Section 2

Annual performance

How we achieved our purpose and managed our finances

Annual performance statements

Statement by the accountable authority

As the accountable authority of the Australian Criminal Intelligence Commission (ACIC), I present the 2020–21 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 present the ACIC's performance during 2020–21, and comply with subsection 39(2) of the PGPA Act.

Michael Phelan APM
Chief Executive Officer
Australian Criminal Intelligence Commission

21 September 2021

Purpose

The purpose of the ACIC in 2020–21 was to protect Australia from criminal threats through coordinating a strategic response and the collection, assessment and dissemination of intelligence and policing information.

The ACIC delivered its purpose in accordance with the *Australian Crime Commission Act 2002*, the PGPA Act, the *Public Service Act 1999* and other legislation.

Performance measurement

Our performance in achieving our purpose is measured against detailed criteria set out on pages 16–21 of the *Corporate Plan 2020–21* and pages 95–97 of the *Portfolio Budget Statements 2020–21*.

Results

The annual performance statements begin with an analysis of the ACIC's performance across the performance measures for 2020–21, then provide detailed results against each of the 14 criteria set out in the corporate plan and portfolio budget statements.

For statistical results, we include up to 4 years of data to enable comparative assessment of performance. Some measures are addressed by qualitative data: qualitative examples that provide short insights into the work of the ACIC, or case studies that provide more in-depth reviews of our work. There are 6 qualitative examples and 2 case studies in the annual performance statements.

Many of our criteria have multiple targets. If we met some but not all of the targets, we assessed the criterion as being partially met.

There was a discrepancy between the portfolio budget statements and the corporate plan targets on 4-year averages. In the 'Criminal intelligence delivery' section of the annual performance statements, '4-year average' should be read as 'within 5 per cent either side of the 4-year average'. In the 'National policing information systems and services' section, '4-year average' should be read as a pass or fail target. These targets have been written to comply with what was published in the corporate plan.

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

The 2020–21 financial year was a year of challenges and opportunity for the ACIC. The ongoing and constantly changing COVID-19 situation continued to impact our work. Among other things, COVID-19 restrictions hindered our ability to directly engage with our partners and the use of our coercive powers was reduced. Much of our effort went to providing high-quality strategic intelligence assessments on the impacts that COVID-19 is having on the criminal environment.

Despite the challenges and changes in our operating environment, the ACIC fully met 8 performance criteria and partially met 5. One performance criterion was not met.

Criminal intelligence delivery

We continued our focus on generating intelligence insights into the highest-risk and emerging criminal threats that Australia faces. Australian Priority Organisation Targets and Regional Priority Organisation Targets are resilient, well-resourced criminal entities that exploit national and international connections posing a threat to Australia's national interests.

These criminal networks represent the most significant criminal threats facing Australia, and we work to generate intelligence and coordinate disruptive activities against them to maximise law enforcement efforts aimed at making Australia hostile to criminal exploitation.

We have been using our unique intelligence collection capabilities—including coercive powers, human intelligence, technical intelligence and advanced data analytics—to derive strategic intelligence insights. We are confident that our intelligence efforts are directed appropriately and are appropriately spread across the 7 priority crime themes established by our partners through the ACIC Board.

In 2020–21, there was a significant increase in the number of analytical intelligence products produced by the ACIC. This is a good result as our analytical products synthesise information from a range of sources, draw conclusions and forecast emerging threats. Increasing our efforts in this area is critical to supporting partners to respond to serious and organised crime impacting Australia.

Australia is increasingly exposed to serious and organised criminal activities conducted locally and across geographic boundaries. Key crime markets include traditional markets exploiting illicit commodities such as drugs and firearms, and increasingly sophisticated enterprises in areas such as financial crimes. The case study on page 32 demonstrates the impact our intelligence can have in closing off opportunities for actors undertaking serious and organised criminal activities to exploit vulnerabilities in our system.

Our stakeholder feedback was not as positive as we expected. However, the number of requests for additional disclosures of our intelligence products was significantly higher than the 4-year average, demonstrating that our partners and stakeholders find ACIC intelligence to be useful and actively seek it out.

National policing information systems and services

We made significant investments in the infrastructure supporting our national policing information systems and services, and met 100 per cent of board-agreed benchmarks for system availability in 2020–21.

Results for searches and users were not uniform across our systems, with some up and some down against the 4-year average. While these metrics demonstrate that our systems are used, they can be impacted by factors outside our control. For example, if crime rates drop there will be a fall in the numbers of searches. Similarly, use of the systems is managed at a jurisdictional level. Some jurisdictions prefer that system access be centralised through one team; others prefer that all members have access to the system. We are continuing to review our performance measurement to ensure that we are accurately monitoring the ACIC's performance.

While our stakeholder survey results did not meet the benchmarks we set, there was a significant increase in stakeholder confidence that our systems are improving. System reliability remains a known issue, one we are actively working to address through system enhancements.

We continue to focus our efforts on engaging with stakeholders to ensure that the systems we provide support their needs. Established in 2019–20, our business hubs are continuing to engage with partners to clearly understand user needs and develop long-term strategies for managing our system capabilities to ensure they meet user requirements. The impact that our investments in national policing information systems can have on the Australian public through enhanced missing persons identification capability is demonstrated in the case study on page 39.

National Police Checking Service

Checking services enhance the safety of the community by providing timely and accurate information to help organisations make informed decisions about the suitability of applicants for a range of employment, volunteering, registration, licensing and other entitlements. Many checks are required as part of pre-employment screening, so the volume of checks reflects employment trends in Australia.

In 2020–21, the National Police Checking Service (NPCS) processed over 6 million checks, 16 per cent more than the 4-year average. This is reflective of the large rise in employment activity that occurred when lockdowns ended across the country in March 2021. This surge impacted the timeliness of the service and we fell short of the board-agreed benchmark.

In addition, the time taken to perform checks is a measure we share with our police partners who receive referrals to confirm disclosable court outcomes. Therefore, the timeliness of our police partners in conducting final vetting processes directly impacts the timeliness of the police check process.

We continued to undertake quality assurance activities to ensure that accredited bodies met their obligations to protect sensitive personal information and support the accuracy of the checking service.

Conclusion

Overall, while some performance criteria were not fully met, we assess that we have delivered our purpose of protecting Australia from criminal threats through demonstrated achievement against the majority of targets. We are continuing to enhance our systems and refine the way we operate to ensure that we remain the partner of choice for the provision of criminal intelligence and contribute to making Australia hostile to criminal exploitation.

Criminal intelligence delivery

The ACIC delivers insights and intelligence on the highest-level transnational serious and organised crime threats. This work underpins all our activities, contributing to our purpose by delivering disruption outcomes and intelligence insights, providing timely and targeted intelligence products to inform government and fill strategic information gaps, and supporting broader law enforcement operations.

During 2020–21, our intelligence and analysis work led to the identification and understanding of new criminal methodologies, and the disruption of criminal threats to Australia. We played a critical coordination role in bringing partners together to build operational strategy and coordinate efforts.

Performance criterion 1	The ACIC discovers current and evolving criminal threats to Australia	✓
	Source: *Portfolio Budget Statements 2020–21*, page 96; *Corporate Plan 2020–21*, page 18	
	Measured by	**Target**
	▶ The ACIC's discovery of high-risk criminal targets ▶ Identification of criminals operating at the APOT and RPOT level ▶ Supported by qualitative examples of ACIC discovery of evolving criminal threats to Australia	4-year average

Discovery and identification of high-risk (APOT- and RPOT-level) criminals

High-risk criminal targets—in particular, Australian Priority Organisation Targets (APOTs) and Regional Priority Organisation Targets (RPOTs)—are resilient, well-resourced criminal entities that exploit national and international connections posing a threat to Australia's national interest.

APOTs and RPOTs continue to exert significant influence over Australia's illicit commodity markets in all Australian states and territories. APOTs and RPOTs are involved in several criminal enterprises, including outlaw motorcycle gangs, cybercrime, money laundering and illicit drugs activities. The ongoing risk presented by these targets underscores the importance of a nationally coordinated intelligence and investigative response.

During 2020–21, the 2 metrics 'discovery of high-risk criminal targets' and 'identification of criminals operating at the APOT and RPOT level' were merged into the 'identification of APOT- and RPOT-level entities'. Only the most serious actors are identified as APOTs and RPOTs. This allows the ACIC to coordinate efforts to achieve maximum impact against the highest-risk targets.

At 30 June 2021, the ACIC was tracking 13 targets operating at the APOT level and 67 targets operating at the RPOT level. These numbers fluctuate across the year as disruption activities occur.

🏛 Qualitative example: Importation of illicit drugs

In December 2020, the ACIC identified that a crew member of the container ship MSC *Joanna* was likely involved in serious organised crime. ACIC intelligence was disclosed to partner agencies, who made further enquiries offshore, identifying that the MSC *Joanna* was due to arrive in Australia in March 2021 and that there was likely to be a cocaine drop from the ship.

The Australian Federal Police established Operation Poitiers, a cross-jurisdictional taskforce, to track the MSC *Joanna* as it made its way to Sydney. A person of interest identified by ACIC intelligence analysts was observed rendezvousing with the ship at sea before sunrise.

The person of interest was intercepted by maritime police prior to returning to shore and 11 crates containing approximately 200 kilograms of cocaine, with an estimated street value of $90 million, were seized.

| Performance criterion 2	The ACIC produces criminal intelligence products to better inform partners and stakeholder agencies ✓	
	Source: *Portfolio Budget Statements 2020–21*, page 96; *Corporate Plan 2020–21*, page 18	
	Measured by	**Target**
	▶ Number of intelligence products we produce, number of tactical and analytical intelligence products produced	4-year average
	▶ Spread, in percent, of intelligence products produced by priority crime theme	
	▶ Supported by 3 qualitative examples of products we have developed for different crime themes	

Intelligence products produced

We develop intelligence products to address intelligence requirements and support our partner agencies in line with board-agreed priorities. As the criminal environment is evolving, our intelligence focus can shift from year to year.

We use our unique coercive powers to generate and disseminate intelligence insights, and a number of intelligence products are derived from our examinations. We do not provide a performance benchmark for examinations or the number of products produced as a result of examinations, as the use of ACIC coercive powers is driven by operational necessity, where legal requirements are met, rather than achievement of targets.

We produced 2,266 unique analytical and tactical intelligence products in 2020–21, in line with the historical average of 2,265. Figure 2.1 shows the numbers of unique products produced over the reporting period, split by type.

Figure 2.1: Intelligence products produced
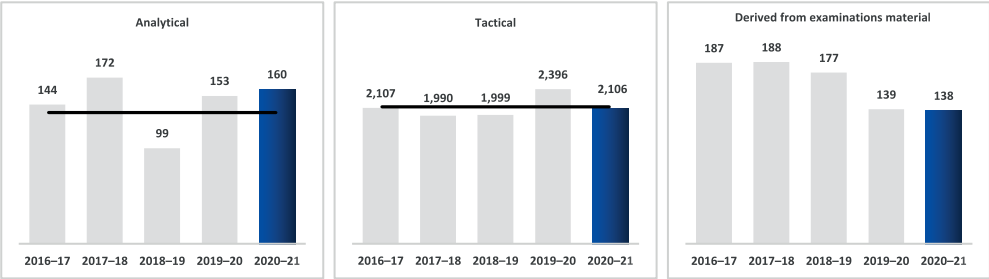
Note: The trendline represents the 4-year historical average.
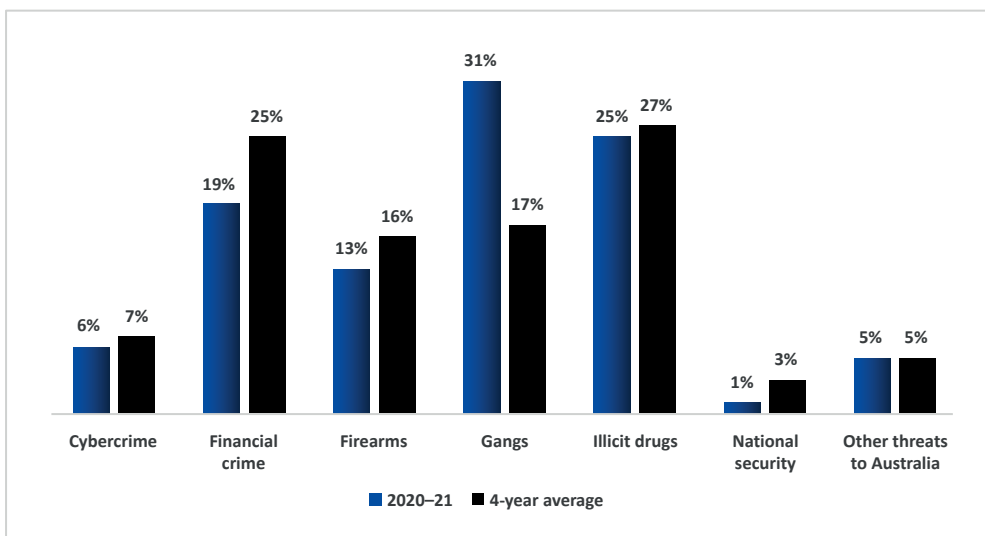
Intelligence products by priority crime theme

Priority crime themes determined by the ACIC Board direct our work and influence the work of our partners. These themes relate to crimes posing a significant threat to Australians and cover a wide variety of offences.

Much of our criminal intelligence effort goes towards understanding the nature of these crimes and the prevention, disruption, disabling and dismantling of criminal enterprises. We also work closely with the Australian Institute of Criminology to build an evidence base, informing policy and practice for addressing crime in Australia.

In 2020–21, there were 7 priority crime themes:

▶ cybercrime

▶ financial crime

▶ firearms

▶ gangs

▶ illicit drugs

▶ national security

▶ other criminal threats to Australia.

Figure 2.2 shows the spread, by percentage, of intelligence products produced by priority crime theme. The 4-year average is included as it demonstrates the shifting focus of our intelligence products to respond to the changing criminal environment. Only the 2020–21 results are required to meet reporting requirements.

Figure 2.2: Spread of products produced by priority crime theme

Legend: ■ 2020–21 ■ 4-year average

Data values shown:
- Cybercrime: 6% (2020–21), 7% (4-year average)
- Financial crime: 19% (2020–21), 25% (4-year average)
- Firearms: 13% (2020–21), 16% (4-year average)
- Gangs: 31% (2020–21), 17% (4-year average)
- Illicit drugs: 25% (2020–21), 27% (4-year average)
- National security: 1% (2020–21), 3% (4-year average)
- Other threats to Australia: 5% (2020–21), 5% (4-year average)

⚠ **Qualitative example: Cybercrime threats associated with the delivery of a COVID-19 vaccine in Australia**

Priority crime theme—Cybercrime

The ACIC authored a criminal strategic assessment on the implications of cybercrime threats associated with the delivery of a COVID-19 vaccine in Australia.

The assessment was developed to meet a critical need to understand how cybercriminals could exploit the COVID-19 vaccine rollout in Australia. It was disseminated to domestic law enforcement, policy and intelligence agencies, including those on the COVID-19 vaccine taskforce, and a range of international partners.

The assessment included intelligence on how cybercriminals target the Australian public, the potential threats to the vaccine supply chain, and elements that our partners should take into consideration to mitigate the impact of cybercrime on the vaccine rollout.

Initially, this assessment was the only tangible unclassified intelligence product available in relation to cybercriminal threats to the delivery of the vaccine through its supply chain and targeting of the Australian public.

Qualitative example: Outlaw motorcycle gangs in Australia

Priority crime theme–Gangs

The ACIC responded to a request for information from the Australian Federal Police on behalf of the Pacific Transnational Crime Coordination Centre. The centre sought information relating to Australia's outlaw motorcycle gang (OMCG) cohort to inform the Pacific Transnational Crime Network's transnational crime assessment for 2019–20.

Our response identified the 38 OMCGs operating in Australia, consisting of almost 500 chapters, approximately 4,800 patched members and 1,000 prospects. It also referred to the impact the COVID-19 pandemic has had on OMCG members' ability to travel to and from Australia, and observed that the Australian Government's visa cancellation strategy for serious and organised criminals appeared to be effective at removing a number of OMCG members from Australia.

We also provided intelligence on how OMCG behaviour had changed since Australian states and territories enacted legislation or changed police powers to reduce OMCG violence. For example, OMCGs are conducting activities in a more clandestine manner and convening their national events in jurisdictions with less restrictive operating environments.

Qualitative example: The illicit tobacco market in Australia

Priority crime theme—Other-illicit tobacco

The ACIC authored a criminal strategic assessment on the Australian illicit tobacco market. The assessment detailed that illicit tobacco is a low-risk, high-reward criminal enterprise in Australia, as the price of a pack of illicit tobacco averages $10 less than the price of similar licit packs. Profitability has increased alongside excise and duty rate increases.

The significant profits increase difficulties in detection and disruption efforts. For example, serious and organised criminal groups are able to recover all costs even if they lose 30 shipping containers holding illicit tobacco to law enforcement activity. These groups employ highly diversified methods of evading detection, which reduces risks, increases the likelihood of profits, and makes combatting illicit tobacco challenging.

The assessment also provided intelligence on the challenges and opportunities for law enforcement.

Performance criterion 3	The ACIC informs partners of the current and evolving criminal threats to Australia	✓

Source: *Portfolio Budget Statements 2020–21*, page 96; *Corporate Plan 2020–21*, page 18

Measured by	Target
▶ Number of requests for information the ACIC received ▶ Number of intelligence products disseminated ▶ Number of partners receiving disseminations ▶ Number of products disseminated to ACIC Board agencies, non-board agencies and international partners	4-year average

Our criminal intelligence is collected and combined with information and intelligence from partner agencies to create and share a comprehensive national picture of criminality in Australia.

Tracking the numbers of products and alerts we have disseminated and the number of requests for information we have responded to helps to demonstrate the breadth and amount of criminal intelligence and other relevant information that we are producing and providing to our law enforcement partners each year.

The number of requests for information fell 1.35 per cent short of the 4-year average. Overall, given our performance across the measures, we assessed this performance criterion as met.

Requests for information

The ACIC is committed to providing information on request, where possible within operational and legal constraints. Responses to requests for information are one of the ways we disseminate information to our stakeholders. Sometimes, just being informed that we do not hold the requested information can be useful to the requesting stakeholders.

The number of requests for information in 2020–21 was in line with the 4-year average, as shown in Figure 2.3.

**Figure 2.3**: Requests for information received
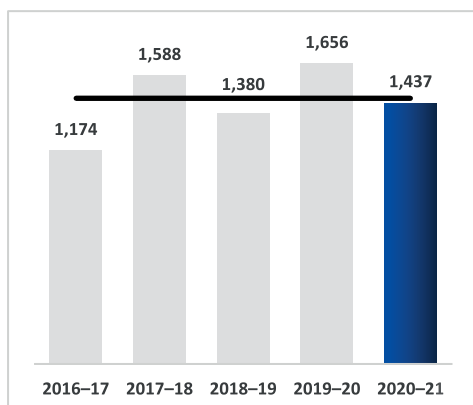
Note: The trendline represents the 4-year historical average.

Products disseminated and partners receiving disseminations

During 2020–21, the ACIC made 14,419 disseminations to 271 partners. We exceeded the historical averages for products disseminated and partners receiving disseminations, as shown in Figure 2.4.

Figure 2.4: Products disseminated and partners receiving disseminations
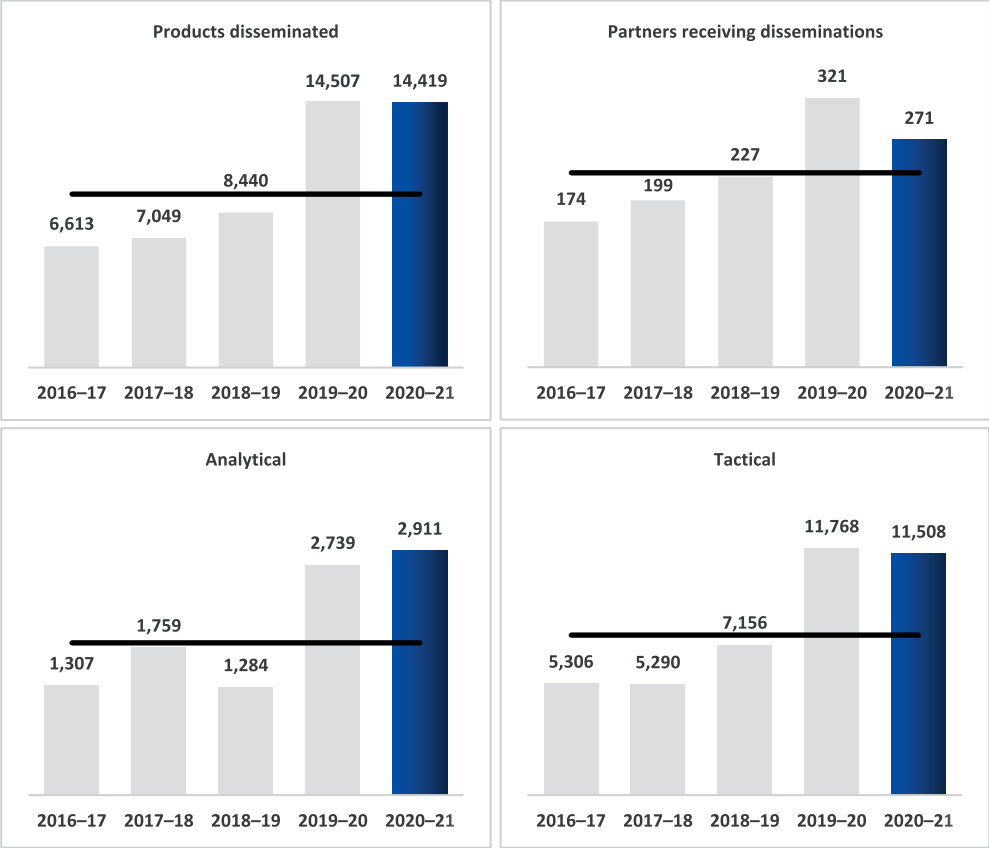
Note: The trendline represents the 4-year historical average.

Products disseminated to partners

Our partners are separated into 3 types: the agencies that make up the membership of the ACIC Board; other Australian partners; and law enforcement agencies that we partner with outside Australia, such as the United Kingdom National Crime Agency and the United States Drug Enforcement Administration.

Our non-board Australian partners include stakeholders not involved in traditional law enforcement, such as bodies in the health sector and the sports betting sector, who benefit from our intelligence around vulnerabilities and potential criminal threats.

Of the 14,419 products disseminated to partners, 72 per cent were disseminated to board agencies, 13 per cent were disseminated to non-board partners, and 15 per cent were disseminated to international partners.

Figure 2.5 shows the number of products disseminated to partners by type of partner.

Figure 2.5: Products disseminated to partners
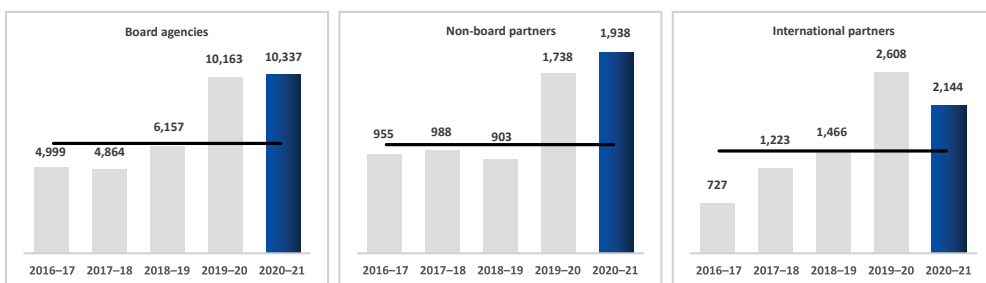
Note: The trendline represents the 4-year historical average.

<table>
<tr><td rowspan="6" style="writing-mode: vertical-rl">**Performance criterion 4**</td><td colspan="2">**ACIC intelligence facilitates a response to criminal activity affecting Australia** 🚫</td></tr>
<tr><td colspan="2">**Source**: *Portfolio Budget Statements 2020–21*, page 97; *Corporate Plan 2020–21*, page 18</td></tr>
<tr><td>**Measured by**</td><td>**Target**</td></tr>
<tr><td>▶ Number of disruptions recorded
▶ CACT referrals to partners
▶ Number of Joint Project Proposals initiated
▶ Supported by qualitative examples</td><td>4-year average</td></tr>
</table>

To reduce the impact of transnational serious and organised crime on Australia, we use specialist capabilities and powers to collect, assess and distribute actionable intelligence to domestic and international law enforcement and intelligence partners.

We work in, and with, taskforces to investigate and collect intelligence on high-risk criminal entities operating domestically and offshore. Our intelligence may also result in joint projects between partners, and financial referrals to the Australian Taxation Office and the Criminal Assets Confiscation Taskforce (CACT). We aim to respond to and disrupt the activities of high-risk criminal entities operating domestically or offshore.

We assessed this performance criterion as partially met, as we met the targets for all measures except the number of CACT referrals to partners.

Disruptions

Disruption of criminal behaviour or a criminal enterprise by law enforcement is considered to be either 'severe' or 'significant'. To be considered severe, a disruption must result in the complete disruption or dismantling of a crime entity and the cessation of its serious and/or organised crime activities. To be considered significant, a disruption must achieve a significant impact, but not the complete disruption or dismantling.

The complete dismantling of a crime entity or cessation of its serious and organised crime is exceptionally difficult, due to the large, complex and often transnational networks many serious and organised criminal syndicates employ.

In 2020–21, our Australian law enforcement and offshore partners disrupted 3 APOT networks to the point that they are no longer considered APOT-level threats. Elements of a further 9 APOT networks were significantly disrupted, decreasing the overall threat of the criminal organisation but leaving it still able to operate at the APOT level. Two individuals designated as the head of an APOT organisation were arrested, compared to zero in 2019–20 and 3 in 2018–19.

Overall, the ACIC contributed to 58 significant disruptions and 3 severe disruptions in 2020–21. As data on significant and severe disruptions were not recorded until 2017–18, the 4-year average will not be available until 2021–22. The total of 61 disruptions was higher than the previous year's total of 34, as shown in Figure 2.6.

Figure 2.6: Disruptions
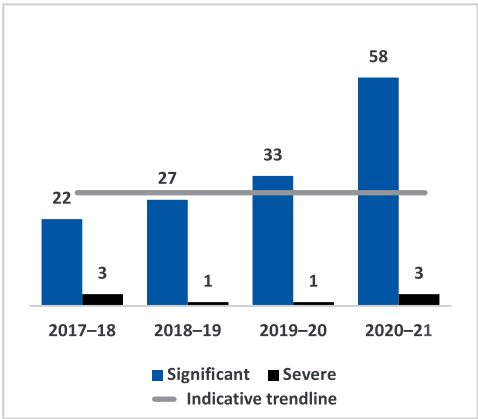
Note: The trendline represents the 3-year historical average.

Qualitative example: Five members of an accused Melbourne crime syndicate arrested

In 2016, ACIC intelligence analysts identified a person of interest facilitating fraudulent activities against the Commonwealth—in particular, against the Department of Education, Skills and Employment, Services Australia and the National Disability Insurance Agency. Intelligence on the fraudulent activities being undertaken was provided to the Department of Education, Skills and Employment, which referred the matter to the Australian Federal Police.

The ACIC continued to provide intelligence support to the Australian Federal Police throughout the investigation and, on 16 November 2020, 5 members of an accused Melbourne crime syndicate were charged with defrauding the National Disability Insurance Scheme and the Child Care Subsidy of roughly $800,000.

> ### 🌐 Qualitative example: Attempt to import cocaine into Australia via a small aircraft 'black flight'
>
> In 2018, an intelligence project identified a person of interest coordinating the importation, manufacture and distribution of illicit drugs, and the laundering of significant amounts of money on behalf of a transnational Italian organised crime-linked syndicate operating out of Melbourne, Australia. The network was added to the Victorian Regional Priority Organisation Target (RPOT) list and intelligence on its activities and associates was provided to law enforcement partners in Queensland, Victoria, New South Wales and Papua New Guinea. The ACIC and partners closely monitored the RPOT network for almost 2 years.
>
> In July 2020, a member of the network attempted to import cocaine via a covert small aircraft 'black flight' from Papua New Guinea to Far North Queensland, from where it was to be transported to Victoria for distribution. The aircraft crashed soon after take-off, and 550 kilograms of cocaine were seized by Papua New Guinean authorities.
>
> Search warrants were executed in Papua New Guinea, Queensland, New South Wales and Victoria, with assets seized including houses, shares and bank accounts. Several individuals were arrested, including the principal target of the RPOT network. The ACIC assesses that the network has been significantly disrupted.

Seizures

Seizures are a form of disruptive activity that the ACIC supports to make Australia hostile to criminal exploitation. In 2020–21, ACIC intelligence led to a number of seizures of drugs, cash and illicit tobacco as part of disruption activities undertaken by our partners.

While our work is not focused on seizures, we have noted the outcomes of seizures to which our work made a material contribution. Figure 2.7 shows the total estimated street value of seizures of illicit drugs and drug precursors, and illicit tobacco. Figure 2.8 shows the total value of cash seized by our national and international partners as a result of ACIC intelligence.

Figure 2.7: Estimated street value of drugs and illicit tobacco seized ($m)
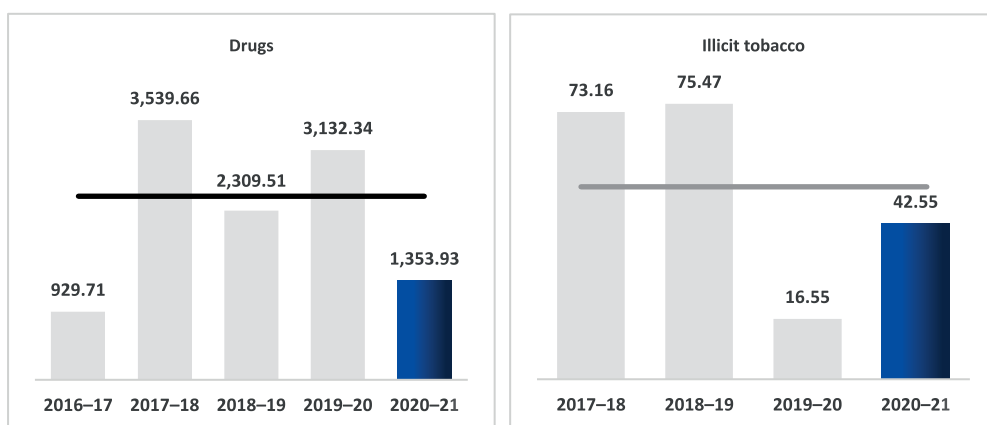
Note: The trendline for drugs represents the 4-year historical average. The trendline for illicit tobacco represents the 3-year historical average, as data on illicit tobacco seizures were not collected before 2017–18.

Figure 2.8: Value of cash seized ($m)
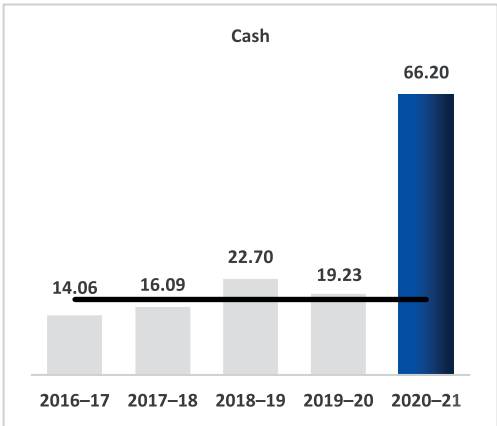
Note: The trendline represents the 4-year historical average.

Financial referrals

Established in 2011, CACT is an Australian Government initiative dedicated to taking the profit out of crime by targeting criminals and their assets derived from unexplained wealth. It is led by the Australian Federal Police and includes the ACIC and the Australian Taxation Office.

There has been an operational shift in how the ACIC engages with financial referrals to CACT. We were previously involved in confiscations and the recovery of assets but are now performing an intelligence and operational support role. This has resulted in fewer referrals being made. We are working to revise our targets to ensure that they appropriately measure and reflect our effort and contribution to operations and investigations.

Table 2.1 summarises the ACIC's financial referrals in 2020–21 to CACT, the Australian Taxation Office and the New South Wales Crime Commission against the 4-year average.

Table 2.1: Financial referrals to the Criminal Assets Confiscation Taskforce (and other partners)

Details	ATO	CACT	NSWCC	Total	4-year average	
Referrals	3	1	1	**5**	18	↓
Entities involved	6	1	1	**8**	121	↓
Referrals estimated value of offending ($m)	43.62	3.95	0.62	**48.19**	74.71	↓

ATO = Australian Taxation Office, CACT = Criminal Assets Confiscation Taskforce, NSWCC = New South Wales Crime Commission

↓ = less than the historical average

Joint project proposals

In 2020–21, we initiated 7 joint projects, of which 4 were accepted, one was initially accepted but later withdrawn, one was declined and one has an outcome pending. As this is a new performance measure for 2020–21, a 4-year average will not be available for comparison until 2024–25.
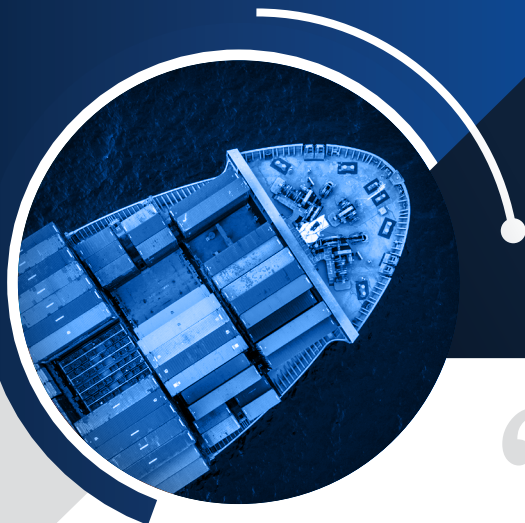
Performance criterion 5	**ACIC intelligence is helping to make Australia more hostile to crime** ✓
	Source: *Portfolio Budget Statements 2020–21*, page 97; *Corporate Plan 2020–21*, page 18
	Measured by
	Case study of an intelligence product we have developed that has resulted in an operational outcome, or a legislative, policy or regulatory reform

We participate in the development, implementation and evaluation of policy and legislation relating to our powers and functions, emerging issues and trends, and oversight of the broader intelligence and law enforcement community.

While the ACIC is committed to transparency, we are unable to provide reports or updates on active operations, and much of our work cannot be publicly discussed or can be discussed only years after the event. The topic of the following case study was selected late into the reporting period as it addresses the performance measure and can be publicly reported.

TRANSPORT SECURITY AMENDMENT (SERIOUS CRIME) BILL 2020

" New criminal intelligence assessments for aviation and maritime transport workers will assist in preventing Australian ports being used to facilitate serious and organised crime.

The Aviation Security Identification Card (ASIC) and Maritime Security Identification Card (MSIC) schemes provide identification cards to confirm that the holder has a valid background check and is not a threat to aviation or maritime security. These cards allow holders to have unescorted access to secure areas of airports and maritime security zones.

Strategic intelligence assessments prepared under the (then) Australian Crime Commission's *Crime in the Transport Sector Determination* in 2007 revealed vulnerabilities in the ASIC and MSIC schemes that allowed individuals with serious and organised crime links to access secure areas of airports and ports.

The assessments identified that the focus on criminal convictions (as distinct from criminal intelligence) in considering eligibility for an ASIC/MSIC potentially permitted individuals to be granted an ASIC/MSIC despite criminal intelligence indicating links to serious and organised crime.

The findings also highlighted a vulnerability in the nationally coordinated criminal history checks undertaken on ASIC/MSIC applicants, which were limited to defined convictions against aviation or maritime security-relevant offences, including dishonesty, violence, drug and explosives offences for an ASIC, and money laundering and people smuggling offences for an MSIC.

De-identified case studies from the assessment were submitted to the Senate Legal and Constitutional Affairs Legislation Committee, which was undertaking an inquiry into the proposed Transport Security Amendment (Serious Crime) Bill 2019.

The proposed Bill sought to make amendments to the *Aviation Transport Security Act 2004* and the *Maritime Transport and Offshore Facilities Security Act 2003* to prevent the use of aviation and maritime transport or offshore facilities for serious crime.

In March 2020, the Legal and Constitutional Affairs Legislation Committee provided provisional approval of the Bill subject to an additional schedule being made to include criminal intelligence assessments made by the ACIC as part of the background check process. The Bill was passed with that schedule on 22 June 2021, with the commencement of the schedule delayed until 22 June 2022.

This delayed commencement allows time for relevant regulations to be updated, and enables the ACIC to establish the new capability, along with the relevant policies and procedures to conduct criminal intelligence checks and prepare criminal intelligence assessments as part of the ASIC/MSIC background checks.

These criminal intelligence assessments will enable us to issue adverse findings against individuals recorded against criminal intelligence holdings. This will indicate that the individual may conduct, or assist someone else to conduct, serious and organised crime, and deny them eligibility to hold an ASIC/MSIC. The expanded range of criminal offences approved under the Bill will also result in persons who have criminal convictions that would not have been considered relevant under the previous regime being denied an ASIC/MSIC.

These legislative amendments will ultimately reduce the infiltration of the aviation and maritime industries by serious and organised crime and limit opportunities for individuals to facilitate or commit serious crimes at airports or ports.

Performance criterion 6	Stakeholders agree that ACIC intelligence is meaningful and useful	🚫
	Source: *Portfolio Budget Statements 2020–21*, page 97; *Corporate Plan 2020–21*, page 18	

Measured by	Target
▶ Number of requests for additional disclosures of our intelligence products ▶ Stakeholders agree or strongly agree that the ACIC provides intelligence products that identify changes within the criminal environment	4-year average
▶ Stakeholders agree or strongly agree that ACIC intelligence products provide a comprehensive and relevant understanding of crime impacting Australia	80%

Requests for additional disclosure and feedback provided through our stakeholder survey demonstrate the usefulness of the ACIC's criminal intelligence products.

We assessed this performance criterion as partially met, as we met the target for additional disclosures but fell short of meeting the stakeholder survey targets.

Requests for additional disclosures

Demand for additional disclosures shows that our criminal intelligence products are useful to our partners and their stakeholders.

As Figure 2.9 shows, we received 661 requests for additional disclosures in 2020–21, which was nearly double the 4-year historical average of 345. Of those requests, 171 were for analytical products and 490 were for tactical products.

Figure 2.9: Requests for additional disclosures
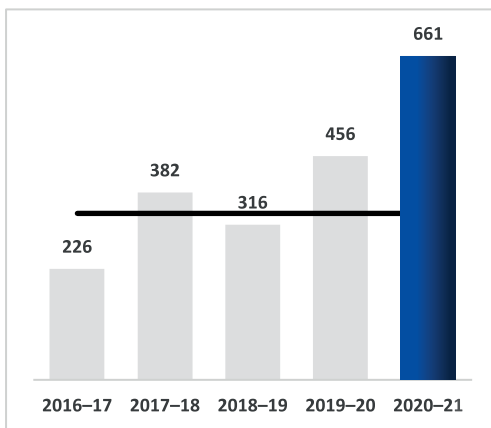
Note: The trendline represents the 4-year historical average.

Our stakeholder survey includes questions designed to help us ensure that our intelligence products are meaningful and useful. Table 2.2 provides details of the results of the questions particularly related to performance criterion 6.

We did not meet either target for the criterion, and dropped several points compared to the previous year's results. Many of the comments provided as part of the survey noted that our intelligence products were too focused on particular priority crime themes.

Our work is focused on delivering intelligence that is aligned to our priority crime themes. Those themes are widely consulted on among ACIC stakeholders and agreed to by the ACIC Board. We will continue to work with our partners to ensure that our intelligence products are valuable to their work.

Table 2.2: Stakeholder survey results—Performance criterion 6

Survey statement	Proportion of respondents who agreed or strongly agreed				
	2020–21	Target	2019–20	2018–19	2017–18
ACIC provides intelligence products that identify changes within the criminal environment	77%	80%	85%	81%	78%
ACIC intelligence products provide a comprehensive and relevant understanding of crime impacting Australia	66%	80%	74%	69%	75%

National policing information systems and services

The ACIC provides a range of policing information systems that enable Australian police agencies to share essential policing information with each other. In this way, we contribute directly to the effectiveness and efficiency of policing and law enforcement in Australia.

Our systems fall into 5 categories:

▶ **Frontline**—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 with a broad range of community policing and criminal investigations.

▶ **Biometric and forensic**—We provide biometric matching services, including fingerprint and DNA matching, and services that assist police to identify missing persons, human remains and disaster victims.

▶ **Protection**—Protective services assist police to manage child sex offenders. Our court portal enables police and courts across Australia to access orders in relation to domestic violence.

▶ **Checking**—To help protect the Australian community, we provide access to nationally coordinated criminal history checks. The results of our checking service support organisations to make informed decisions about the suitability of applicants for employment and positions of trust.

▶ **Criminal intelligence**—We facilitate the National Criminal Intelligence System, a whole-of-government capability operating in a secure, national information-sharing environment. We facilitate the dissemination and sharing of criminal intelligence, including databases of intelligence holdings that can be accessed and analysed by approved users to keep themselves and the community safe.

Performance criterion 7	ACIC information systems are available when required by partner agencies ✓	
	Source: *Portfolio Budget Statements 2020–21*, page 97; *Corporate Plan 2020–21*, page 20	
	Measured by	**Target**
	System availability	Board-agreed benchmark

System availability reporting details the percentage of time systems were nationally available, excluding scheduled outages. System availability is measured by the number of times an outage impacts multiple jurisdictions, as notified by users.

As many of our systems are integrated or routed via partner agency systems, issues unrelated to our service can affect availability. To reduce over-reporting when availability is affected by other issues, we require an outage to impact each jurisdiction in order to be considered a national outage.

The following significant changes were made to the ACIC's suite of systems during 2020–21:

▶ The Child Exploitation Tracking System operated for part of the year before being scheduled for decommissioning. The functions of the system were transferred to the Australian Federal Police.

▶ The decommissioning of the National Target System commenced.

As shown in Table 2.3, all ACIC systems met the board-agreed availability benchmarks in 2020–21. To show availability for all systems, we have also included the historical average for the Australian Law Enforcement Intelligence Network/Australian Criminal Intelligence Database, which did not have board-agreed availability benchmarks.

Table 2.3: System availability

Service type	System	2020–21 (%)	Board-agreed benchmark (%)	
Frontline	National Police Reference System	99.88	99.50	✓
	National Firearms Identification Database	100.00	96.00	✓
	Australian Ballistic Information Network	100.00	95.00	✓
	Australian Firearms Information Network	99.96	99.00	✓
	National Vehicles of Interest System	99.65	99.00	✓
Biometric and forensic	National Automated Fingerprint Identification System	99.85	99.50	✓
	National Criminal Investigation DNA Database	99.93	99.00	✓
	National Missing Persons and Victim System	99.98	96.00	✓
Protection	National Child Offender System	99.95	99.50	✓
	Child Exploitation Tracking System[a]	100.00	96.00	✓

Service type	System	2020–21 (%)	Historical average (%)	
Criminal intelligence	Australian Law Enforcement Intelligence Network/Australian Criminal Intelligence Database[b]	98.72	99.75	↓

✓ = Benchmark met
↓ = less than the historical average

a. Result for the period 1 July 2020 to 31 March 2021. Functions of the system were transferred to the Australian Federal Police.
b. These systems were merged during the reporting period. The historical average has been recalculated to show the average of both systems.

Performance criterion 8	**ACIC information systems are used by partner agencies**	🚫
	Source: *Portfolio Budget Statements 2020–21*, page 97; *Corporate Plan 2020–21*, page 20	
	Measured by	**Target**
	▶ Number of users ▶ Number of searches performed	4-year average

The numbers of users and searches are indicative of the uptake of our information systems by partner agencies. We measure this to provide an indicator that our systems are being used. However, there is considerable variation in how our systems are used across jurisdictions. For example, some of our partner agencies have moved to connecting to our systems via a web service, in which case an entire agency may be identified as a single user accessing the system.

We assessed this performance criterion as partially met, because the different systems achieved mixed results for both number of users and number of searches performed.

Tables 2.4 and 2.5 show that 4 of 11 systems exceeded the 4-year average for users and 5 of 7 systems exceeded the 4-year average for searches in 2020–21.

Table 2.4: Service users

Service type	System	Number of users		
		2020–21	4-year average	
Frontline	National Police Reference System	54,375	71,390	↓
	National Firearms Identification Database	266	45	↑
	Australian Ballistic Information Network	104	112	↓
	Australian Firearms Information Network	463	726	↓
	National Vehicles of Interest System	27,338	16,593	↑
Biometric and forensic	National Automated Fingerprint Identification System	919	702	↑
	National Criminal Investigation DNA Database	108	152	↓
	National Missing Persons and Victim System	859	720	↑
Protection	National Child Offender System	996	1,675	↓
Criminal intelligence	Australian Law Enforcement Intelligence Network	4,224	4,669	↓
	Australian Criminal Intelligence Database	2,252	2,515	↓

↑ = greater than the historical average
↓ = less than the historical average

Table 2.5: Searches performed

Service type	System	Number of searches performed		
		2020–21	4-year average	
Frontline	National Police Reference System	39,998,855	36,054,268	↑
	National Firearms Identification Database	58,329	25,287	↑
	Australian Ballistic Information Network	4,362	3,194	↑
	Australian Firearms Information Network	331,455	141,399	↑
	National Vehicles of Interest System	7,204,805	6,974,847	↑
Biometric and forensic	National Automated Fingerprint Identification System	1,020,282	1,549,727	↓
Criminal intelligence	Australian Criminal Intelligence Database	278,908	336,835[a]	↓

↑ = greater than the historical average
↓ = less than the historical average

a. This is the average of results for 2015–16, 2016–17, 2018–19 and 2019–20. The 2017–18 result has been excluded due to a one-off spike that does not accurately reflect the average use of the system.

ACIC information systems provide useful information to police partners 🚫

Source: *Portfolio Budget Statements 2020–21*, page 97; *Corporate Plan 2020–21*, page 20

Measured by	Target
Positive data matches	4-year average

Some of our services are able to capture the moment when a user makes a positive data match, which provides us with an indication of whether the systems are of use to police partners.

This does not give full insight into the discoveries that our partners make when using these systems. A failure to match may be just as important as a positive match, often revealing new criminality or highlighting flaws in the system so that we are able to correct them.

We assessed this performance criterion as partially met, as results across the 3 systems were mixed.

Table 2.6 shows that, for 2 of 3 systems, the number of matches in 2020–21 was higher than the 4-year average. The National Automated Fingerprint Identification System had fewer data matches, due to a number of factors, including the impact of COVID-19 and changes to fingerprint processing by police partners.

Table 2.6: Positive data matches

Service type	System name	2020–21	4-year average	
Frontline	Australian Ballistic Information Network	78	76	↑
Biometric and forensic	National Automated Fingerprint Identification System	95,127	97,839	↓
	National Criminal Investigation DNA Database	106,220	101,410	↑

↑ = greater than the historical average
↓ = less than the historical average

ACIC continues to enhance information systems ✓

Source: *Portfolio Budget Statements 2020–21*, page 97; *Corporate Plan 2020–21*, page 20

Measured by

Case study of an enhancement to information systems

Information systems are central to sharing our policing information with partners. We are committed to ensuring that ACIC systems are appropriate, fit-for-purpose and meet stakeholder expectations. This includes enhancing systems and features. In 2020–21, the National Criminal Investigation DNA Database was enhanced, as described in the following case study.

> **New technology in our National Criminal Investigation DNA Database is fast tracking the identification of missing persons by linking family relationships.**

Each year in Australia, dozens of people go missing due to crime, accidents or natural disasters. For those left behind, the emotional toll of not knowing what has happened to their loved ones can be devastating, and the absence of a death certificate has legal and financial implications.

Using DNA to identify missing persons is a complicated process made even more difficult by the fact that DNA profiles of missing persons are usually not available or, if they are available, may be compromised.

However, as forensic science and technology improve, our abilities to draw usable DNA from compromised samples and undertake kinship matching also improve. DNA sourced from close relatives is also valuable for resolving missing persons cases, including criminal matters, and identifying victims of disasters and human trafficking.

The National Criminal Investigation DNA Database (NCIDD), established in 2001, has always had a basic missing persons capability. However, it struggled with scientific and technological limitations. Interjurisdictional legislative and policy differences around the comparison of DNA profiles from relatives of missing persons to unknown human remains also proved challenging.

Recognising the need to incorporate an advanced missing persons capability at a national level, we worked with a police and laboratory consultative group to advise on the requirements of this capability. One suggestion was to incorporate commercial-off-the-shelf software into the NCIDD.

The selected product is specifically designed to facilitate quick human-DNA-based identification of disaster victims and missing persons investigations by linking family relationships. Designed by SMART Research in the Netherlands, the product is used by many organisations around the world, including INTERPOL, to enhance their DNA-based identification databases.

By 2020, leveraging technological and scientific advancements through the commercial software product, we built an advanced missing persons solution that can manage the complex interjurisdictional legislative and policy differences.

The new capability arrived at the right time to help the Australian Federal Police develop the National DNA Program for Unidentified and Missing Persons, which will harness modern forensic techniques to allow advanced DNA profiling and matching of unidentified human remains and missing persons nationally. State and territory police and forensic labs have also renewed their efforts in resolving missing persons cases.

While the NCIDD can only be accessed by Australian police agencies and their forensic service providers, we encourage anyone who is interested in contributing samples of the DNA of missing persons, or their own DNA for family referencing, to contact their state or territory missing persons unit <www.missingpersons. gov.au/report/missing-persons-units>.

Stakeholders are satisfied that the national policing information systems are meaningful and fit for purpose

Source: *Portfolio Budget Statements 2020–21*, page 97; *Corporate Plan 2020–21*, page 20

Measured by	Target
▶ Stakeholders agree or strongly agree that ACIC national policing information systems were of value to their work	90%
▶ Stakeholders agree or strongly agree that ACIC national policing information systems are reliable ▶ Stakeholders agree or strongly agree that ACIC national policing information systems meet the needs of their organisation	80%

We are pleased by the significant increase in stakeholder confidence that our systems are meeting the needs of stakeholder organisations. System reliability, or system availability, remains a known issue, and one we are actively working to address through a number of system enhancements.

We are continuing to work with partners to ensure that our systems are useful, valuable, reliable and meet partner needs.

We assessed this performance criterion as partially met, as we met the target for one stakeholder survey measure but fell short of the other 2.

Table 2.7: Stakeholder survey results—Performance criterion 11

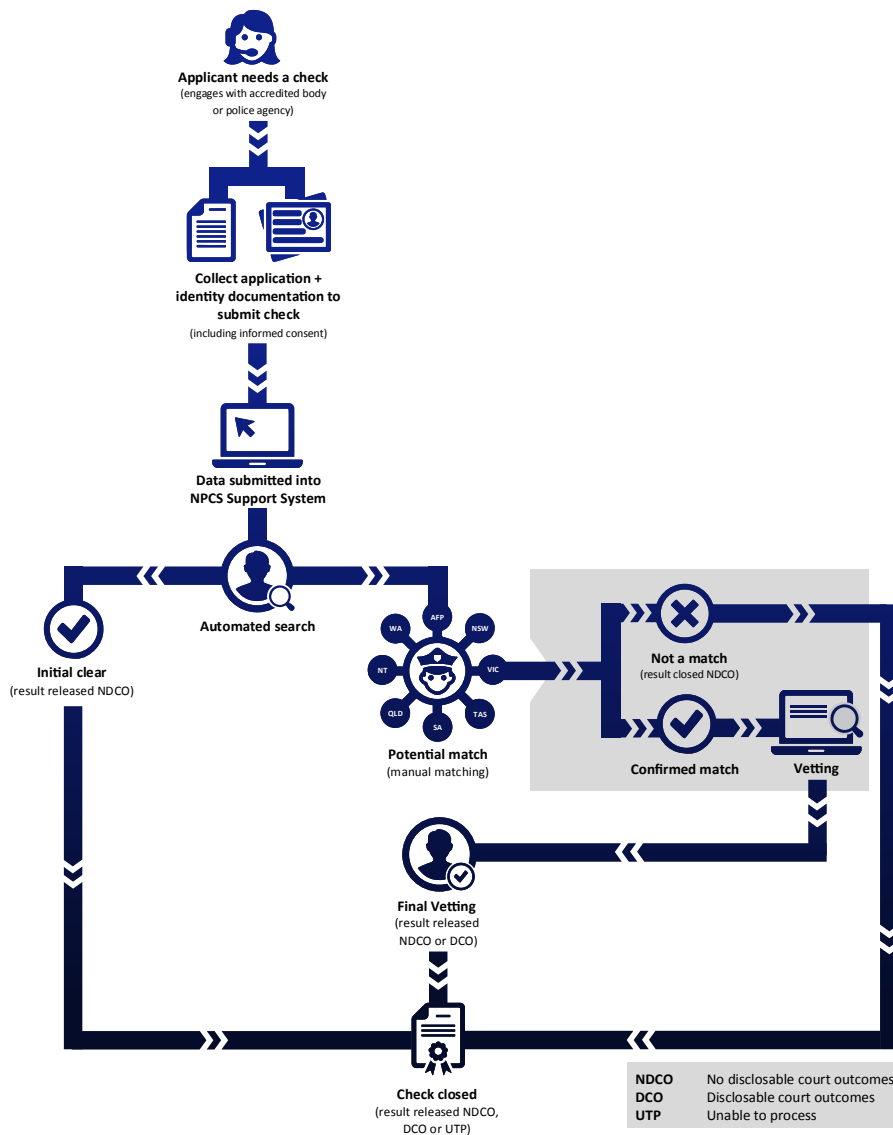| Survey statement	Proportion of respondents who agreed or strongly agreed				
	2020–21	Target	2019–20	2018–19	2017–18
ACIC national policing information systems were of value to their work	92%	90%	89%	89%	92%
ACIC national policing information systems are reliable	68%	80%	75%	73%	67%
ACIC national policing information systems meet the needs of their organisation	54%	80%	46%	48%	45%

National Police Checking Service

The ACIC works with Australian police agencies and accredited bodies to deliver the NPCS. The NPCS allows people to apply for a nationally coordinated criminal history check, previously known as a police check.

This check is often required when applying for employment, Australian citizenship, appointment to positions of trust, or a variety of licensing and registration schemes.

The NPCS facilitates more than 6.2 million checks each year, which may result in more than 8,000 referrals to police each day. Figure 2.10 outlines the checking process.

Figure 2.10: National Police Checking Service process

Applicant needs a check
(engages with accredited body
or police agency)

**Collect application +
identity documentation to
submit check**
(including informed consent)

**Data submitted into
NPCS Support System**

Automated search

Initial clear
(result released NDCO)

Potential match
(manual matching)

WA AFP NSW
NT   VIC
QLD   SA   TAS

Not a match
(result closed NDCO)

Confirmed match

Vetting

Final Vetting
(result released
NDCO or DCO)

Check closed
(result released NDCO,
DCO or UTP)

NDCO	No disclosable court outcomes
DCO	Disclosable court outcomes
UTP	Unable to process

The NPCS is available to conduct checks as requested	✓
Source: *Portfolio Budget Statements 2020–21*, page 97; *Corporate Plan 2020–21*, page 21	

Measured by	Target
System availability	Board-agreed benchmark

System availability reporting details the percentage of time systems were available, excluding scheduled outages, during the reporting period. We measure the national availability by user notifications of outages impacting multiple jurisdictions. An outage has to impact each jurisdiction in order to be considered a national outage.

An agreed availability benchmark is developed by the ACIC Board for each of our systems that directly support police operations, including police checks. Benchmarks are based on usage requirements and are generally in line with previous years.

As Table 2.8 shows, the NPCS exceeded the availability benchmark in 2020–21.

Table 2.8: National Police Checking Service system availability

Service type	System	2020–21 (%)	Board-agreed benchmark (%)	
Checking	National Police Checking Service/NPCS Support System	99.93	99.00	✓

✓ = Benchmark met

The ACIC contributes to community safety by delivering timely information to support employment decisions	✗
Source: *Portfolio Budget Statements 2020–21*, page 97; *Corporate Plan 2020–21*, page 20	

Measured by	Target
Time taken to perform urgent and non-urgent checks	Board-agreed benchmarks

This measure is not only an ACIC performance measure but one shared by our police partners and accredited bodies providing this service to the wider community. The checking process may be complicated and, in a small number of cases, may cause delays beyond the agreed timeframes.

As Table 2.9 shows, the timeliness benchmarks for the NPCS were not met in 2020–21.

Table 2.9: National Police Checking Service checks completed on time

Measure	2020–21 (%)	Board-agreed benchmark (%)	
Standard checks: 10 business days	92.57	95.00	✕
Urgent checks: 5 business days	88.29	95.00	✕

✕ = Benchmark not met

Until March 2021, the ACIC was on track to meet the board-agreed benchmarks for NPCS checks. A number of factors caused the measure to slip from 'met' to 'not met'.

As COVID-19 restrictions were lifted and hiring practices recommenced, the number of requests for national police checks increased to unprecedented levels. This influx was not predicted in any modelling. As a result, police were not resourced for the workload to increase so significantly, particularly in comparison to the downturn experienced in 2020. In addition, some police partners experienced workforce impacts due to local COVID-19 restrictions and lockdowns.

In 2020–21, the number of requests exceeded 6 million, as shown in Table 2.10. This is the highest number since the NPCS was established and 16.36 per cent higher than the 4-year historical average.

Table 2.10: Volume of National Police Checking Service checks

Measure	2020–21	4-year average		2019–20	2018–19	2017–18	2016–17
Number of nationally coordinated criminal history checks processed	6,200,475	5,328,650	↑	5,634,321	5,630,364	5,290,336	4,759,577

↑ = greater than the historical average

Performance criterion 14	**NPCS accredited bodies are fulfilling their obligations to ensure an accurate and reliable service**	✓
	Source: *Portfolio Budget Statements 2020–21*, page 97; *Corporate Plan 2020–21*, page 20	
	Measured by	**Target**
	▶ Number of audits of compliance undertaken by the ACIC on accredited bodies	Audit activity occurred
	▶ Number of education sessions provided by the ACIC to accredited bodies	Education sessions occurred

Compliance audits

Accredited bodies are entrusted with access to the NPCS Support System in order to submit applications and retrieve check results for consenting applicants. Having access to check results supports organisations to determine the suitability of applicants for positions of trust in an efficient and timely manner.

To ensure that accredited bodies are complying with requirements, compliance audits are undertaken by the NPCS Assurance Program. Audits may also be undertaken following allegations of non-compliance, including allegations from sources within the ACIC, partner agencies or external public organisations or from members of the public.

If non-compliance is identified by any audit activities, the accredited body is given the opportunity to rectify the issue. If the accredited body is unable or unwilling to rectify the issue to the satisfaction of the NPCS, the ACIC may commence termination of the accredited body's contractual arrangement.

In 2020–21, the ACIC undertook 112 audits as part of the NPCS Assurance Program. As a result, 7 accredited bodies were referred for further investigation following alleged non-compliance.

Table 2.11 shows the number of compliance audits undertaken.

Table 2.11: National Police Checking Service audits of compliance

Activity being audited	2020–21
Identity verification	24
Provision of application data	20
Submission of purpose description	20
Volunteer check type submission	26
Provision of nationally coordinated criminal history check results	22

Education sessions

We offer 5 types of education support to accredited bodies:

▶ 2 mandatory modules for newly accredited bodies—User Acceptance Testing and NPCS Induction

▶ 3 optional modules for all accredited bodies—NPCS Support Program, NPCS Information and Quality Assurance Education.

The user acceptance testing and induction training provides accredited bodies with the required information for conducting NPCS checks. During this training, accredited bodies are given access to a training environment which requires that they submit mock checks and demonstrate the required skills before they are granted access to the production system. Due to COVID-19 restrictions, the induction sessions were conducted individually over the phone with newly accredited bodies.

Once new user training has been completed, the NPCS Support Program is initiated. This program provides the accredited body with ongoing education and guidance. After several months, the accredited body undergoes quality assurance activities. These activities are completed on a regular basis to monitor and provide education around the correct submission of the check.

NPCS information sessions are conference-style events for accredited bodies. These sessions are designed to provide further education and training to accredited bodies to help them better understand their contractual obligations. Guest speakers from across the Australian Public Service are engaged to share information and knowledge across a number of areas, including identity and identity verification, information security, technology, and community safety. While these sessions are a priority for the ACIC, they were suspended during 2020–21 due to COVID-19 restrictions.

Table 2.12 provides details of the education sessions conducted in 2020–21.

Table 2.12: National Police Checking Service education sessions

Type of education support	2020–21
User Acceptance Testing	16
NPCS Induction	18
NPCS Support Program	27
NPCS Information	0
Quality Assurance Education	133

During 2020–21, we determined that running the sessions does not indicate how we are performing under this measure. We will continue to run education sessions for accredited bodies; however, this criterion will not be a performance indicator going forward and was not included in the 2021–22 corporate plan.

ACIC ASSISTANCE TO OPERATION IRONSIDE

" We work with our law enforcement partners to improve the national ability to respond to crime impacting Australia. A large number of our staff were involved in efforts to support the AFP's Operation Ironside.

Led by the Australian Federal Police (AFP), Operation Ironside commenced in November 2018, in parallel with the United States Federal Bureau of Investigations Operation Trojan Shield.

The covert operations involved the management and access of a dedicated encrypted communications platform called ANOM. This world-leading capability has allowed law enforcement agencies around the world to target, identify and disrupt alleged criminal operations.

The ACIC was part of the historic moment on 8 June 2021 when Operation Ironside came to resolution.

Our agency played a unique role in assisting Operation Ironside. A large proportion of our analytical workforce was seconded to the AFP during the operation's final stages, and we were involved in actioning unique insights to maximise effect. We helped to maximise the success of the operation and support our partners to achieve our vision of an Australia hostile to criminal exploitation.

Operation Ironside led to the arrest of 224 offenders on 526 charges, including offenders in every mainland Australian state. In total, 3.7 tonnes of drugs, more than 100 weapons, almost $45 billion in cash, and assets expected to run into the millions of dollars, were seized under Operation Ironside.

Our purpose is to protect Australia from criminal threats through coordinating a strategic response and collecting, assessing and disseminating intelligence and policing information. This activity is on a scale that has reshaped the criminal operating environment and the full effects will likely not be known for some time. Ongoing ACIC efforts will be critical in the aftermath of the operation's resolution to ensure that the impacts on serious and organised crime and changes to the threat landscape are well understood.

Our workforce demonstrated agility and the ability to pivot to support new strategic priorities during Operation Ironside, while maintaining the significant work that we do every day to reduce serious and organised crime threats of most harm to Australians.

Overview of financial performance

The ACIC's financial result for 2020–21 was an operating surplus $18.821 million.

With the exclusion of unfunded depreciation ($6.001 million) and capital funding income ($12.604 million), the ACIC would have realised a surplus of $12.218 million for the financial year. This is primarily driven by:

▶ growth in the national policing information services revenue of $14.213 million

▶ $5.114 million rent collected from subleasing of surplus property, sale of minor assets and reversal of a property provision, offset by expenses related to the NCIS program that were approved to be funded from cash reserves.

During 2020–21, 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 2020–21. The total ACIC revenue in 2020–21 financial year consisted of $136.701 million revenue from contracts with customers, $95.786 million revenue from government, $14.990 million resources received free of charge, $1.049 million rental income and $4.065 million other gains from minor asset sales and reversal of an onerous lease provision created in prior years.

The total ACIC expenditure consisted of $90.882 million employee benefits, $104.777 million supplier and finance costs, $31.889 million depreciation, write down and impairment costs, and $6.222 million resources that are received free of charge.

More details of resources and expenses are provided in tables 2.13 to 2.15.

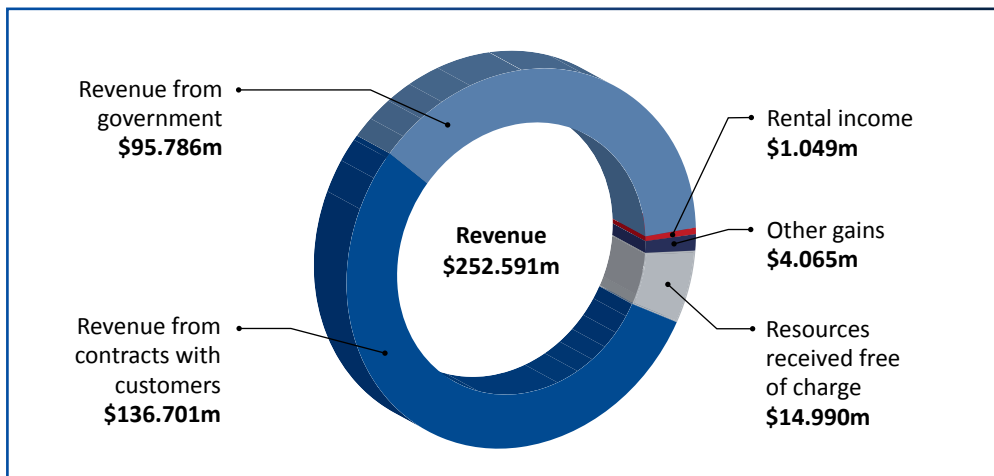**Figure 2.11**: Revenue and expenditure

Revenue from government **$95.786m**

Rental income **$1.049m**

Other gains **$4.065m**

Revenue **$252.591m**

Resources received free of charge **$14.990m**

Revenue from contracts with customers **$136.701m**

Figure 2.11: Revenue and expenditure (continued)

Resources received free of charge **$6.222m**

Employee benefits **$90.882m**

Depreciation, write-down and impairment costs **$31.889m**

Expenditure **$233.770m**

Supplier and finance costs **$104.777m**
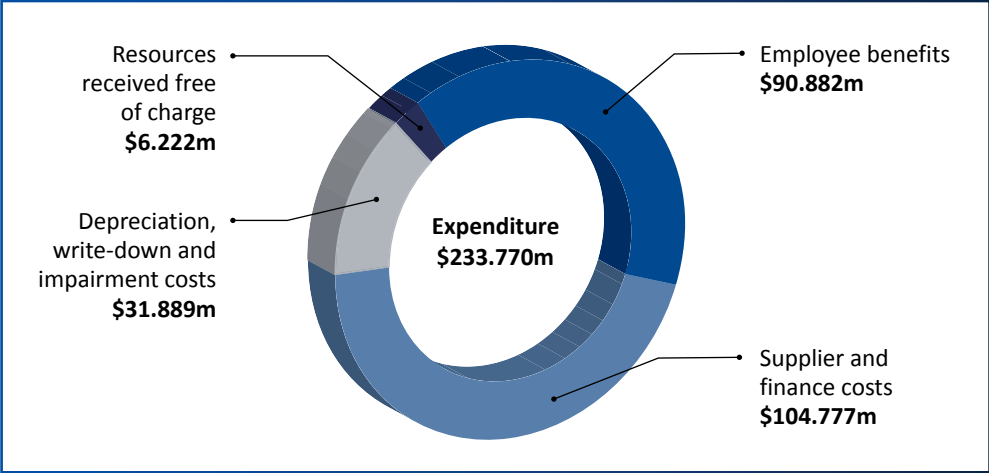
Revenue from government

The $95.786 million revenue from government was made up of base appropriation funding of $76.527 million plus $19.259 million of tied funding, as shown in Figure 2.12.

Figure 2.12: Revenue from government

Tied funding **$19.259m**

Revenue from government **$95.786m**

Base funding **$76.527m**
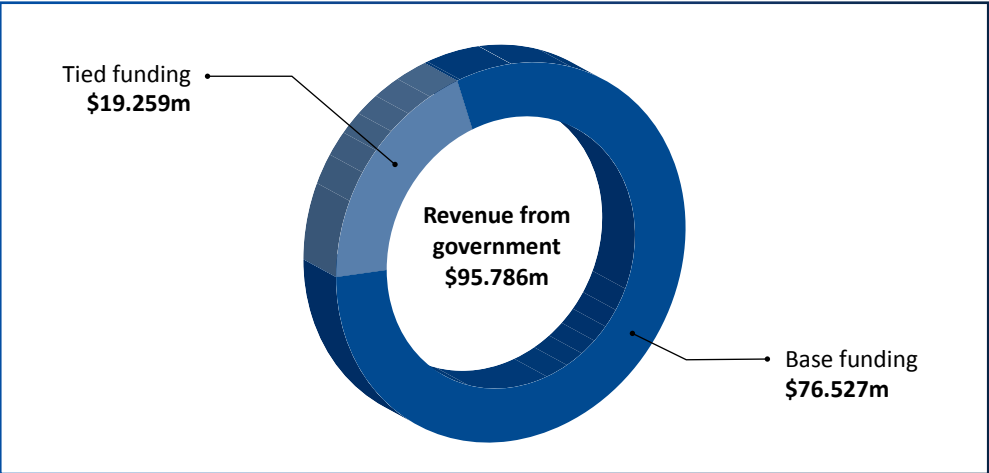
The tied funding in 2020–21 consisted of:

▶ $9.916 million to support deployment of high-end surveillance capability

▶ $3.979 million to support delivery of the NCIS Tranche 1 program

▶ $1.700 million to enhance the Criminal Intelligence Capability program and provide better training to the intelligence workforce for the ACIC and partner agencies

- ▶ $1.641 million for the Australian Gangs Intelligence Coordination Centre

- ▶ $1.190 million for the operation of the National Wastewater Drug Monitoring Program

- ▶ $0.358 million to support 24/7 operation of the Australian Cyber Security Centre to prevent and combat cyber security threats

- ▶ $0.257 million to provide family law courts with access to real-time detailed and accurate police information to supporting their issuing of Federal Family Violence Orders

- ▶ $0.218 million to support development of a criminal intelligence assessment capability for use in background checking processes for aviation and maritime security identification cards.

Own source income

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 $116.762 million as a result of provision of national policing information services, $7.432 million received from the Proceeds of Crime Trust Account (including $2.293 million revenue credited to the National Policing Information Systems and Services Special Account), $12.507 million from provision of services, $14.990 million in resources received free of charge, $4.065 million other gains and $1.049 million rental income.

Figure 2.13: Own source income

Rental income
$1.049m

Resources received
free of charge
$14.990m

Other gains
$4.065m

Proceeds of Crime
Trust Account
income
$7.432m

**Own source
income
$156.805m**

Provision of
services income
$12.507m

National policing
information
services income
$116.762m
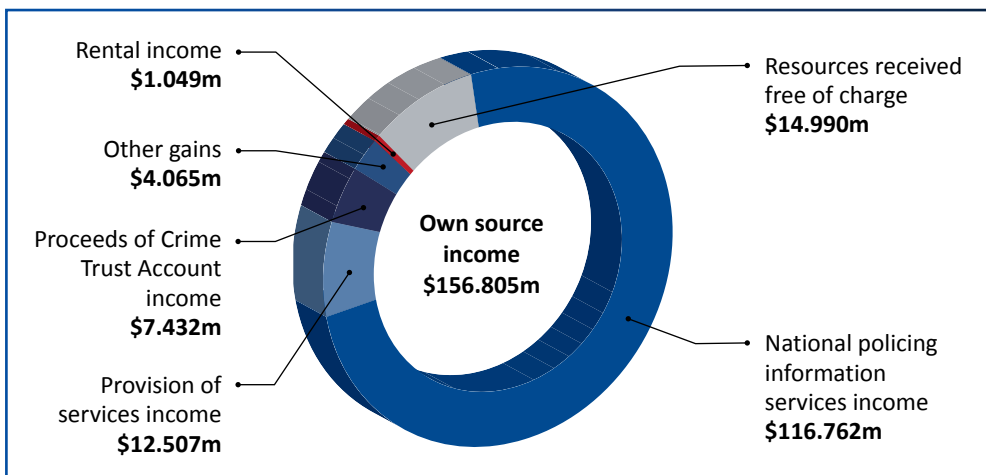
Internal controls

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

- ▶ 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 2.13: Entity resource statement

	Actual available appropriations for 2020–21 $'000 (a)	Payments made 2020–21 $'000 (b)	Balance remaining $'000 (a – b)
Departmental annual appropriations —ordinary annual services			
Prior year appropriation available	67,066	67,066	–
Departmental appropriation (including departmental capital budget)[1]	101,271	53,928	47,343
Section 74 relevant agency receipts[2]	19,807	17,886	1,921
Total ordinary annual services	**188,144**	**138,880**	**49,264**
Annual appropriation—other services non-operating			
Prior year appropriation available	–	–	–
Equity injections[3]	8,679	6,681	1,998
Total other services	**8,679**	**6,681**	**1,998**
Total annual appropriations	**196,823**	**145,561**	**51,262**
National Policing Information Systems and Services Special Account			
Opening balance	121,079		
Appropriation receipts	10,660		
Non-appropriation receipts	112,610		
Payments made		115,548	
Total special account	**244,349**	**115,548**	**128,801**
Less: departmental appropriations drawn from annual appropriations and credited to special accounts	(10,660)		(10,660)
Total resourcing and payments	**430,512**	**261,109**	**169,403**

1. Annual departmental appropriation includes $2.886m quarantined.
2. Section 74 agency receipts and payments exclude any GST component.
3. Equity injection funded for 2020–21 was $8.679m of which $1.998m has been re-phased for future years.

Table 2.14: Expenditure by outcome

Outcome 1: 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.	**Budget 2020–21 $'000**	**Actual expenses 2020–21 $'000**	**Variation $'000**
Departmental expenses			
Departmental appropriation and section 74 agency receipts	118,678	106,637	12,041
National Policing Information Systems and Services Special Account	123,266	114,910	8,356
Expenses not requiring appropriation in the budget year	12,135	12,223	(88)
Total departmental expenses	**254,079**	**233,770**	**20,309**
Total expenses for Outcome 1	**254,079**	**233,770**	**20,309**

Table 2.15: Average staffing level

	Budget 2020–21	**Actual 2020–21**
Average staffing level (number)	797.00	**701.89**

Note: This figure excludes AIC employees.

Feature

CHEMICAL DIVERSION CONFERENCE

" **We collaborated with the Queensland Police Service to share perspectives on issues that are causing considerable hardship to the Australian community.**

The 2021 Chemical Diversion Conference was jointly hosted by the ACIC and the Queensland Police Service in Brisbane in June 2021. The purpose of the event was to discuss emerging trends and issues in relation to the diversion of precursors, reagents and solvents for illicit drug production.

Precursor chemicals are essential for illicit drug production. The strong demand for illicit drugs and the significant profits to be made from the sale of precursor chemicals have made this a profitable enterprise in itself. As many of the relevant chemicals have legitimate industrial and domestic uses, control measures have to balance access for legitimate use with efforts to reduce their diversion to illicit markets.

The Minister for Home Affairs and the ACIC Chief Executive Officer delivered opening remarks at the conference, emphasising the critical role that partnerships between state and Commonwealth agencies and the public and private sectors play in the national response.

Conference attendees were provided with insights from international experts via a mix of remote and in-person presentations, with speakers from United Nations agencies, the Netherlands, New Zealand and the United States, as well as industry perspectives from Chemistry Australia and a site remediation company.

ACIC staff from the Sydney and Melbourne offices shared a domestic perspective via case studies, as did operational officers from 4 of our partner agencies. Valuable insights were also provided by forensic chemists from the ACIC and 3 jurisdictions. Officers from the ACIC and the Department of Home Affairs also described the overarching policy and intelligence context.

The conference brought together a wide range of experts and knowledge to benefit attendees both personally and professionally.