<b>123,887</b>	<b>133,047</b>	<b>16,958</b>	<b>16,528</b>	<b>58,680</b>	<b>46,477</b>	<b>199,525</b>	<b>208,251</b>
<b>Comprehensive income</b>								
Surplus/(Deficit) for the period	5,326	(17,106)	—	—	—	—	5,326	(17,106)
Other comprehensive income	—	—	7	(117)	—	—	7	(117)
<b>Total comprehensive income</b>	<b>5,326</b>	<b>(17,106)</b>	<b>7</b>	<b>(117)</b>	<b>—</b>	<b>—</b>	<b>5,333</b>	<b>(2,422)</b>
<b>Transactions with owners</b>								
<b>Contributions by owners</b>								
Equity injection—	—	—	—	—	—	—	—	—
Appropriations <sup>2</sup>	—	—	—	—	—	—	—	—
Departmental capital budget <sup>2</sup>	—	—	—	—	—	—	—	—
<b>Total transactions with owners</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Closing balance as at 30 June</b>	<b>129,213</b>	<b>115,941</b>	<b>16,965</b>	<b>16,411</b>	<b>70,050</b>	<b>58,680</b>	<b>216,228</b>	<b>191,302</b>

1 More information on the impact of the application of the new accounting standard AASB 16—leases can be found in the overview section.

2 Amounts appropriated which are designated as 'equity injections' and 'Departmental capital budgets' are recognised directly in transactions with owners in that year.

The above statement should be read in conjunction with the accompanying notes.  
Budget to actual variance commentary: see Note 7 for major variance explanations.

## CASH FLOW STATEMENT

for the period ended 30 June 2020

	Notes	2020 \$'000	Budget 2020 \$'000	2019 \$'000
<b>OPERATING ACTIVITIES</b>				
<b>Cash received</b>				
Appropriations		98,939	107,208	101,487
Revenue from contracts with customers		138,349	125,536	134,841
Other		66	—	—
Net GST received		12,398	—	10,491
<b>Total cash received</b>		<b>249,752</b>	<b>232,744</b>	<b>246,819</b>
<b>Cash used</b>				
Employees		91,974	103,583	92,958
Suppliers		121,312	122,911	124,296
Interest payments on lease liabilities	1.1C	637	—	—
Section 74 receipts transferred to Official Public Account		4,999	—	4,942
Other		735	3,100	3,850
<b>Total cash used</b>		<b>219,657</b>	<b>229,594</b>	<b>226,046</b>
<b>Net cash from operating activities</b>		<b>30,095</b>	<b>3,150</b>	<b>20,773</b>
<b>INVESTING ACTIVITIES</b>				
<b>Cash used</b>				
Purchase of property, plant and equipment and intangibles	2.2A	36,153	50,949	19,912
<b>Total cash used</b>		<b>36,153</b>	<b>50,949</b>	<b>19,912</b>
<b>Net cash used by investing activities</b>		<b>(36,153)</b>	<b>(50,949)</b>	<b>(19,912)</b>
<b>FINANCING ACTIVITIES</b>				
<b>Cash received</b>				
Contributed equity		11,370	26,261	12,203
<b>Total cash received</b>		<b>11,370</b>	<b>26,261</b>	<b>12,203</b>
<b>Cash used</b>				
Principal payments of lease liabilities <sup>1</sup>		10,700	—	—
<b>Total cash used</b>		<b>10,700</b>	<b>—</b>	<b>—</b>
<b>Net cash from financing activities</b>		<b>670</b>	<b>26,261</b>	<b>12,203</b>
<b>Net increase (decrease) in cash held</b>		<b>(5,388)</b>	<b>(21,538)</b>	<b>13,064</b>
Cash and cash equivalents at the beginning of the reporting period		130,303	117,969	117,239
<b>Cash and cash equivalents at the end of the reporting period</b>	2.1A	<b>124,915</b>	<b>96,431</b>	<b>130,303</b>

1 The comparative information presented for 2018–19 is not restated, see overview note on 'new accounting standards' for explanation.

The above statement should be read in conjunction with the accompanying notes.  
Budget to actual variance commentary: see Note 7 for major variance explanations.

## Overview

### *Objectives of the Australian Criminal Intelligence Commission (ACIC)*

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

### *Basis of preparation of the financial statements*

The financial statements are general purpose financial statements and are required by section 42 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

The financial statements have been prepared in accordance with:

- a) Financial Reporting Rule 2015 (FRR); and
- b) Australian Accounting Standards and Interpretations—Reduced Disclosure Requirements issued by the Australian Accounting Standards Board that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

### *Modification to applicability of the PGPA for designated activities under PGPA Act s105D*

The Minister for Finance and the Minister for Home Affairs made determinations under PGPA Act section 105D, which allows modification to specified aspects of the PGPA Act in relation to designated intelligence or security activities. The annual financial statements have not been modified as a result of using the determination.

### *New accounting standards*

There were a number of new and amending standards and/or interpretations applicable to the current financial year. Except for AASB 16 accounting for leases, other standards did not have any material impact on the ACIC's financial statements.

### *Application of AASB 15 revenue from contracts with customers and AASB 1058 income of not-for-profit entities*

The ACIC adopted AASB15 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 July 2019. AASB 1058 applies to the recognition and measurement of income where it is not within the scope of AASB 15.

The ACIC applied AASB 1058 to recognise income for volunteer services, where the fair value of the services were reliably measured, and the services would have been purchased if they had not been donated.

The ACIC applied all provisions of AASB 15 in measuring and recognising revenue at an amount that reflects the consideration entitled in exchange for transferring goods or services to customers.

A summary of the impacts of the new standards for the ACIC are as follows:

- ▶ The impact of AASB 1058 is assessed as nil for the ACIC as these items are already being recognised on the same basis.
- ▶ The impact of AASB 15 is assessed as nil for ACIC, as no change will occur to the amount of revenue recognised.

### *Application of AASB 16 Leases*

The ACIC adopted AASB 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 July 2019. Accordingly, the comparative information presented for 2018–19 is not restated, that is, it is presented as previously reported under AASB 117 and related interpretations.

The ACIC, based on the practical expedients related to initial adoption, elected not to reassess whether a contract is, or contains a lease at the date of initial application. Contracts entered into before the transition date that were not identified as leases under AASB 117 were not reassessed. The definition of a lease under AASB 16 was applied only to contracts entered into or changed on or after 1 July 2019.

The ACIC also adopted the following practical expedients issued by the AASB 16 to leases previously classified as operating leases under AASB 117:

- ▶ Apply a single discount rate to a portfolio of leases with reasonably similar characteristics.
- ▶ Reliance on previous assessments on whether leases are onerous as opposed to preparing an impairment review under AASB 136 impairment of assets at the date of initial application.
- ▶ Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term or where the underlying asset is low-value (\$10,000 or less) as of the date of initial application.

On adoption of AASB 16, the ACIC recognised right-of-use assets and lease liabilities in relation to the following leased items:

- ▶ Commercial property leases.
- ▶ Motor vehicle leases.
- ▶ Data centre leases.

The lease liabilities were measured at the present value of the remaining lease payments, discounted using ACIC's incremental borrowing rate as at 1 July 2019. ACIC's incremental borrowing rate is the rate at which a similar borrowing could be obtained from an independent creditor under comparable terms and conditions. The weighted-average rate applied was 0.09%.

The right-of-use assets were measured at an amount equal to the lease liability, adjusted by prepaid lease payments.

### Impact on transition

It was assessed that there is no impact to ACIC on transition to AASB 1058 or AASB 15.

On transition to AASB 16, the ACIC recognised additional right-of-use assets and additional lease liabilities, recognising the difference in equity. The impact on transition is summarised below:

	1 July 2019 \$'000
Right-of-use assets—Property, plant and equipment	66,506
Lease liabilities	65,718
Equity <sup>1</sup>	8,223

1 Impact due to AASB16 on equity covers adjustments to retained earnings (\$7.676m) and reserves (\$0.547m).

The table below reconciles the lease commitments disclosed in the ACIC's 30 June 2019 financial statements to the amount of lease liability recognised on 1 July 2019:

	1 July 2019 \$'000
Minimum operating lease commitment as at 30 June 2019	67,898
<b>Undiscounted lease commitment</b>	67,898
Less: adjustment to 30 June 19 closing balance	102
<b>Adjusted minimum operating lease commitment as at 30 June 2019</b>	68,000
Less: effect of discontinuing using the incremental borrowing rate as at the date of initial application	(2,282)
<b>Lease liabilities recognised at 1 July 2019</b>	65,718

### Taxation

The ACIC is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- ▶ where the amount of GST incurred is not recoverable from the Australian Taxation Office
- ▶ for receivables and payables.

### Contingent assets and liabilities

The ACIC considered the actual and potential impacts of COVID-19 as part of the agency's going concern assessment and reviewed contingent assets and liabilities. The ACIC did not have any quantifiable contingencies to report for the financial year ended 30 June 2020. However as at 30 June 2020, the ACIC had a number of legal matters pending that may eventuate in judgements or outcomes that could require monetary payments being made to or from the ACIC. It was not possible to quantify the amounts of any eventual receipts or payments that may eventuate in relation to these claims.

### Events after the reporting period

The ACIC did not have any events after 30 June 2020 to report in the 2019–20 financial statements.

## Notes to and forming part of the financial statements

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## 1. Financial performance

### Note 1.1: Expenses

	2020	2019
Notes	\$'000	\$'000
<b>Note 1.1A: Employee benefits</b>		
Wages and salaries	66,566	64,390
Superannuation		
Defined contribution plans	8,268	7,773
Defined benefit plans	4,897	5,197
Leave and other entitlements	13,053	14,650
Separation and redundancies	885	3,352
<b>Total employee benefits</b>	<b>93,669</b>	<b>95,362</b>

#### Accounting Policy

Accounting policies for employee related expenses: see Note 4.1 employee provisions.

### Note 1.1B: Suppliers

#### Goods and services

IT support and maintenance <sup>1</sup>	40,845	37,004
Consultants and contractors	27,537	28,335
Jurisdiction fees and payments	11,868	9,930
Property and security expenses	5,298	5,832
Travel	4,310	5,487
Communication	4,450	3,675
Seconded placements reimbursed to state, territory and Commonwealth agencies	4,480	3,699
Operational expenses	5,469	3,142
Staff development and training	2,659	2,721
Legal expenses	5,058	1,930
Office expenses	1,015	1,007
Other	770	740
<b>Total goods and services</b>	<b>113,759</b>	<b>103,502</b>

#### Other suppliers

Operating lease rentals <sup>2</sup>	–	16,792
Short-term leases <sup>3</sup>	318	–
Workers compensation expenses	422	418
<b>Total other suppliers</b>	<b>740</b>	<b>17,210</b>
<b>Total suppliers</b>	<b>114,499</b>	<b>120,712</b>

1 IT support and maintenance increased primarily due to investment in IT infrastructure projects.

2 Due to the implementation of AASB 16 for lease reporting, operating lease rentals under the old AASB 117 are no longer required.

3 The comparative information presented for 2018–19 is not restated, see overview note on 'new accounting standards' for explanation.

## 1. Financial performance

### Note 1.1: Expenses (continued)

		2020	2019
	Notes	\$'000	\$'000

#### **Note 1.1C: Finance costs**

Interest on lease liabilities <sup>1</sup>		637	—
Unwinding of discount on provision for restoration obligations	2.5	19	34
<b>Total finance costs</b>		<b>656</b>	<b>34</b>

1 The comparative information presented for 2018–19 is not restated, see overview note on 'new accounting standards' for explanation.

#### **Accounting Policy**

##### *Short-term leases and leases of low-value assets*

The ACIC has elected not to recognise right-of-use assets and lease liabilities for short-term leases of assets that have a lease term of 12 months or less and leases of low-value assets (less than \$10,000). The ACIC recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### **Note 1.1D: Resources received free of charge**

Seconded		2,584	2,249
Remuneration of auditors		155	150
<b>Total secondees and services provided by other agencies</b>		<b>2,739</b>	<b>2,399</b>

**Note 1.2: Own-source revenue**

	2020	2019
	\$'000	\$'000

**Own-source revenue****Note 1.2A: Revenue from contracts with customers**

Revenue—special account	112,572	104,933
Revenue—proceeds of crime and memoranda of understanding	25,384	25,377
Other revenue	66	278
<b>Total revenue from contracts with customers</b>	<b>138,022</b>	<b>130,588</b>

**Accounting Policy***Revenue from contracts with customers*

Revenue is recognised when the customer obtains control of the services provided. ACIC generates revenue from the National Police Checking Service and National Automated Fingerprint Identification System through the establishment of the National Policing Information Systems and Services Special Account (NPISS Special Account), *Proceeds of Crime Act 2002* and Memoranda of Understanding with Commonwealth agencies and other revenues from minor sources. The revenue recognition processes are discussed below.

- For National Police Checking Service and National Automated Fingerprint Identification System services provided by the ACIC, the performance obligation is satisfied at a point in time. The ACIC recognises revenue when it satisfies the performance obligations by transferring the promised goods or services.
- For goods or services provided by the ACIC for *Proceeds of Crime Act 2002* funding, the performance obligation may be satisfied over time. The ACIC revenue recognition from this source is dependent upon the satisfactory submission of regular progress reports.
- For goods or services provided by the ACIC based on Memoranda of Understanding, the performance obligation is satisfied over time. The ACIC revenue recognition from this source is based on the premise that the underlying goods or services will be transferred to the customers and not retained for own use.

**Note 1.2B: Resources received free of charge**

Resources received free of charge—secondee	2,584	2,249
Resources received free of charge—audit services	155	150
<b>Total resources received free of charge</b>	<b>2,739</b>	<b>2,399</b>

**Accounting Policy***Resources received free of charge*

Resources received free of charge are recognised as revenue when, and only when a fair value can be reliably measured and the services or transferred assets would have been purchased if they had not been provided free of charge. Use of those resources is recognised as appropriate as an expense or as an asset when received.

**Note 1.2C: Revenue from Government**

## Appropriations

Departmental appropriations	103,841	99,970
<b>Total revenue from Government</b>	<b>103,841</b>	<b>99,970</b>

**Accounting Policy***Revenue from Government*

Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when the ACIC gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. Appropriations receivable are recognised at their nominal amounts.

## 2. Financial position

### Note 2.1: Financial assets

	Notes	2020 \$'000	2019 \$'000
<b>Note 2.1A: Cash and cash equivalents</b>			
Special account cash held in Official Public Account	2.6	121,079	125,812
Cash at bank and on hand		3,836	4,491
<b>Total cash and cash equivalents</b>		<b>124,915</b>	<b>130,303</b>
<b>Note 2.1B: Trade and other receivables</b>			
Trade receivables		11,593	13,935
Comcare receivable		18	18
Appropriations receivable		63,230	53,328
GST receivable		2,599	2,889
<b>Total trade and other receivables</b>		<b>77,440</b>	<b>70,170</b>

Credit terms for goods and services were within 30 days (2018–19:30 days)

#### **Accounting Policy**

##### *Trade and other receivables*

Trade and other receivables are held for the purpose of collecting the contractual cash flows and are measured at amortised cost.

## Note 2.2: Non-financial assets

Note 2.2A: Reconciliation of the opening and closing balances of leasehold improvements, property, plant and equipment and intangibles

	Buildings \$'000	Leasehold improvements \$'000	Property, plant and equipment \$'000	Computer software— internally developed \$'000	Computer software— purchased \$'000	Total \$'000
<b>As at 1 July 2019</b>						
Gross book value	—	27,812	21,818	78,050	9,305	136,985
Accumulated depreciation, amortisation and impairment	—	(4,156)	(4,583)	(52,432)	(7,753)	(68,924)
<b>Total as at 1 July 2019</b>	—	23,656	17,235	25,618	1,552	68,061
<b>Adjustment on initial application of AASB 16</b>						
Recognition of right of use asset	53,189	—	13,317	—	—	66,506
Other adjustments <sup>1</sup>	—	(6,258)	—	—	—	(6,258)
<b>Adjusted total as at 1 July 2019</b>	53,189	17,398	30,552	25,618	1,552	128,309
<b>Additions</b>						
Purchase	—	281	17,015	14,984	3,873	36,153
Right-of-use assets	284	—	655	—	—	939
Depreciation/amortisation	—	(3,175)	(4,768)	(4,952)	(910)	(13,805)
Depreciation on right-of-use assets	(9,792)	—	(2,842)	—	—	(12,634)
Transfers on capitalisation	—	105	2,636	(7,170)	4,429	—
Write-down and impairment of property, plant and equipment <sup>2</sup>	—	—	(1,152)	(119)	(3)	(1,274)
<b>Total as at 30 June 2020</b>	43,681	14,609	42,096	28,361	8,941	137,688
<b>Total as at 30 June 2020 represented by</b>						
Gross book value	53,473	20,965	54,164	76,298	16,042	220,942
Accumulated depreciation, amortisation and impairment	(9,792)	(6,356)	(12,068)	(47,937)	(7,101)	(83,254)
<b>Total as at 30 June 2020</b>	43,681	14,609	42,096	28,361	8,941	137,688
<b>Carrying amount of right-of-use assets</b>	43,681	—	11,130	—	—	54,811

1 This category indicates removal of a fitout asset ACIC received as lease incentive due to the initial application of AASB 16.

2 This category includes write off of assets valued at \$1.274m, related primarily to IT projects and obsolete software.

## Note 2.2: Non-financial assets (continued)

There are no leasehold improvements expected to be sold or written-off of within the next 12 months, except for fit-out at the rental accommodation in Victoria, expected to be a surplus lease from October 2020.

The ACIC uses market approach and current replacement costs fair value measurement techniques to measure the fair value of property, plant and equipment and uses current replacement costs to measure the fair value of leasehold improvements.

An independent desktop valuation was conducted in accordance with the revaluation policy stated in Note 2.2A by an independent valuer on leasehold improvements and property, plant and equipment (a full valuation of the leasehold improvements and property, plant and equipment was conducted in June 2018).

### **Capital commitments**

As at the 30 June 2020 the ACIC had commitments for enhancing national finger print and building security systems.

### **Accounting Policy**

#### *Asset recognition*

Property, plant and equipment costing greater than \$5,000, leasehold improvements costing greater than \$25,000, intangible assets purchased externally costing greater than \$5,000 and intangible assets purchased and modified or developed internally costing greater than \$20,000 are capitalised. Items costing less than these thresholds are expensed in the year of acquisition.

#### *Leasehold improvements*

Leasehold improvements include office furniture and fit-out acquired as part of the lease of office accommodation. The depreciable amount of these assets is progressively allocated over the unexpired period of the lease or the useful lives of the improvements, whichever is the shorter.

#### *Lease right of use (ROU) assets*

Leased ROU assets are capitalised at the commencement date of the lease and comprise of the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. These assets are accounted for by ACIC as separate asset classes to corresponding leasehold improvements and property, plant and equipment assets that are owned outright, but presented in the same column as where the corresponding underlying assets would be presented if they were owned.

ROU assets continue to be measured at cost after initial recognition in the ACIC.

#### *Revaluations*

Following initial recognition at cost, property, plant and equipment and leasehold improvements (excluding ROU assets) are carried at fair value. Carrying values of the assets are reviewed every third year to determine if an independent valuation is required. The regularity of independent valuations depends on the volatility of movements in the market values for the relevant assets. Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that is previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reverse a previous revaluation increment for that class. Upon revaluation, any accumulated depreciation is eliminated against the gross carrying amount of the asset.

### Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using the straight-line method of depreciation. Leasehold improvements are depreciated over the life of the lease term. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are generally based on the following expected useful lives, unless an individual asset is assessed as having a different useful life.

	2020	2019
Leasehold improvements	Lease term	Lease term
Property, plant and equipment	3–10 years	3–10 years
Intangibles—Software purchased	3–5 years	3–5 years
Intangibles—Internally developed/configured	3–10 years	3–10 years
Right of use assets	Lease term	–

### Intangibles

Intangibles assets comprise internally developed software and externally purchased software.

These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Software licences with the renewable term ending beyond 30 June 2020 are treated as prepayments at the time of purchase and expensed over the term of the prepayment.

### Impairment

All assets were assessed for impairment at 30 June 2020. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

### Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

### Significant accounting judgements and estimates

In the process of applying the accounting policies listed in this note, the ACIC has made assumptions or estimates in measuring the fair value of the assets that have the most significant impact on the amounts recorded in the financial statements. The fair value of the ACIC's leasehold improvements and property, plant and equipment has been taken to be the market value or current replacement costs as determined by an independent valuer. In some instances, the ACIC's leasehold improvements are purpose-built and some specialised property, plant and equipment may in fact realise more or less in the market.

## Note 2.3: Payables

	2020	2019
	\$'000	\$'000

### **Note 2.3A: Suppliers**

Trade creditors and accruals	21,922	17,992
Operating lease rentals	–	3,591
<b>Total suppliers</b>	<b>21,922</b>	<b>21,583</b>

Settlement term for suppliers were within 20 days (2018–19: 30 days).

### **Note 2.3B: Other payables**

Wages and salaries	1,235	550
Superannuation	205	101
Lease incentive <sup>1</sup>	–	11,108
Unearned income	4,852	6,673
GST payable	11	14
Other	1,075	449
<b>Total other payables</b>	<b>7,378</b>	<b>18,895</b>

1 The comparative information presented for 2018–19 is not restated, see overview note on 'new accounting standards' for explanation.

### **Accounting Policy**

#### *Financial liabilities*

Supplier and other payables are classified as financial liabilities measured at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced). Supplier and other payables are derecognised on payment.



**Note 2.4: Interest bearing liabilities**

	2020	2019
	\$'000	\$'000
<b>Leases</b>		
Lease liabilities <sup>1</sup>		
Building	44,752	–
Property, plant and equipment	11,204	–
	55,956	–

- 1 This represents recognition of lease liabilities on the right of use assets on application of AASB 16. The comparative information presented for 2018–19 is not restated, see overview note on 'new accounting standards' for explanation.

**Note 2.5: Other provisions**

	Onerous lease obligations <sup>1</sup>	Provision for restoration obligations <sup>2</sup>	Other provisions	Total
	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2019</b>	5,138	1,666	9,432	16,236
Additional provisions made	–	7	3,591	3,598
Amounts reversed	(657)	(13)	(625)	(1,295)
Amounts used	–	–	(1,372)	(1,372)
Adjustment on initial application of AASB 16	218	–	–	218
Unwinding of discount	–	19	–	19
<b>Total as at 30 June 2020</b>	<b>4,699</b>	<b>1,679</b>	<b>11,026</b>	<b>17,404</b>

- 1 The planned co-location of the Victorian office with Victoria Police in 2020 gives rise to an onerous lease obligation on the existing Melbourne office space. Opening provision has been adjusted to reflect the correct balance due to delay in occupancy.
- 2 The ACIC currently has five agreements (2019: five agreements) for the leasing of premises which have provisions requiring the agency to restore the premises to their original condition at the conclusion of the lease. The ACIC has made a provision to reflect the present value of this obligation.

Provisions for restoration obligation are expected to be settled in more than 12 months, except for the accommodation in Victoria expected to be settled in 12 months.

## Note 2.6: Special accounts

	Notes	2020 \$'000	2019 \$'000
<b>Note 2.6A: National Policing Information Systems and Services Special Account<sup>1</sup></b>			
Balance brought forward from previous period		125,812	108,726
Total increases		134,700	128,576
Available for payments		260,512	237,302
Total decreases		(139,433)	(111,490)
Total balance carried to the next period		121,079	125,812
<b>Balance represented by:</b>			
Cash held in the Official Public Account		121,079	125,812
Total balance carried to the next period	2.1A	121,079	125,812

1 Legal authority: *Australian Crime Commission Act 2002* section 59C.

The purposes of the NPISS Special Account are defined by section 59E of the *Australian Crime Commission Act 2002* (ACC Act) and are:

- (a) paying for scoping, developing, procuring, implementing and operating information technology systems and services in connection with the national policing information functions;
- (b) paying or discharging the costs, expenses and other obligations incurred by the Commonwealth in the performance of the national policing information functions;
- (c) paying any remuneration and allowances payable to any person under this Act in relation to the national policing information functions;
- (d) meeting the expenses of administering the Account;
- (e) repaying to a state all or part of an amount received from the state in connection with the performance of national policing information functions, if it is not required for a purpose for which it was paid;
- (f) paying refunds in accordance with section 15A;
- (g) reducing the balance of the account (and therefore the available appropriation for the account) without making a real or notional payment.

The National Policing Information Systems and Services Special Account (NPISS Special Account) was initially established by the *Financial Management and Accountability Determination 2006/07—National Policing Information Systems and Services Special Account Establishment 2006*.

The account is a special account for the purpose of the *Public Governance, Performance and Accountability Act 2013*.

### 3. Funding

#### Note 3.1: Appropriations

Note 3.1A: Annual appropriations ('recoverable GST exclusive')

##### Annual appropriations for 2020

	Annual appropriation <sup>1</sup> \$'000	Adjustments to appropriation <sup>2</sup> \$'000	Total appropriation \$'000	Appropriation applied in 2020 (current and prior years) \$'000	Variance <sup>3</sup> \$'000
<b>Departmental</b>					
Ordinary annual services	104,245	26,623	130,868	(121,841)	9,027
Capital budget	2,612	–	2,612	(2,612)	–
Other services					
Equity	23,636	–	23,636	(8,758)	14,878
<b>Total departmental</b>	<b>130,493</b>	<b>26,623</b>	<b>157,116</b>	<b>(133,211)</b>	<b>23,905</b>

1. Annual appropriation includes \$0.404m quarantined under section 51 of the *Public Governance, Performance and Accountability Act 2013* legally available to ACIC as at 30 June 2020.
2. This includes receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013*.
3. Variance in ordinary annual services of \$9.027m includes \$0.404m quarantined for savings measures and the balance is for forward year spending on several provisions. Variance in equity of \$14.878m is due to re-phasing 2020 funding, through section 51 of the *Public Governance, Performance and Accountability Act 2013* reductions, for forward year spending.

##### Annual appropriations for 2019

	Annual appropriation <sup>1</sup> \$'000	Adjustments to appropriation <sup>2</sup> \$'000	Total appropriation \$'000	Appropriation applied in 2019 (current and prior years) \$'000	Variance <sup>3</sup> \$'000
<b>Departmental</b>					
Ordinary annual services <sup>4</sup>	103,592	27,381	130,973	(127,732)	3,241
Capital budget	2,627	–	2,627	(2,627)	–
Other services					
Equity	21,971	–	21,971	(9,894)	12,077
<b>Total departmental</b>	<b>128,190</b>	<b>27,381</b>	<b>155,571</b>	<b>(140,253)</b>	<b>15,318</b>

1. Annual appropriation includes \$3.622m quarantined under section 51 of the *Public Governance, Performance and Accountability Act 2013* legally available to ACIC as at 30 June 2019.
2. This includes receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013*.
3. Variance in ordinary annual services mainly represents the quarantining of \$3.622m ordinary annual services for savings measures. Variance in equity of \$12.077m is due to re-phasing 2019 funding through section 51 of the *Public Governance, Performance and Accountability Act 2013* reductions for forward year spending.
4. The 2019 figures for ordinary annual services have been amended from those published in the 2019 annual reports to correctly exclude GST and other reporting treatments as required by *Public Governance, Performance and Accountability Act 2013* and make the figures comparable to the reporting of the 2020 figures.

## Note 3.1: Appropriations (continued)

### Note 3.1B: Unspent annual appropriations ('recoverable GST exclusive')

	2020	2019
	\$'000	\$'000
<b>Departmental</b>		
Appropriation Act (No.1) 2019–20 <sup>1</sup>	63,230	–
Appropriation Act (No.1) 2018–19 <sup>1</sup>	–	53,328
Cash at bank and on hand <sup>2</sup>	3,836	4,491
<b>Total departmental</b>	<b>67,066</b>	<b>57,819</b>

1 The Appropriation Act (No.1) balance for 2018–19 and 2019–20 represents unspent appropriation for the year.

2 Represents appropriation funds drawn and held at bank in respective years.

## 4. People and relationships

### Note 4.1: Employee provisions

	2020	2019
	\$'000	\$'000
<b>Note 4.1A: Employee provisions</b>		
Employee leave	30,603	29,005
Separations and redundancies	–	693
<b>Total employee provisions</b>	<b>30,603</b>	<b>29,698</b>

#### Accounting Policy

Liabilities for 'short-term employee benefits' and termination benefits expected within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

#### *Leave*

The liability for employee benefits includes provision for annual leave and long service leave. The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination. The liability for long service leave has been determined by reference to Financial Reporting Rule 32 using the short-hand method. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

#### *Significant accounting judgements and estimates*

In the process of applying the accounting policies listed in this note, the ACIC has made assumptions or estimates in measuring the staff leave provisions that have the most significant impact on the amounts recorded in the financial statements.

Leave provisions involve assumptions based on the expected tenure of existing staff, patterns of leave claims and payouts, future salary movements and future discount rates.

#### *Separation and redundancy*

Provision is made for separation and redundancy benefit payments. The ACIC recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the termination.

#### *Superannuation*

The ACIC staff are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) or the PSS accumulation plan (PSSap) or other superannuation funds held outside the Australian Government. A small number of staff are members of employee nominated superannuation funds, as allowed under the ACIC's enterprise agreement. The PSSap and other employee nominated superannuation funds are defined contribution schemes. The CSS and PSS are defined benefit schemes for the Australian Government. The liabilities for defined benefit schemes are recognised in the financial statements of the Australian Government and are settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedules and notes. The ACIC makes employer contributions to the employees' defined benefit superannuation schemes at rates determined by an actuary to be sufficient to meet the current cost to the Government. The ACIC accounts for the contributions as if they were contributions to defined contribution plans. The liability for superannuation recognised as at 30 June 2020 represents outstanding contributions for the final fortnight of the year.

## Note 4.2: Key management personnel remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The ACIC has determined the key management personnel positions to be the Chief Executive Officer, Chief Operating Officer and Executive Directors for Intelligence Operations, Capability, Technology and, from December 2019, National Criminal Intelligence Systems.

The key management personnel remuneration excludes the remuneration and other benefits of the Minister. The Minister's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the ACIC.

Key management personnel remuneration is reported in the table below:

	2020	2019
	\$	\$
<b>Note 4.2: Key management personnel remuneration</b>		
Short-term employee benefits	1,775,742	1,329,907
Post-employment benefits	283,017	209,213
Other long-term employee benefits	41,498	31,037
Termination benefits	–	100,000
<b>Total key management personnel remuneration expenses<sup>1</sup></b>	<b>2,100,257</b>	<b>1,670,157</b>
<b>Total number of key management personnel<sup>1</sup></b>	<b>6</b>	<b>6</b>

1 Includes officers substantively holding or acting for a period exceeding three months in a key management personnel position. There were five KMP positions in 2019 however, six personnel held KMP positions over the year as the holder of one position changed, and under the reporting guidelines each person holding the post for a substantive portion of the year is counted. An additional KMP position was established in 2020 taking the total to six. There were no other changes in KMP personnel in 2020. The increase in key management personnel remuneration expenses between year arises from a number of factors including:

- one additional KMP position as discussed above
- all positions were occupied for the full 2020 year whereas in 2019 one person was vacant for part of the year and otherwise not counted for part of the year
- salary progressions and increases under engagement agreements.

The ACIC CEO is also the Director of the Australian Institute of Criminology (AIC). The full cost of the CEO is included above.

## Note 4.3: Related party disclosure

### Related party relationships:

The ACIC is an Australian Government controlled entity. Related parties of the ACIC comprise the ministers responsible for the ACIC, other cabinet ministers, other Australian Government entities, the key management personnel of the ACIC, and parties related to the ACIC's key management personnel (including close family members and entities controlled by themselves, their close family members or jointly with close family members).

### Transactions with related parties:

Given the breadth of government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such transactions include the payment or refund of taxes. These transactions have not been separately disclosed in this note.

Giving consideration to relationships with related entities, and transactions entered into during the reporting period by the entity, it has been determined that there are no related party transactions requiring disclosure.

## 5. Managing uncertainties

### Note 5.1: Financial instruments

	Notes	2020 \$'000	2019 \$'000
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#### Note 5.1A: Categories of financial instruments

##### Financial assets

##### Financial assets at amortised cost

Cash and cash equivalents	2.1A	<b>124,915</b>	130,303
Trade and other receivables <sup>1</sup>	2.1B	<b>11,611</b>	13,953
<b>Total financial assets</b>		<b>136,526</b>	144,256

##### Financial liabilities

##### Financial liabilities measured at amortised cost

Trade creditors and accruals	2.3A	<b>21,922</b>	17,992
<b>Total financial liabilities</b>		<b>21,922</b>	17,992

- 1 Based on the receivable management history and the current debtor management process, the ACIC assessed the risk of impairment is very low. Trade and other receivables is adjusted for impairment loss \$0.024m (2019: nil).

## 6. Other information

### Note 6.1: Aggregate assets and liabilities

	2020	2019
	\$'000	\$'000

#### Note 6.1: Aggregate assets and liabilities

##### Assets expected to be recovered in:

No more than 12 months	211,803	205,706
More than 12 months	137,688	72,008

<b>Total assets</b>	<b>349,491</b>	<b>277,714</b>
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##### Liabilities expected to be settled in:

No more than 12 months	55,672	52,232
More than 12 months	77,591	34,180

<b>Total liabilities</b>	<b>133,263</b>	<b>86,412</b>
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This note indicates the liquidity position of the ACIC.



## 7. Explanations of major variances between budget and actual

The following are explanations of events that have impacted on the ACIC's operations and activities for the year. Budget numbers are sourced from the ACIC's Portfolio Budget Statements 2019–20 and are provided in the primary statements. Budgeted numbers are not audited.

Major variances are those deemed relevant or most significant to an analysis of the ACIC's performance by management, not focused merely on numerical differences between the actual and budgeted amounts.

When providing explanations, the ACIC has identified the financial impact in relation to those key aggregates relevant to the ACIC's performance. Users should be aware that there will be consequential impacts on related statements i.e. a variance in the Statement of Comprehensive Income is likely to have consequential impacts in the Statement of Financial Position and the Cash Flow Statement.

Explanation for major variances	Affected line items (and statements)
<p><b>COVID-19 Pandemic reduced business activities</b>            COVID-19 has resulted in a significant cut back in travel and hampered the agency's and contracted vendors' ability in delivering a number of projects. In addition, the agency's ability to interview and conduct prerequisite security clearance for recruiting staff was impacted.</p>	<p><i>Expenses: Employee benefits, Suppliers            (Statement of Comprehensive Income)</i></p>
<p><b>Arrangements with other government agencies</b>            Subsequent to the production of budget, a number of arrangements were agreed with other agencies, including \$7m contribution to NAFIS Hardware Stabilisation project and additional funding received for Serious Financial Crime Taskforce.</p> <p>A significant portion was directed towards capital purchase of equipment in order to provide those services.</p>	<p><i>Own-source revenue: Revenue from contracts with customers            (Statement of Comprehensive Income)</i></p> <p><i>Financial assets: Cash and cash equivalents            (Statement of Financial Position)</i></p>
<p><b>Implementation of new lease accounting standard</b>            The new standard recognises leased property as right-of-use assets which are depreciated over the term of the lease. Lease payments are treated as interest and principal repayment.</p>	<p><i>Expenses: Supplier, Depreciation and Amortisation (Statement of Comprehensive Income)</i></p> <p><i>Non-financial assets: Buildings, Leasehold improvements (Statement of Financial Position)</i></p> <p><i>Interest bearing liabilities: Leases (Statement of Financial Position)</i></p>
<p><b>Delays in National Criminal Intelligence Systems Tranche 1 project</b>            Delays in NCIS T1 and associated approved movement of funds reduced employee and supplier expenses, equity injection for the year and intangible assets to be capitalised, and increase cash reserve as approved access to cash reserve is also delayed.</p>	<p><i>Expenses: Employee Benefits, Supplier            (Statement of Comprehensive Income)</i></p> <p><i>Financial assets: Cash and cash equivalent            (Statement of Financial Position)</i></p> <p><i>Non-financial assets: Intangible            (Statement of Financial Position)</i></p> <p><i>Equity: Equity Injection            (Statement of Changes in Equity)</i></p>



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# Section 5

## *Appendices and references*

### *Information required by legislation and aids to access*

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# Appendix A: List of requirements

As required by section 17AJ(d) of the *Public Governance, Performance and Accountability Rule 2014*, we have included the following list of requirements as an aid to access.

PGPA Rule reference	Part of report	Description	Requirement
<b>17AD(g)</b>	<b>Letter of transmittal</b>		
17AI	vi	A copy of the letter of transmittal signed and dated by the accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report.	Mandatory
<b>17AD(h)</b>	<b>Aids to access</b>		
17AJ(a)	vii	Table of contents.	Mandatory
17AJ(b)	176	Alphabetical index.	Mandatory
17AJ(c)	172–175	Glossary, abbreviations and acronyms.	Mandatory
17AJ(d)	146	List of requirements.	Mandatory
17AJ(e)	Inside front cover	Details of contact officer.	Mandatory
17AJ(f)	Inside front cover	Entity's website address.	Mandatory
17AJ(g)	Inside front cover	Electronic address of report.	Mandatory
<b>17AD(a)</b>	<b>Review by the accountable authority</b>		
17AD(a)	2–4	A review by the accountable authority of the entity.	Mandatory
<b>17AD(b)</b>	<b>Overview of entity</b>		
17AE(1)(a)(i)	5–6	A description of the role and functions of the entity.	Mandatory
17AE(1)(a)(ii)	7	A description of the organisational structure of the entity.	Mandatory
17AE(1)(a)(iii)	10–11	A description of the outcomes and programs administered by the entity.	Mandatory
17AE(1)(a)(iv)	18–19	A description of the purposes of the entity as included in the corporate plan.	Mandatory
17AE(1)(aa)(i)	72	Name of the accountable authority or each member of the accountable authority.	Mandatory
17AE(1)(aa)(ii)	72	Position title of the accountable authority or each member of the accountable authority.	Mandatory
17AE(1)(aa)(iii)	72	Period as the accountable authority or member of the accountable authority within the reporting period.	Mandatory
17AE(1)(b)	Not applicable	An outline of the structure of the portfolio of the entity.	Portfolio departments—Mandatory

PGPA Rule reference	Part of report	Description	Requirement
<b>17AD(b)</b>	<b>Overview of entity (continued)</b>		
17AE(2)	Not applicable	Where outcomes and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change.	If applicable, Mandatory
<b>17AD(c)</b>	<b>Report on the Performance of the entity</b>		
	<b><i>Annual Performance Statements</i></b>		
17AD(c)(i); 16F	18–62	Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the PGPA Rule.	Mandatory
<b>17AD(c)(ii)</b>	<b><i>Report on Financial Performance</i></b>		
17AF(1)(a)	63–65	A discussion and analysis of the entity's financial performance.	Mandatory
17AF(1)(b)	66	A table summarising the total resources and total payments of the entity.	Mandatory
17AF(2)	Not applicable	If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results.	If applicable, Mandatory
<b>17AD(d)</b>	<b>Management and Accountability</b>		
	<b><i>Corporate Governance</i></b>		
17AG(2)(a)	vi	Information on compliance with section 10 (fraud systems).	Mandatory
17AG(2)(b)(i)	vi	A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared.	Mandatory
17AG(2)(b)(ii)	vi	A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place.	Mandatory
17AG(2)(b)(iii)	vi	A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity.	Mandatory
17AG(2)(c)	72–85	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.	Mandatory

PGPA Rule reference	Part of report	Description	Requirement
	<b>Corporate Governance (continued)</b>		
17AG(2)(d) – (e)	63	A statement of significant issues reported to the Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with finance law and action taken to remedy non-compliance.	If applicable, Mandatory
	<b>Audit Committee</b>		
17AG(2A)(a)	80	A direct electronic address of the charter determining the functions of the entity's audit committee.	Mandatory
17AG(2A)(b)	81–82	The name of each member of the entity's audit committee.	Mandatory
17AG(2A)(c)	81–82	The qualifications, knowledge, skills or experience of each member of the entity's audit committee.	Mandatory
17AG(2A)(d)	81–82	Information about the attendance of each member of the entity's audit committee at committee meetings.	Mandatory
17AG(2A)(e)	81–82	The remuneration of each member of the entity's audit committee.	Mandatory
	<b>External Scrutiny</b>		
17AG(3)	86–95	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.	Mandatory
17AG(3)(a)	93–95	Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity.	If applicable, Mandatory
17AG(3)(b)	87–89, 92–93	Information on any reports on operations of the entity by the Auditor-General (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman.	If applicable, Mandatory
17AG(3)(c)	Not applicable	Information on any capability reviews on the entity that were released during the period.	If applicable, Mandatory
	<b>Management of Human Resources</b>		
17AG(4)(a)	96–108	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory
17AG(4)(aa)	96–98, 157–162	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: <ul style="list-style-type: none"> <li>▶ statistics on full-time employees;</li> <li>▶ statistics on part-time employees;</li> <li>▶ statistics on gender;</li> <li>▶ statistics on staff location.</li> </ul>	Mandatory
17AG(4)(b)	96–98, 157–162	Statistics on the entity's APS employees on an ongoing and nonongoing basis; including the following: <ul style="list-style-type: none"> <li>▶ statistics on staffing classification level;</li> <li>▶ statistics on full-time employees;</li> <li>▶ statistics on part-time employees;</li> <li>▶ statistics on gender;</li> <li>▶ statistics on staff location;</li> <li>▶ statistics on employees who identify as Indigenous.</li> </ul>	Mandatory

PGPA Rule reference	Part of report	Description	Requirement
	<b>Management of Human Resources (continued)</b>		
17AG(4)(c)	103	Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the Public Service Act 1999.	Mandatory
17AG(4)(c)(i)	162	Information on the number of SES and non-SES employees covered by agreements etc. identified in paragraph 17AG(4)(c).	Mandatory
17AG(4)(c)(ii)	163	The salary ranges available for APS employees by classification level.	Mandatory
17AG(4)(c)(iii)	103	A description of non-salary benefits provided to employees.	Mandatory
17AG(4)(d)(i)	103	Information on the number of employees at each classification level who receive performance pay.	If applicable, Mandatory
17AG(4)(d)(ii)	Not applicable	Information on aggregate amounts of performance pay at each classification level.	If applicable, Mandatory
17AG(4)(d)(iii)	Not applicable	Information on the average amount of performance payment, and range of such payments, at each classification level.	If applicable, Mandatory
17AG(4)(d)(iv)	Not applicable	Information on aggregate amount of performance payments.	If applicable, Mandatory
	<b>Assets management</b>		
17AG(5)	109	An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities.	If applicable, Mandatory
	<b>Purchasing</b>		
17AG(6)	110	An assessment of entity performance against the Commonwealth Procurement Rules.	Mandatory
	<b>Consultants</b>		
17AG(7)(a)	110–111	A summary statement detailing the number of new contracts engaging consultants entered into during the period; the total actual expenditure on all new consultancy contracts entered into during the period (inclusive of GST); the number of ongoing consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST).	Mandatory
17AG(7)(b)	111	A statement that <i>'During [reporting period], [specified number] new consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified number] ongoing consultancy contracts were active during the period, involving total actual expenditure of \$[specified million]'</i> .	Mandatory

PGPA Rule reference	Part of report	Description	Requirement
	<b>Consultants (continued)</b>		
17AG(7)(c)	111	A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were engaged.	Mandatory
17AG(7)(d)	111	A statement that <i>'Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website.'</i>	Mandatory
	<b>Australian National Audit Office Access Clauses</b>		
17AG(8)	111	If an entity entered into a contract with a value of more than \$100,000 (inclusive of GST) and the contract did not provide the Auditor-General with access to the contractor's premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract.	If applicable, Mandatory
	<b>Exempt contracts</b>		
17AG(9)	111	If an entity entered into a contract or there is a standing offer with a value greater than \$10,000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters.	If applicable, Mandatory
	<b>Small business</b>		
17AG(10)(a)	111	A statement that <i>'[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website.'</i>	Mandatory
17AG(10)(b)	111	An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory
17AG(10)(c)	111	If the entity is considered by the Department administered by the Finance Minister as material in nature—a statement that <i>'[Name of entity] 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.'</i>	If applicable, Mandatory
	<b>Financial statements</b>		
17AD(e)	116–143	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory



PGPA Rule reference	Part of report	Description	Requirement
	<b>Executive Remuneration</b>		
17AD(da)	164–167	Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2-3 of the Rule.	Mandatory
17AD(f)	<b>Other mandatory information</b>		
17AH(1)(a)(i)	Not applicable	If the entity conducted advertising campaigns, a statement that <i>'During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity's website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance's website.'</i>	If applicable, Mandatory
17AH(1)(a)(ii)	111	If the entity did not conduct advertising campaigns, a statement to that effect.	If applicable, Mandatory
17AH(1)(b)	Not applicable	A statement that <i>'Information on grants awarded to [name of entity] during [reporting period] is available at [address of entity's website]'</i> .	If applicable, Mandatory
17AH(1)(c)	103	Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory
17AH(1)(d)	93	Website reference to where the entity's Information Publication Scheme statement pursuant to Part II of FOI Act can be found.	Mandatory
17AH(1)(e)	168	Correction of material errors in previous annual report.	If applicable, Mandatory
17AH(2)	111, 112, 152–156	Information required by other legislation.	Mandatory

# Appendix B: Work health and safety

This appendix addresses our annual reporting responsibilities under Schedule 2, Part 4, of the *Work Health and Safety Act 2011*.

## Work health and safety priorities

In 2019–20, the ACIC:

- ▶ provided advice and guidance in relation to COVID-19 and developed a COVIDSafe Transition Plan for the ACIC
- ▶ strengthened our existing work health and safety (WHS) systems by improving relevant policies, processes and planned risk assessments
- ▶ provided a required early intervention training program for managers
- ▶ implemented early intervention strategies and health case management, leading to improved injury prevention and workers compensation performance and helping to reduce unplanned leave
- ▶ further strengthened our due diligence framework through due diligence checklists and risk register reviews
- ▶ began developing a wellbeing and mental health strategy to assist in increasing staff wellbeing and support (physically and mentally), work–life balance and job satisfaction
- ▶ participated in a WHS audit that will provide the ACIC with recommendations to help strengthen the agency’s compliance with WHS obligations and legislative requirements.

## Work health and safety management arrangements

Our National Work Health Safety Committee is responsible for:

- ▶ supporting the ACIC Executive to identify, develop, review and implement measures to protect and actively manage the health and safety of employees
- ▶ promoting and monitoring measures to ensure safe work practices
- ▶ facilitating consultation and communication with employees about WHS matters
- ▶ undertaking functions prescribed in the *Work Health and Safety Act 2011* and associated regulations.

Our National Work Health Safety Committee is the conduit for consultation with employees on all WHS issues. The national committee generally meets quarterly; however, some meetings were delayed due to COVID-19 in 2019–20. Local work health safety committees meet regularly and provide input to the national committee.

## Initiatives to ensure the health, safety and wellbeing of workers

We are committed to maintaining a safe and healthy workplace and empowering the health, safety and wellbeing of workers.

### Health and Wellbeing Program

Our Health and Wellbeing Program continues to evolve, with staff input, reviews of better practice and new initiatives. Development of the ACIC's wellbeing and mental health strategy is underway. The program and strategy aim to:

- ▶ help staff make positive health and behaviour changes
- ▶ promote a culture that supports healthy and positive lifestyles
- ▶ provide a central source for health and wellbeing information and resources, including the ACIC's Wellbeing Calendar of Events
- ▶ inspire staff to take ownership of health and wellbeing initiatives in their offices
- ▶ encompass a broad view of health, including physical, mental and social aspects
- ▶ demonstrate our commitment to the health and wellbeing of employees and their families.

### Prevention programs

We take a proactive approach to identify and control hazards in the workplace and to prevent injury. We continue to identify and assess hazards within the workplace and ensure that risk control strategies are in place. In 2019–20, we:

- ▶ provided access to an employee assistance program which includes 24/7 emergency counselling, employee and manager assistance, mediation services and other employee information and support services
- ▶ provided staff with access to early intervention support, ergonomic assessments and health and/or injury advice and support
- ▶ undertook targeted and random, unannounced drug and alcohol testing of high-risk and non-high-risk employees
- ▶ conducted regular workplace inspections to identify hazards and determine appropriate controls
- ▶ provided required early intervention training that equipped managers with tools and strategies to support employees.

## Drug and alcohol testing

Our drug and alcohol policy seeks to identify and eliminate harm arising from the effects of drugs and alcohol in the workplace and to deter drug and alcohol misuse by employees.

Our policy on drugs and alcohol is:

- ▶ zero tolerance in relation to the use, possession, sale and distribution of illicit drugs for all employees at all times
- ▶ a limit of zero blood alcohol concentration for employees while on duty in a high-risk role and less than 0.05 blood alcohol concentration for all other employees while at an ACIC workplace or on official ACIC duty.

Drug and alcohol testing for 2019-20 commenced in February 2020 but was suspended after one round due to COVID-19. During the first round of testing, 26 targeted and 51 random drug and alcohol tests were completed. No positive results were returned.

## Health and safety outcomes

The ACIC is committed to preventing injury or illness and helping employees return to work as quickly and safely as possible. Our commitment is demonstrated through our systems and programs for rehabilitation and injury management, early intervention and wellbeing support.

In 2019–20, we engaged industry professionals to assist with:

- ▶ external rehabilitation assessment and management services for compensable and non-compensable matters
- ▶ workstation assessments for staff experiencing pain and discomfort, injury, changes in work practices or the installation of new equipment
- ▶ mediation
- ▶ WHS and wellbeing workplace training, information and education sessions
- ▶ required early intervention training for managers
- ▶ drug and alcohol testing
- ▶ flu vaccinations.

## Workers compensation

Agencies' workers compensation premium rates are driven by the agencies' performance in managing their workers compensation claims and supporting injured employees to return to work.

As a result of the COVID-19 pandemic, Comcare's premium fund will be impacted by the deterioration of economic conditions, variations in the numbers and types of claims made by employees, and potential changes to rehabilitation and return-to-work of injured employees.

The ACIC's 2020–21 premium has been impacted by these factors and has increased by approximately 94 per cent from the agency's 2019–20 final premium amount.

In 2019–20, Comcare accepted two workers compensation claims for psychological injury/disease of ACIC staff. This is the same as the previous year's total, as shown in Table B.1. One claim for compensation submitted during 2019–20 is pending determination.

**Table B.1: Accepted compensation claims**

Year	Claims
2015–16	2
2016–17	1
2017–18	3
2018–19	2
2019–20	2

## Incidents and injuries

Twenty-eight injuries, incidents or hazards were reported in 2019–20 (excluding notifiable incidents), down from 34 in the previous year. Falls, trips and slips were the most common mechanism of injury, as shown in Table B.2.

**Table B.2: Mechanisms of injury**

Mechanism of injury	Injuries
Biological/chemical factors	4
Body stressing	4
Mental stress	2
Falls, trips, slips	7
Other and unspecified	5
Heat and electrical	1
Hazard report	5
<b>Total</b>	<b>28</b>

## Notifications and Investigations

Under section 38 of the *Work Health and Safety Act 2011*, we are required to notify Comcare immediately after becoming aware of any death, serious personal injury or dangerous incident.

The ACIC had two notifiable incidents during 2019–20. The ACIC's WHS Team reviewed both incidents and, where possible, implemented corrective actions and continued to consult with relevant stakeholders to assist in reducing the likelihood of similar incidents occurring in the future.

Following the two notifiable incidents during 2019–20, Comcare investigated and subsequently closed those matters. Where required, corrective actions are being taken by the ACIC.

## Appendix C: Employee statistics

The tables in this appendix provide an overview of ACIC staffing, including details required by section 17AG(4) of the *Public Governance, Performance and Accountability Rule 2014*.

**Table C.1: Ongoing employees by location at 30 June 2020**

	Male			Female			Indeterminate			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	69	3	72	31	11	42	–	–	–	114
QLD	33	1	34	21	3	24	–	–	–	58
SA	11	1	12	11	6	17	–	–	–	29
TAS	–	–	–	2	–	2	–	–	–	2
VIC	46	–	46	33	3	36	–	–	–	82
WA	23	–	23	5	2	7	–	–	–	30
ACT	183	8	191	215	29	244	–	–	–	435
NT	1	–	1		1	1	–	–	–	2
OS	–	–	–	–	–	–	–	–	–	–
<b>Total</b>	<b>366</b>	<b>13</b>	<b>379</b>	<b>318</b>	<b>55</b>	<b>373</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>752</b>

OS = overseas

Note: Staffing numbers include AIC staff. Further staffing details are provided in the AIC Annual Report.

**Table C.2: Non-ongoing employees and statutory office holders by location at 30 June 2020**

	Male			Female			Indeterminate			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	1	2	3	1	–	1	–	–	–	4
QLD	–	–	–	2	–	2	–	–	–	2
SA	1	1	2	–	–	–	–	–	–	2
TAS	–	–	–	–	–	–	–	–	–	–
VIC	–	–	–	1	–	1	–	–	–	1
WA	–	–	–	–	–	–	–	–	–	–
ACT	10	–	10	9	1	10	–	–	–	20
NT	–	–	–	–	–	–	–	–	–	–
OS	–	–	–	–	–	–	–	–	–	–
<b>Total</b>	<b>12</b>	<b>3</b>	<b>15</b>	<b>13</b>	<b>1</b>	<b>14</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>29</b>

OS = overseas

Note: Staffing numbers include AIC staff. Further staffing details are provided in the AIC Annual Report.

**Table C.3: Ongoing employees by location at 30 June 2019**

	Male			Female			Indeterminate			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	72	2	74	31	17	48	–	–	–	122
QLD	37	1	38	24	6	30	–	–	–	68
SA	11	1	12	9	8	17	–	–	–	29
TAS	–	–	–	2	–	2	–	–	–	2
VIC	51	–	51	34	5	39	–	–	–	90
WA	21	–	21	5	3	8	–	–	–	29
ACT	175	3	178	175	41	216	–	–	–	394
NT	1	–	1	–	1	1	–	–	–	2
OS	2	–	2	2	–	2	–	–	–	4
<b>Total</b>	<b>370</b>	<b>7</b>	<b>377</b>	<b>282</b>	<b>81</b>	<b>363</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>740</b>

OS = overseas

Note: Staffing numbers include AIC staff. Further staffing details are provided in the AIC Annual Report.

**Table C.4: Non-ongoing employees and statutory office holders by location at 30 June 2019**

	Male			Female			Indeterminate			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	3	1	4	2	–	2	–	–	–	6
QLD	–	–	–	1	–	1	–	–	–	1
SA	2	1	3	–	–	–	–	–	–	3
TAS	–	–	–	–	–	–	–	–	–	–
VIC	–	–	–	–	–	–	–	–	–	–
WA	–	–	–	–	–	–	–	–	–	–
ACT	7	–	7	11	2	13	–	–	–	20
NT	–	–	–	–	–	–	–	–	–	–
OS	–	–	–	–	–	–	–	–	–	–
<b>Total</b>	<b>12</b>	<b>2</b>	<b>14</b>	<b>14</b>	<b>2</b>	<b>16</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>30</b>

OS = overseas

Note: Staffing numbers include AIC staff. Further staffing details are provided in the AIC Annual Report.



**Table C.5: Australian Public Service Act ongoing employees at 30 June 2020**

	Male			Female			Indeterminate			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
SES 3	–	–	–	–	–	–	–	–	–	–
SES 2	2	–	2	2	–	2	–	–	–	4
SES 1	11	–	11	3	–	3	–	–	–	14
EL 2	50	2	52	22	4	26	–	–	–	78
EL 1	183	4	187	85	18	103	–	–	–	290
APS 6	45	3	48	70	14	84	–	–	–	132
APS 5	30	2	32	55	8	63	–	–	–	95
APS 4	38	1	39	67	7	74	–	–	–	113
APS 3	6	–	6	14	4	18	–	–	–	24
APS 2	1	–	1	–	–	–	–	–	–	1
APS 1	–	1	1	–	–	–	–	–	–	1
<b>Total</b>	<b>366</b>	<b>13</b>	<b>379</b>	<b>318</b>	<b>55</b>	<b>373</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>752</b>

APS = Australian Public Service, EL = Executive Level, SES = Senior Executive Service

Note: Staffing numbers include AIC staff. Further staffing details are provided in the AIC Annual Report.

**Table C.6: Australian Public Service Act non-ongoing employees at 30 June 2020**

	Male			Female			Indeterminate			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
SES 3	–	–	–	–	–	–	–	–	–	–
SES 2	–	–	–	–	–	–	–	–	–	–
SES 1	–	–	–	–	–	–	–	–	–	–
EL 2	1	–	1	–	–	–	–	–	–	1
EL 1	5	–	5	4	–	4	–	–	–	9
APS 6	1	–	1	3	1	4	–	–	–	5
APS 5	1	–	1	1	–	1	–	–	–	2
APS 4	3	–	3	5	–	5	–	–	–	8
APS 3	–	–	–	–	–	–	–	–	–	–
APS 2	–	–	–	–	–	–	–	–	–	–
APS 1	–	–	–	–	–	–	–	–	–	–
<b>Total</b>	<b>11</b>	<b>–</b>	<b>11</b>	<b>13</b>	<b>1</b>	<b>14</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>25</b>

APS = Australian Public Service, EL = Executive Level, SES = Senior Executive Service

Note: Staffing numbers include AIC staff. Further staffing details are provided in the AIC Annual Report.

**Table C.7: Australian Public Service Act ongoing employees at 30 June 2019**

	Male			Female			Indeterminate			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
SES 3	–	–	–	–	–	–	–	–	–	–
SES 2	2	–	2	2	–	2	–	–	–	4
SES 1	9	–	9	5	–	5	–	–	–	14
EL 2	51	2	53	19	6	25	–	–	–	78
EL 1	182	1	183	66	24	90	–	–	–	273
APS 6	44	2	46	62	21	83	–	–	–	129
APS 5	35	–	35	54	14	68	–	–	–	103
APS 4	39	1	40	58	12	70	–	–	–	110
APS 3	6	–	6	15	4	19	–	–	–	25
APS 2	1	–	1	1	–	1	–	–	–	2
APS 1	1	1	2	–	–	–	–	–	–	2
<b>Total</b>	<b>370</b>	<b>7</b>	<b>377</b>	<b>282</b>	<b>81</b>	<b>363</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>740</b>

APS = Australian Public Service, EL = Executive Level, SES = Senior Executive Service

Note: Staffing numbers include AIC staff. Further staffing details are provided in the AIC Annual Report.

**Table C.8: Australian Public Service Act non-ongoing employees at 30 June 2019**

	Male			Female			Indeterminate			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
SES 3	–	–	–	–	–	–	–	–	–	–
SES 2	–	–	–	–	–	–	–	–	–	–
SES 1	–	–	–	–	–	–	–	–	–	–
EL 2	2	–	2	–	–	–	–	–	–	2
EL 1	3	–	3	2	1	3	–	–	–	6
APS 6	1	–	1	2	–	2	–	–	–	3
APS 5	3	–	3	2	1	3	–	–	–	6
APS 4	1	–	1	7	–	7	–	–	–	8
APS 3	–	–	–	1	–	1	–	–	–	1
APS 2	–	–	–	–	–	–	–	–	–	–
APS 1	–	–	–	–	–	–	–	–	–	–
<b>Total</b>	<b>10</b>	<b>–</b>	<b>10</b>	<b>14</b>	<b>2</b>	<b>16</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>26</b>

APS = Australian Public Service, EL = Executive Level, SES = Senior Executive Service

Note: Staffing numbers include AIC staff. Further staffing details are provided in the AIC Annual Report.

**Table C.9: Australian Public Service Act employees by full-time and part-time status at 30 June 2020**

	Ongoing			Non-ongoing			Total
	Full time	Part time	Total ongoing	Full time	Part time	Total non-ongoing	
SES 3	–	–	–	–	–	–	–
SES 2	4	–	4	–	–	–	4
SES 1	14	–	14	–	–	–	14
EL 2	72	6	78	1	–	1	79
EL 1	268	22	290	9	–	9	299
APS 6	115	17	132	4	1	5	137
APS 5	85	10	95	2	–	2	97
APS 4	105	8	113	8	–	8	121
APS 3	20	4	24	–	–	–	24
APS 2	1	–	1	–	–	–	1
APS 1	–	1	1	–	–	–	1
<b>Total</b>	<b>684</b>	<b>68</b>	<b>752</b>	<b>24</b>	<b>1</b>	<b>25</b>	<b>777</b>

APS = Australian Public Service, EL = Executive Level, SES = Senior Executive Service

Note: Staffing numbers include AIC staff. Further staffing details are provided in the AIC Annual Report.

**Table C.10: Australian Public Service Act employees by full-time and part-time status at 30 June 2019**

	Ongoing			Non-ongoing			Total
	Full time	Part time	Total ongoing	Full time	Part time	Total non-ongoing	
SES 3	–	–	–	–	–	–	–
SES 2	4	–	4	–	–	–	4
SES 1	14	–	14	–	–	–	14
EL 2	70	8	78	2	–	2	80
EL 1	248	25	273	5	1	6	279
APS 6	106	23	129	3	–	3	132
APS 5	89	14	103	5	1	6	109
APS 4	97	13	110	8	–	8	118
APS 3	21	4	25	1	–	1	26
APS 2	2	–	2	–	–	–	2
APS 1	1	1	2	–	–	–	2
<b>Total</b>	<b>652</b>	<b>88</b>	<b>740</b>	<b>24</b>	<b>2</b>	<b>26</b>	<b>766</b>

APS = Australian Public Service, EL = Executive Level, SES = Senior Executive Service

Note: Staffing numbers include AIC staff. Further staffing details are provided in the AIC Annual Report.

**Table C.11: Australian Public Service Act employees by location 2019–20 and 2018–19**

	2019–20			2018–19		
	Ongoing	Non-ongoing	Total	Ongoing	Non-ongoing	Total
NSW	114	2	116	122	4	126
QLD	58	2	60	68	1	69
SA	29	1	30	29	2	31
TAS	2	–	2	2	–	2
VIC	82	1	83	90	–	90
WA	30	–	30	29	–	29
ACT	435	19	454	394	19	413
NT	2	–	2	2	–	2
OS	–	–	–	4	–	4
<b>Total</b>	<b>752</b>	<b>25</b>	<b>777</b>	<b>740</b>	<b>26</b>	<b>766</b>

OS = overseas

Note: Staffing numbers include AIC staff. Further staffing details are provided in the AIC Annual Report.

**Table C.12: Australian Public Service Act Indigenous employees 2019–20 and 2018–19**

Employment	2019–20	2018–19
Ongoing	9	12
Non-ongoing	–	–
<b>Total</b>	<b>9</b>	<b>12</b>

Note: Staffing numbers include AIC staff. Further staffing details are provided in the AIC Annual Report.

**Table C.13: Australian Public Service Act employment arrangements 2019–20**

Arrangement title	SES <sup>a</sup>	Non-SES <sup>b</sup>	Total
Enterprise agreement	–	759	759
Common law contract	18	–	18
<b>Total</b>	<b>18</b>	<b>759</b>	<b>777</b>

SES = Senior Executive Service

a At 30 June 2020, one SES officer was on a common law contract with their salary paid by the Department of Home Affairs.

b At 30 June 2020, of the 759 non-SES employees, 94 had individual flexibility agreements in place.

Note: Staffing numbers include AIC staff. Further staffing details are provided in the AIC Annual Report.

**Table C.14:** Australian Public Service Act employment salary ranges by classification 2019–20

	Minimum	Maximum
	\$	\$
<b>SES 3</b>	–	–
<b>SES 2</b>	–	–
<b>SES 1</b>	–	–
<b>EL 2</b>	127,077	143,176
<b>EL 1</b>	101,711	122,623
<b>APS 6</b>	80,675	91,295
<b>APS 5</b>	73,939	78,404
<b>APS 4</b>	66,778	72,507
<b>APS 3</b>	60,752	65,570
<b>APS 2</b>	52,513	58,230
<b>APS 1</b>	45,711	50,522

APS = Australian Public Service, EL = Executive Level, SES = Senior Executive Service

Note: Remuneration for SES officers is determined on an individual basis under common law contracts.

Staffing numbers include AIC staff. Further staffing details are provided in the AIC Annual Report.

## Appendix D: Executive remuneration disclosures

The tables in this appendix provide information on executive remuneration as required by Subdivision C of Part 2-3 of the *Public Governance, Performance and Accountability Rule 2014*.

The nature and amount of remuneration for Senior Executive Service (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.

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

**Table D.1: Key management personnel**

Name	Position	Term as key management personnel
Michael Phelan	Chief Executive Officer	Full year
Anne Brown	Chief Operating Officer	Full year
Matthew Rippon	Executive Director Intelligence Operations	Full year
Mark Harrison	Executive Director Capability	Full year
Rochelle Thorne	Chief Information Officer/Executive Director NCIS Program	Full year
Stewart Sibree	Acting Executive Director Technology	Part year—11 December 2019 to 30 June 2020

**Table D.2:** Summary of remuneration for key management personnel

	2019–20	2018–19
	\$	\$
Short-term benefits		
Base salary	1,746,063	1,306,974
Bonuses	–	–
Other benefits and allowances	29,679	22,933
<b>Total short-term benefits</b>	<b>1,775,742</b>	<b>1,329,907</b>
Superannuation	283,017	209,213
<b>Total post-employment benefits</b>	<b>283,017</b>	<b>209,213</b>
Other long-term benefits		
Long service leave	41,498	31,037
<b>Total other long-term benefits</b>	<b>41,498</b>	<b>31,037</b>
Termination benefits	–	100,000
<b>Total key management personnel remuneration</b>	<b>2,100,257</b>	<b>1,670,157</b>

Note: Final figures have been rounded to the nearest dollar.

**Table D.3: Information about remuneration for key management personnel 2019–20**

		Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
Name	Position title	Base salary <sup>a</sup> \$	Bonuses \$	Other benefits and allowances \$	Superannuation contributions <sup>b</sup> \$	Long service leave <sup>c</sup> \$	Other long-term benefits \$	\$	\$
Michael Phelan	Chief Executive Officer <sup>d</sup>	510,686	–	5,396	74,703	12,211	–	–	602,997
Anne Brown	Chief Operating Officer	294,847	–	5,396	50,604	6,854	–	–	357,701
Matthew Rippon	Executive Director Intelligence Operations	270,408	–	5,396	46,167	6,550	–	–	328,522
Mark Harrison	Executive Director Capability	266,245	–	5,396	38,051	6,550	–	–	316,243
Rochelle Thorne	Chief Information Officer/Executive Director NCIS Program	255,501	–	5,396	47,101	6,550	–	–	314,548
Stewart Sibree	Acting Executive Director Technology	148,376	–	2,698	26,390	2,782	–	–	180,246
Total		1,746,063	–	29,679	283,017	41,498	–	–	2,100,257

<sup>a</sup> 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.

<sup>b</sup> Superannuation is subject to Public Sector Superannuation Scheme, Commonwealth Superannuation Scheme and Public Sector Superannuation Accumulation Plan rules. Superannuation contributions are the 2019–20 contributions by the ACIC to the applicable superannuation fund. They do not include employee post-tax contributions or additional lump sum payments.

<sup>c</sup> Long service leave is the value of long service accrued during this financial year.

<sup>d</sup> CEO salary is subject to a 2020 full-time office holder Remuneration Tribunal determination. The ACIC CEO is also the Director of the Australian Institute of Criminology. The full cost of the ACIC CEO is included above.

Note: Includes officers substantively holding or acting for a period exceeding three months in a key management personnel position.

Final figures have been rounded to the nearest dollar.



**Table D.4: Information about remuneration for senior executives 2019–20**

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 long service leave \$	Average other long-term benefits \$		
0–220,000	7	101,208	–	3,019	12,532	2,277	–	–	119,035
220,001–245,000	2	198,343	–	5,396	34,367	5,225	–	–	243,332
245,001–270,000	5	208,172	–	4,317	31,925	5,090	–	–	249,504
270,001–295,000	3	233,778	–	5,396	39,979	5,762	–	–	284,916

Note: Final figures have been rounded to the nearest dollar.

**Table D.5: Information about remuneration for other highly paid staff 2019–20**

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 <sup>a</sup>		Average total remuneration					
				Overseas housing allowances <sup>a</sup> \$	Average other benefits and allowances <sup>a</sup> \$						
270,001–295,000	1	128,784	–	51,148	87,489	18,009	3,066	–	237,348	288,496	
295,001–320,000	1	140,806	–	84,663	71,812	17,000	2,282	–	231,901	316,564	
470,001–495,000	1	431,854	–	–	–	46,855	10,508	–	489,217	489,217	

<sup>a</sup> Other benefits and allowances paid to staff include allowances and benefits paid in relation to living costs while on international deployment.

Note: Final figures have been rounded to the nearest dollar.

## Appendix E: Correction of reporting errors

This appendix corrects the record by explaining a reporting error that occurred in a previous annual report, in accordance with section 17AH(1)(e) of the *Public Governance, Performance and Accountability Rule 2014*.

A reporting error was made on page 47 of the *Australian Criminal Intelligence Commission Annual Report 2018–19*. The section headed ‘Service beneficiaries’ described the number of searches of our Court Portal, stating: ‘In 2018–19, the system was searched 7,733 times.’

That figure was a cumulative total of all searches reported commencing 1 November 2017, not the number of searches conducted between 1 July 2018 and 30 June 2019. The correct figure for 2018–19 is 4,760.

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# Acronyms and abbreviations

ACC Act	<i>Australian Crime Commission Act 2002</i>
ACIC	Australian Criminal Intelligence Commission
ACLEI	Australian Commission for Law Enforcement Integrity
AFIN	Australian Firearms Information Network
AFP	Australian Federal Police
AGICC	Australian Gangs Intelligence Coordination Centre
AIC	Australian Institute of Criminology
AIMS	Assumed Identities Management System
ALEIN	Australian Law Enforcement Intelligence Network
APOT	Australian Priority Organisation Target
APS	Australian Public Service
CEO	Chief Executive Officer
CITDC	Criminal Intelligence Training and Development Continuum
CSIRO	Commonwealth Scientific and Industrial Research Organisation
DISC	Diversity and Inclusion Sub-committee
DTS	Dare-to-Share
GST	goods and services tax
ICT	information and communications technology
IGC-ACC	Inter-Governmental Committee on the Australian Crime Commission
IT	information technology
ITTF	Illicit Tobacco Taskforce
LGBTIQ+	lesbian, gay, bisexual, transgender, intersex, queer and more
MDMA	3,4-methylenedioxymethamphetamine
NAFIS	National Automated Fingerprint Identification System
NCIS	National Criminal Intelligence System
NFID	National Firearms Identification Database
NPCS	National Police Checking Service
NPRS	National Police Reference System
OMCG	outlaw motor cycle gang
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
SES	Senior Executive Service
SFCT	Serious Financial Crime Taskforce
SME	small and medium-sized enterprise
Vestigo Task Force	Transnational Criminal Intelligence Task Force
WHS	work health and safety

# Glossary

**Amphetamine-type stimulants**—A general term for the amphetamine-based group of drugs including MDMA (ecstasy) and methamphetamine (ice).

**Availability (of systems)**—The percentage of time systems were available, excluding scheduled outages. We provide our systems nationally to multiple agencies. Many of our systems are integrated or routed via partner agency systems, meaning issues unrelated to our service can also affect availability. As a result, we derive national availability reporting from user notifications of outages across multiple jurisdictions.

**Coercive powers**—See **Special powers**.

**Controlled operation**—An operation to obtain evidence that may lead to the prosecution of a person for a serious Commonwealth offence, or a serious state offence with a federal aspect, that may involve an ACIC officer or supervised civilian in acts or omissions that would (but for the operation of a legal indemnity) constitute an offence.

**Deconfliction**—A process that enables police and law enforcement to be aware of each other's activities against criminal targets, subjects or cases that are active across more than one jurisdiction or regional area. Outcomes from deconfliction can be:

- ▶ investigative efforts are not jeopardised
- ▶ investigative efforts are enhanced by new information being provided
- ▶ opportunities for joint efforts are identified.

**Determination**—A decision by the ACIC Board to authorise the ACIC to undertake an intelligence operation or an investigation that may involve the use of special powers.

**Disruption**—Interruption of the flow or continuity of the criminal behaviour and/or enterprises of a criminal entity. Disruption may be a direct result of ACIC or joint agency operational activities such as arrests, the seizure of illegal commodities (drugs or firearms), the confiscation of proceeds of crime and/or prosecutions. Disruption may also occur through undermining criminal businesses by exposing their methodologies, releasing intelligence alerts and warnings on their activities, or reducing their ability to operate in the criminal markets of their choice.

Disruption achieved by law enforcement is deemed to be either 'severe' or 'significant'.

- ▶ **Severe disruption** is the dismantling and/or complete disruption of a serious and organised crime entity, with the cessation of its serious and organised crime activities.
- ▶ **Significant disruption** involves significant impacts caused by arrests, seizures (of drugs, cash or assets), tax liabilities raised, and any other disruptive effects on a serious and organised crime entity, without the cessation of its serious and organised crime activities.

**Estimated street value**—The cost to purchase a drug at the end of the supply chain or ‘on the street’, estimated by considering factors such as (though not limited to) drug purity, location of drug seized, wholesale supply and distribution. Data for calculating the estimated street value is provided by operational areas of the ACIC and partner agencies.

**Examinations**—A method of gathering evidence performed by ACIC examiners. Examiners can summons a person to attend a compulsory examination and answer questions under oath. The person is entitled to legal representation and the examination is held in private. The evidence gained from an examination cannot be used against the person in a criminal proceeding. A person summonsed to an examination cannot disclose that summons to any person other than their legal representative, unless permitted by the examiner.

**Examiners**—Independent statutory officers, who are experienced legal practitioners, who may exercise the ACIC’s special powers for the purposes of an ACIC special investigation or special operation.

**Federally relevant criminal activity**—Serious and organised crime that is an offence against a law of the Commonwealth or a territory; or an offence against a law of a state and has a federal aspect. A state offence can have a federal aspect if it potentially falls within Commonwealth legislative power or if the ACIC’s interest in the state offence is incidental to ACIC operations/ investigations relating to Commonwealth or territory offences.

**Intelligence systems**—IT-based systems that facilitate dissemination and sharing of criminal intelligence, including databases containing intelligence holdings that can be accessed and analysed by approved users.

**MDMA**—3,4-methylenedioxymethamphetamine, an amphetamine-type stimulant commonly known as ‘ecstasy’.

**Proceeds of crime**—The profits of criminal activity. Legislation provides for these proceeds to be controlled, confiscated and potentially forfeited to the Commonwealth to discourage criminal activity and to prevent reinvestment in further criminal activity.

**Serious and organised crime**—As defined in the *Australian Crime Commission Act 2002*, an offence that involves two or more offenders, substantial planning and organisation, and the use of sophisticated methods and techniques, that is committed (or of a kind that is ordinarily committed) in conjunction with other offences of a like kind, and is punishable by imprisonment for three or more years.

**Special investigations**—ACIC investigations designed to disrupt and deter criminal groups by collecting evidence and intelligence about criminal activity. Coercive powers may be used in combination with a range of other investigative tools, including telecommunications intercepts, surveillance and controlled operations.

**Special operations**—ACIC operations focused on gathering intelligence around particular criminal activity so that decisions are informed by the true extent, impact and threat of that criminal activity. Coercive powers may be used as well as other investigative tools if appropriate. These operations can help determine whether a special investigation is warranted.



**Special powers**—The ACIC has coercive powers similar to those of a royal commission, which may be exercised only by ACIC examiners for special intelligence operations or special investigations. The special powers allow the ACIC to summons a person to give evidence under oath, require the production of documents, demand information from Commonwealth agencies, apply for a search warrant, and require the production of a passport.

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discovers, understands and connects to improve the  
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