



annual report 2006–07



REPORT ORGANISED CRIME

Organised crime impacts on the Australian community. If you have information which could help the Australian Crime Commission in its investigation of serious and organised crime, please contact us.

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annual report 2006–07



GUIDE TO THE REPORT

This report details the Australian Crime Commission's (ACC) operations and performance for the financial year ending 30 June 2007.

Its purpose is to inform the Parliament, stakeholders, education and research institutions, the media and the general public about the ACC's performance. It is also a reference document for ACC employees and forms part of the historical record.

The content of this report was developed in line with the Department of the Prime Minister and Cabinet's Requirements for Annual Reports guidelines, as approved by the Joint Committee of Public Accounts and Audit. The ACC compliance with these guidelines is outlined in the compliance index under Part 6 – Reference Information.

STRUCTURE OF THIS REPORT

The report is presented in the following parts:

Part 1 - Agency overview

Introduces you to the ACC including a summary of our performance in 2006-07 by the Chief Executive Officer. The overview also describes the ACC's role and functions, organisational structure, authority and powers.

Part 2 - Report on performance

Reviews the ACC's performance during 2006-07 in relation to the efficiency of our outputs and effectiveness of our outcomes. The outcomes and outputs reflect the 2006-07 Portfolio Budget Statements and Portfolio Additional Estimates Statements.

Part 3 - Management and accountability

Reviews the ACC's management, accountability, governance, internal and external scrutiny and how we manage our human resources.

Part 4 - Financial statements

Provides information on the ACC's financial performance.

Part 5 - Appendices

The appendices include reporting on:

- Court results
- Carried over references
- Significant court matters
- Complaints 2006-07
- Consultancy services
- Freedom of information

Part 6 - Reference information

Contains glossary of terms, acronyms list and indexes.



LETTER OF TRANSMITTAL

5 December 2007

The Hon. Bob Debus MP
Minister for Home Affairs
Parliament House
Canberra ACT 2600

Dear Minister

In accordance with section 61(1) of the *Australian Crime Commission Act 2002* (ACC Act), and on behalf of the Board of the ACC, I forward to you the Australian Crime Commission's Annual Report for the year 1 July 2006 to 30 June 2007.

Section 61(1) of the ACC Act requires that the Chair of the ACC Board, as soon as practicable after 30 June, prepare a report on the ACC's operations during the year and furnish the report to the Intergovernmental Committee on the ACC for transmission, together with any comments the Committee thinks fit, to the Commonwealth Minister and the appropriate Minister of the Crown of each participating state. Subsection 61(6) of the ACC Act requires that the report be laid before each House of Parliament within 15 sitting days of that House after the report is received by you.

In 2006-07 the Board maintained its active role in determining the strategic focus of the ACC. This included the Board's ongoing role of setting priorities for the collection of national intelligence on criminal activity and approving the use of the ACC's special investigative powers to address significant areas of criminality. The Board has authorised the ACC to conduct a range of special investigations and special intelligence operations, expanding the number of these from 2005-06.

This report outlines the key activities of the ACC in 2006-07 and its progress towards meeting its objectives.

M J Keelty
Chair

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CEO OVERVIEW

The Australian Crime Commission (ACC) Annual Report covers the activities of the ACC for 2006-07 and reflects the delivery of efficient criminal intelligence and operational services during a period of substantial growth.

The ACC has maintained its commitment to developing superior information technology systems to support valuable and efficient sharing of criminal intelligence across law enforcement agencies. In 2006-07, we continued a program of enhancing technology and information sharing capabilities, with a number of major projects and upgrades that will continue into 2008 and beyond.

As a result of our efforts, we have seen a marked increase in use by partner law enforcement agencies of ACC criminal intelligence systems. During 2006-07, there was a 20% increase in the upload of reports to the Australian Criminal Intelligence Database (ACID) and a 75% increase in searches by database users. This is particularly pleasing given the agency's aim to reinforce ACID as the premier national criminal intelligence system. In addition, strong partnerships with public and private sector organisations continue, resulting in significant increases in information provided which was not previously available to law enforcement. The ACC has seen a significant increase in its own contributions of entity data into the database. In 2006-07, there was a 492% increase in new entities created by the ACC.

Further utilisation of ACID is anticipated as the ACC continues to work with partners to develop and implement the Standard Intelligence Exchange Format. This standardised information exchange mechanism will simplify the transfer of criminal intelligence between agency databases and ACID.

The ACC's intelligence and investigative methods have reaped excellent results for the agency during this reporting period. Disruption of criminal activities has increased from last year with 51 serious organised criminal groups or significant organised criminal identities being significantly disrupted. Information provided to our partners also increased compared to 2005-06, with nearly 2,500 disseminations occurring.

A combination of coercive powers, multi-faceted intelligence and investigative strategies, and the support of our partners has been integral to the achievement of the agency's results of reducing the impact on serious and organised crime. Our mixture of field intelligence collection, joint operations and task forces provides flexibility to tackle the wide spread of criminal activity.

The agency's responsiveness to emerging needs was demonstrated in 2006-07 with the rapid establishment of the National Indigenous Violence and Child Abuse Intelligence Task Force (NIITF) to coordinate the collection and sharing of information and intelligence relating to child abuse, violence, drugs, alcohol, pornography and fraud affecting Aboriginal and Torres Strait Island communities.

CEO OVERVIEW

The agency has also expanded its national presence by establishing offices in Alice Springs and Darwin. Both offices will provide substantial support to NIITF but they also provide the ACC with a broader base to deliver its other intelligence and investigative activities.

The ACC maintains strong productive relationships with its Board, the Parliamentary Joint Committee on the ACC and the Inter-Governmental Committee on the ACC. The agency continues to value the positive relationships with these governing bodies.

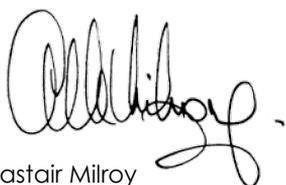
This overview covers just a few of the key achievements that are presented in this report and epitomise the ACC's focus, approach and growth.

We remain committed to the development of staff and considerable efforts were directed at targeted training packages and programs for all levels of employees. The successful negotiation of a new collective agreement for staff displays our commitment to competitive and attractive working conditions for all employees.

The results recorded in 2006-07 are the consequences of the skills, professionalism and dedication of all staff.

The ACC will go forward into 2007-08 with a new structure, capitalising on the structural integrations introduced in January 2007. The new structure will enhance our strategic outlook and policy capacity, while maintaining a focus on achieving our corporate goals. The agency will continue to enhance its internal capabilities through a range of projects, the most significant of which will be a major upgrade of human resources and financial management information systems and continuing implementation of the agency's new leading-edge document management system.

The ever-changing criminal environment will bring fresh challenges for the ACC in the year ahead, but with the invaluable support and cooperation of existing and new partners, we are well-placed to meet those challenges.



Alastair Milroy
Chief Executive Officer

KEY RESULTS

Intelligence products produced	104
Disseminations of material to law enforcement agencies	2,452
Australian Criminal Intelligence Database (ACID) uploads	133,586
Increase in ACID uploads from 2005-06	20%
ACID searches	947,618
Increase in ACID searches from 2005-06	75%
New entities created	1,784,475
Increase in new entities created from 2005-06	492%
Criminal entities disrupted	25
Significant criminal individuals disrupted	26
People charged	176
Charges laid	429
Convictions	79
Summonses to attend examinations issued (s.28 or state equivalent)	856
Increase in summonses issued from 2005-06	21%
Examinations conducted	703
Increase in examinations conducted from 2005-06	16%
Notices to produce documents issued (s.29 or state equivalent)	604
Increase in notices issued from 2005-06	26%
Drug seizures	86
• Kilograms (heroin, cocaine, amphetamines, cannabis, ecstasy and precursors)	652
• Litres (precursor and other)	3,092
• Tablets	527
• Plants (cannabis)	398
Estimated street value of drugs seized*	\$1,562 m
Firearms seized or quarantined	323
Proceeds of crime	
• Restrained	\$6.68m
• Forfeited	\$6.44m
• Pecuniary penalty orders issued	\$2.27m
• Pecuniary penalty orders recovered	\$0.15m
• Tax assessments	\$5.5m
• Recoveries	\$0.49m

* \$1,550m is attributable to potential ecstasy production from precursors seized.

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agency overview

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ROLE AND FUNCTIONS

The ACC is established under the *Australian Crime Commission Act 2002* (ACC Act) as a statutory body to combat serious and organised crime. The ACC has a range of statutory functions centered around intelligence collection and dissemination, and criminal investigations. It is responsible for recommending national criminal intelligence priorities (NCIPs) to the ACC Board and for providing strategic intelligence relating to these priorities.

The ACC works collaboratively with state and territory police forces and Commonwealth agencies such as the Attorney-General's Department (AGD), Australian Federal Police (AFP), Australian Customs Service (Customs), the Australian Securities and Investments Commission (ASIC), the Australian Taxation Office (ATO), the Australian Transaction Reports and Analysis Centre (AUSTRAC) and the Australian Security Intelligence Organisation (ASIO).

While the ACC is a separate statutory authority, it forms part of the Australian Government's broader Attorney-General's portfolio.

Our Vision - Reduced incidence and impact of serious and organised criminal activity in Australia.

Our Mission - Enhanced Australian law enforcement capacity to counter serious and organised criminal activity by: providing quality intelligence and investigative services; responding effectively to the needs of our stakeholders; working collaboratively with our partners; promoting information sharing and taking a proactive approach.

Our Values

Integrity: We are honest, ethical and transparent.

Accountability: We take responsibility for our actions.

Innovation: We are committed to leading edge development of our people, products and processes.

Courage: We undertake our work with courage and commitment. We deliver objective advice without fear or favour.

Empowerment: We nurture a culture where teamwork, communication, consultation and diversity are encouraged.

ROLE AND FUNCTIONS

SPECIAL POWERS

The ACC can draw on special coercive powers which enable it to source information which cannot be accessed through traditional policing methods. Coercive powers can only be applied where the ACC Board approves their use. The coercive powers are similar to those of a Royal Commission which allow the ACC to:

- summons any witness to appear before the commission;
- require that witness to give evidence of their knowledge of matters concerning the criminal activities involving themselves and others upon whom an investigation or intelligence operation is focused; and/or
- require the person to provide documents.

It is an offence to fail to attend an examination, refuse to take the Oath/Affirmation, not to answer questions or provide false or misleading information under examination. These offences are punishable by fines and/or imprisonment.

Only independent ACC Examiners can use the coercive powers.

ACC EXAMINERS

ACC Examiners are independent statutory officers appointed to use the ACC's coercive powers. As at 30 June 2007, the ACC's Examiners were Mr Mac Boulton, the Hon. John Hannaford, Mr Tim Sage and the Hon. Jeffrey Anderson. The number of ACC Examiners increased from three to four with the appointment of Mr Anderson in September 2006.

ACC LOCATIONS

The ACC has eight offices nationally, with its headquarters located in Canberra and regional offices located in Sydney, Melbourne, Brisbane, Adelaide, Perth and Darwin. In addition, the ACC has established the headquarters for the National Indigenous Violence and Child Abuse Intelligence Task Force in Alice Springs. The ACC is continuing to progress the establishment of a presence in Tasmania.



ROLE AND FUNCTIONS

ORGANISATIONAL STRUCTURE

The ACC implemented a new structure from 1 January 2007 in response to the growth of the organisation and to support the ongoing integration of key parts of the agency's work. The most significant change involved the creation of a single Criminal Intelligence and Investigation Strategies Directorate (CIISD) – which merged the previously separate National Operations and Intelligence directorates. A number of key support services were also consolidated across the agency including the creation of a Program and Legal Support Unit to support the CIISD.

Additional Senior Executive Service positions were created to support the agency's growing menu of work, including a Chief Finance Officer, a Chief Information Officer and three new general managers within the CIISD.

The chart opposite shows the ACC organisational structure as at 1 January 2007.

KEY ROLES AND RESPONSIBILITIES

BOARD SECRETARIAT

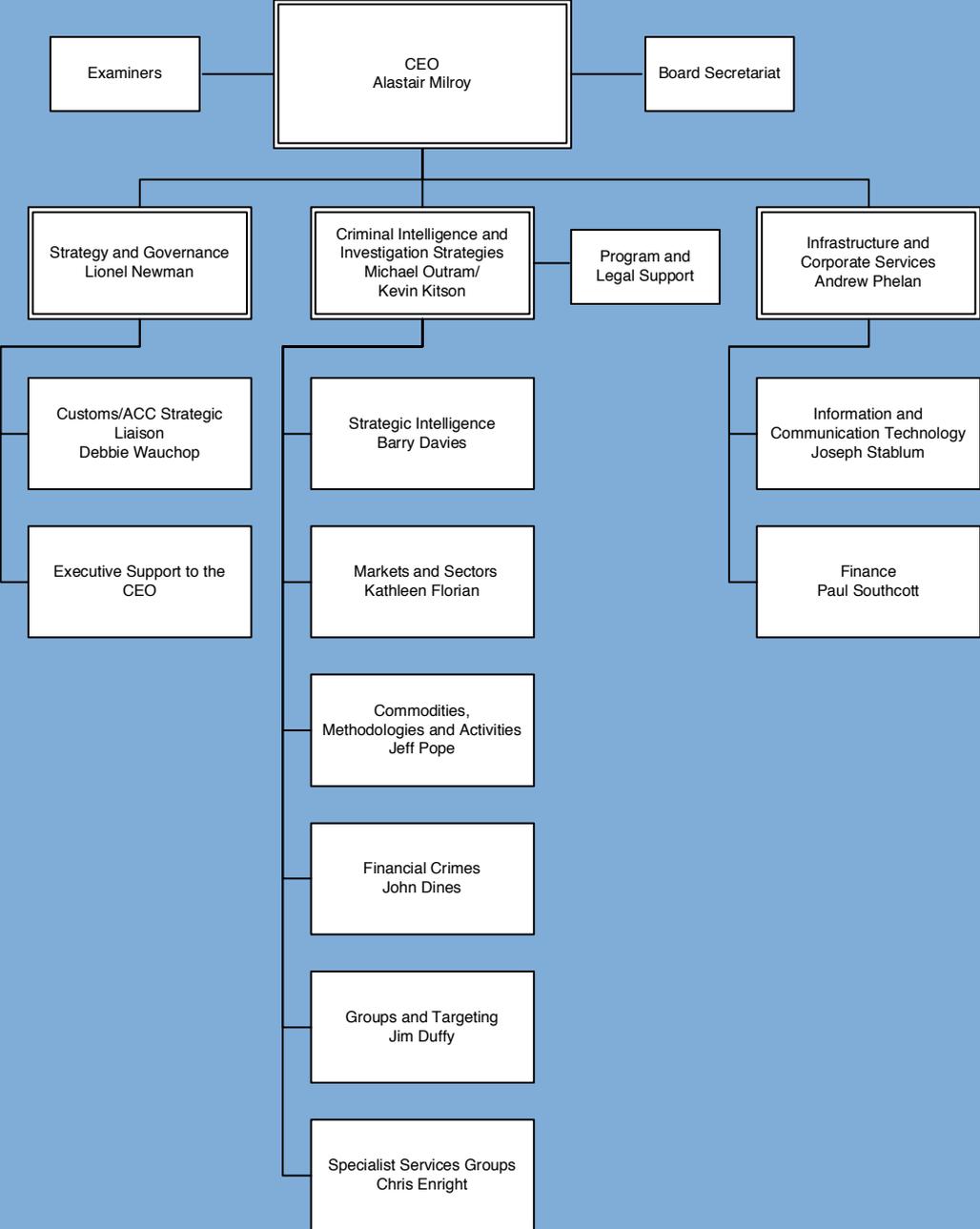
The ACC Board Secretariat reports directly to the CEO and provides essential services such as managing Board meetings, coordinating the production of Board-related material, monitoring Board resolutions and supporting the CEO in his role as a non-voting Board member.

STRATEGY AND GOVERNANCE

Strategy and Governance coordinates a broad range of activities across the ACC. These include:

- provision of strategic policy advice both internally and externally;
- management and oversight of professional standards and integrity;
- ensuring appropriate internal audit controls are in place within the agency;
- supporting corporate, strategic and business planning, performance reporting and risk management;
- provision of ministerial and parliamentary services;
- progressing law and administrative reform issues; and
- providing public relations functions for the agency, including coordinating internal and external communications, media contact and corporate publications.

ORGANISATIONAL STRUCTURE AS AT 1 JANUARY 2007





ROLE AND FUNCTIONS

CRIMINAL INTELLIGENCE AND INVESTIGATION STRATEGIES

The Criminal Intelligence and Investigation Strategies Directorate provides a range of intelligence and operational services to the agency. Key functions include:

- recommendation of NCIPs;
- development of operational and strategic intelligence;
- domestic and international intelligence monitoring;
- specialist financial intelligence assessment;
- management and conduct of ACC special intelligence operations, special investigations and task forces; and
- provision of key technical and other specialist support services to investigations.

INFRASTRUCTURE AND CORPORATE SERVICES

The Infrastructure and Corporate Services Directorate provides key enabling services to the ACC, including:

- information and communication technology systems, including the ACC's intelligence collection systems and databases;
- human resource functions, including staffing, remuneration, recruitment, occupational health and safety, and training and development;
- finance and budget management;
- corporate support such as administrative services, maintenance of the ACC's assets and buildings, and fleet management; and
- security services, including physical, IT and personnel security.

OUTCOMES AND OUTPUT STRUCTURE

The ACC's 2006-07 Outcomes and Outputs Framework is set out in the Attorney-General's Department's Portfolio Budget Statement (PBS) available at www.ag.gov.au. The PBS details the ACC's appropriation against its outcome and outputs.

The ACC's Outcome is: Enhanced Australian Law Enforcement Capacity. This outcome is supported by two outputs and their associated performance measures:

Output 1 – Criminal Intelligence Services

Key performance indicators (KPIs)

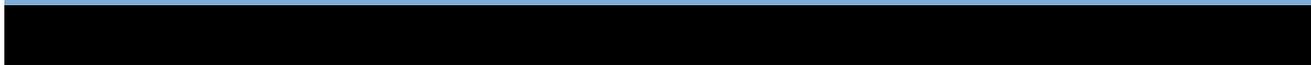
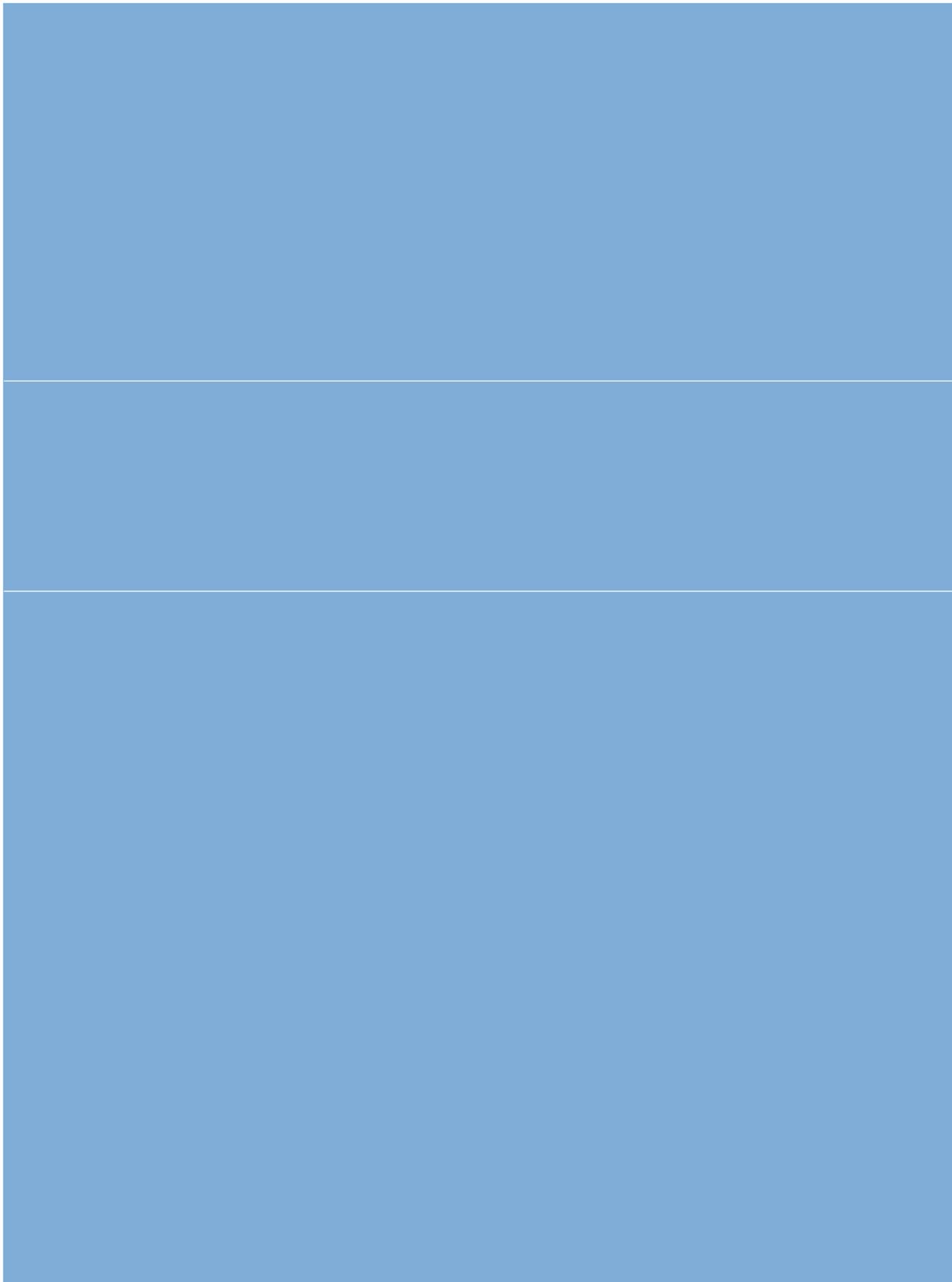
- Provision and maintenance of effective and efficient criminal intelligence systems.
- Quality and value of strategic criminal intelligence assessments, threat assessments, and other products and services.
- Provision of timely, high quality advice to the ACC Board on NCIPs.
- Number and value of disseminations to law enforcement agencies and other relevant agencies.

Output 2 – Investigations and Intelligence Operations into Federally Relevant Criminal Activity

KPIs

- Effective collaboration with partner law enforcement and other agencies to progress criminal intelligence and investigative priorities.
- Effective use of coercive powers to support criminal intelligence and investigative objectives.
- Disruption of criminal syndicates.
- Effective and efficient delivery of the ACC Board approved criminal intelligence and investigative priorities.
- Number and value of disseminations to law enforcement and other relevant agencies.
- Number and significance of arrests and charges.
- Value of proceeds of crime.

Minor changes to the KPIs for the two outputs have occurred since the last annual report.



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report on performance

OUTPUT 1 - CRIMINAL INTELLIGENCE SERVICES 18

**OUTPUT 2 - INVESTIGATION AND INTELLIGENCE
OPERATIONS INTO FEDERALLY RELEVANT CRIMINAL
ACTIVITY** 30

OUTPUT 1

CRIMINAL INTELLIGENCE SERVICES

The ACC has made a significant contribution to law enforcement objectives throughout 2006-07.

OVERVIEW

The ACC collects, collates, analyses and disseminates intelligence, provides and maintains effective and efficient criminal intelligence information systems and provides advice to the ACC Board regarding national criminal intelligence priorities (NCIPs).

Key clients of ACC intelligence products and services include ACC Board member agencies, ACC investigations and government stakeholders. Products and services are tailored to meet the different decision-making needs of these clients.

Key ACC intelligence activities and services provided during 2006-07 included:

- intelligence collection and coordination across and between agencies;
- ongoing provision and development of the Australian Criminal Intelligence Database (ACID) – Australia's national criminal intelligence repository;
- production of strategic and operational criminal intelligence; and
- provision of an Open Source Information (OSI) service that provides a daily email compilation of articles relating to nationally significant criminal activity and the regional environment, provided to over 200 national and international partner agencies.

KEY PERFORMANCE INDICATOR (KPI) 1 - PROVISION AND MAINTENANCE OF EFFECTIVE AND EFFICIENT CRIMINAL INTELLIGENCE SYSTEMS

During the reporting period, the ACC continued to upgrade and support its information and communications technology (ICT) infrastructure to keep pace with the increasing demands required by the business.

Australian Law Enforcement Intelligence Net

The Australian Law Enforcement Intelligence Net (ALEIN) is a secure national intranet used by all national police services, the New Zealand Police, state crime commissions and a large number of government agencies. It provides an information sharing capability for Australian law enforcement and enables cooperative intelligence sharing across jurisdictional boundaries. It also provides real-time, secure intelligence communications between the ACC, police jurisdictions and other law enforcement agencies across Australia.

OUTPUT 1

CRIMINAL INTELLIGENCE SERVICES

Usage figures for ALEIN 2006–07		
	2005-06	2006-07
Agencies able to access ALEIN	22	22
New users registered on ALEIN	1,434	2,034
Total number of active users	9,653	5,592
Documents downloaded	126,438	84,408
Documents uploaded to ALEIN	2,855	2,066
Intelligence desk pages accessed by users	1,552	1,218
Scheduled downtime	96.5 hours	98.2 hours
Unscheduled downtime	83 hours	18.5 hours

During the reporting period, the use of ALEIN was consolidated. While the number of agencies accessing ALEIN remained stable, there was an increase in the number of intelligence desks. The system was largely provided 24 hours a day, with the majority of downtime occurring to enable the the release of new tools and capabilities.

In consultation with its partner agencies, the ACC validated current users and removed ALEIN users that had been inactive for 12 months or more. This action was necessary for security, governance and general system maintenance reasons.

Australian Criminal Intelligence Database

ACID is provided by the ACC to Australian law enforcement as a secure, centralised, national repository for criminal intelligence.

OUTPUT 1

CRIMINAL INTELLIGENCE SERVICES

Usage figures for ACID 2006–07		
	2005-06	2006-07
Active users	4,885	3,172
ACID uploads	111,246	133,586
ACID uploads by ACC	2,462	2,233
Searches conducted	540,065	947,618
New entities created	362,802	1,784,475
Links established	190,488	200,594

The creation of new entities and links allowed more useful and informative searches to be conducted across the database and provided a richer and more meaningful environment for intelligence officers to carry out their searches. In 2006-07, there was a 20% increase in the number of information reports uploaded and a 75% increase in the number of searches conducted.

Australian Law Enforcement Referencing and Targeting

During 2006–07, the Australian Law Enforcement Referencing and Targeting (ALERT) project introduced a number of enhancements to the functionality of ACID including a:

- new search capability across very large sets of data; and
- geospatial mapping capability.

These functions have been integrated with existing functionality to provide an extensive, world-leading set of services for clients.

Support for National Indigenous Violence and Child Abuse Intelligence Task Force

During the reporting period, the ACC linked the newly established office in Alice Springs to the ACC's secure communications network. Due to the nature of the extensive field work required as part of the National Indigenous Violence and Child Abuse Intelligence Task Force (NIITF), which has a strong presence in Alice Springs, speedy access to secure communications and IT services was required. This was achieved by equipping the visiting field teams with vehicle-mounted satellite facilities allowing them access to ACC services. The provision of this network has proven invaluable to the ongoing support to NIITF, providing quicker response times when accessing data as well as providing Alice Springs staff with access to the internal secure voice network.

OUTPUT 1

CRIMINAL INTELLIGENCE SERVICES

Standard Intelligence Exchange Format

The Standard Intelligence Exchange Format (SIEF) project has developed a capability to convert data into a standard format to improve the exchange of intelligence information between law enforcement agencies. The ACC has also provided funding to state and territory police forces to develop the SIEF capability and to improve connectivity with ACID. Through the use of the SIEF capability, a wider range of data will be able to be uploaded to the ACID database so that it can be shared with the law enforcement community.

Australian Identity Protection Register

The Australian Identity Protection Register (AIPR) was launched in 2002 to address a shortfall in the intelligence process relating to fraudulent identities. The AIPR captures this intelligence from participating law enforcement and government agencies and facilitates the exchange of this intelligence on a national basis.

As at 30 June 2007, the AIPR listed nearly 5,000 fraudulent identities, with a further 209 false identities added during 2006-07. During 2006-07, the AIPR was used to:

- assist in protecting genuine identities;
- assist investigators reduce the incidence of identity fraud and theft;
- identify fraudulent and stolen identities;
- facilitate cooperation and coordinate the exchange of identity fraud information and intelligence between agencies for the purpose of law enforcement, the protection of public revenue and informing relevant administrative decisions; and
- coordinate identity fraud information and intelligence as an impetus for investigations, recovery of losses due to fraud and intelligence analysis.

KPI 2 - QUALITY AND VALUE OF STRATEGIC CRIMINAL INTELLIGENCE ASSESSMENTS, THREAT ASSESSMENTS AND OTHER PRODUCTS AND SERVICES

The ACC produces a range of intelligence products which vary according to the needs of the client. While some products are designed to satisfy immediate operational imperatives or focus on projected criminal activity out to a few months, the majority of ACC intelligence products are designed to provide decision makers with context within which to understand emerging threats. The time frames for these 'forward looking' intelligence assessments range from one to two years for operational product out to five years for the ACC's 'over-the-horizon' strategic product.

OUTPUT 1

CRIMINAL INTELLIGENCE SERVICES

Picture of Criminality in Australia

The Picture of Criminality in Australia (PoCA) is the ACC's principal strategic intelligence product and informs the strategic and operational decision-making of the ACC, its Board and key stakeholder agencies. The PoCA outlines the changing nature of the strategic environment for law enforcement, identifies the major developments that may occur in Australia's crime markets over the next two to three years, and assesses the social, political and economic harms associated with each of the NCIPs. The PoCA is a valuable contribution to law enforcement's overall understanding of the shape of the future criminal environment.

The analysis presented in the PoCA is underpinned by a range of ACC intelligence products and supported by information and intelligence gained through extensive consultation with Commonwealth, state and territory partner agencies and monitoring of national, regional and global criminal environments.

The 2006 PoCA was used throughout 2006-07 to inform decisions regarding ACC determinations, task forces, collaborative activities with law enforcement partners and intelligence development. It was also used by Board member agencies to make decisions about policing priorities and resourcing, and has been used to support successful applications for funding to combat emerging crime threats and serious and organised crime.

A declassified version, Organised Crime in Australia, will be released in 2007-08.

Strategic criminal intelligence assessments

Strategic criminal intelligence assessments (SCIAs) provide predictive analysis, up to five years, to inform Board consideration of the implications of likely changes in criminal markets or crime types. They support decisions on future strategies, including legislative and regulatory policy reform. SCIAs are also used to provide senior decision makers with insight into areas of the criminal environment that are assessed as representing a significant future threat to Australia's interests.

Feedback from partner agencies indicates that these products are considered to be high quality, have a clear purpose and assist with decision making.

National criminal threat assessment

The ACC conducts a number of national criminal threat assessments (NCTAs) during the year. In 2006-07, four NCTAs were finalised. These covered a range of key issues. The most significant NCTA completed each year covers serious and organised crime targets. This NCTA provides an assessment of the threat to Australia posed by organised criminal activity and forms a key part of the process for selecting and evaluating ACC operations and determinations, as well as informing the operational decisions of partner agencies.

OUTPUT 1

CRIMINAL INTELLIGENCE SERVICES

Additionally, the ACC has played a key role in providing threat assessment advice to other agencies through participation in a number of inter-agency targeting and coordination activities including the Airports Intelligence Joint Working Group, Joint Asian Crime Group, Financial Intelligence and Assessment Team (FIAT) and the Identity Crime Task Force.

Feedback received on the NCTAs indicates that these are useful and valuable to partner agencies.

Strategic intelligence reports

Strategic intelligence reports (SIRs) provide predictive analysis up to approximately two years, to inform senior law enforcement decision makers of current and emerging issues in the criminal environment. These reports support decisions on broad response strategies, including prioritisation of effort and allocation of resources.

Feedback received for SIRs indicates that partner agencies consider these to be of high quality and have a clear purpose.

Operational intelligence reports

An operational intelligence report (OIR) is an externally disseminated report that provides insight into a particular operational issue or development. An OIR presents consolidated analysis of intelligence outcomes from various sources including examinations. OIRs are underpinned by information reports produced by ACC investigators, covert human source handlers and analysts.

Feedback received for OIRs indicates strong support for and acceptance of the content of these reports.

Alerts

Alerts provide ACC clients with timely information on emerging issues or changes requiring immediate attention, policy consideration or further intelligence collection or monitoring. An alert is a short intelligence report designed to highlight a particular issue to a broad client base. Alerts produced by the ACC have resulted in the prevention of significant criminal activity.

Feedback received for alerts indicates that partner agencies find these to be among the most useful ACC intelligence products, scoring highest on quality, purpose, knowledge and understanding of an issue, and assistance provided for decision making.

Illicit Drug Data Report

The Illicit Drug Data Report (IDDR) provides an overview of the Australian illicit drug market. It includes information and data relating to drug seizures, arrests, prices and purity levels. The IDDR incorporates data from a range of agencies, including the Australian Federal Police (AFP), Australian Customs Service (Customs), state and territory

OUTPUT 1 CRIMINAL INTELLIGENCE SERVICES

law enforcement agencies, and jurisdictional forensic laboratories. The IDDR is the only report of its kind in Australia and is widely used by a range of stakeholders such as law enforcement, government agencies, non-government organisations and research bodies. The Minister for Justice and Customs launched the 2005-06 edition of the IDDR in Sydney on 11 May 2007.

Open Source Information Service

The ACC's open source information (OSI) service is a daily compilation of open source articles both from within Australia and internationally that are relevant to nationally significant criminal activity and the regional environment. As well as being disseminated to national and international partner agencies the OSI summaries are also disseminated to over 200 recipients across the ACC. The OSI forms a critical part of the ACC's scanning capability and function. The scanning function informs intelligence holdings on crime issues, harm statements and NCIPs.

Outcomes resulting from the OSI include:

- better informed strategic intelligence products;
- better informed decisions about intelligence priorities;
- enhanced awareness of domestic and international criminal environments;
- identification of policy and legislative issues;
- identification of new and emerging crime trends; and
- initiation of communication between agencies.

Other intelligence coordination activities

A range of other activities are undertaken by the ACC to support its provision of quality intelligence services.

Intelligence Collection Coordinators

Intelligence Collection Coordinators (ICCs) facilitate the exchange of intelligence between the ACC and partner agencies, contribute to national intelligence capacity building and enhance relationships with state and territory partner agencies. Throughout 2006-07, the ACC had ICCs in nearly all jurisdictions. An ICC for Tasmania will be appointed in 2007-08.

International Liaison Coordination

The ACC uses the AFP International Liaison Officer (ILO) network and Interpol to obtain information relevant to both ACC tactical and strategic activities from law enforcement agencies overseas. In 2006-07, 123 outgoing and 70 incoming requests for information were facilitated through the ACC. The ACC also uses the ILO network to disseminate intelligence reports and assessments to a number of overseas law enforcement authorities.

OUTPUT 1

CRIMINAL INTELLIGENCE SERVICES

Requests for information

The requests for information (RFI) process is coordinated at a national level and is used to obtain input from a variety of internal and external clients to support strategic-based decisions.

During 2006-07, a total of 145 RFIs were facilitated, which comprised 113 requests from external partner agencies and 32 internal requests. These requests are facilitated in support of ACC strategic intelligence gathering and sharing with partner agencies. In addition, a number of external agencies request input on a range of issues including illicit drugs, firearms, fraud, money laundering and organised crime.

Identity Security Strike Teams

In September 2006, government funding was provided in support of the establishment of Identity Security Strike Teams (ISSTs) across Australia in order to build on and strengthen the successful AFP-hosted Identity Crime Task Force (ICTF) located in Sydney. The ACC is a participating agency in ISSTs, deploying experienced intelligence analysts to teams in Sydney, Brisbane and Melbourne with further deployments planned in the short to mid-term.

Intelligence capability development

National Criminal Intelligence and Operations Forum

In October 2006 and April 2007, the ACC hosted the National Criminal Intelligence and Operations Forum (NCIOF). NCIOF was attended by over 80 heads of intelligence and/or operations from both Commonwealth and state and territory law enforcement partners, other government agencies and selected interest groups. The themes of the NCIOFs were 'Over-the-Horizon' and 'National Targeting'. These events provided a national forum to explore issues facing law enforcement. The NCIOF also provides an opportunity for networking and sharing of best practice through various facilitated workshops.

Outcomes from the NCIOFs included: input into recommendations to the ACC Board for future actions; assisting in the formulation of a National Targeting Strategy; and strengthening relationships between stakeholders from various agencies and groups.

National Strategic Intelligence Course

The National Strategic Intelligence Course (NSIC) is a strategic intelligence training course offered by Charles Sturt University in partnership with the ACC and the AFP to assist in meeting the professional development needs of Australian law enforcement and partner agencies. The NSIC aims to provide participants with a practical knowledge of strategic intelligence, research methods, program management, data collection and analysis. The course enhances professional knowledge and practice in strategic criminal intelligence concepts, provides a collaborative learning environment, offers an opportunity for liaison and creates a network of intelligence analysts from law

OUTPUT 1

CRIMINAL INTELLIGENCE SERVICES

enforcement and partner agencies throughout Australia and overseas. The NSIC also provides advanced standing to the Graduate Certificate and Diploma in Criminal Intelligence offered by Charles Sturt University.

Three courses are held at the AFP College in Canberra each financial year in July, November and March. Twenty students participated in each two week course, undertaking both individual and syndicate-based assessment tasks on contemporary topics relating to organised crime. Students examined a variety of topics during the period including fraud offences, financial crimes, drug related topics, environmental crimes, terrorism, road and rail sector crime, computer based crimes and outlaw motorcycle gangs.

Other coordination activities, conferences and working groups

Australasian Crime Commissioners' Forum

The Australasian Crime Commissioners' Forum (ACCF) was established to provide high level consideration, coordination and development of appropriate responses to multi-jurisdictional crime, its prevention and investigation. The ACCF represents an important forum for the ACC given its role in promoting and facilitating coordination and liaison between jurisdictions and national police services on crime prevention, investigation and intelligence related issues, and consideration of national intelligence priorities.

Australasian Human Source Working Group

The ACC chairs the Australasian Human Source Working Group which meets annually to discuss contemporary issues surrounding covert human source management. The working group consists of relevant unit heads of all Australasian law enforcement bodies and several other governmental agencies that may have a role in covert human intelligence. The working group provides advice to a range of forums including the ACCF on best practice methodology relevant to covert human intelligence source.

International Covert Human Intelligence Source Working Group

The International Covert Human Intelligence Source Working Group has a similar remit to the Australasian Human Source Working Group but on an international platform. The ACC, in partnership with the AFP, has co-chaired the international group for 2006 and 2007. In November 2006, the working group met in Sydney and discussed contemporary issues surrounding covert human intelligence source practices.

Chemical Diversion Congress

In October 2006, the ACC co-hosted the annual National Chemical Diversion Congress with the Queensland Police Service and Attorney-General's Department (AGD). The congress maintains a focus on the diversion of precursor chemicals into illicit drug manufacture. The aims of the congress include informing stakeholders, increasing public awareness and encouraging and maintaining inter-agency relationships.

OUTPUT 1

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Congress delegates were drawn from areas with an interest in understanding, preventing and investigating precursor diversion and illicit drug manufacture. Delegates were primarily from national and international law enforcement agencies, government bodies, forensic services, private sector organisations, judicial and prosecutorial areas.

Joint management groups

The ACC participates in a number of multi-jurisdictional joint management groups developed to coordinate operational priorities, particularly as they relate to joint operations.

National Precursor Working Group

The ACC is represented at the National Working Group for the Prevention of Diversion of Precursor Chemicals into Illicit Drug Manufacture (PWG). During the year, the ACC delivered a presentation to the National Working Group on the outcomes of ACC's Project Saltford, which examined the importation and distribution of a number of present and emerging precursor chemicals. The PWG resolved that the outcomes of this project would contribute to the Committee for the National Framework for Precursor and Apparatus Control.

The ACC presented an update on the scope of illicit tablet press distribution, driving a resolution to the Ministerial Council for Drug Strategies that tablet presses become a prohibited import. It also gave a presentation on the illicit distribution of 'fantasy' related substances gamma butyrolactone and 1,4-butanediol. The ACC has also provided comment on a number of papers circulated through the PWG framework.

Asian Collaborative Group on Local Precursor Control

In February 2007, AGD and the Ministry of Health, Labour and Welfare of Japan co-hosted the second Asian Collaborative Group (ACOG) on Local Precursor Control in Tokyo. The purpose of ACOG is to identify effective measures and practices to counter the diversion of precursor chemicals into the illicit manufacture of amphetamine type stimulants (ATS) and to strengthen the framework of international cooperation against the diversion of precursor chemicals into the illicit manufacture of ATS. Sixteen member countries attended along with a number of invited experts from around the world including the United Nations. The ACC continues to support this important forum.

National Firearms Policy Working Group

The Firearm Policy Working Group (FPWG) is a national forum that aims to support effective and timely development of nationally consistent policy responses to common firearms related issues which are representative of all jurisdictions. The ACC has expert advisory membership status at the FPWG.

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The ACC attends biannual meetings held by FPWG and, during the reporting period, contributed to discussions of significant policy issues, particularly those relevant to the activities conducted by the ACC through its Illicit Firearm Markets Determination.

Other conferences

The ACC also presented at or participated in, a number of topical conferences relating to a wide variety of topics including fraud, specific crime types, national security and corruption.

KPI 3 - PROVISION OF TIMELY, HIGH QUALITY ADVICE TO THE ACC BOARD ON NATIONAL CRIMINAL INTELLIGENCE PRIORITIES

The NCIPs for the 2006-07 year were considered by the ACC Board just prior to the commencement of the reporting period following comprehensive consultation with Board member agencies. The Board also considered NCIPs for 2007-08 in late 2006-07.

In 2006-07, ACC intelligence products addressed 10 different NCIP crime types including identity crime, drugs, corruption, firearms, money laundering and terrorism. Thirty-two different NCIP crime type sub-issues, for example amphetamines, criminal convergence with terrorism and superannuation fraud, were addressed a total of 223 times. Of these, 62% were Category A (highest priority) and 38% Category B NCIP issues. A number of ACC products also addressed lower priority and emerging issues.

KPI 4 - NUMBER AND VALUE OF DISSEMINATIONS TO LAW ENFORCEMENT AGENCIES AND OTHER RELEVANT AGENCIES

During 2006-07, the ACC disseminated a number of intelligence and other products to partners.

As a result of the ACC's disseminations, partners were able to:

- seize drugs, precursors, drug production equipment and firearms;
- seize cash and other assets;
- execute search warrants, resulting in arrests and charges;
- prevent further identity fraud through the arrests of persons involved in creating fictitious identities;

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- complete an assessment of the need for legislative change in a jurisdiction relating to current forensic examination procedures for illicit drugs;
- enhance targeting of investigations relating to people trafficking offences within a jurisdiction;
- update firearms tracking systems; and
- enhance understanding of the criminal environment to support Australian Government policy work.

Number of disseminations 2006-07		
Type	2005-06	2006-07
Intelligence disseminations	2,041	2,452
ACC ACID uploads	2,462	2,233
ACC ALEIN uploads	1,973	1,628

Feedback

During 2006-07, the ACC produced 104 intelligence products. Recipients included Commonwealth, state, territory and foreign law enforcement agencies, other Commonwealth, state and territory government agencies and, where appropriate, research bodies and key private sector stakeholders.

For intelligence products in 2006-07, feedback was sought by the ACC from its clients in four areas: quality; clarity of purpose; understanding; and direct relevance.

Average ratings for the 2006-07 period, on a scale of 1 – 5, were:

Quality – 4.0

Purpose – 3.9

Understanding – 3.7

Direct relevance – 4.4

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INVESTIGATION AND INTELLIGENCE OPERATIONS INTO FEDERALLY RELEVANT CRIMINAL ACTIVITY

Note, results against KPIs do not appear in order in this chapter. Section headings refer to KPIs addressed for ease of reference.

OVERVIEW

The ACC aims to disrupt and deter serious and organised criminal activity by conducting special intelligence operations, special investigations and intelligence operations into federally relevant criminal activity. These are conducted in collaboration with partner law enforcement agencies.

An **intelligence operation** focuses on the gathering of intelligence surrounding particular criminal activity so that informed decisions can be made about the true extent, impact and threat of that criminal activity.

A **special intelligence operation** has similar objectives to an intelligence operation but the use of the coercive powers has been approved by the ACC's Board. The ACC does not use telephone intercepts or the provisions of the *Surveillance Devices Act 2004*, (i.e. tracking devices) when conducting physical surveillance in a special intelligence operation.

A **special investigation** is designed not only to collect intelligence but to disrupt and deter identified criminal groups through collecting evidence of criminal activity that may result in arrests and seizure of illegally obtained assets. Coercive powers, as well as the full range of traditional investigative methods, including telephone interception, surveillance devices and controlled operations legislation can be applied to a special investigation.

Special intelligence operations and special investigations are collectively referred to as determinations, as, in accordance with the ACC Act, the ACC Board must determine that the ACC can apply its coercive powers to these issues.

The ACC Board approved the conduct of the following ACC activities in 2006-07:

Special intelligence operations

Amphetamines and Other Synthetic Drugs (AOSD);

Serious and Organised Fraud (SOF);

Crime in the Transport Sector (CiTS);

Illicit Firearm Markets (IFM);

Illegal Maritime Importation and Movement Methodologies (IMIMM); and

People Trafficking for Sexual Exploitation (PTSE).

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INVESTIGATION AND INTELLIGENCE OPERATIONS INTO FEDERALLY RELEVANT CRIMINAL ACTIVITY

Special investigations

High Risk Crime Groups (HRCG);
Established Criminal Networks – Victoria (Vic ECN);
Money Laundering and Tax Fraud (Midas); and
Wickenby Matters.

Intelligence operations and task forces

Outlaw Motor Cycle Gangs National Intelligence Task Force (OMCG NITF);
National Indigenous Violence and Child Abuse Intelligence Task Force (NIITF); and
Task Force Gordian.

DISRUPTION OF CRIMINAL ENTITIES

KPI 3 – Disruption of criminal syndicates

The ACC has a strong focus on disrupting organised crime. Disruption can include the interruption to the flow or continuity of the criminal behaviour and/or enterprises of a criminal entity, as a direct result of ACC or joint agency operational activity. This can also involve undermining criminal businesses via the exposure of their methodologies, releasing intelligence alerts and warnings on their activities and reducing their ability to operate in the criminal markets of their choice.

Operational activity used by the ACC to disrupt criminal entities includes arrests, prosecutions, seizure of illegal drugs and firearms and proceeds of crime action.

In 2006-07, the ACC disrupted 25 serious and organised criminal entities, a 14% increase on the previous year. Criminal entities collectively include criminal syndicates, networks and groups.

A **criminal syndicate** is defined as an organised crime gang which works closely together to profit from criminal activity. A **criminal network** refers to the informal arrangements that exist between various organised syndicates through which they facilitate certain criminal activities, or have others work on their behalf. A **criminal group** is defined as a number of individuals who work together on an as-needs basis to commit criminal activity. Groups do not have the same level of organisation as syndicates.

During the same period, the ACC disrupted the criminal activities of 26 significant individuals involved in organised criminal activities. A **significant individual** refers to a person or persons who has/have committed serious criminal offences but does not operate within a cohesive group or syndicate.

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INVESTIGATION AND INTELLIGENCE OPERATIONS INTO FEDERALLY RELEVANT CRIMINAL ACTIVITY

Specifically the ACC disrupted:

- in relation to syndicates, networks and groups:
 - drug trafficking in 14 instances;
 - money laundering in three instances;
 - drug equipment supply in two instances;
 - drug manufacturing in two instances;
 - drug precursor supply in two instances; and
 - firearm possession on one occasion.
- in relation to significant individuals:
 - drug precursor supply in nine instances;
 - drug manufacturing in seven instances;
 - drug equipment supply in four instances;
 - drug supply in three instances;
 - firearm possession in two instances; and
 - drug trafficking on one occasion.

CASE STUDY – DISRUPTION

Viking Joint Task Force (HRCG)

During May and June 2007, seven persons were arrested across three states as a result of a Viking Joint Task Force (JTF) investigation into cross border heroin trafficking and a South Australian distribution network. In addition to mid-tier facilitators and several couriers, those arrested include a network principal who is suspected to have played an ongoing prominent role in sourcing and distributing commercial quantities of heroin into the South Australian market. The network's capabilities and involvement in the marketplace have been significantly disrupted and a suspected high level interstate supplier was identified for further investigation.

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SUMMARY OF RESULTS

KPI 6 – Number and significance of arrests and charges,

KPI 7 – Value of proceeds of crime

The ACC impacts on the activities of criminals through a range of approaches. These include:

- application of the coercive powers to obtain evidence to support further investigations;
- arrests and charges (in collaboration with state/territory police forces);
- confiscation of cash, drugs, chemicals, firearms, vehicles, equipment and other products; and
- the provision of information to partner agencies to assist with their inquiries.

Overall results for all ACC determinations				
	2003-04	2004-05	2005-06	2006-07
People charged	203	294	218	176
Charges laid	626	1,665	894	429
Examinations conducted	355	629	605	703
Notices to produce documents issued	453	516	480	604
Drug seizures	115	175	106	86
Firearms seized or quarantined	3,522	284	1,300	323
Estimated street value of drugs seized	\$19.9 million	\$66.6 million	\$4.9 million	\$1,562 million*
Proceeds of crime restrained	\$16 million	\$13.4 million	\$20.7 million	\$6.68 million
Proceeds of crime forfeited	\$2.4 million	\$0.9 million	\$1.6 million	\$6.44 million
Tax assessments issued	\$19 million	\$12.2 million	\$6.3 million	\$5.5 million
Tax recoveries		\$0.3 million	\$20.8 million	\$0.49 million

* \$1,550 million is attributable to potential ecstasy production from precursors seized.

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INVESTIGATION AND INTELLIGENCE OPERATIONS INTO FEDERALLY RELEVANT CRIMINAL ACTIVITY

Arrests, charges and convictions

As a result of ACC investigations and intelligence activities during 2006-07, 176 people were charged. In total, 429 charges were laid.¹

A significant proportion of the ACC's work involves intelligence gathering and dissemination. As a result, overall numbers of persons charged and charges laid have reduced from previous years. The ACC is also involved in a number of long-term, complex investigations which are likely to reach a resolution stage in 2007-08 or in later years.

For the 2006-07 financial year, criminal prosecutions against 97 defendants resulted in 79 convictions, 13 offences being proven without conviction and five cases being withdrawn or discharged. The 79 convictions resulted in:

- Fifty-three imprisonments with:
 - Nine instances of 10+ years imprisonment;
 - Three instances of six to 10 years imprisonment;
 - Fifteen instances of three to six years imprisonment;
 - Six instances of less than three years imprisonment;
- Eleven non-custodial sentences; and
- Fifteen fines.

Determination	Convictions		Sentence		Fine		Good behavior bond	
	05-06	06-07	05-06	06-07	05-06	06-07	05-06	06-07
AOSD	6	3	4	3	2	0	0	0
Vic ECN	0	2	0	1	0	1	0	0
HRCG	58	66	44	41	9	14	0	11
IFM	2	2	2	2	0	0	2	0
Midas	8	6	7	6	0	0	3	0
SOF	3	0	2	0	0	0	0	0
Total	77	79	59	53	11	15	5	11

Further detail on court results appear at Appendix A.

¹ Including ACC Act related charges.

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INVESTIGATION AND INTELLIGENCE OPERATIONS INTO FEDERALLY RELEVANT CRIMINAL ACTIVITY

Drug and firearm seizures

Drug seizures in 2006-07 were significant. The estimated street value of the drugs seized by the ACC in 2006-07 is \$1,562m (of which \$1,550m is attributable to potential ecstasy production from precursors seized). The ACC has made an effective contribution to the law enforcement effort in Australia.

Total drug seizures and quantities seized by the ACC in 2006-07 were:

Drugs seized	Total				
	Seizures	Amount (g)	Litres	Tablets	Plants
Amphetamines	25	10,068			
Cannabis	13	13,056			398
Cocaine	4	916			
Ecstasy	11	5,043			
Heroin	22	18,166			
Other	2		0.25	527	
Precursor*	9	605,000	3,092		
Total	86	652,249	3,092.25	527	398

* 800 litres is attributable to suspected precursor chemicals, pending analysis.

The reduction in firearm seizures between 2005-06 and 2006-07 is related to significant one-off seizures as a result of operations conducted in 2005-06 and the change in focus of the ACC's firearms-related work. For further information on the change of focus see the report on the Illicit Firearm Markets Special Intelligence Operation.

Value of proceeds of crime

A significant impact on criminal activities can be made through the seizure of proceeds of crime. In consultation with the Commonwealth Department of Public Prosecutions, the ACC pursues the forfeiture of seized cash and other assets. The ACC supports the use of proceeds of crimes seizures for both their direct impact and future deterrent value.

Proceeds of crime figures can vary significantly from year to year and due to the extended nature of many proceeds of crime applications, forfeitures in one year may represent activity which occurred several years before and for which court proceedings have only recently been concluded.

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INVESTIGATION AND INTELLIGENCE OPERATIONS INTO FEDERALLY RELEVANT CRIMINAL ACTIVITY

In 2006-07, the ACC's activities resulted in the following proceeds of crime action:

	Determination						Total
	AOSD	Task Force Gordian	HRCG	Midas	Vic ECN	Wickenby Matters	
Proceeds of crime (\$)							
Restrained	1,079,249*	2,714,023	2,889,774				6,683,046
Forfeited	1,180,730		1,161,804	3,374,236*			5,716,770
Pecuniary Penalty Orders (PPO) issued			265,000				265,000
Tax assessments							
Tax assessments issued			1,638,000	2,508,821		1,172,102	5,318,923
Tax recoveries				40,000			40,000

* Indirect results from the provision of intelligence by the ACC.

Proceeds of crime restrained and tax recoveries realised differ noticeably between 2005-06 and 2006-07. This is due to significant one-off outcomes which have skewed the previous year's results.

Restraint figures in 2005-06 include significant Operation Wickenby-related seizures in relation to tax fraud cases, while tax recoveries were high in 2005-06 due to the resolution, through the courts, of a tax fraud case conducted several years previously and payment of court-ordered taxes and penalties.

Proceeds of crime and tax assessment figures for carried-forward National Crime Authority references appear at Appendix B.

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INVESTIGATION AND INTELLIGENCE OPERATIONS INTO FEDERALLY RELEVANT CRIMINAL ACTIVITY

COLLABORATION WITH PARTNER LAW ENFORCEMENT AGENCIES

KPI 1 – Effective collaboration with partner law enforcement and other agencies to progress criminal intelligence and investigative priorities

In 2006-07, the ACC maintained strong relationships with partner agencies, with in excess of 85% of its operations conducted in partnership with other agencies. In 2006-07, the ACC worked in collaboration with all state and territory police forces, the AFP, the New South Wales Crime Commission, the Joint Asian Crime Group (JACG), Customs, the Australian Taxation Office (ATO), the Queensland Crime and Misconduct Commission (CMC), the AFP Joint Airport Intelligence Teams (JAIT), Centrelink, Australian Securities and Investments Commission (ASIC), Australian Transaction Reports and Analysis Centre (AUSTRAC) and the Hong Kong and Vietnamese police.

The nature of the collaboration covers a wide spectrum of activities including information sharing, joint operations and the contribution of police resources to ACC determinations and task forces at no cost to the ACC.

The relationship that the ACC has with partner agencies is mutually beneficial. Partner agencies provide information and commit resources to the agency and the ACC progresses intelligence collection and investigations into nationally significant crime types, provides access to coercive powers and disseminates strategic and operational intelligence. The law enforcement efforts of the ACC and its partners are enhanced through these cooperative arrangements. The ACC considers these relationships support a more effective national law enforcement response to serious and organised criminal activities.

EFFECTIVE USE OF COERCIVE POWERS

KPI 2 – Effective use of coercive powers

The ACC's special coercive powers are a key element of the agency's efforts to fight serious and organised crime and collect intelligence. Coercive powers are only used in situations where conventional law enforcement methods have been judged to be insufficient in combating serious and organised crime. In 2006-07, the ACC issued 856 summonses to attend an examination, conducted 703 examinations and used its special powers to demand documents under section 29 of the ACC Act on 604 occasions.

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INVESTIGATION AND INTELLIGENCE OPERATIONS INTO FEDERALLY RELEVANT CRIMINAL ACTIVITY

Coercive powers

	2005-06	2006-07
Summonses issued	705	856
Examinations conducted	605	703
Notices issued	480	604

In some situations, a summons to examination may be issued but no examination held. This occurs when the witness cannot be located or the reasons that justified the issuing of the summons have changed and the examination is no longer warranted.

Where a person refuses to provide information under examination or provides false or misleading information, charges can be brought against that person under the ACC Act. In 2006-07, the ACC laid seven charges relating to examinations.²

BOARD ASSESSMENT OF ACC PERFORMANCE

The Board considered a number of key ACC documents and proposals in 2006-07. These included:

- the PoCA – the ACC's key confidential intelligence assessment of the overall criminal environment in Australia;
- NCIPs – setting key intelligence collection guidelines for the ACC and to inform partner agencies of key information requirements;
- reviewing and approving eight determination applications, including one new determination and seven extension applications; and
- continuing to contribute to the overall strategic direction of the ACC.

The Board has approved the ACC's proposals and endorsed the performance of the ACC. The contribution that the ACC makes to the overall law enforcement effort in Australia is valued by the Board.

² Three people charged on seven counts (six fail to answer, one give false/misleading evidence).

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INVESTIGATION AND INTELLIGENCE OPERATIONS INTO FEDERALLY RELEVANT CRIMINAL ACTIVITY

INVESTIGATION AND INTELLIGENCE OPERATION OUTCOMES

KPI 4 - Effective and efficient delivery of Board approved operational and investigative priorities

SPECIAL INTELLIGENCE OPERATIONS

The primary objective of special intelligence operations is to develop and enhance intelligence in specific areas. While arrests and charges do occur under special intelligence operations, these are predominantly carried out by other law enforcement agencies which receive ACC intelligence disseminations.

AMPHETAMINES AND OTHER SYNTHETIC DRUGS

Persons charged	12
Charges laid	51
Summonses to attend examinations issued	223
Examinations held	183
Notices to produce documents issued	14
Criminal groups disrupted	4
Significant criminal individuals disrupted	24
Reform matters advanced	2

Overview and background

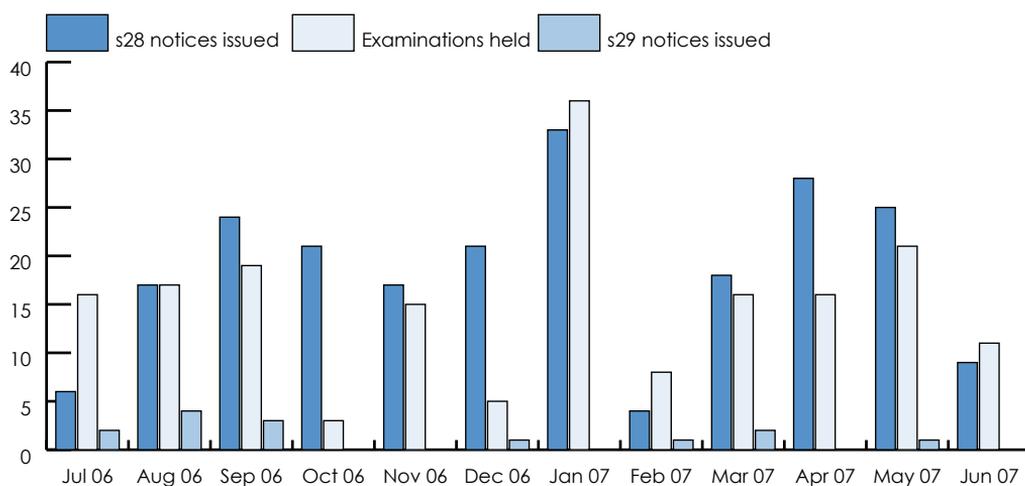
The Amphetamines and Other Synthetic Drugs (AOSD) Special Intelligence Operation was first approved by the ACC Board in May 2003.

The determination works together with partner agencies to develop timely intelligence in relation to the importation, manufacture and trafficking of AOSD commodities and precursor chemicals.

In 2006-07, the AOSD Determination focused on identifying and intercepting precursor chemicals used in the production of drugs for the illicit market. The coercive powers continue to be an essential tool for the work of this determination and have provided intelligence on a number of substances that may benefit from further legislative control. The determination has been aggressively targeting key 'facilitation' industries such as chemical companies and importers, tablet press distributors and glassware manufacturers in an effort to fill intelligence gaps with respect to AOSD activities in this country. A number of successful operational outcomes and changes to legislation and industry practices have resulted from this work.

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INVESTIGATION AND INTELLIGENCE OPERATIONS INTO FEDERALLY RELEVANT CRIMINAL ACTIVITY



Intelligence/operational outcomes

The determination has achieved the following:

- Tactical and strategic intelligence has supported key operational activities of our partners, resulting in a total of 20 clandestine laboratories being detected and dismantled, 12 arrests and 51 charges being made.
- Targeting of drug manufacturers sourcing precursor chemicals and equipment has resulted in the following precursor chemicals destined for the illicit drug market being identified and seized from chemical importers:
 - 200 kilograms of phenylacetic acid;
 - 50 litres of 1-4 butanediol; and
 - 400 litres of almond oil (benzaldehyde).
- The agreement of several companies to discontinue the importation of chemicals considered at risk of being diverted to the illicit drug market has been obtained.

In 2006-07, the AOSD Determination's focus has been on the identification of precursor chemicals and apparatus that may benefit from further control. The use of ACC examinations, in cooperation with partner state and Australian government agencies, has identified a number of substances for further legislative and administrative control mechanisms.

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Progressing legal, regulatory, administrative and policy reforms

The determination contributes to the work of the National Working Group on the Prevention of the Diversion of Precursor Chemicals into Illicit Drug Manufacture (PWG). The PWG is chaired by the Attorney-General's Department and comprises representatives from law enforcement agencies, health authorities, the pharmaceutical manufacturing industry and pharmacists. The ACC has contributed to resolutions concerning the increase in controls in relation to tablet presses and precursor chemicals.

The ACC also contributed to the development of major amendments to drug, precursor and plant schedules to the *Commonwealth Crimes Act (1995)* and in the updating of the industry based Code of Conduct.

Future outlook

The determination is due to expire on 31 December 2007. For current information in relation to the status of this determination, please refer to the ACC's website.

In 2006-07, the determination incorporated, as a key priority, an objective to identify production, importation and distribution methodologies. This work is expected to continue in 2007-08 and will focus on precursor chemicals, pharmaceuticals and scientific equipment. Efforts will also continue to promote awareness raising and encourage legislative reform to regulate the conditions of sale for precursor chemicals.

SERIOUS AND ORGANISED FRAUD

Summonses to attend examinations issued	2
Examinations held	2
Notices to produce documents issued	42
Reform matters advanced	3

Overview and background

The Serious and Organised Fraud Special Intelligence Operation (SOF) was established to enhance national intelligence in this area. The determination was originally approved by the ACC Board in May 2005 and was extended by the Board to continue throughout 2006-07.

The determination primarily provides the ACC with a mechanism to collect information which is not normally available within law enforcement. The determination's coercive powers are applied to access records on fraudulent events such as identity crimes, credit card fraud, proof of identity fraud and vehicle rebirthing.

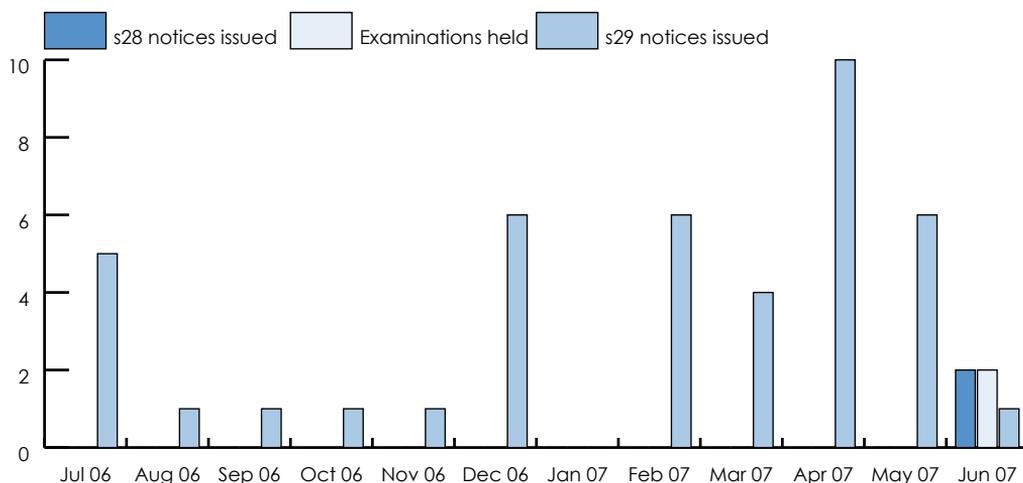
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INVESTIGATION AND INTELLIGENCE OPERATIONS INTO FEDERALLY RELEVANT CRIMINAL ACTIVITY

Strong, cooperative relationships with the private sector continue to significantly assist the determination and partner agencies in obtaining a more complete picture of the scope and nature of fraudulent crime. Most notable has been the access to largely unreported serious and organised fraud events.

In 2006-07, an emphasis was placed on gathering significant volumes of information, with 42 section 29 notices served. Section 29 notices require that specified information be produced to the ACC. As a result of this intensive collection effort, data on suspected instances of fraud across the retail and investment banking, telecommunications and insurance industries was collected and analysed.

The data collection activities of the determination have resulted in a significant enhancement in records relating to the use of fictitious, stolen and real suspect identities available to law enforcement.



Intelligence/operational outcomes

Using the coercive powers, the ACC gained access to around 500,000 pieces of information. Through analysis of this information, the ACC was able to:

- identify criminal groups or individuals suspected of committing serious fraud. Information on these groups was provided to partner law enforcement and government agencies;
- work with partner agencies to better understand the nature of fraudulent crimes and of those that commit them;

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INVESTIGATION AND INTELLIGENCE OPERATIONS INTO FEDERALLY RELEVANT CRIMINAL ACTIVITY

- prevent insurance fraud linked to vehicle rebirthing activities;
- increase law enforcements understanding of the fraudulent use of other's identities (identity lent);
- provide information to law enforcement on the security of biometric systems; and
- develop and provide to partners four operational intelligence reports, five strategic intelligence reports and 38 other information and intelligence reports.

This analysis has assisted in:

- shaping NCIPs;
- foreshadowing an expansion of activities in relation to intellectual property, superannuation and investment; and
- anticipating developments within the identity crime landscape.

Progressing legal, regulatory, administrative and policy reforms

As a result of the activities of the SOF Determination, the ACC has been able to contribute to law reform debate concerning proposed anti-money laundering/counter-terrorism financing legislation and has made recommendations in relation to:

- identity checking for pre-paid mobile phone purchases; and
- developing standard definitions of identity crime for Australian law enforcement to enhance statistical capture and comparative analysis of identity crime trends over time.

The ACC has also assisted document issuing agencies (for example drivers licensing authorities) understand new ways in which criminals are exploiting standard procedures with a view to improving systems to reduce the incidence of this form of fraud.

The determination also worked closely with industry to host the second Closed Insurance Forum in March 2007. This forum provided an opportunity for participants to formulate strategies to counter insurance fraud at an industry level, with a focus on organised motor vehicle theft and rebirthing. A key outcome of the forum was the agreement by members to share best practice methodologies.

Future outlook

On 14 June 2007, the ACC Board agreed to extend the determination until 30 September 2007. For current information in relation to the status of this determination, please refer to the ACC website.

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INVESTIGATION AND INTELLIGENCE OPERATIONS INTO FEDERALLY RELEVANT CRIMINAL ACTIVITY

In 2007-08, the ACC intends to continue the data collection and analysis activities of the determination and to give consideration, in consultation with the ACC Board, to include intellectual property crime and identity crime within the framework of this determination.

CRIME IN THE TRANSPORT SECTOR

Summonses to attend examinations issued	249
Examinations held	220
Notices to produce documents issued	53
Reform matters advanced (aviation phase)	6

Overview and background

The Crime in the Transport Sector (CITS) Special Intelligence Operation was established on 23 November 2005 to develop intelligence into the nature of serious and organised crime in the aviation, maritime and surface transport sectors.

The determination was established to build understanding about organised criminality in the transport sector through the application of a range of ACC and law enforcement intelligence methodologies and in partnership with key law enforcement partners. The determination aims to identify vulnerabilities to organised crime within the transport sector and to work with relevant industry and government bodies to inform strategies to make the sector more resistant to organised criminal infiltration.

The determination has taken a phased approach, examining each of the sectors separately. Extensive use of the ACC's coercive powers has been made to gather and analyse intelligence in relation to organised criminal activity within these sectors.

The first phase of the determination focused on the airstream. It used a range of intelligence strategies, in conjunction with ACC coercive powers, to gather and analyse intelligence in relation to national or strategic vulnerabilities to criminal infiltration of airstream operations, and the nature and extent of criminal infiltration of the airstream.

The examination process for the airstream phase of CITS activity concluded on 30 June 2006. However, review and analysis of the information obtained continued throughout 2006-07. Key findings from this phase were disseminated to partner agencies in 2006-07 and the ACC continues to actively engage in the provision of information for activities and initiatives in response to these findings.

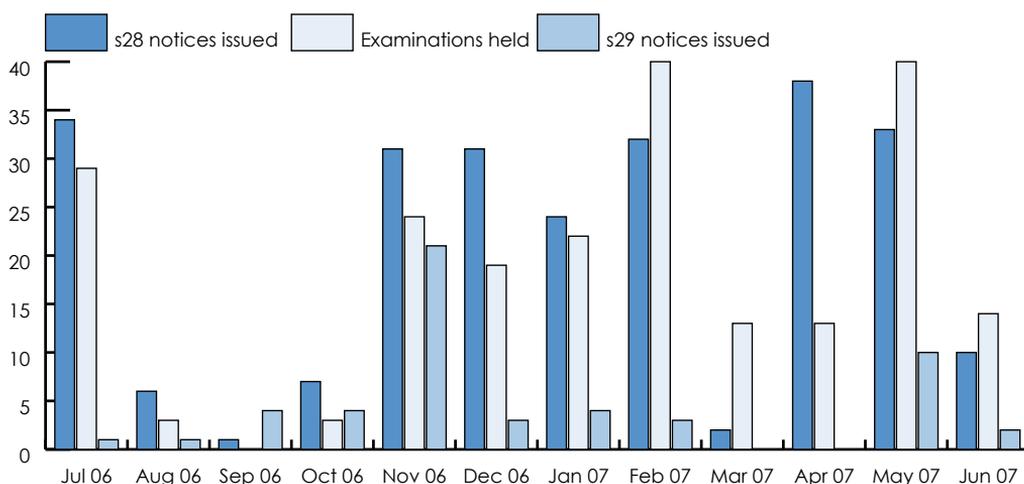
OUTPUT 2

INVESTIGATION AND INTELLIGENCE OPERATIONS INTO FEDERALLY RELEVANT CRIMINAL ACTIVITY

The CiTS Determination has also contributed to the broader Australian Government consideration of security issues at airports by contributing to whole of government policy formulation directed at further strengthening Australian aviation security outcomes.

For the majority of 2006-07, the determination has also focused on the nature and extent of criminal activity in the maritime sector and specific port environments. Key objectives for this phase of the determination's work are similar to the investigation into the aviation sector, with the determination seeking to identify areas of the sector vulnerable to criminal infiltration and the nature and extent of organised criminality within the maritime sector.

Maritime activity has been focused on identifying information likely to inform the operational activity of partner law enforcement agencies and key policy and strategic discussion by government and law enforcement stakeholders at a state and federal level.



Intelligence/operational outcomes

Throughout 2006-07, the CiTS Determination worked collaboratively with operational partners and government to progress:

- operational activity against identified criminal entities;

OUTPUT 2

INVESTIGATION AND INTELLIGENCE OPERATIONS INTO FEDERALLY RELEVANT CRIMINAL ACTIVITY

- policy initiatives in relation to identified vulnerabilities to criminality within the sector and wider law enforcement; and
- government understanding of organised criminal activity in relation to the airstream and maritime sectors.

The determination delivered two main groups of intelligence and operational outcomes in support of these activities. This included assessments of strategic vulnerabilities to criminal infiltration of the transport sector and the commission of criminal activities within the transport sector, and information about specific criminal activity to inform partners and stakeholders.

In addition to operational intelligence reports outlining specific criminal activity by high risk entities and organised crime groups, major outcomes for the determination were achieved through a number of key strategic intelligence reports and discussion papers presented to joint government committees and forums.

In October 2006, the ACC received an award from the Australian Institute of Professional Intelligence Officers in recognition of its work to integrate operational and intelligence capabilities in order to better understand the nature and scope of organised crime within the transport sector. The award recognised the innovative and valuable work being undertaken by the determination and its unique ability to integrate diverse operational and intelligence capabilities to identify high risk vulnerabilities to criminality.

Progressing legal, regulatory, administrative and policy reforms

During 2006-07, the ACC chaired a sub-committee of the Australian Government Transport Security Policy Committee, through which identified vulnerabilities to criminal infiltration of the airstream have been considered and strategies to address them discussed and progressed. Involvement in this forum will continue into the analytical stage of the maritime phase of the determination.

Future outlook

The determination currently expires on 31 December 2007. For current information in relation to the status of this determination, please refer to the ACC website.

Subject to Board approval, in 2007-08, the CiTS Determination will continue to investigate the maritime sector, examining specific criminality and continuing analysis of the information obtained. Further expansion of the work of the determination will be considered by the ACC Board.

OUTPUT 2

INVESTIGATION AND INTELLIGENCE OPERATIONS INTO FEDERALLY RELEVANT CRIMINAL ACTIVITY

ILLEGAL MARITIME IMPORTATION AND MOVEMENT METHODOLOGIES

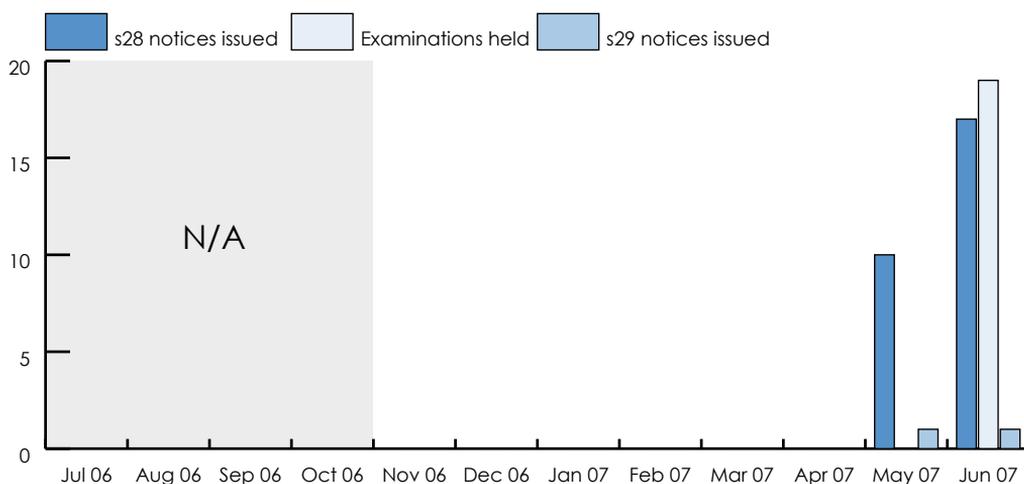
Summonses to attend examinations issued	27
Examinations held	19
Notices to produce documents issued	2

Overview and background

Australia's extensive coastline and relative isolation as an island nation have historically presented a number of unique opportunities and challenges for law enforcement. In recognition of these challenges, in November 2006, the ACC Board approved the establishment of a Special Intelligence Operation to consider illegal maritime importation and movement methodologies.

The Illegal Maritime Importation and Movement Methodologies (IMIMM) Determination has been established to:

- obtain an enhanced understanding of how illicit commodities may be distributed through the maritime sector;
- identify current or emerging gaps and opportunities in Australia's legislative, regulatory, policy or law enforcement response to illegal maritime importations and movements; and
- support Australian law enforcement investigative and target development activities through targeted collection and the use of ACC coercive powers.



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INVESTIGATION AND INTELLIGENCE OPERATIONS INTO FEDERALLY RELEVANT CRIMINAL ACTIVITY

Intelligence/operational outcomes

The determination has focused its early efforts on collecting information and intelligence to develop a broad understanding of the small craft and domestic fishing environment and previous law enforcement activity in this area.

The determination commenced using coercive powers to collect information in May 2007 and has disseminated a number of intelligence products to support the operational activity of partner agencies and improve understanding of key issues.

Outcomes in 2006-07 include the identification and establishment of key partnerships with law enforcement and fisheries agencies around Australia. These relationships will support collection of intelligence and information nationally. They will also provide effective channels through which to communicate findings and obtain national input to proposed responses and initiatives to counter criminal activity in relation to this sector.

Strategies to achieve the determination's objectives include:

- development of a detailed analysis of historical small craft importation methodologies used in Australia;
- analysis of overseas trends in the use of small craft for the importation and movement of illicit commodities; and
- predictive analysis in relation to the use of small craft given the dynamics of the current illicit commodity market in Australia and overseas.

Future outlook

The determination currently expires on 31 December 2007. For current information in relation to the status of this determination, please refer to the ACC website.

The determination will continue to use ACC and state intelligence holdings, general intelligence strategies and ACC coercive powers to:

- collect intelligence;
- support analysis and understanding of key issues; and
- enhance intelligence collection and coordination systems.

Collaboration and effective sharing with partner agencies and the private sector will remain central to the work of the determination.

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INVESTIGATION AND INTELLIGENCE OPERATIONS INTO FEDERALLY RELEVANT CRIMINAL ACTIVITY

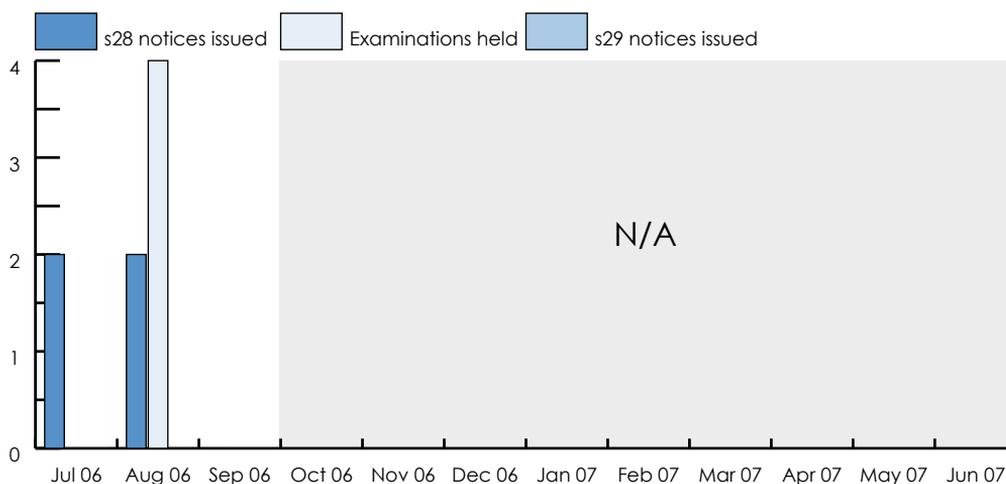
PEOPLE TRAFFICKING FOR SEXUAL EXPLOITATION (PTSE)

The People Trafficking for Sexual Exploitation (PTSE) Special Intelligence Operation concluded on 30 September 2006. The determination had been active since December 2003.

The determination's objective was to contribute to law enforcement and government understanding of issues relating to PTSE nationally. Coercive powers had been used extensively under this determination in previous years.

The determination remained active in 2006-07 for a brief period to provide support to partner agencies finalising PTSE-related inquiries. Once these had been completed, the ACC Board agreed that the determination had met its objectives and could conclude.

Reports to the ACC Board on the findings of the determination were provided in April and November 2006.



Progressing legal, regulatory, administrative and policy reforms

The determination made important contributions to law enforcement's understanding of the PTSE environment within Australia, particularly as it related to sources of trafficked persons, entry points for trafficked persons, forms of control over the trafficked person and emerging issues which may impact on persons while working in Australia.

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INVESTIGATION AND INTELLIGENCE OPERATIONS INTO FEDERALLY RELEVANT CRIMINAL ACTIVITY

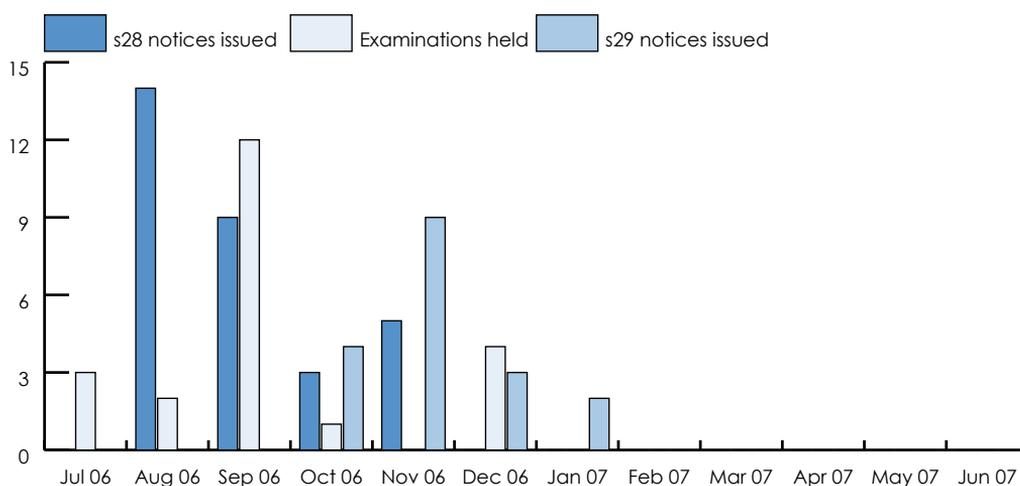
ILLICIT FIREARM MARKETS

Persons charged	16
Charges laid	75
Summonses to attend examinations issued	31
Examinations held	22
Notices to produce documents issued	18
Criminal groups disrupted	1
Significant criminal individuals disrupted	2
Seizures/quarantining	295

Overview and background

During 2006-07, the ACC Board endorsed an Illicit Firearm Markets (IFM) Special Intelligence Operation. The special intelligence operation continued the ACC's work in this area previously conducted as a special investigation.

The new determination structure maintains an objective of impacting upon the ability of organised crime groups to participate in an illicit firearm market and further enables the ACC to assist partner agencies through the collection, analysis and dissemination of actionable and strategic intelligence products.



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INVESTIGATION AND INTELLIGENCE OPERATIONS INTO FEDERALLY RELEVANT CRIMINAL ACTIVITY

Intelligence/operational outcomes

As a result of the determination, the ACC has:

- collected information and intelligence about the attributes, activities and span of a broad range of criminal networks within Australia;
- enhanced law enforcement's understanding of the illicit firearm market;
- disrupted the activities of individuals diverting firearms to the illicit market;
- arrested 16 persons and laid 75 charges;
- seized or quarantined 295 firearms, in partnership with other law enforcement agencies;
- identified the methodologies used to divert particular handguns into illicit markets and disseminated this information to partner agencies;
- produced a number of operational and strategic intelligence reports;
- worked in partnership with Australian and international law enforcement agencies; and
- in partnership with Victoria Police, disrupted a regionally significant group of individuals undertaking both illicit firearm and drug trafficking activities.

Progressing legal, regulatory, administrative and policy reforms

The determination has contributed to the work of the Firearm Policy Working Group (FPWG) through the exchange of information and the preparation of submissions to the Ministerial Council for Police and Emergency Management – Police (MCPEMP).

Future outlook

The IFM Determination currently expires on 31 December 2007. For current information in relation to the status of this determination, please refer to the ACC website.

Throughout 2007-08, the determination will continue to focus on intelligence collection and development and seek to coordinate enhanced national information sharing relating to illicit firearm markets.

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INVESTIGATION AND INTELLIGENCE OPERATIONS INTO FEDERALLY RELEVANT CRIMINAL ACTIVITY

SPECIAL INVESTIGATIONS

HIGH RISK CRIME GROUPS

Persons charged	95
Charges laid	261
Criminal groups disrupted	7
Summonses to attend examinations issued	96
Examinations held	74
Notices to produce documents issued	270
Seizures	25
Firearms seized	28

Overview and background

The High Risk Crime Groups (HRCG) Determination remains a key mechanism for the ACC to collect intelligence on a wide range of issues, including the activities and methodologies of serious and organised crime groups and to disrupt these groups to reduce their impact on Australian society.

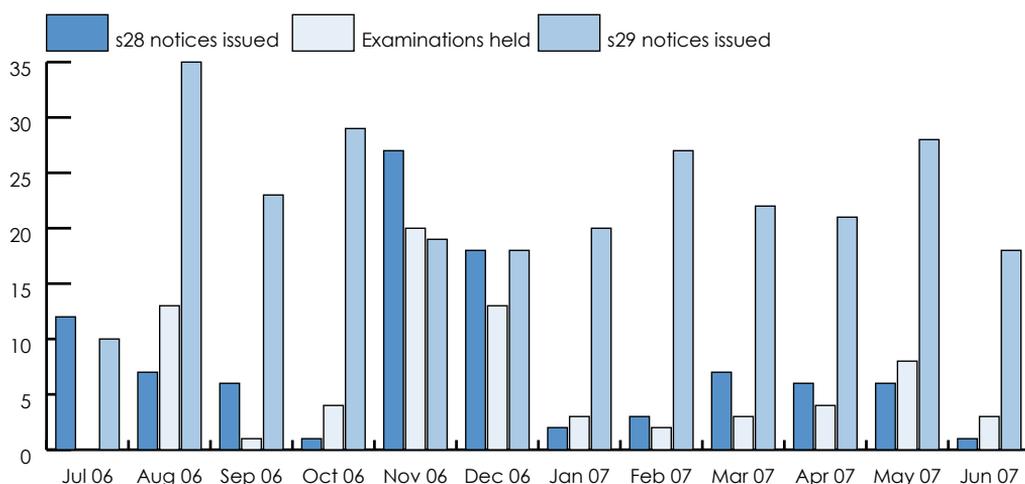
The determination focuses on high risk crime groups as these demonstrate a strong intent and capability to commit serious and organised criminal activities which are very resilient to ordinary policing methods. These groups are characterised by high levels of sophistication and planning. Many prominent HRCG figures use elaborate processes to distance themselves from the primary criminal activity in order to limit evidence of their involvement in criminal acts. These groups are aware of law enforcement methods and often have access to law enforcement or regulatory agency information. They are willing to pervert the course of justice, exploit technology and are able to counteract physical and electronic surveillance.

Intelligence gathered in 2006-07 in relation to significant criminal entities identified extensive trafficking networks and methodologies, and enabled partner agencies to undertake tactical initiatives resulting in arrests, drug seizures and the assessment of persons of interest for future target development.

The establishment of the Outlaw Motorcycle Gangs National Intelligence Task Force (OMCG NITF) under the auspices of the determination has also provided for the development and implementation of a national intelligence and information collection and coordination capability.

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INVESTIGATION AND INTELLIGENCE OPERATIONS INTO FEDERALLY RELEVANT CRIMINAL ACTIVITY



Intelligence/operational outcomes

In the reporting period, the determination had a number of significant successes including (in partnership with other law enforcement agencies):

- impacting on the operations of several syndicates trafficking large quantities of drugs;
- arresting 95 persons for matters including drug importation, drug manufacture and distribution, deception/dishonesty and weapons offences;
- drug seizures, including over 1.8 kilograms of amphetamines, over 800 litres of precursor chemicals, drug manufacturing equipment and paraphernalia, over 800 grams of heroin, 118 cannabis plants, 527 LSD tablets, over 11.25 kilograms of methyldioxymethamphetamine (MDMA) and 5 kilograms of pseudoephedrine; and
- seizure of two vehicles, laptop computers, mobile phones, electrical goods, stolen property worth over \$100,000, \$128,500 cash, 28 firearms and 222 game birds.

The determination has conducted a number of operations throughout the year focusing on issues such as:

- drug importation;
- cross border drug trafficking;
- money laundering;

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INVESTIGATION AND INTELLIGENCE OPERATIONS INTO FEDERALLY RELEVANT CRIMINAL ACTIVITY

- proceeds of crime offences;
- extortion and violence related offences;
- taxation fraud;
- fraud;
- identity fraud; and
- firearms offences.

Sixty-six persons were sentenced throughout the reporting period relating to previous ACC and partner agency related operations conducted from 2001-2006. Offences included drug trafficking and supply, importation and conspiracy to import drugs, abalone poaching, deception, dishonesty and theft.

OMCG NITF - HRCG

The ACC Board approved the establishment of an Outlaw Motor Cycle Gang (OMCG) Intelligence Operation in 2005. The intelligence operation effectively collected, analysed and disseminated information to partners on OMCG activity. This intelligence operation expired in December 2006, with the ACC Board agreeing that to enhance its effectiveness and build upon its successes a new intelligence task force should be established under the auspices of the HRCG Determination.

The new intelligence task force is continuing intelligence collection relating to OMCGs and can use the HRCG Determination's coercive powers, where necessary, to strengthen its collection effort.

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INVESTIGATION AND INTELLIGENCE OPERATIONS INTO FEDERALLY RELEVANT CRIMINAL ACTIVITY

Intelligence/operational outcomes

OMCG members continue to represent a significant criminal threat to Australia. Their activities remain resilient and dynamic, linking with non-OMCG members to successfully carry out criminal enterprises. Many OMCG members are involved in outwardly legitimate businesses, including finance, transport, private security, entertainment, natural resources and construction.

The OMCG NITF works closely with jurisdictional partners to increase the collective understanding of OMCG issues and threats. The task force continues to work collaboratively with several partner agencies, including the ATO, on specific operations and intelligence projects.

The task force facilitated a national strategy conference in February 2007 which was attended by all law enforcement agencies. It also holds bi-monthly intelligence video conferences which provide an opportunity for Australian law enforcement to network and share OMCG information and knowledge.

To increase law enforcement's awareness of the OMCG environment, the task force has disseminated 24 intelligence summaries to 13 partner agencies covering a range of issues, along with 16 other information reports. In addition, the task force has published an assessment of OMCG conflict in Australia and an assessment focused on the significant OMCG networks identified in Australia.

Progressing legal, regulatory, administrative and policy reforms

The OMCG NITF will be contributing to the deliberations and discussions of the OMCG Working Party established by the MCPEMP.

Future outlook

On 14 June 2007, the ACC Board agreed to extend the HRCG Determination until 30 June 2008. For current information in relation to the status of this determination, please refer to the ACC website.

In the future, the determination will continue to target high risk crime groups based on the level of criminality involved, their perceived impact on society and level of attention by other jurisdictions. Through this targeting, the ACC will continue to develop a greater understanding of the methodologies employed by these groups to perpetrate criminal activities. The ACC's coercive powers will be a critical tool in supporting this objective.

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INVESTIGATION AND INTELLIGENCE OPERATIONS INTO FEDERALLY RELEVANT CRIMINAL ACTIVITY

The OMCG NITF currently expires on 30 June 2008. Its key focus will continue to be the identification of nationally significant criminal activities undertaken by OMCG members, continuing intelligence collection and sharing, and assisting partner agencies develop a greater understanding of the activities of, and threats posed by, OMCGs.

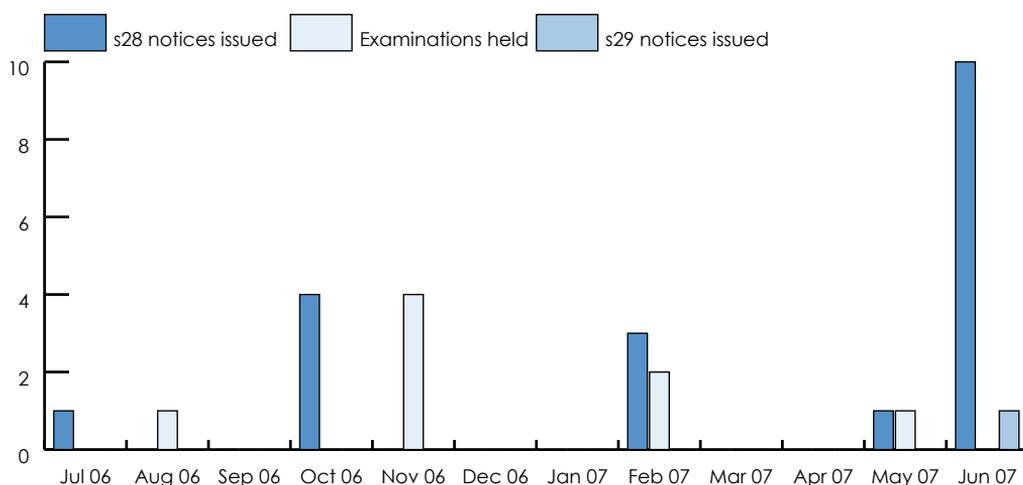
ESTABLISHED CRIMINAL NETWORKS – VICTORIA

Summonses to attend examinations issued	19
Examinations held	8
Notices to produce documents issued	1

Overview and background

The Established Criminal Networks - Victoria (Vic ECN) Determination provides specialist support, in the form of coercive powers, to Victoria Police's investigations into Victorian-based established criminal networks. Offences investigated include murder, drugs and firearm offences, and perverting the course of justice. As the ACC provides a complementary service to Victoria Police, the demand for its services is determined externally.

The request for access to the ACC's coercive powers reduced significantly in 2006-07 compared to 2005-06.



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INVESTIGATION AND INTELLIGENCE OPERATIONS INTO FEDERALLY RELEVANT CRIMINAL ACTIVITY

Intelligence/operational outcomes

The close partnership established under this determination has brought mutual benefit to both agencies. Victoria Police has been able to progress a number of matters under investigation by the Purana Task Force while the ACC has been able to access a wider range of information and consolidate its knowledge of the networks under investigation and their criminal activities.

More broadly, assessment of such information also complemented a number of national criminal intelligence collection priorities particularly in the area of drugs, corruption and money laundering. The exercise of the ACC's coercive powers also contributed toward intelligence development about the involvement of such networks in the evolving AOSD market. Processes used to launder illegal proceeds of crime and links to corruption were also explored.

Since the commencement of the determination, Victoria Police has achieved a number of impressive results, with the assistance of the ACC through the application of its coercive powers. These include:

- in excess of 150 arrests on more than 480 offences (including more than 290 drugs charges);
- fourteen individuals charged on 25 counts of murder; and
- in excess of \$19 million in assets restrained.

In addition, two persons have been sentenced for giving false or misleading information at an ACC examination resulting in a \$3,000 fine and 20 months imprisonment.

Future outlook

The ACC will continue to assist Victoria Police as required. On 14 June 2007, the ACC Board agreed to extend the determination until 30 June 2008.

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INVESTIGATION AND INTELLIGENCE OPERATIONS INTO FEDERALLY RELEVANT CRIMINAL ACTIVITY

MONEY LAUNDERING AND TAX FRAUD DETERMINATION (INCLUSIVE OF TASK FORCE GORDIAN)

Persons charged	50
Charges laid	79
Summonses to attend examinations issued	113
Examinations held	90
Notices to produce documents issued	135
Criminal groups disrupted	13
Reform matters advanced	1
Forfeitures	\$884,904

Overview and background

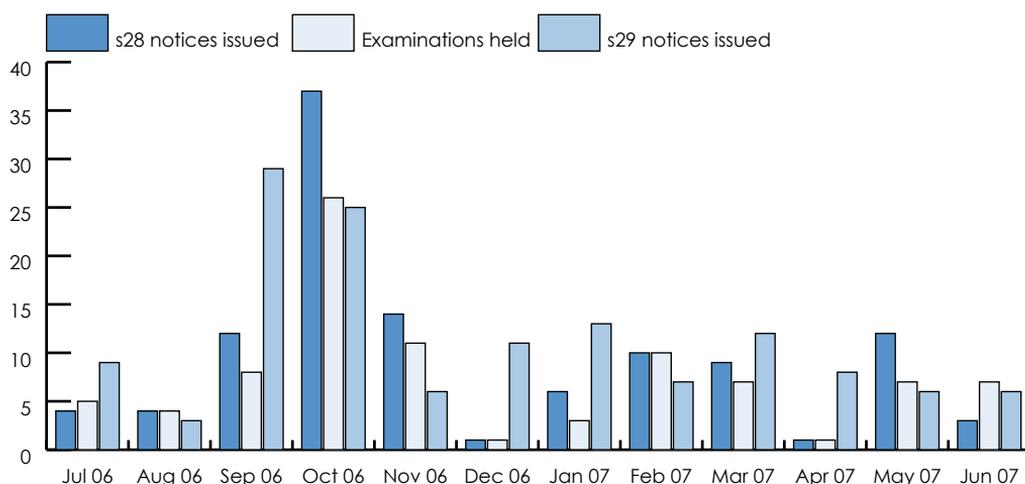
The Money Laundering and Tax Fraud (Midas) Determination is supported by the contributions of partner agencies and provides the ACC with an anti-money laundering capability focused on the collection, analysis and dissemination of intelligence with respect to high threat and emerging groups involved in money laundering and taxation fraud activities.

The ACC has developed long term investigations into financial crimes, with Task Force Gordian and Operation Wickenby representing two high profile examples of the successes achieved in this arena. On 13 September 2006, after consideration of the complex and large scale nature of Operation Wickenby, the ACC Board approved the establishment of a specific Wickenby Matters Special Investigation. This is reported on separately. Operation Wickenby had been conducted under the Midas Determination until this decision.

The ACC has significantly contributed to law enforcement's overall understanding of money laundering and tax evasion services currently used by organised crime and its professional advisers in Australia.

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INVESTIGATION AND INTELLIGENCE OPERATIONS INTO FEDERALLY RELEVANT CRIMINAL ACTIVITY



Financial intelligence/operational outcomes

The application of the coercive powers under the determination has been effective in gathering intelligence and evidence relating to money laundering, tax fraud, counterfeiting and credit card skimming, false identity production, welfare fraud and corruption.

Operationally, the Midas Determination has had a number of successes throughout the year, including:

- 974 referrals for further investigation to the ATO;
- the successful prosecution of both Australian and Hong Kong-based individuals involved in a major international money laundering syndicate;
- the charging of 48 persons with 76 offences in 2006-07 as a direct result from Task Force Gordian investigations;
- the seizure of in excess of 30 kilogram of various drugs including precursor chemicals;
- the disrupting of 17 criminal syndicates (across two financial years) through the dismantling of underlying business and infrastructure capabilities of organised crime groups;

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INVESTIGATION AND INTELLIGENCE OPERATIONS INTO FEDERALLY RELEVANT CRIMINAL ACTIVITY

- the dissemination of information and intelligence to partner agencies which has resulted in:
 - the successful prosecution of three individuals involved in a major narcotics importation; and
 - the detection of large scale welfare fraud;
- the laying of charges against a person in relation to two separate illegal importations of cigarettes resulting in an actual loss and an attempt to defraud the Commonwealth of duty totalling \$3,628,533; and
- the use of coercive powers resulting in the collection of significant intelligence relating to:
 - large scale welfare fraud, money laundering and tax evasion;
 - a major money laundering and fraudulent immigration syndicate operating within NSW with links overseas; and
 - a major counterfeit credit card fraud syndicate operating along the east coast of Australia.

Financial Intelligence and Assessments Team

In 2006, the ACC implemented the findings of a review of the Financial Intelligence and Assessments Team (FIAT) conducted in late 2005.

The ACC-led FIAT brings a whole of government approach to financial information sharing, coordination, and collaborative targeting and response strategies. This includes an improved governance and leadership model, enhanced information collection and sharing capabilities, and a centralised body of personnel co-located within the ACC's Canberra headquarters. The agencies represented on the FIAT include the ACC, Customs, AFP, ASIC, AUSTRAC, ATO, Centrelink and Department of Immigration and Citizenship.

The FIAT has made a valuable contribution to the work of the determination, with 32 cases referred to the team including nine which were further forwarded to relevant law enforcement agencies following evaluation. In 2006-07, a FIAT dissemination from a previous period resulted in a partner agency securing a forfeiture of \$3.37 million in proceeds of crime action.

CASE STUDY – TASK FORCE GORDIAN

The Board-approved Task Force Gordian was established in March 2005 in a concerted national effort to disrupt the facilitators of money laundering and tax fraud. Gordian uses the combined resources of the ACC, AFP, ATO, Customs, NSW Police, NSW Crime Commission, Victoria Police, WA Police and AUSTRAC.

Coercive powers were extensively used, with 74 summons to attend examinations issued, 57 examinations held and 99 notices to produce documents issued.

Gordian represents a significant success for the ACC and its partners. The successful outcomes represent several years of planning and careful investigation, coupled with a major cooperative and coordinated effort by a number of Australian and international law enforcement agencies.

Significant amounts of money were detected leaving the country through money laundering activities sourced from illicit activities particularly drug trafficking. A number of persons involved in the operation of alternate money remittance businesses in Sydney and Melbourne, are being prosecuted for laundering more than \$93 million through South East Asian countries via electronic transfers and some couriers who carried large cash sums on airlines.

Of the 63 persons charged with 97 offences since Gordian commenced in 2005, the ACC will be prosecuting nearly 50 individuals on a range of offences including conspiracy to launder money, money laundering, drug trafficking, drug importation and drug possession, firearm possession, dealing with proceeds of crime and failing to declare funds. Gordian partners, including NSW Police, Victoria Police and the AFP, will be progressing other cases.

As at 30 June 2007:

- one person has pleaded guilty to money laundering; and
- one person has been convicted of drug trafficking and is to serve three and half years imprisonment with a non-parole period of two years.

Other court cases will progress throughout 2007-08.

In addition to the significant number of arrests, the ACC and partner agencies seized in excess of 30 kilograms of various drugs and significant volumes of precursor chemicals able to be used to produce drugs. Through these actions, the ACC has prevented the sale of in excess of \$1 billion worth of drugs, assuming the precursor chemical had been transformed into a saleable narcotic.

The task force has also significantly disrupted the activities of 17 criminal syndicates over two financial years. Predominantly the disruption has occurred through the dismantling of the underlying financial business and infrastructure of organised crime groups.

Proceeds of crime action, including the seizure and restraint of in excess of \$2,397,924 of property and cash, is continuing.

The task force represents a significant return on investment for the ACC, with \$58.41 returned for each \$1 invested by the ACC.

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INVESTIGATION AND INTELLIGENCE OPERATIONS INTO FEDERALLY RELEVANT CRIMINAL ACTIVITY

Future outlook

Following from the success of the determination, the ACC will continue prosecutions on a range of offences including conspiracy to launder money, money laundering, drug trafficking, drug importation and drug possession, firearm possession, dealing with proceeds of crime and failing to declare funds.

On 14 June 2007, the ACC Board agreed to extend the determination until 30 June 2008.

WICKENBY MATTERS

Persons charged	3
Charges laid	6
Summonses to attend examinations issued	64
Examinations held	56
Notices to produce documents issued	58
Reform matters advanced	1

Overview and background

On 13 September 2006, the ACC Board agreed to establish the Operation Wickenby investigations as a stand-alone Wickenby Matters Determination. Previously, these investigations had occurred under the auspices of the Midas (Money Laundering and Tax Fraud) Determination.

Operation Wickenby is a nationally significant investigation into tax fraud and money laundering and is conducted in close partnership with the ATO, AFP, ASIC and the Commonwealth Director of Public Prosecutions (CDPP).

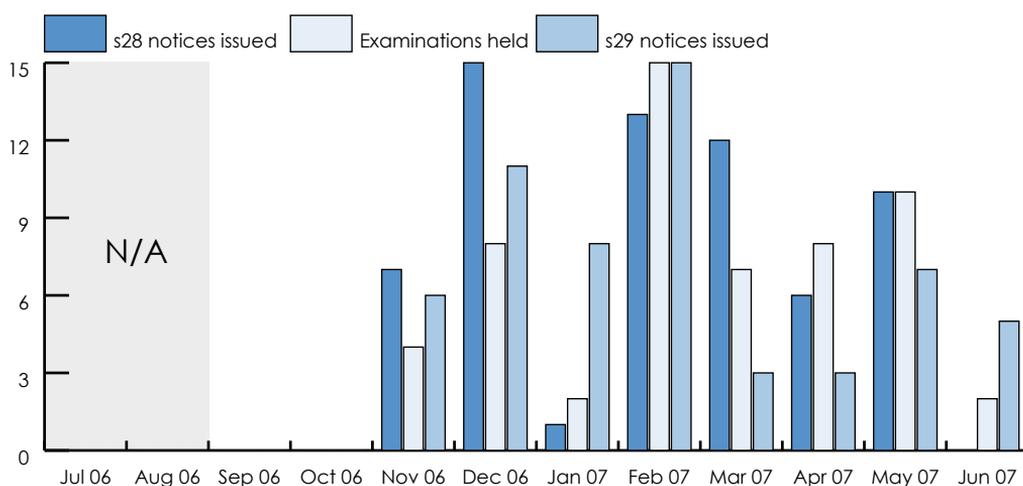
In 2003, the ATO referred to the ACC a series of suspicious tax transactions which were investigated. Subsequent ACC investigations, including the seizure of documents and materials and the use of coercive powers, disclosed further significant evidence and intelligence.

Analysis of this material resulted in the ACC accepting eight major matters for criminal investigation into tax fraud and money laundering, with the remainder of the matters progressed by the AFP or ATO (for civil and tax administration investigation).

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INVESTIGATION AND INTELLIGENCE OPERATIONS INTO FEDERALLY RELEVANT CRIMINAL ACTIVITY

In 2005, the ACC, with assistance from AFP and ATO, executed a total of 48 *Commonwealth Crimes Act 1914* section 3E search warrants nationally (Sydney, Melbourne, Brisbane and Perth) at the homes and business premises of various persons of interest. Simultaneous search warrants were also executed overseas and production orders were served on financial institutions. A significant amount of evidentiary material was seized both nationally and in a number of overseas jurisdictions.



Intelligence/operational outcomes

Wickenby investigations have been the subject of significant legal challenges. These have focused on various issues including:

- the validity of summonses issued to witnesses;
- the validity of the Midas determination;
- the constitutional validity of the ACC Act and in particular section 4A of the Act; and
- the execution of search warrants obtained by the ACC pursuant to the *Crimes Act 1914 (Cwlth)*.

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INVESTIGATION AND INTELLIGENCE OPERATIONS INTO FEDERALLY RELEVANT CRIMINAL ACTIVITY

Evidence and intelligence gained from the execution of the legal process in Australia and overseas, and through examinations, has assisted in the ACC's attempts to reveal the full scope of the schemes, and the extent of the alleged involvement of both offshore-based service providers and Australian promoters and participants. Lines of inquiry are actively progressing both within Australia and in a number of overseas jurisdictions with a view to laying criminal charges and commencing proceeds of crime actions.

The international dimension of the alleged tax fraud activity being investigated means that evidence from international sources is significant in progressing criminal investigations and prosecutions, and proceeds of crime action.

As at 30 June 2007, three persons have been arrested on charges relating to conspiracy to defraud the Commonwealth of some \$6.6 million. One individual has been charged as a result of his failure to take the oath or make an affirmation during an ACC examination. Another individual appeared before the Chief Judge of the Melbourne County Court on 1 February 2007 in relation to defrauding the Commonwealth and other related charges, having consented for his matter to bypass the committal stage and go directly to trial under s.6(2A) of the Director of Public Prosecutions Act. Property valued in excess of \$11 million has also been restrained pursuant to the *Proceeds of Crime Act 2002*.

Progressing legal, regulatory, administrative and policy reforms

The experiences of Operation Wickenby have informed the development of the *Tax Laws Amendment (2007 Measures No. 1) Act 2007*. This Act, assented to on 12 April 2007, will enable the Taxation Commissioner to disclose information acquired under taxation law for investigative purposes.

Operation Wickenby has contributed, and continues to contribute to, the Australian Law Reform Commission's review relating to legal professional privilege.

Future outlook

This determination is scheduled to expire on 30 September 2007. For current information in relation to the status of this determination, please refer to the ACC website.

Future actions include continuing investigations and finalising court and other legal matters.

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INVESTIGATION AND INTELLIGENCE OPERATIONS INTO FEDERALLY RELEVANT CRIMINAL ACTIVITY

OTHER TASK FORCES

NATIONAL INDIGENOUS VIOLENCE AND CHILD ABUSE INTELLIGENCE TASK FORCE

Overview and background

The National Indigenous Violence and Child Abuse Intelligence Task Force (NIITF) was announced in July 2006 as part of a whole of government response to remedy violence and child abuse in remote, rural and urban Indigenous communities. The objectives of the task force are to:

- improve national coordination in the collection and sharing of relevant information and intelligence;
- enhance national understanding about the nature and extent of violence and child abuse in Indigenous communities;
- provide related intelligence and other advice, including on organised criminal involvement in drugs, alcohol, pornography and fraud; and
- conduct research on intelligence and information coordination, and identification of good practice in the prevention, detection and responses to violence and child abuse in Indigenous communities.

Intelligence/operational outcomes

Since its establishment, the task force has concentrated on consolidating information and intelligence held by a diverse range of agencies, including law enforcement, government and non-government organisations, academia and community sources. A key objective of the task force has been the development of strong, long term relationships between significant stakeholders to foster and support an environment of information exchange.

On 30 November 2006, changes were made to the Regulations of the ACC Act in which the definition of serious and organised crime was amended to include offences relating to child pornography and child abuse. In addition, the Department of Families, Community Services and Indigenous Affairs (FaCSIA) was included under Schedule 6 of the Principal Regulations which has resulted in the department being categorised as having an ancillary or incidental law enforcement role. This enables information sharing between the ACC and FaCSIA under section 59(7)(c) of the ACC Act.

A key task has been the engagement of members of communities, with the task force conducting a schedule of planned community visits to remote parts of Australia. In total, 52 visits were conducted in 2006-07.

OUTPUT 2

INVESTIGATION AND INTELLIGENCE OPERATIONS INTO FEDERALLY RELEVANT CRIMINAL ACTIVITY

Since its establishment, 138 information reports have been made available to partner agencies.

Future outlook

On 14 June 2007, the ACC Board agreed to extend the determination until 30 June 2008. In 2007-08, the task force will continue to collect and analyse information and intelligence, and disseminate findings to law enforcement and other partner agencies for action. This is a key strategy in better understanding the nature and extent of any criminal activity being conducted in Indigenous communities with a view to enabling a more effective response to such activity.

The intelligence work of the task force will contribute to the Prime Minister's package of measures designed to protect Indigenous children in remote locations from violence and child abuse. The Prime Minister announced a broad range of measures on 21 June 2007 and the task force has been working to incorporate these measures into a long term strategy of effective response to violence and sexual abuse in Indigenous communities.

OTHER LAW AND ADMINISTRATION REFORMS

There were no substantive amendments to the ACC Act in 2006-07. Amendments were made to the regulations by the *Australian Crime Commission Amendment Regulations 2006 (No 3)* and the *Australian Crime Commission Amendments Regulations 2006 (No 4)*.

The ACC has been consulted in the development of several pieces of legislation. In particular, amendments to the ACC Act are contained in the *Crime Legislation Amendment (National Investigative Powers and Witness Protection) Bill 2006*. Further ACC amendments are being drafted and are expected to be introduced in 2007-08.

03

management and accountability

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EXTERNAL GOVERNANCE ARRANGEMENTS

The ACC is committed to ensuring that appropriate management and accountability structures are in place to achieve robust and appropriate performance outcomes. The ACC has a number of internal and external governance mechanisms which oversee the operation of the agency.

MINISTER FOR JUSTICE AND CUSTOMS

Senator the Hon. David Johnston became Minister for Justice and Customs on 9 March 2007, replacing Senator the Hon. Christopher Ellison, who assumed responsibility for the portfolio of Human Services.

Senator Johnston previously served on a range of parliamentary committees and is a qualified barrister and solicitor.

Parliamentary committees

The ACC appeared before the Estimates Committee in October 2006. The ACC was not called for 2007 hearings.

INTER-GOVERNMENTAL COMMITTEE ON THE ACC

The role of the Inter-Governmental Committee on the ACC (IGC-ACC) is to generally monitor the work of the ACC and its Board, oversee the ACC and Board's strategic direction and receive and transmit reports from the ACC Board to representatives of the IGC-ACC members' Governments.

The ACC Act specifies that the IGC-ACC is to consist of a member representing the Commonwealth and a member representing each participating state or territory, as nominated by the premier or chief minister of that state/territory.

Members of the IGC-ACC as at 30 June 2007 were:

Commonwealth (Chair)

Senator the Hon. David Johnston, Minister for Justice and Customs

New South Wales

The Hon. David Campbell MP, Minister for Police

Victoria

The Hon. Robert Cameron MP, Minister for Police and Emergency Services and Minister for Corrections

Queensland

The Hon. Judy Spence MP, Minister for Police and Corrective Services

South Australia

The Hon. Paul Holloway MLC, Minister for Police

EXTERNAL GOVERNANCE ARRANGEMENTS

Western Australia

The Hon. John Kobelke MLA, Minister for Police

Tasmania

The Hon. David Llewellyn MHA, Minister for Police and Public Safety

Northern Territory

The Hon. Dr Chris Burns MLA, Minister for Police, Fire and Emergency Services

Australian Capital Territory

Mr Simon Corbell MLA, Minister for Police and Emergency Services

During 2006-07, the Hon. Senator Chris Ellison (Commonwealth), the Hon. Carl Scully (NSW), the Hon. John Watkins MP (NSW), the Hon. Paul Henderson (NT), the Hon. John D'Orazio MLA (WA), the Hon. Tim Holding (Victoria) and Mr John Hargreaves MLA (ACT) were replaced as IGC-ACC members.

The IGC-ACC met twice in 2006-07: in Adelaide on 16 November 2006 and in Auckland, New Zealand on 28 June 2007. At these meetings, the IGC-ACC considered confidential reports provided by the Chair of the ACC Board and the CEO of the ACC. These reports covered issues such as the performance of the Board and ACC, the ACC's 2005-06 Annual Report, the ACC's use of coercive powers and reports on crime in the transport sector.

ACC BOARD

The ACC Board is responsible for providing strategic direction to the ACC and approving the use of the ACC's special coercive powers. The ACC Board considers a range of issues at each of its meetings, including assessing the overall performance of key areas of ACC work. The ACC Board plays an active role in assessing the findings of the ACC and in authorising or identifying key areas of new work to be pursued by the agency.

The Board is comprised of the following members:

- Commissioner of the Australian Federal Police (AFP) as Chair;
- Secretary of the Commonwealth Attorney-General's Department (AGD);
- CEO of the Australian Customs Service (Customs);
- Chairperson of the Australian Securities and Investment Commission (ASIC);
- Director-General of Security, Australian Security Intelligence Organisation (ASIO);
- Commissioners of all state and territory police forces;
- Chief Police Officer of the ACT; and
- CEO of the ACC (as a non-voting member).

EXTERNAL GOVERNANCE ARRANGEMENTS

The Board met four times during 2006-07: 13 September 2006, 29 November 2006, 20 March 2007 and 14 June 2007.

Attendance at ACC Board meetings in the reporting period was as follows:

	13 September 2006	29 November 2006	20 March 2007	14 June 2007
Commissioner Mick Keelty, AFP, Chair	√	√	√	√*
Mr Robert Cornall, Secretary, AGD	√	√	√	√
Mr Michael Carmody, CEO, Customs	√	√	√	√
Mr Jeff Lucy, Chairman, ASIC		√	√*	
Mr Tony D'Aloisio, Chairman, ASIC				√
Mr Paul O'Sullivan, Director-General of Security, ASIO	√			√
Commissioner Ken Moroney, NSW Police	√*	√	√	√
Chief Commissioner Christine Nixon, Victoria Police	√	√	√	
Commissioner Robert Atkinson, Queensland Police Service		√		√
Commissioner Malcolm Hyde, SA Police	√*	√	√	√*
Commissioner Karl O'Callaghan, WA Police		√	√	
Commissioner Richard McCreadie, Tasmania Police	√	√	√	√
Commissioner Paul White, NT Police		√	√	√
Chief Police Officer Audrey Fagan, ACT Policing	√	√	√	
Chief Police Officer Andrew Hughes, ACT Policing				√
Mr Alastair Milroy, CEO ACC	√	√	√	√

* represents Board member represented by person officially acting in the Board member's position

EXTERNAL GOVERNANCE ARRANGEMENTS

In this period the Board has:

- approved national criminal intelligence priorities (NCIPs) for 2006-07;
- considered and approved applications to establish new, or extend existing, determinations;
- approved the extension of Task Force Gordian (targeting money laundering and tax fraud);
- approved the establishment of two new intelligence task forces – focusing on outlaw motor cycle gangs and Indigenous violence and child abuse; and
- considered the ACC's targeting and prioritisation approaches and linkages between key ACC outputs and NCIPs.

The Board continued to support the operation of the Strategic Directions Sub-Committee (SDC). The SDC has been established to assist and advise the CEO on matters relevant to the implementation of Board-approved strategic directions and priorities, and report to the Board accordingly. When appropriate, the committee makes recommendations to the Board for support. The Board can direct the SDC to undertake other functions as specified from time to time.

The SDC met four times during the financial year. The members of the SDC are the Commissioner of the AFP as Chair, Commissioner of NSW Police, Chief Police Officer of the ACT and the CEO of the ACC.

PARLIAMENTARY JOINT COMMITTEE ON THE ACC

The Parliamentary Joint Committee on the ACC (PJC-ACC) is comprised of members of the Senate and House of Representatives. Its role is to monitor and review the ACC's performance of its functions. The PJC-ACC reports to both Houses of the Commonwealth Parliament. Its membership, powers and functions are set out in the ACC Act.

Members of the PJC-ACC as at 30 June 2007 were: Senator the Hon. Ian Macdonald (Chair), Mr Duncan Kerr (Deputy Chair), Senator Andrew Bartlett, Senator Joanne Polley, Senator Stephen Parry, Senator Mark Bishop, Mrs Joanna Gash MP, Mr Chris Hayes MP, Mr Kym Richardson MP and Mr Jason Wood MP.

During 2006-07, two parliamentarians ceased membership of the PJC. These were Senator Ludwig (discharged) and the late Senator Jeannie Ferris.

EXTERNAL GOVERNANCE ARRANGEMENTS

In 2006-07, the committee finalised an inquiry into Amphetamines and Other Synthetic Drugs (AOSD) and commenced an inquiry into the Future Impact of Serious and Organised Crime (SOC) on Australian Society.

The PJC-ACC received 33 public submissions to its inquiry on AOSD and held public hearings in Adelaide, Perth, Brisbane, Sydney, Canberra and Melbourne. The PJC-ACC finalised its report on 28 February 2007 and made 18 recommendations which are currently being considered by the government. The committee concluded that the response to the AOSD issue of Australian law enforcement agencies, including the ACC, was adequate and continued to improve. The committee commended the drug law enforcement efforts of the ACC, the AFP, Customs and the relevant state/territory law enforcement agencies.

The PJC-ACC received 25 submissions to its inquiry on SOC and held public hearings in Perth, Melbourne, Brisbane, Sydney and Canberra.

The PJC-ACC tabled its examination of the ACC's 2004-05 Annual Report on 19 October 2006, making five recommendations. It held a public hearing as part of its examination of the ACC's 2005-06 Annual Report on 30 March 2007 and tabled its examination of the report on 13 June, making no recommendations.

PJC-ACC reports are available from http://www.aph.gov.au/Senate/committee/acc_ctte/index.htm.

COMMONWEALTH OMBUDSMAN

The Commonwealth Ombudsman can receive and investigate complaints made against the ACC. The ombudsman may advise the ACC of complaints it has received but is not required to do so. The ombudsman advised the ACC of three matters within its jurisdiction during the year. Only two required substantial action.

- A person complained to the ombudsman that ACC officers had stolen \$20,000 during the execution of a search warrant. An independent investigation, reviewed by the ombudsman, found no evidence to support this claim.
- A person complained to the ombudsman about termination of employment by the ACC. The ombudsman referred this matter to the Australian Commission for Law Enforcement Integrity and the matter is still under investigation.
- A person complained to the ombudsman about the alleged murder of her father in 1977. The ombudsman declined to investigate this matter.

A complaint received by the ombudsman in 2005-06 was finalised. A person complained to the ombudsman that the ACC was not providing adequate protection for his family and himself. After negotiation, the ACC funded security measures at the person's residence.

EXTERNAL GOVERNANCE ARRANGEMENTS

AUSTRALIAN COMMISSION FOR LAW ENFORCEMENT INTEGRITY

The Australian Commission for Law Enforcement Integrity (ACLEI) was established to prevent, detect and investigate corruption issues in the ACC and AFP. It commenced operation on 1 January 2007. The *Law Enforcement Integrity Commissioner Act 2006* (LEIC Act), which established ACLEI, operates retrospectively and allows the previous conduct of National Crime Authority (NCA) staff to be the subject of an investigation by ACLEI where necessary, despite the fact that the NCA no longer exists.

In January 2007, the ACC brought six matters to the attention of ACLEI, several of which would not meet the definition of corruption in the LEIC Act but were advised to ACLEI to provide an overall picture of ACC internal investigations. ACLEI decided to oversight the external investigation of two of these matters and review the AFP investigation of another matter. The ACC has since formally referred two matters to ACLEI for its consideration.

As the meaning of corrupt conduct in the legislation is quite broad, discussions have been held with ACLEI with a view to reaching an agreement on matters that reporting agencies should notify to ACLEI. While this definitional issue remains unresolved the ACC is continuing to consult with ACLEI on 'borderline' matters to ensure that it is complying with the LEIC Act.

JUDICIAL REVIEW OF ACC DECISIONS

A person may seek a review of a decision by the ACC or an examiner under the *Administrative Decisions (Judicial Review) Act 1977* and section 39B of the *Judiciary Act 1903*. The outcome of reviews of ACC decisions are reported in Appendix C.

AUDIT COMMITTEE

The ACC operates an independent Audit Committee including two external members and an observer from the Australian National Audit Office. The Audit Committee is responsible for providing advice to the agency relating to appropriate governance and financial management, including reviewing annual financial statements.

In line with the Audit Committee's charter, a review of the operations of the committee was conducted in 2006-07. The review found that the Audit Committee was operating effectively and that minor administrative improvements could be considered to increase the efficiency of the committee.

In line with the ACC's commitment to good governance and transparency, the Chair of the Audit Committee makes a report to the ACC Board each year regarding the Audit Committee's assessment of the performance of the ACC.

AUSTRALIAN NATIONAL AUDIT OFFICE AUDITS

Apart from audits associated with the preparation of the agency's annual financial statement, the Australian National Audit Office (ANAO) did not include the ACC in its audit program during the reporting period.



INTERNAL GOVERNANCE ARRANGEMENTS

The ACC has implemented a range of governance arrangements to ensure appropriate management of the agency and progress towards its goals. The ACC has made it a priority to develop, implement and review its governance arrangements to support these objectives.

The integration of the previously separate Criminal Intelligence and Operations directorates in the 2007 restructure is one example of continuous improvement within the agency, with the new Criminal Intelligence and Investigation Strategies Directorate responsible for more closely integrated intelligence and operational outcomes and advice.

CHIEF EXECUTIVE OFFICER

The ACC's Chief Executive Officer is Mr Alastair Milroy. Mr Milroy commenced a five year appointment as CEO of the ACC on 3 March 2003.

The CEO oversees the management and administration of the ACC and has a number of responsibilities in accordance with the *Financial Management and Accountability Act 1997*. These include:

- promoting efficient, effective and ethical use of Commonwealth resources;
- implementing a fraud control plan for the agency;
- establishing and maintaining an audit committee;
- pursuing appropriately the recovery of debts;
- ensuring that accounts and records of the agency are kept in accordance with the Finance Minister's orders;
- presenting annual financial statements to the Auditor-General; and
- issuing appropriate instructions to officials in accordance with the above.

The CEO is a member of a number of the ACC's key internal governance mechanisms.

SENIOR EXECUTIVE TEAM

In 2006-07, the ACC's Senior Executive Team was expanded, as a result of the growth of the organisation and the agency's restructure. As at 30 June 2007, the senior executive team comprised the following members of staff:

Mr Alastair Milroy, Chief Executive Officer;

Mr Kevin Kitson, Executive Director, Intelligence Strategies;

INTERNAL GOVERNANCE ARRANGEMENTS

Mr Michael Outram, Executive Director, Operational Strategies;
Mr Andrew Phelan, Executive Director, Infrastructure and Corporate Services;
Mr Lionel Newman, Executive Director, Strategy and Governance;
Mr Peter Brady, Senior Legal Adviser;
Ms Kathleen Florian, General Manager, Markets and Sectors;
Mr Jeff Pope, General Manager, Commodities, Methodologies and Activities;
Mr Jim Duffy, General Manager, Groups and Targeting;
Mr Chris Enright, General Manager, Specialist Services Group;
Mr Barry Davies, General Manager (Acting), Strategic Intelligence;
Mr John Dines, General Manager (Acting), Financial Crimes;
Mr Joseph Stablum, Chief Information Officer;
Mr Paul Southcott, Chief Finance Officer (Acting); and
Ms Debbie Wauchop, National Manager Customs/ACC Liaison.

The CEO and executive directors meet weekly and the full senior executive team meets monthly to oversee the management of the agency.

GOVERNANCE OPERATIONS COMMITTEE

The ACC Governance Operations Committee (GOC) meets fortnightly and is responsible for determining ACC priorities for all intelligence functions, operations and investigations, and providing strategic advice to ACC operational and resource managers. The GOC is the primary oversight mechanism for the day-to-day management of ACC intelligence and operational activities.

The GOC comprises the CEO, the Executive Director, Operational Strategies (Chair); the Executive Director, Intelligence Strategies (Deputy Chair); the Executive Director, Strategy and Governance; the General Manager, Markets and Sectors; the General Manager, Commodities, Methodologies and Activities; the General Manager, Groups and Targeting; the General Manager, Financial Crimes; the General Manager, Specialist Services Group; and the Senior Legal Adviser.

To assist the GOC in 2006-07, there were four sub-committees: the National Priorities and Resources Committee (NPRC), the Human Source Management Sub-Committee, the Telecommunications Interception (TI) Management Sub-Committee and the Financial Crimes Sub-Committee.

The NPRC provides advice to the GOC in relation to priorities and resource issues relating to all current ACC Target Development Projects (projects) and Tactical Operations (operations) and makes recommendations to the GOC in relation to proposed projects and operations.

INTERNAL GOVERNANCE ARRANGEMENTS

The Human Source Management Sub-Committee monitors and reviews compliance with the ACC Covert Human Intelligence Source Policy and Procedures, advises the GOC on risk management in cases referred to the sub-committee and evaluates submissions proposing financial rewards for ACC human sources.

The TI Management Sub-Committee reviews interception resource allocation and priorities and reconciles competing demands should the TI Branch be operating at full capacity.

The role of the Financial Crime Sub-Committee is to ensure that an agency wide approach is taken to financial crime, and to review and report to the Governance Committee on proceeds of crime issues.

OTHER INTERNAL COMMITTEES AND PROGRAMS

National Consultative Committee and Local Consultative Committees

Consultation and communication with staff and management of the ACC is facilitated through the National Consultative Committee (NCC) and the Local Consultative Committees (LCC) in each ACC office. Through these forums, all staff and their representatives have the opportunity to have direct input into:

- discussions on a wide range of employment related issues;
- monitoring and consulting on the implementation of the certified agreement, including ethics and organisational values of the ACC; and
- the promotion of cooperative workplace relations in the ACC.

The NCC meets twice a year and is comprised of the CEO, representatives of the LCCs, a union representative and the Manager, Human Resources. LCC meetings are generally held twice a year to discuss issues relevant to the local office and with ACC-wide significance.

Local Consultative Committees (LCCs) met on average once each month during 2006-07 for the purpose of ACC offices which were relocated or in the process of being relocated.

Staff had the opportunity through their representative on the LCCs to ask questions relating to the project and to propose options for the project team to consider, particularly relating to amenities and facilities in the new offices.

INTERNAL GOVERNANCE ARRANGEMENTS

Workplace Advisory Groups

During 2006-07, the ACC committed to two major accommodation projects involving the relocation of its Canberra headquarters to a new purpose built building and commencing the planning for the relocation of the Melbourne office. As part of the project, the ACC undertook a range of consultative processes with staff through two principal mechanisms:

- the creation of Workplace Advisory Groups (WAGs) in each location for the duration of the project; and
- increased consultation through pre-existing LCC processes.

WAGs were comprised of staff from key areas in the organisation and advised the project team on the functional requirements of specific operational and corporate groups within each office. The WAGs were able to input the views of staff to the design phases, having regard to the ACC's national business processes and existing accommodation strategies and guidelines. The WAG teams met weekly initially and then less frequently as the various phases of the project were completed.

Information Environment Committee

The Information Environment Committee (IEC) is a committee operating within and on behalf of the ACC in respect to the ACC's information management capability. The IEC is primarily concerned with the future of information management within the ACC. It achieves this through ownership and maintenance of the organisation's information management architecture and through consideration and approval of agreed program plans.

Program Steering Committees

Program Steering Committees (PSCs) provide governance over the delivery of information management related works executed within the ACC.

Occupational Health and Safety Committees

The ACC has a number of Occupational Health and Safety Committees (OH&S) in place across the organisation, representing staff in the different offices.

BUSINESS PLANNING

The ACC has developed an integrated planning framework to ensure that the efforts and resources of the ACC are directed towards achieving its mission and outputs as outlined in the corporate plan. The framework is based on the ACC's approved Outcome and Outputs Framework and reflects the links between strategic planning, resource management and service delivery. The framework is represented overleaf.



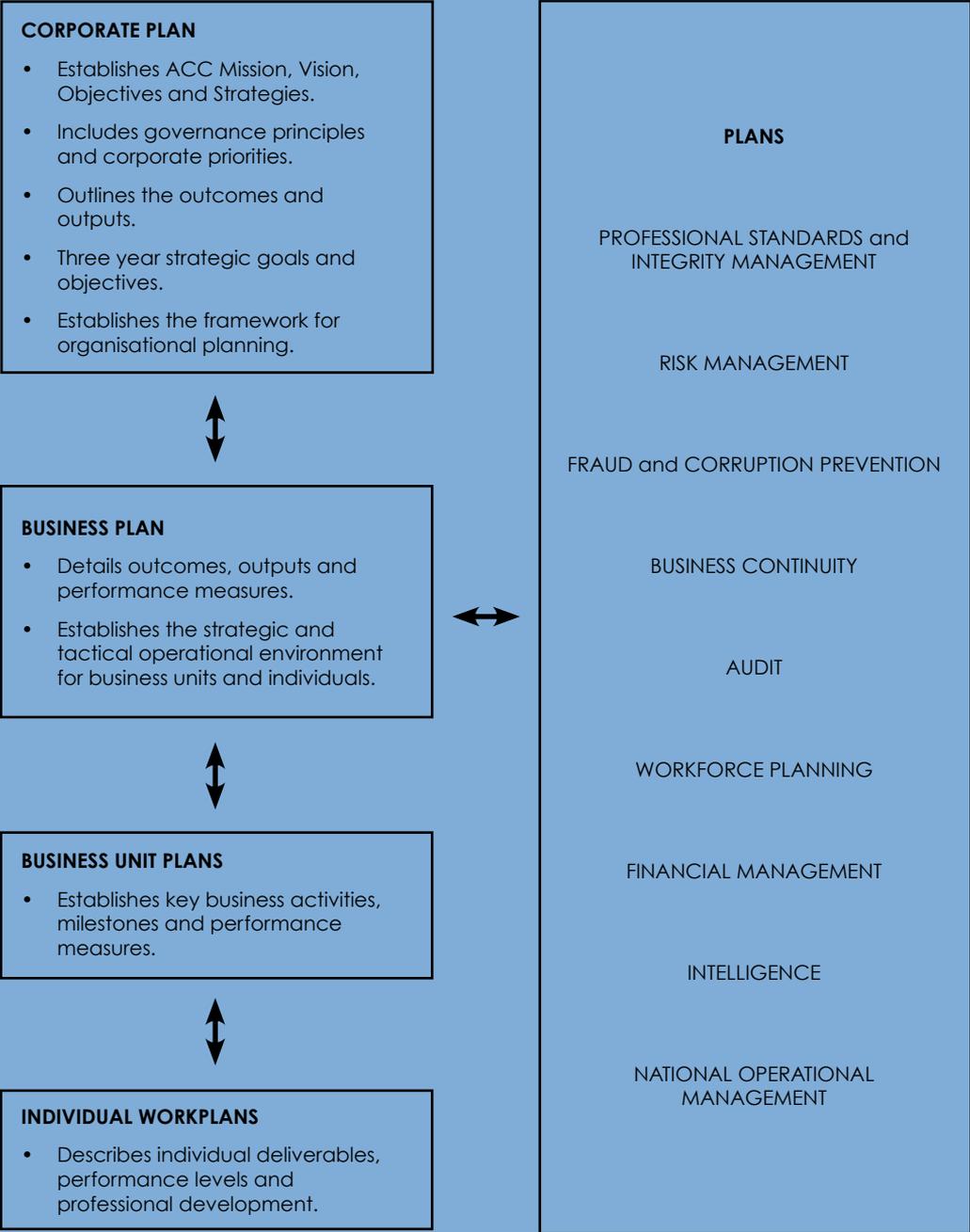
INTERNAL GOVERNANCE ARRANGEMENTS

The corporate plan sets out strategic goals and objectives for the agency. The business plan supports the corporate plan and provides an overview of the key ACC activities and initiatives to support the achievement of strategic priorities. It establishes a practical operating framework to complement the ACC's Corporate Plan and Strategic Direction Statement. The business plan also provides a context for the development of individual directorate and business unit plans.

The ACC has a structured business planning review and reporting program designed to: maintain the currency of the ACC Business Plan and directorate plans; inform management and staff of progress in achieving outputs and performance measures; support external reporting requirements; and provide an additional tool in assessing the effective use of ACC resources.

The ACC reviewed its business planning processes in 2006-07 and will implement a revised model in 2007-08, including replacing the expiring corporate plan with a new three year strategic plan.

BUSINESS PLANNING MODEL





INTERNAL GOVERNANCE ARRANGEMENTS

PERFORMANCE REPORTING

The ACC produces a broad range of performance reports, containing both qualitative and quantitative information, including monthly ACC Board, IGC-ACC and PJC-ACC output and activities reports, bi-annual reports to the IGC-ACC, a regular report on ACC highlights and priorities and a variety of tailored reports.

The ACC is strongly committed to improving its performance measurement and reporting regimes.

The ACC continued, in 2006-07, to progress a joint research and development project designed to capture the effectiveness and efficiency performance dimensions of intelligence and operational law enforcement activity targeting serious and organised crime. The ACC is conducting this project jointly with Victoria Police and Macquarie University.

Phase one of the project developed a return on investment model to identify and measure the return from ACC law enforcement investigation activities in combating serious and organised crime. The model has been progressively applied to ACC operations completed in 2006-07 to yield return on investment metrics. These metrics are now being incorporated into post-operational assessments to assist in evaluating the efficiency and effectiveness of ACC operations and investigations.

Phase two of the project commenced in October 2006. It will identify and recommend appropriate performance indicators for intelligence outputs and develop a model which identifies the value of the intelligence outputs and the consequential return on investment. The project will be completed in late 2007.

CASE STUDY

RETURN ON INVESTMENT TASK FORCE GORDIAN

The operational phase of Task Force Gordian, a national effort to disrupt the facilitators of money laundering and tax fraud, was completed in 2006-07. Return on investment (ROI) assessment of the task force indicated that each dollar resource committed directly to investigation activities generated a return of \$58.41. Even after incorporating indirect costs such as a proportion of the ACC's corporate overheads, ROI remained an impressive \$30.53.

Benefits of the task force that were measurable in dollar terms included the value of proceeds of crime action against defendants and avoidance of harm to the community by the removal of illicit drugs through seizures.

Task Force Gordian also generated a number of important benefits that were not quantifiable in the ROI assessment including the disruption of criminal syndicates, the deterrence impact of its activity on the practices of alternate money remitters and a significant intelligence dividend enabling the development of future operational activity. It is likely therefore that the actual ROI for the task force is higher than estimated. ACC research is currently in progress to expand the range of measures that can convert other outcomes into a dollar value. For example, indications are that the quality of evidence compiled under the investigation will result in the reduction or avoidance of lengthy or costly trials.

INTERNAL GOVERNANCE ARRANGEMENTS

INTERNAL AUDIT

Internal audit operates under a charter endorsed by the ACC's Audit Committee and approved by the CEO.

The ACC expanded its internal audit capacity in 2006-07, increasing the number of staff dedicated to this function.

The Internal Audit Program 2006-07 was developed from the ACC's risk profile, the evaluation of activities under the agency's Capability Enhancement Program and also encompassed mandatory audit coverage.

The internal audit area also undertakes reviews of the ACC's use of the *New South Wales Law Enforcement and National Security (Assumed Identities) Act 1998*. During the reporting period, four assumed identities were approved, none varied and five were revoked. Officers using assumed identities are involved in the investigation of serious and organised crime. Audit review of the use of assumed identities did not indicate any fraudulent or criminal behaviour.

The ACC complies with the Commonwealth Fraud Control Guidelines, has prepared fraud risk assessments and fraud control plans, and has in place appropriate fraud prevention, detection, investigation, reporting and data collection procedures and processes that meet the needs of the agency.

RISK MANAGEMENT

The ACC manages risks as an integral part of its overall governance framework. Throughout 2006-07, the ACC continued to invest and strengthen the ACC's risk management framework and processes to:

- maintain a culture where all ACC staff and secondees actively contribute to the management of risk;
- ensure a rigorous basis for strategic and other planning built on sound risk identification and analysis processes;
- maintain the integrity of ACC service delivery through the highest possible compliance with ethical and professional standards and all relevant legislation; and
- ensure responsibility is clearly assigned for the management of risks which could adversely impact on, or create opportunities for, the ACC.

INTERNAL GOVERNANCE ARRANGEMENTS

Key activities undertaken during 2006-07 included:

- review and enhancement of risk management, business continuity, and fraud and corruption prevention policies and selected plans;
- enhancing the risk profiling and analytic reports for senior functional managers to better inform decision making;
- ongoing learning and development programs delivered to staff, including risk management awareness, business continuity desktop testing exercise and specialised one-on-one risk management training; and
- enhancing the risk management information and resources available to staff.

The ACC was assessed as having an 'advanced' enterprise wide risk management framework in the 2007 Comcover Benchmarking Survey. This rating places the ACC in the top percentile of the 180 agencies assessed. The ACC scored 8.3 out of a possible 10 compared to the average agency score of 5.3.

PROFESSIONAL STANDARDS AND INTEGRITY

In 2006-07, the ACC extended its program of Corruption Resistance Reviews (CRRs) to the Adelaide and Perth offices. CRRs look at corruption resistance factors in operational and corporate policies and procedures, including how these are being implemented by senior managers.

The ACC has completed a trial of operational compliance audits. These audits are looking at how investigators go about their daily work and how they record their activities. The areas reviewed are not covered by traditional internal audit activities. Pilot audits have been completed in the Sydney and Melbourne offices and the audits will be rolled out in other ACC offices in the next financial year. The pilot audits have already resulted in improvements in recording of operational activity.

COMPLAINTS MADE DIRECTLY TO ACC

Complaints about the activities of the ACC generally and/or specific members of ACC staff may be made directly to the ACC. Complaints concerning the alleged actions of seconded police officers are usually referred to the officers' home jurisdiction for investigation.



INTERNAL GOVERNANCE ARRANGEMENTS

The ACC received 13 complaints during the reporting period.

One complaint was outstanding from 2004-05 and was finalised by the AFP during the reporting period.

Two complaints from 2003-04 were investigated by the NSW Police Integrity Commission and resulted in charges being laid during 2005-06 against Samuel Foster and James McCabe. Mr Foster was due to face trial in April 2007 but pleaded guilty before trial and is currently awaiting sentencing. Mr McCabe was extradited to Australia in 2007-08 and is awaiting trial in NSW.

A summary of complaints is at Appendix D.

FINANCIAL PERFORMANCE

The ACC's financial result for 2006-07 was a surplus of \$1.8 million which represents less than 2% of revenue. The ACC received an unqualified audit opinion from the ANAO.

The ACC's appropriation for 2006-07 was \$89.6 million which included tied funding of \$30.8 million. The tied funding was allocated for the following purposes:

- \$7.7 million to fund the ACC's Midas Determination. This is the last year of a four-year, \$30 million measure. This measure has been rolled into base funding from 2007-08 onwards.
- \$2 million to enable the enhanced provision of telecommunications intercept and data intercept capacity, in order to target and disrupt serious and organised criminal groups and individuals involved in the manufacture, importation and distribution of illicit drugs. This is the last year of a four-year, \$8 million measure. This measure has been rolled into base funding from 2007-08 onwards.
- \$1.7 million to meet the requirements of the *Surveillance Devices Act 2004*. The Act enables the ACC to enhance its data interception capability and increases the scope of deployment of surveillance equipment. This is the third year of four-year funding of \$6.7 million for this project.
- \$9.1 million to meet the findings of the Independent Review of Airport Security and Policing for the Government of Australia. The ACC will deliver a program of criminal intelligence advice and information to law enforcement, government and the private sector relating to activity impacting on the security of Australia's airports. This is the second year of five-year funding of \$22.7 million for this project.
- \$4.1 million to fund Operation Wickenby investigations and prosecutions. Operation Wickenby is a joint operation with the ATO and other key agencies to combat international tax evasion designed by particular offshore promoters. This is the second year of five-year funding of \$17.3 million for this project.
- \$800,000 to ensure a continued capability to intercept communications to reduce the incidence and impact of serious and organised crime. This is the first year of four-year funding of \$5.8 million for this program, which is being conducted jointly with the AFP and ASIO.



FINANCIAL PERFORMANCE

- \$900,000 to contribute to the establishment of new identity security strike teams. This program is being conducted jointly with Customs, AFP and the Department of Immigration and Citizenship. This is the first year of four-year funding of \$3.6 million for this program.
- \$300,000 to progress identity security by establishing a pilot national register of lost and stolen proof of identity documents.
- \$4.1 million for the ACC to lead the multi-agency National Indigenous Violence and Child Abuse Intelligence Task Force (NIITF). The task force will collect, analyse and disseminate intelligence to state and territory law enforcement agencies. This is the first year of four-year funding of \$3.6 million for this program.

The ACC's revenue for 2006-07 included \$9.2 million (or 9%) for services received from other law enforcement agencies. This reflects continuing cooperation by the jurisdictions in managing nationally significant crime.

The ACC is forecasting a small operating loss for 2007-08.

The ACC has a number of internal controls which ensure compliance with its financial responsibilities. These include:

- senior management involvement in budget development, allocation and monitoring;
- a range of internal and external reports, including regular financial reporting to the ACC Board's Strategic Directions Sub-Committee on overall and determination level financial reporting and regular reporting to the Minister for Justice and Customs;
- full engagement with the ACC's Audit Committee; and
- review of the Chief Executive Instructions to ensure compliance with the *Financial Management and Accountability Act 1997*.

FINANCIAL PERFORMANCE

Outcome 1: Enhanced Australian law enforcement capacity

	(1) Budget* 2006-07	(2) Actual expenses 2006-07	Variation (column 2 - column1)	Budget** 2007-08
Price of departmental outputs	\$'000	\$'000	\$'000	\$'000
Output 1 - Criminal intelligence services	23,479	20,597	(2,882)	22,377
Output 2 - Investigations and intelligence operations into federally relevant criminal activity	66,134	69,016	2,882	73,823
Revenue from government (appropriation) for departmental outputs	89,613	89,613	0	96,200
Revenue from other	11,749	9,564	(2,185)	11,584
Total price for outputs	101,362	99,177	(2,185)	107,784
TOTAL FOR OUTCOME 1	101,362	97,382	(3,980)	107,784
		2006-07		2007-08
Staffing levels for the ACC during the year		619		676

* Full year budget including additional estimates.

** 2007-08 Portfolio Budget Statement.

Note: The staff figures include staff seconded to the ACC from other agencies. It excludes contractors and resources provided by other jurisdictions.

MANAGEMENT OF HUMAN RESOURCES

The ACC highly values its employees and recognises the significant contribution that staff make in shaping the objectives and outcomes of the agency.

In 2006-07, the Human Resources Team primarily focused on staff consultation, workplace agreements (including the negotiation of a new collective agreement), workforce planning (including the drafting of Work Level Standards procedures), learning and development programs and performance and development for all staff.

STAFFING PROFILE

The staff of the ACC comprises:

- Chief Executive Officer and the examiners;
- Commonwealth staff employed under the *Public Service Act 1999*;
- consultants engaged under section 48 of the ACC Act;
- AFP and other Commonwealth staff seconded to the ACC under section 49 of the ACC Act; and
- state and territory police seconded to the ACC under section 58 of the ACC Act.

Salary bands under the ACC's Certified Agreement

Classification	Salary effective 19 April 2007
Executive Level 2	\$91,858 - \$103,497
Executive Level 1	\$74,715 - \$90,797
APS6	\$58,578 - \$67,290
APS5	\$54,237 - \$57,512
APS4	\$48,626 - \$52,798
APS3	\$43,631 - \$47,089
APS2	\$38,306 - \$42,478
APS1	\$33,847 - \$37,409

Salary ranges under Australian Workplace Agreements

Classification	Salary range
Non-SES staff	\$52,151 - \$126,804
SES Band 1	\$125,000 - \$138,000
SES Band 2	\$163,105 - \$171,600

ACC APS staffing by classification and location

Classification	Sydney		Canberra		Melbourne		Brisbane		Adelaide		Perth		Alice Springs		Darwin		Grand total	
	2005-06	2006-07	2005-06	2006-07	2005-06	2006-07	2005-06	2006-07	2005-06	2006-07	2005-06	2006-07	2005-06	2006-07	2005-06	2006-07	2005-06	2006-07
APS Level 2	4	3			3	4	1	2	2						10	10		
APS Level 3	34	28	5	9	18	23	14	14	5	4	5	6			81	91		
APS Level 4	6	11	22	27	11	16	6	6	4	7	3	4	1		52	71		
APS Level 5	25	26	14	14	13	12	7	7	1	3	2	3	2	1	62	69		
APS Level 6	15	17	20	28	9	18	4	4	2	4	1	5			51	79		
Exec Level 1	31	44	14	25	28	35	14	14	2	6	9	9	2		98	145		
Exec Level 2	18	20	16	16	17	20	6	6	3	2	2	3	1	1	62	72		
SES Band 1	1	2		2	3	3									4	8		
SES Band 2		1	3	3	1	1									4	5		
CEO			1	1											1	1		
Examiner	2	2					1	1		1					3	4		
Grand Total	136	154	95	125	103	132	53	77	19	29	22	30	6	2	428	555		

MANAGEMENT OF HUMAN RESOURCES

ACC staff by gender

Job Grade	Female		Male		Grand Total	
	2005-06	2006-07	2005-06	2006-07	2005-06	2006-07
APS Level 2	6	7	4	3	10	10
APS Level 3	62	63	19	28	81	91
APS Level 4	37	52	15	19	52	71
APS Level 5	33	43	29	26	62	69
APS Level 6	23	38	28	41	51	79
Exec Level 1	28	43	70	102	98	145
Exec Level 2	13	22	49	50	62	72
SES Band 1		1	4	7	4	8
SES Band 2			4	5	4	5
CEO			1	1	1	1
Examiner			3	4	3	4
Agency Staff	1	41	1	70	2	111
Grand Total	203	310	227	356	430	666

Agency staff are contracted staff paid via a recruitment agency.

MANAGEMENT OF HUMAN RESOURCES

ACC APS staff by employment status

Location	F/T		P/T	
	2005-06	2006-07	2005-06	2006-07
Sydney	125	138	11	16
Canberra	93	116	2	9
Melbourne	101	125	2	7
Brisbane	51	74	2	3
Adelaide	17	25	2	4
Perth	21	28	1	2
Alice Springs		5		1
Darwin		2		
Grand Total	408	513	20	42

NON-SALARY BENEFITS

Non-salary benefits provided by the ACC to its staff in 2006-07 included free influenza vaccinations, employee assistance services including counselling, reimbursement program for spectacles, supporting attendance at the Police Games and use of gymnasiums in some ACC offices.

PERFORMANCE PAYMENTS

The ACC does not have a system of performance payments in place.

SENIOR EXECUTIVE PAYMENTS

The nature and amount of remuneration for Senior Executive Service (SES) officers is determined by the ACC's CEO, taking into account previous experience, qualifications and achievements and comparisons with other SES officers.

STAFF CONSULTATION

The ACC's principal mechanism for consultation with staff is the National Consultative Committee (NCC) (previously discussed in Chapter 2).

In 2006-07, the ACC held Values Focusing Workshops where staff gave feedback on all aspects of the ACC.

MANAGEMENT OF HUMAN RESOURCES

WORKPLACE AGREEMENTS

The ACC's new Collective Agreement (CA) came into effect on 19 April 2007 and its nominal expiry date is 30 June 2009. The CA included a 4% salary increase upon lodgement for staff employed under the CA. All Senior Executive Service (SES) staff and 54 non-SES staff are employed under Australian Workplace Agreements.

Staff covered by the ACC's Certified Agreement

Job Grade	Total	
	2005-06	2006-07
APS Level 2	10	10
APS Level 3	81	91
APS Level 4	50	68
APS Level 5	60	68
APS Level 6	41	71
Exec Level 1	75	121
Exec Level 2	40	54
Total	357	483

PERFORMANCE AND DEVELOPMENT SCHEME

The ACC's Performance and Development Scheme (PDS) assists managers and employees to make strategic links between business goals and key result areas when identifying opportunities for development.

In addition, the scheme caters for incremental salary advancement. Staff are rated on a scale of one to four and are required to receive a rating one, two or three to be eligible for an incremental increase in salary.

Extensive training and consultation was provided to teams and managers throughout 2006-07 on the PDS. The final completion rate from the previous financial year (2005-06) was 84%, of which 19.4% were given a rating one (superior); 77.7% were given a rating two (good consistent performance); 2.6% were given a rating three (needs to improve or develop); and 0.3% a rating four (unsatisfactory). A total of 153 staff received an incremental increase in salary in the previous financial year.

MANAGEMENT OF HUMAN RESOURCES

WORKFORCE PLANNING

The ACC's intelligence operations and investigations draw on multidisciplinary teams consisting of lawyers, seconded police, financial investigators, intelligence analysts, surveillance staff, monitoring staff, investigators, operations support staff and specialist staff seconded from other agencies. The core business of the ACC is supported by staff from areas such as human resources, financial and resource management, information and communication technology, information management, internal audit, public relations, business planning and reporting, strategic policy and corporate management.

The ACC recruits experienced staff on an ongoing and non-ongoing basis to support its core functions and special operations. In 2006-07, 81% of staff were employed on an ongoing basis and 19% of staff were employed on a non-ongoing basis.

The secondment of police and staff from other agencies enhances the ACC's intelligence and investigative ability and helps promote positive working relationships with partner law enforcement agencies. Police are seconded from federal, state and territory police services for periods of two to three years. Officers from Commonwealth agencies such as Customs and the Australian Taxation Office are also seconded for various periods on an as-needed basis.

LEARNING AND DEVELOPMENT

Learning and Development plays a key role in the ACC's commitment to developing the capability of its people to remain responsive to the changing environment. In 2006-07, the Learning and Development Team liaised with managers and internal and external providers to deliver development opportunities and programs which were identified from the PDS and supported over 1,500 places at learning and development programs. The broad learning and development program reflected the continued focus on leadership and the new learning needs of NIITF.

Development was given in the following key areas:

Contextual awareness and ACC culture

The ACC continues to refine and develop its induction programs and emphasise the importance of supporting and displaying the ACC's values.

Courses conducted in 2006-07 included:

- Multi-disciplinary Team Induction (previously Operations Induction);
- Values Focusing Workshops;
- Senior Executive Orientation Program; and
- Upholding and Supporting the APS Values and Code of Conduct.



MANAGEMENT OF HUMAN RESOURCES

People, leadership and teamwork

The ACC's ongoing commitment to leadership development has been supported by the provision of core leadership programs such as the ACC Intelligent Leadership Development Program and From Management to Leadership. In addition, a wide range of courses in this area were conducted in 2006-07, including:

- Building Business Capability;
- Leading Australia's Future in the Asia-Pacific;
- Leading Australia's Future in Asia;
- Executive Leadership Group Victoria Conference;
- WA Public Sector Leadership Convention;
- Essentials for New Supervisors;
- Better People Management;
- Teams and Leadership;
- Performance Feedback;
- Company Directors Course;
- Operations Intelligence Leadership Program;
- The Nature of Success;
- International Women's Day Seminar;
- 'Her Story' Women's Learning Forum;
- Developing, Implementing and Evaluating Community Engagement Projects;
- Graduate Program Supervisor Induction;
- Graduate Program Participant Induction;
- Team workshops (various); and
- Intelligence Management Development Program.

Foundation business skills and processes

The ACC continues to provide learning opportunities for staff to develop foundation business skills. In 2006-07, a focus has been placed on developing writing and communication skills, in response to the growing need for effective communication with internal and external stakeholders.

MANAGEMENT OF HUMAN RESOURCES

ACC staff attended courses including:

- Winning Presentation Skills;
- Think on Your Feet;
- Boardroom Negotiating;
- Influencing Skills;
- The Occasional Counsellor;
- Perceptive Interviewing;
- Public Sector Writing and Proof Reading;
- Microsoft Office - Excel, Word, Powerpoint, Project;
- Diploma of Government (for Graduate Program);
- Workplace Behaviour and Courageous Conversations;
- How to Write a Strategic Plan that Drives Performance;
- Risk Awareness Training;
- Business Continuity Training;
- Strategic Business Planning;
- Job Applications and Interview Skills;
- First Aid Training and Remote Area First Aid;
- OH&S Representative Training;
- PDS training and Writing Key Result Areas;
- Guidelines for policy writing in the ACC;
- Minute Taking Skills; and
- Certificate IV in Workplace Training and Assessment.

Job specific skills

A wide range of job specific programs reflect the current focus of the ACC, including the NIITF and Outlaw Motor Cycle Gangs National Intelligence Task Force (OMCG NITF).



MANAGEMENT OF HUMAN RESOURCES

Programs conducted in 2006-07 or forums attended included:

- Four-wheel-drive training for NIIF staff working in remote regions;
- Capacity Building in Indigenous Communities;
- Indigenous Cultural Program;
- Aboriginal Indigenous Family Violence Prevention Forum;
- Collaborative Indigenous Policy Development Program;
- Strong Foundations – Indigenous Communities;
- Aboriginal and Torres Strait Islander Policy in Practice;
- Management of Serious Crime;
- OMCG Conference;
- Identity Fraud Summit;
- 24th Cambridge International Symposium on Economic Crime;
- Australian National Security Summit;
- Port and Maritime Security and Counter-Terrorism Summit;
- Controlled Operations Training;
- Symposium on Organisational Behaviour in Policing in the Public Sector;
- Criminal Intelligence Analyst Course;
- Skype Technology Overview;
- Evidence and court procedures;
- Leadership in Criminal Intelligence Program;
- Legislation and APS Decision Making;
- AFP Intelligence in Law Enforcement;
- Legal Officers Workshop;
- Recruitment Principles and Good Practice;
- Behavioural Interview Workshop and Advanced Recruitment Techniques;
- Electronic Product Management Centre (EPMC) Compliance Training; and
- Planning and Conducting a Tender.

MANAGEMENT OF HUMAN RESOURCES

TERTIARY STUDY SUPPORT

Fifty-nine applications were approved for tertiary study support.

ACC SYSTEMS

The ACC continues to develop the capability of its people to utilise its systems, delivering training in:

- Police Realtime Online Management Information System (PROMIS);
- Australian Criminal Intelligence Database (ACID);
- Australian Law Enforcement Intelligence Net (ALEIN);
- Australian Transaction Reports and Analysis Centre (AUSTRAC);
- ACC Document Access and Management Application (ADAMA);
- Computerised Operational Policing System (COPS) (NSW Police database); and
- Law Enforcement Assistance Program (LEAP) (Victoria Police database).

EVALUATION

As part of a commitment to ongoing improvement, the ACC continues to implement a coordinated learning and development evaluation program. The focus of evaluation for 2006-07 was on core leadership and communication programs, including the Intelligent Leadership Development Program, From Management to Leadership, Boardroom Negotiations, and Winning Presentations. This evaluation process has confirmed the positive impact of the targeted programs including the Intelligent Leadership Development Program and has informed the development of an internal ACC Management Essentials Program to be delivered in 2008.

OCCUPATIONAL HEALTH AND SAFETY

The ACC is committed to ensuring the health and safety of its employees, including seconded officers and contractors at work, at or near the ACC. The ACC is also committed to the continuous promotion of the health and safety of staff and contractors at work through ongoing education and training on risk and hazard prevention.

MANAGEMENT OF HUMAN RESOURCES

In line with the amendments to the *Occupational Health and Safety Act 1991* and requirements under section 74(1)(c) and 74 (1)(d) the ACC has revised its OH&S Policy to reiterate the OH&S obligations placed on all employees, including seconded officers and contractors. The revised policy focuses on consultation to ensure the greater participation of its employees on health and safety management arrangements tailored to designated work groups. This is reflected in the commitment by the ACC to develop and implement health and safety management arrangements through consultation with staff and/or staff representatives within the next 12 months.

The OH&S Committee and Health and Safety Representatives contribute a significant role in developing, reviewing and implementing measures designed to protect and proactively manage health and safety of staff at work.

During 2006-07, the ACC reports, in accordance with section 74 (1)(e) of the OH&S Act, that five new claims from the ACC were accepted by Comcare (the statutory body that administers the Commonwealth's workers compensation scheme).

In accordance with section 74 (1)(f) of the OH&S Act, the ACC reports that there were no directions of notification under section 29, 45, 46 and 47 of the OH&S Act.

ACC DRUGS AND ALCOHOL POLICY

The ACC recognises and upholds a duty of care to all employees and recognises that all employees have a right to be part of a drug free workforce and be safe from risk of personal threat or compromise. In addition, the ACC views the use of illegal drugs and the abuse of prescription drugs as entirely incompatible with the ethical standards expected of ACC employees and as articulated by the APS Values and the APS Code of Conduct.

The overall objective of the ACC's Drugs and Alcohol Policy is to provide a framework for the prevention, education, counselling and rehabilitation of employees with regard to drugs and alcohol use and abuse. It has a preventative focus and forms part of the organisation's overall OH&S strategy.

PRODUCTIVITY GAINS

During the reporting period, and as part of the implementation of the ACC's CA, the agency implemented several measures to increase productivity and reduce unnecessary costs. Initiatives used to achieve these goals included:

MANAGEMENT OF HUMAN RESOURCES

- Better led, more capable and engaged employees, committed to continuously improving processes and services, achieved through:
 - Implementation of the Work Level Standards Program which will assist in improving workplace efficiencies by defining the expertise, key skills and qualities needed at each level, thereby supporting performance management and learning and development across the organisation;
 - strengthening the ACC's leadership model;
 - strengthening learning and development processes, inclusive of scholarships;
 - ensuring enhanced use of the ACC's PDS;
 - reducing rates of non-ongoing employment; and
 - providing more flexible leave and part-time work arrangements.
- Employee compliance with the agreed CA clauses on leave taking.
 - The ACC has significant accumulated leave liabilities and the purpose of this measure is to improve the taking of leave in the calendar year in which it has been accrued. Therefore, an employee will be directed to be on annual leave for any credits beyond eight weeks. The ACC believes this will improve OH&S in the workplace and reduce the ACC's liabilities.
- Improved efficiency in recruitment and cost of police made available to the ACC at agency cost by state and Commonwealth police forces. This has been achieved by moving police from secondment arrangements to engagements as APS employees under the *Public Service Act 1999*, thereby reducing on-costs and leave liabilities.
- Introduction of a four week notice period for employees who submit their resignation.
- Development and implementation of a targeted drugs and alcohol testing regime.
- Linkage of wage outcomes to the achievement of a specific corporate target, namely participation in the ACC's PDS.

OUTLOOK FOR 2007-08

In 2007-08, the ACC's Human Resources (HR) Strategy will focus on the following key areas:

1. Implementation of an integrated HR and financial management information system (Enterprise Resource Program (ERP)) with payroll and personnel functionality.
2. Implementation of the Work Level Standards Program.

MANAGEMENT OF HUMAN RESOURCES

3. Enhancement of the PDS recruitment and learning and development processes for integration into the ERP.
4. Enhancement of recruitment processes for integration into the ERP.
5. Review of HR policies and procedures to reflect and support enhanced employee accountability.
6. Continuing the program of building ethical leadership and management practices to promote innovation, strong accountability and teamwork.
7. Ensuring productivity gains under the ACC CA are met.

ACC APS STAFF TURNOVER IN 2006-07

The number of staff ceasing employment with the ACC in 2006-07 fell from 2005-06 levels. In this period, 45 seconded staff returned to their home agencies in accordance with the normal secondment arrangements. These are not included in the termination statistics.

Termination reason	Total	
	2005-06	2006-07
Move to other APS agency	13	21
Resignation	37	34
Voluntary redundancy	7	2
Involuntary redundancy	1	0
Retired after age 55	9	1
Invalidity retirement	2	0
Completed non-ongoing contract	4	3
Termination on probation	0	1
Termination - other reason	2	1
Total	75	63

MANAGEMENT OF HUMAN RESOURCES

SECONDED POLICE AND TASK FORCE STAFF BY HOME FORCE

	Seconded staff funded by ACC		Secondees funded by jurisdiction		Taskforce staff funded by jurisdiction		Total	
	2005-06	2006-07	2005-06	2006-07	2005-06	2006-07	2005-06	2006-07
ATO	5	2	-	-	12	12	17	14
AFP	16	13	2	3	11	12	29	28
NSWPOL	14	7	4	2	4	5	22	14
QPS	11	6	1	1	1	8	13	15
SAPOL	5	4	-	-	10	10	15	14
TASPOL	5	-	-	-	-	-	5	-
VICPOL	19	17	1	1	3	3	23	21
WAPS	3	2	3	2	3	2	9	6
NTPOL	-	-	-	1	8	3	8	4
NSWCC	-	-	-	-	-	2	-	2
Customs	-	-	3	3	3	2	6	5
PIC	1	-	-	-	-	-	1	-
CMC Brisbane	-	-	-	-	3	3	3	3
Total	79	51	14	13	58	62	151	126

Commonwealth Disability Strategy

The ACC has developed a Disability Action Plan which complements the revised ACC Workplace Behaviour Policy, aligned with the Commonwealth Disability Strategy. This action plan assists all managers and employees to best utilise the diverse capabilities of our people. It reinforces the ACC Values and encourages employees to respect the unique capabilities that our people bring to the agency.

The strategies detailed within the action plan are integrated into our management and leadership programs.

Specifically, in response to the roles specified in the Commonwealth Disability Strategy, the ACC undertakes the following actions:

MANAGEMENT OF HUMAN RESOURCES

- In the role of policy adviser:
 - The ACC does not deliver any programs and does not have a role in this area.
- In the role of regulator:
 - The ACC is able to make appropriate provisions for people with disabilities which are directly affected by the ACC Act. For example, examination facilities comply with building codes to ensure appropriate access arrangements for people with disabilities and any necessary arrangements are made, as needed, to facilitate examination of a person with a disability. Where necessary, examinations can be conducted at locations other than ACC premises.
- In the role of purchaser:
 - The ACC has not purchased any goods or services with a direct impact on the lives of people with disabilities. Publicly available information on purchasing specifications are able to be accessed by people with disabilities and outcomes reporting can be made available to people with disabilities on request.
- In the role of provider:
 - The ACC does not deliver any services to people with a disability and does not have a role in this area.
- In the role of employer:
 - The ACC's new and existing employment policies and procedures comply with the requirements of the Disability Discrimination Act and align with the ACC's Disability Action Plan.
 - Any recruitment information for potential job applicants is available on request in accessible formats.
 - 'Reasonable adjustment' is applied by managers and recruiters including proactively identifying and responding to requests for workplace assessments and responding to recommendations.
 - Learning and Development consider and respond to the needs of people with disabilities and include information on disability issues where they relate to the content of the program.
 - Leadership programs and values focusing workshops are designed to reinforce ACC culture and management capability in this area.
 - Complaints/grievance mechanisms, including access to external mechanisms, are in place to address issues and concerns raised by staff and public.

OTHER ISSUES

ASSET MANAGEMENT

The ACC promotes effective and efficient management of premises and assets. Assets are measured at fair value including an annual impairment test. The ACC conducts an annual assets stocktake and includes comprehensive asset management requirements as part of the Chief Executive Instructions. The ACC has in place adequate controls to support effective asset management.

The ACC has, and continues to significantly invest, in work environments. In 2006-07, significant planning and preparation for the relocation of the ACC headquarters in Canberra occurred. This process continues in 2007-08 for other key ACC office sites.

PURCHASING

The ACC adheres to the Commonwealth Procurement Guidelines (CPGs).

Our procurement is conducted centrally. The Procurement Team processes and facilitates the agency's procurement operations through the development and maintenance of guidance and policy documents. The team monitors compliance with relevant government procurement policies such as the CPGs and facilitates contract reporting in line with government requirements such as the Senate Order on Departmental and Agency Contracts.

The ACC competitive tendering and contracting operations reflect best value for money, encourage competition and produce optimal results for the agency.

In response to the revised CPGs of 1 January 2005, an annual procurement plan is published on the Austender website.

CONSULTANTS

During 2006-07, 17 new consultancy contracts were entered into involving total actual expenditure of \$363,651. In addition, two ongoing consultancy contracts were active during the 2006-07 year, involving total actual expenditure of \$43,382.

Details of consultancy contracts let during 2006-07 with greater than \$10,000 in value appear at Appendix E.

COMPETITIVE CONTRACTING AND TENDERING

The ACC has not let any contracts for \$100,000 or more during the reporting period which relate to the contracting out of government activities previously performed by the Commonwealth.

OTHER ISSUES

EXEMPT CONTRACTS

The ACC has no exempt contracts for 2006-07.

DISCRETIONARY GRANTS

The ACC has no discretionary grants.

ADVERTISING AND MARKET RESEARCH

Advertising expenses 2006-07

Supplier Name	Total (\$)
Australian Associated Press Pty Ltd	554.00
HMA Blaze Pty Ltd	408,957.94
My Career	6,009.09
Sign Tao Newspapers Pty Ltd	5,786.80
The Vietnamese Herald Pty Ltd	5,746.00
Total	427,053.83

The ACC did not make any payments to market research, polling, direct mail or media advertising organisations.

ACC MEDIA

During 2006-07, the ACC was involved in the release of 21 media releases either on its own or with the Minister for Justice and Customs, partner law enforcement agencies or other government agencies.

Media monitoring revealed the ACC received 3,066 media mentions in Australian newspapers and in radio and television broadcasts during the 2006-07 financial year compared to 2,141 last financial year. Of these 3,066 mentions, 2,652 (86%) were positive, 335 (11%) were neutral and 79 (3%) were negative.

The ACC received extensive media coverage during the reporting period for:

- the release of the Illicit Drug Data Report 2005-06 in Sydney;
- the dismantling of one of Australia's largest identity crime syndicates;
- the establishment of the NIIF;
- Task Force Gordian arrests;
- Operation Wickenby; and
- joint policing operations.

OTHER ISSUES

SECURITY

The ACC's Security Group provided a range of services during the year. These included:

- physical security;
- personnel security;
- information and communications technology security;
- operational security;
- security of examinations; and
- security investigations.

In line with this, the group was involved in providing advice on a number of ACC office relocations and refurbishments.

During the period, the ACC initiated 420 clearances and granted 205 security clearances. A number of clearances completed in the 2006-07 period had been initiated in the previous year and those initiated, but not completed in 2006-07, will be completed after 30 June 2007.

An Email Classification System was introduced in early 2007 in line with the requirements of Defence Signals Directorate's Australian Government Information and Communications Technology Security Manual (ACSI 33).

Throughout the year, the assessed level of threat to the ACC remained at 'medium'.

OTHER MAJOR INFORMATION TECHNOLOGY PROJECTS

ACC Secure Remote Access Facility

The ACC Secure Remote Access Facility (ASRAF) is a unique integration of existing telecommunications, computing, internet and software technologies that enable users to access the ACC network and applications in a secure manner and with relatively high data transmission speeds. This facility is available at any time and from any place in the world where broadband internet access is available. Using ASRAF, users access the same tools and systems as they have on their desktop personal computers.

ACC Document Access and Management Application

The ACC Document Access and Management Application (ADAMA) – an electronic document management system – has been progressively implemented across the agency. The final phase was completed in August 2007.

OTHER ISSUES

Enterprise Resource Planning

In 2006-07, the ACC continued detailed planning for the implementation of an ERP. The ERP will replace all of the ACC's existing human resource and financial management systems as well as provide capability for other administrative processes in the future. The ERP will provide managers and team leaders with a single source of data to support them in managing their resources.

All staff will be able to 'self serve' on a range of human resource functions such as leave applications and inquiries, pay and bank details, and updating of personal details. The ERP will support the ACC in meeting its regulatory reporting requirements and will greatly enhance reporting capabilities for internal reporting and planning.

COMPLIANCE WITH OTHER GOVERNMENT REQUIREMENTS

Contracts with greater than \$100,000 value

In response to a Senate Order (Murray Motion as amended December 2003 J.2851), the ACC includes the following contract information on its website:

- Each contract entered into by the ACC which has not been fully performed or which has been entered into during the previous 12 months and which provides for a consideration to the value of \$100,000 or more;
- The contractor, the amount of the consideration, the subject matter of each such contract, the commencement date of the contract, the duration of the contract and the 12 month period relating to the contract listings;
- Whether each such contract contains provisions requiring the parties to maintain confidentiality of any of its provisions, or whether there are any other requirements of confidentiality and a statement of the reasons for the confidentiality; and
- An estimate of the cost of complying with this order and a statement of the method used to make the estimate.

As at 30 June 2007, the ACC was party to 115 contracts totalling greater than \$100,000 which either began in, or continued through, 2006-07. The ACC estimated that the cost of complying with the Murray Motion was \$3,500, calculated based on a per hour staffing level cost. Details of the contracts are available on the ACC's website www.crimecommission.gov.au.

OTHER ISSUES

Listing of file titles

The ACC complies with the requirement (Senate Order J.270 as amended 3 December 1998 J.265) to place indexed lists of file titles on the ACC's internet site, excluding those file titles or parts of file titles that would disclose commercially confidential, identifiably personal or national security matters. The listings for 2006-07 are available on the ACC's website at www.crimecommission.gov.au.

ENVIRONMENTAL REPORTING

The ACC aims to conduct all its business in an environmentally friendly manner. Where possible, office procedures support environmentally friendly outcomes.

During 2006-07, the ACC continued to take steps to reduce the impact of its activities on the environment, and in so doing continues to promote sustainability, energy reduction and product efficiencies.

The ACC Canberra office will be relocated in 2007-08. The new premises will have a 4.5 Australian Building Greenhouse Rating (ABGR) as well as a number of energy and sustainability features separate to the ABGR rating.

The ACC Melbourne office will relocate to an existing building in the central business district area during 2007-08. The ACC will undertake a fitout which will support environmentally sustainable outcomes and move towards an ABGR rating of 4.5.

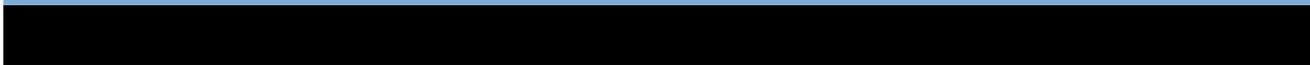
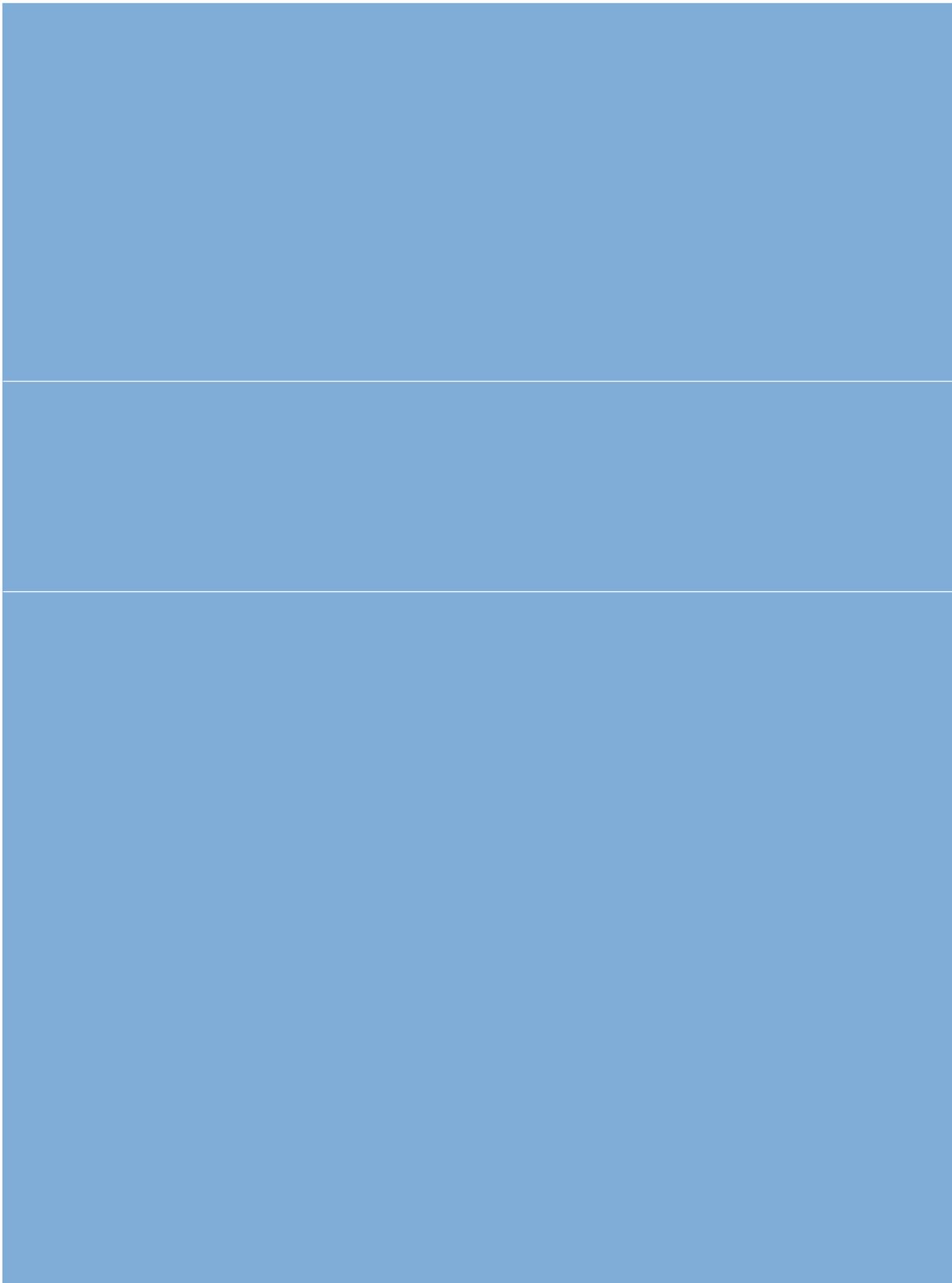
All ACC offices have moved to shredding and recycling of paper rather than burning.

The majority of ACC offices have waterless urinals and dual flush toilets, resulting in cost savings due to reduction in water and sewage charges as well as reduced maintenance costs.

The ACC leases a large number of vehicles for its investigations, surveillance and general operational functions. During 2006-07, the ACC introduced the use of Ethanol Blended Fuel (E10) for its fleet. This program will be expanded in later financial years.

FREEDOM OF INFORMATION

Information on Freedom of Information (FOI) requests appears at Appendix F.



04

financial statements

FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT

To the Minister for Justice and Customs

Matters relating to the Electronic Presentation of the Audited Financial Statements

This auditor's report relates to the financial statements published on the website of the Australian Crime Commission for the year ended 30 June 2007. The Chief Executive is responsible for the integrity of the web site.

This auditor's report refers only to the primary statements, schedules and notes named below. It does not provide an opinion on any other information which may have been hyperlinked to/from the audited financial statements.

If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial statements in the Australian Crime Commission's annual report.

Scope

I have audited the accompanying financial statements of the Australian Crime Commission for the year ended 30 June 2007, which comprise: a Statement by the Chief Executive and Chief Financial Officer; income statement; balance sheet; statement of changes in equity; cash flow statement; schedules of commitments and contingencies; a summary of significant accounting policies; and other explanatory notes.

The Responsibility of the Chief Executive for the Financial Statements

The Chief Executive is responsible for the preparation and fair presentation of the financial statements in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997* and the Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. My audit has been conducted in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Australian Crime Commission's preparation and fair presentation of the financial statements 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 Australian Crime Commission's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Australian Crime Commission, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting the audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the ethical requirements of the Australian accounting profession.

Auditor's Opinion

In my opinion, the financial statements of the Australian Crime Commission:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, and the Australian Accounting Standards (including the Australian Accounting Interpretations); and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including the Australian Crime Commission's financial position as at 30 June 2007 and of its financial performance and its cash flows for the year then ended.

Australian National Audit Office



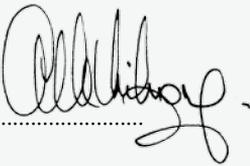
Puspa Dash
Acting Executive Director

Delegate of the Auditor-General

Canberra
12 September 2007

STATEMENT BY THE CHIEF EXECUTIVE AND CHIEF FINANCIAL OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2007 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, as amended.

Signed.....


Alastair Milroy
Chief Executive
11 September 2007

Signed.....


Paul Southcott
Acting Chief Financial Officer
11 September 2007

INCOME STATEMENT*for the period ended 30 June 2007*

	Notes	2007 \$'000	2006 \$'000
INCOME			
Revenue			
Revenue from Government	3A	89,613	74,246
Rendering of Services	3B	1,878	1,784
Other revenue	3C	329	276
Total revenue		91,820	76,306
Gains			
Other gains	3D	7,357	7,615
Total gains		7,357	7,615
Total Income		99,177	83,921
EXPENSES			
Employee benefits	4A	48,570	36,648
Suppliers	4B	29,992	22,126
Depreciation and amortisation	4C	3,947	4,967
Write-down and impairment of assets	4D	220	584
Losses from asset sales	4E	16	20
Other expenses	4F	14,637	15,901
Total Expenses		97,382	80,246
Surplus (Deficit)		1,795	3,675

The above statement should be read in conjunction with the accompanying notes.

BALANCE SHEET

as at 30 June 2007

	Notes	2007 \$'000	2006 \$'000
ASSETS			
Financial Assets			
Cash and cash equivalents	5A	5,726	3,102
Trade and other receivables	5B	21,217	14,545
Total financial assets		26,943	17,647
Non-Financial Assets			
Land and buildings	6A	7,542	9,349
Infrastructure, plant and equipment	6B	6,330	2,870
Intangibles	6D	1,721	448
Other non-financial assets	6F	1,300	849
Total non-financial assets		16,893	13,516
Total Assets		43,836	31,163
LIABILITIES			
Payables			
Suppliers	7A	12,456	5,185
Total payables		12,456	5,185
Interest Bearing Liabilities			
Other interest bearing liabilities	8A	3,199	3,509
Total interest bearing liabilities		3,199	3,509
Provisions			
Employee provisions	9A	10,956	8,922
Other provisions	9B	672	371
Total provisions		11,628	9,293
Total Liabilities		27,283	17,987
Net Assets		16,553	13,176
EQUITY			
Parent Entity Interest			
Contributed equity		12,844	11,262
Reserves		2,334	2,334
Retained surplus (accumulated deficit)		1,375	(420)
Total Equity		16,553	13,176
Current Assets		28,243	18,477
Non-Current Assets		15,593	12,686
Current Liabilities		21,126	12,284
Non-Current Liabilities		6,157	5,703

The above statement should be read in conjunction with the accompanying notes.

STATEMENT of CHANGES in EQUITY
as at 30 June 2007

	Retained Earnings		Asset Revaluation Reserves		Contributed Equity/Capital		Total Equity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Opening balance	(420)	(3,641)	2,334	987	11,262	9,595	13,176	6,941
Balance carried forward from previous period	(420)	(3,641)	2,334	987	11,262	9,595	13,176	6,941
Income and expense	-	-	-	-	-	-	-	-
Revaluations recognised directly in equity	-	-	1,347	1,347	-	-	-	1,347
Sub-total income and expenses recognised directly in equity	(420)	(3,641)	2,334	2,334	11,262	9,595	13,176	8,288
Surplus for the period	1,795	3,674	-	-	-	-	1,795	3,674
Total income and expenses	1,375	33	2,334	2,334	11,262	9,595	14,971	11,962
Contributions by Owners	-	-	-	-	-	-	-	-
Appropriation (equity injection)	-	-	-	-	1,582	1,667	1,582	1,667
Restructuring	-	(453)	-	-	-	-	-	(453)
Sub-total transactions with owners	-	(453)	-	-	1,582	1,667	1,582	1,214
Transfers between equity components	-	-	-	-	-	-	-	-
Closing balance at 30 June 2007	1,375	(420)	2,334	2,334	12,844	11,262	16,553	13,176

The above statement should be read in conjunction with the accompanying notes.

CASH FLOW STATEMENT

for the period ended 30 June 2007

	Notes	2007 \$'000	2006 \$'000
OPERATING ACTIVITIES			
Cash received			
Goods and services		-	-
Appropriations		84,789	63,000
Revenue from services		1,878	1,784
Net GST received		2,815	3,429
Other cash received		329	1,834
Total cash received		89,811	70,047
Cash used			
Employees		46,538	36,943
Suppliers		23,600	22,841
Other cash used		7,356	8,360
Total cash used		77,494	68,145
Net cash from or (used by) Operating Activities		12,317	1,902
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of infrastructure, plant and equipment		4	20
Total cash received		4	20
Cash used			
Purchase of land and buildings		146	5,589
Purchase of infrastructure, plant and equipment		5,123	1,060
Purchase of intangibles		1,696	516
Total cash used		6,965	7,165
Net cash from or (used by) investing activities		(6,961)	(7,144)
FINANCING ACTIVITIES			
Cash used			
Other cash used		2,732	-
Transfer of Asia Pacific Group to the Australian Federal Police		-	453
Total cash used		2,732	453
Net cash from or (used by) financing activities		(2,732)	(453)
Net increase or (decrease) in cash held		2,624	(5,695)
Cash at the beginning of the reporting period		3,102	8,797
Cash at the end of the reporting period	5A	5,726	3,102

The above statement should be read in conjunction with the accompanying notes.

SCHEDULE OF COMMITMENTS

as at 30 June 2007

	2007	2006
BY TYPE	\$'000	\$'000
Commitments Receivable		
Sublease rental income	9,301	4,162
Total Commitments Receivable	9,301	4,162
Other commitments		
Operating leases ¹	102,310	45,777
Total other commitments	102,310	45,777
Net commitments by type	93,009	41,615
BY MATURITY		
Commitments receivable		
Operating lease income		
One year or less	2,585	1,056
From one to five years	3,759	1,900
Over five years	2,957	1,205
Total operating lease income	9,301	4,162
Operating lease commitments		
One year or less	28,440	11,619
From one to five years	41,344	20,903
Over five years	32,526	13,255
Total operating lease commitments	102,310	45,777
Net Commitments by Maturity	93,009	41,615

NB: Commitments are GST inclusive where relevant.

- Operating leases included are effectively non-cancellable and comprise:

Nature of lease	General description of leasing arrangements
Lease of office accommodation	Office accommodation leases are still current but vary in respect to renewal. Lease payments are subject to annual increases in accordance with varying terms of the agreement.
Agreements for the provision of motor vehicles to senior executive officers	No contingent rentals exist. There are no renewal or purchase options available to the ACC.
Lease of computer equipment	Lease is a cancellable lease in which the ACC has no right of purchase at the end of the lease period.

SCHEDULE OF CONTINGENCIES

As at 30 June 2007, the Australian Crime Commission had no contingent liabilities or assets that may become payable or receivable.

SCHEDULE OF UNQUANTIFIABLE CONTINGENCIES

Litigation arising from Australian Crime Commission investigations results in costs being awarded either for or against the Australian Crime Commission from time to time. The Australian Crime Commission is unable to declare an estimate of the amounts due to uncertainty of the outcome of the matters and the sensitivity of the information related to matters still before the courts.

At 30 June 2007, the Australian Crime Commission did not have any unquantifiable contingencies.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 1: Summary of Significant Accounting Policies

Note 2: Events after the Balance Sheet Date

Note 3: Income

Note 4: Expenses

Note 5: Financial Assets

Note 6: Non-Financial Assets

Note 7: Payables

Note 8: Interest Bearing Liabilities

Note 9: Provisions

Note 10: Cash Flow Reconciliation

Note 11: Executive Remuneration

Note 12: Remuneration of Auditors

Note 13: Average Staffing Levels

Note 14: Financial Instruments

Note 15: Appropriations

Note 16: Reporting of Outcomes

Note 17: Restructuring

Note 18: Specific Payment Disclosure

Note 19: Contingent Liabilities and Assets

Note 20: Assets Held in Trust

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Objectives of the Australian Crime Commission

The Australian Crime Commission (ACC) is an Australian Public Service organisation. The objective of the ACC is to counteract organised criminal activity and reduce its impact on the Australian community in partnership with other agencies.

The ACC is structured to meet one outcome:

Outcome 1: - Enhanced Australian law enforcement capacity

ACC outputs are:

- 1.1 Criminal intelligence services; and
- 1.2 Investigations and intelligence operations into federally relevant criminal activity.

The continued existence of the ACC in its present form and with its present programs is dependent on Government policy and on continuing appropriations by Parliament for the ACC's administration and programs.

1.2 Basis of Preparation of the Financial Report

The Financial Statements and notes are required by section 49 of Schedule 1 to the *Financial Management and Accountability Act 1997* and are a General Purpose Financial Report.

The financial statements and notes have been prepared in accordance with:

- Finance Minister's Orders (or FMOs) for reporting periods ending on or after 01 July 2006; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that apply for the reporting period.

The financial report has been prepared on an accrual basis and is in accordance with historical cost convention, except for certain assets 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 Report is presented in Australian dollars and values are rounded to the nearest thousand dollars unless disclosure of the full amount is specifically required.

Unless an alternative treatment is specifically required by an Accounting Standard or the FMOs, assets and liabilities are recognised in the Balance Sheet when and only when it is probable that future economic benefits will flow to the entity and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under agreements equally proportionately unperformed are not recognised unless required by an Accounting Standard. Liabilities and assets that are unrealised are reported in the Schedule of Commitments and the Schedule of Contingencies (other than unquantifiable or remote contingencies, which are reported at Note 19).

Unless alternative treatment is specifically required by an accounting standard, revenues and expenses are recognised in the Income Statement when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

1.3 Statement of Compliance

Australian Accounting Standards require a statement of compliance with International Financial Reporting Standards (IFRSs) to be made where the financial report complies with these standards. Some Australian equivalents to IFRSs and other Australian Accounting Standards contain requirements specific to not-for-profit entities that are inconsistent with IFRS requirements. The ACC is a not for profit entity and has applied these requirements, so while this financial report complies with Australian Accounting Standards including Australian Equivalents to International Financial Reporting Standards (AEIFRSs) it cannot make this statement.

Adoption of new Australian Accounting Standard requirements

No accounting standard has been adopted earlier than the effective date in the current period.

The ACC is required to disclose Australian Accounting Standards and Interpretations which have been issued but are not yet effective that have not been earlier adopted by the ACC. The following adopted requirements have resulted in a change to the ACC's accounting policies or have affected the amounts reported in the current or prior periods or are estimated to have a financial affect in future reporting periods.

Restriction of the fair value option under AASB 139

The AASB through *2005-4 Amendments to Australian Accounting Standards [AASB 139, AASB 132, AASB 1, AASB 1023 and AASB 1038]* restricted the option to designate a financial asset or liability at fair value through profit and loss.

The change was introduced with effect from the beginning of the comparative reporting period (1 July 2005).

This category (available for sale) of financial instrument while continued to be carried at fair value has resulting changes in value taken to an equity reserve instead of the Income Statement. Upon de-recognition of the financial asset the reserve is transferred to the Income Statement.

Reimbursement rights

The AASB through 2005-5 Amendments to Australian Accounting Standards [AASB 1 & AASB 139] excluded from the scope of AASB 139 *Financial Instruments: Recognition and Measurement* rights for reimbursement for expenditure required to settle a present or former provision recognised under AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*. The right to reimbursement is now required to be accounted for under AASB 137.

The application of this amendment is applied from the beginning of the comparative period (1 July 2005).

Financial guarantee contracts

The AASB through 2005-9 Amendments to Australian Accounting Standards [AASB 4, AASB 1023, AASB 139 & AASB 132] now require financial guarantee contracts to be recognised and measured at inception under AASB 139 *Financial Instruments: Recognition and Measurement*. Initially these items are measured at fair value and subsequently at the higher of the amount determined in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and the initial amount recognised less, when appropriate, cumulative amortisation recognised in accordance with AASB 118 *Revenue*.

Other effective requirement changes

The following amendments, revised standards or interpretations have become effective but have had no financial impact or do not apply to the operations of the ACC.

Amendments:

- 2005-1 Amendments to Australian Accounting Standards [AASBs 1, 101, 124]
- 2005-6 Amendments to Australian Accounting Standards [AASB 3]
- 2006-1 Amendments to Australian Accounting Standards [AASB 121]
- 2006-3 Amendments to Australian Accounting Standards [AASB 1045]

Interpretations:

- UIG 4 Determining whether an Arrangement contains a Lease
- UIG 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
- UIG 7 Applying the Restatement Approach under AASB 129 Financial Reporting in Hyperinflationary Economies
- UIG 8 Scope of AASB 2
- UIG 9 Reassessment of Embedded Derivatives

UIG 4 and UIG 9 might have impacts in future periods, subject to existing contracts being renegotiated.

Future Australian Accounting Standard requirements

The following new standards, amendments to standards or interpretations have been issued by the Australian Accounting Standards Board but are effective for future reporting periods. It is estimated that the impact of adopting these pronouncements when effective will have no material financial impact on future reporting periods.

Financial instrument disclosure

AASB 7 *Financial Instruments: Disclosures* is effective for reporting periods beginning on or after 1 January 2007 (the 2007-08 financial year) and amends the disclosure requirements for financial instruments. In general AASB 7 requires greater disclosure than that presently. Associated with the introduction of AASB 7 a number of accounting standards were amended to reference the new standard or remove the present disclosure requirements through 2005-10 Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]. These changes have no financial impact but will affect the disclosure presented in future financial reports.

Other

The following standards and interpretations have been issued but are not applicable to the operations of the ACC.

- AASB 1049 Financial Reporting of General Government Sectors by Governments; and
- UIG 10 Interim Financial Reporting and Impairment.

1.4 Revenue

Revenue from Government

Amounts appropriated for departmental outputs appropriations for the year (adjusted for any formal additions and reductions) are recognised as revenue, 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.

In 2006-07, the ACC is undertaking an activity which is being funded on a reciprocal basis and thus recognises an appropriation receivable in the next period for additional outputs supplied in the current period (Note 5B).

Appropriations receivable are recognised at their nominal amounts.

Intergovernmental Agreement revenue

The ACC receives revenue from Intergovernmental agreements; they are recognised as reimbursements from State and Territory Police.

Other types of revenue

Revenue from the sale of goods is recognised when:

- the risks and rewards of ownership have been transferred to the buyer;
- the seller retains no managerial involvement nor effective control over the goods;
- the revenue and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the ACC.

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- the probable economic benefits with the transaction will flow to the ACC.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any provision for bad and doubtful debts. Collectability of debts is reviewed at balance date. Provisions are made when collectability of the debt is no longer probable.

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

1.5 Gains

Resources received free of charge

The ACC's mission is to enhance Australian law enforcement capacity to counter serious and organised criminal activity. The ACC works in partnership with other law enforcement agencies (LEAs) to achieve this goal. LEA partners supply significant resources free of charge by the following two arrangements:

- Resources being allocated to Board approved taskforces; or
- Resources provided by Australian Law Enforcement Agencies; the Australian Customs Service; the Australian Tax Office; or the Crime and Misconduct Commission by agreement with the Agency.

Services received free of charge are recognised as gains when and only when a fair value can be reliably measured. Use of those resources is recognised as an expense.

Sale of assets

Gains from disposal of non-current assets is recognised when control of the asset has passed to the buyer.

1.6 Transactions with the Government as Owner

Equity injections

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) are recognised directly in Contributed Equity in that year.

Restructuring of administrative arrangements

Net assets received from or relinquished to another Australian Government agency or authority under a restructuring of administrative arrangements are adjusted at their book value directly against Contributed Equity.

1.7 Employee Benefits

Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled.

Liabilities for 'short-term employee benefits' (as defined in AASB 119) and termination benefits due within twelve months of balance date 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.

All other employee benefit liabilities are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the ACC is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration, including the ACC's 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 as at 30 June 2007. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and redundancy

Provision is made for separation and redundancy benefit payments. The ACC 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 terminations.

Superannuation

Staff of the ACC are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) or the PSS accumulation plan (PSSap).

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course.

The ACC makes employer contributions to the Employee Superannuation Scheme at rates determined by an actuary to be sufficient to meet the cost to the Government of the superannuation entitlements of the ACC's employees. The ACC accounts for the contributions as if they were contributions to defined contribution plans.

From 1 July 2005, new employees are eligible to join the PSSap scheme.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the final fortnight of the year.

1.8 Leases

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of leased non-current assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

The ACC has no finance leases.

Operating lease payments are expensed on a straight line basis which is representative of the pattern of benefits derived from the leased assets.

1.9 Borrowing Costs

All borrowing costs are expensed as incurred.

1.10 Cash

Cash means notes and coins held and any deposits held at call with a bank or financial institution. Cash is recognised at its nominal amount.

1.11 Financial Risk Management

The ACC's activities expose it to normal commercial financial risk. As a result of the nature of the ACC's business and internal and Australian Government policies, dealing with the management of financial risk, the ACC's exposure to market, credit, liquidity and cash flow and fair value interest rate risk is considered to be low.

1.12 Investments

Investments are initially measured at their fair value.

After initial recognition, financial investments are to be measured at their fair values except for:

- a) loans and receivables which are measured at amortised cost using the effective interest method;
- b) held-to-maturity investments which are measured at amortised cost using the effective interest method; and
- c) investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, which are measured at cost.

1.13 Derecognition of Financial Assets and Liabilities

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or the asset is transferred to another entity. In the case of a transfer to another entity, it is necessary that the risks and rewards of ownership are also transferred.

Financial liabilities are derecognised when the obligation under the contract is discharged, cancelled or expires.

1.14 Impairment of Financial Assets

Financial assets are assessed for impairment at each balance date.

Financial assets held at amortised cost

If there is objective evidence that an impairment loss has been incurred for loans and receivables or held to maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the Income Statement.

In 2006-07, no financial asset held at amortised cost by the ACC was deemed to be impaired.

Financial assets held at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because it cannot be reliably measured, or a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate for similar assets.

In 2006-07, no financial asset held at cost by the ACC was deemed to be impaired.

Available for sale financial assets

If there is objective evidence that an impairment loss on an available for sale financial asset has been incurred, the amount of the difference between its cost, less principal repayments and amortisation, and its current fair value, less any impairment loss previously recognised in expenses, is transferred from equity to the Income Statement.

In 2006-07, no financial asset available for sale by the ACC was deemed to be impaired.

1.15 Interest Bearing Loans and Borrowings

Government loans are carried at the balance yet to be repaid. Interest is expensed as it accrues.

1.16 Supplier and other payables

Supplier and other payables are recognised at their nominal amount, being the amount at which the liabilities will be settled. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

1.17 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the Balance Sheet but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset, or represent an existing liability or asset in respect of which settlement is not probable or the amount cannot be reliably measured. Remote contingencies are part of this disclosure. Contingent assets are reported when settlement is probable, and contingent liabilities are recognised when settlement is greater than remote.

1.18 Acquisition of Assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

1.19 Property, Plant and Equipment

Asset recognition threshold

Purchases of property, plant and equipment are recognised initially at cost in the Balance Sheet, except for purchases costing less than \$2,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'makegood' provisions in property leases taken up by the ACC where there exists an obligation to restore the property to its original condition. These costs are included in the value of the ACC's leasehold improvements with a corresponding provision for the 'makegood' taken up.

Revaluations

Fair values for each class of asset are determined as shown below:

Asset Class	Fair value measured at:
Leasehold improvements	Depreciated replacement cost
Plant and equipment	Market selling price

Following initial recognition at cost, property plant and equipment are carried at fair value less accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in 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 reverses a previous revaluation decrement of the same asset class that was previously recognised through surplus and deficit. Revaluation decrements for a class of assets are recognised directly through surplus and deficit except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

Leasehold improvement, plant and equipment assets were last revalued at 30 June 2006. All valuations are conducted by the independent qualified valuer from the Australian Valuation Office.

Depreciation

Depreciable property plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the ACC using, in all cases, the straight-line method of depreciation.

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 based on the following useful lives:

	2007	2006
Intangibles	3 years	3 years
Leasehold improvements	Lease term	Lease term
Plant and Equipment	3 to 5 years	3 to 5 years

Impairment

The ACC's non current assets carried at cost have been assessed for indications of impairment at 30 June 2007.

Where indications of impairment exist, the asset is written down to the higher of its net selling price and its depreciated replacement cost

1.20 Intangibles

The ACC's intangibles comprise purchased software for internal use. These assets are carried at cost. The ACC capitalises all intangibles with a minimum value of \$2,000.

Software is amortised on a straight-line basis over its anticipated useful life.

All software assets were assessed for indications of impairment as at 30 June 2007.

1.21 Taxation

The ACC 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; and
- except for receivables and payables.

NOTE 2: EVENTS AFTER THE BALANCE SHEET DATE

No significant events occurred after reporting date.

NOTE 3: INCOME

Revenue

Note 3A: Revenue from Government

Appropriation:

Departmental outputs

Total revenue from Government

2007	2006
\$'000	\$'000
89,613	74,246
89,613	74,246

Note 3B: Rendering of services

Rendering of services - related agencies

Rendering of services - external agencies

Total rendering of services

53	64
1,825	1,720
1,878	1,784

Note 3C: Other revenue

Legal costs awarded to the ACC

Other

Total other revenue

309	121
20	155
329	276

Gains

Note 3D: Other gains

Audit Fee

Police services

Total other gains

78	74
7,279	7,541
7,357	7,615

NOTE 4: EXPENSES

Note 4A: Employee benefits

Wages and salaries	41,004	29,584
Superannuation	5,283	4,635
Leave and other entitlements	1,597	1,266
Separation and redundancies	63	728
Other	623	435
Total employee benefits	48,570	36,648

Note 4B: Suppliers

Provision of goods – related entities	1	27
Provision of goods – external entities	2,082	1,369
Rendering of services – related entities	2,168	2,099
Rendering of services – external entities	17,020	10,779
Operating lease rentals:		
Minimum lease payments	8,595	7,675
Workers compensation premiums	126	177
Total supplier expenses	29,992	22,126

Note 4C: Depreciation and amortisation

Depreciation:		
Infrastructure, plant and equipment	1,570	2,040
Leasehold Improvements	1,953	2,237
Total depreciation	3,523	4,277

Amortisation:

Intangibles:

Computer Software	424	690
-------------------	-----	-----

Total amortisation	424	690
Total depreciation and amortisation	3,947	4,967

Note 4D: Write-down and impairment of assets

Doubtful debts	148	-
Impairment of non-financial assets		
Infrastructure, plant and equipment - revaluation decrement	-	398
Infrastructure, plant and equipment - write-off	72	186
Total write-down and impairment of assets	220	584

Note 4E: Losses from assets sales

Infrastructure, plant and equipment		
Proceeds from sale	(4)	(20)
Carrying value of assets sold	20	40
Total losses from assets sales	16	20

Note 4F: Other expenses

Police services	7,357	8,360
Resources provided free of charge	7,280	7,541
Total other expenses	14,637	15,901

NOTE 5: FINANCIAL ASSETS

Note 5A: Cash and cash equivalents

Cash on hand or on deposit

Total cash and cash equivalents

Note 5B: Trade and other receivables

Goods and services

Appropriations receivable:

for existing outputs

Total appropriations receivable

GST receivable from the Australian Taxation Office

Total trade and other receivables (gross)

Less allowance for doubtful debts:

Goods and services

Total trade and other receivables (net)

Receivables are aged as follows:

Not overdue

Overdue by:

Less than 30 days

30 to 60 days

61 to 90 days

More than 90 days

Total receivables (gross)

The allowance for doubtful debts is aged as follows:

Not overdue

Overdue by:

Less than 30 days

30 to 60 days

61 to 90 days

More than 90 days

Total allowance for doubtful debts

Receivables are represented by:

Current

Non-current

Total trade and other receivables (net)

	2007	2006
	\$'000	\$'000
	5,726	3,102
	5,726	3,102
	1,355	357
	18,590	13,767
	19,945	14,124
	1,420	425
	21,365	14,549
	(148)	(4)
	21,217	14,545
	20,430	14,215
	60	19
	42	-
	388	9
	445	306
	21,365	14,549
	-	-
	-	-
	-	-
	148	4
	148	4
	21,217	14,545
	-	-
	21,217	14,545

NOTE 6: NON-FINANCIAL ASSETS

Note 6A: Land and buildings

Leasehold improvements

- fair value

- accumulated amortisation

Total leasehold improvements

Total land and buildings (non-current)

No indicators of impairment were found for land and buildings.

Note 6B: Infrastructure, plant and equipment

Infrastructure, plant and equipment:

- fair value

- accumulated depreciation

- accumulated impairment write-down

Total infrastructure, plant and equipment

Total infrastructure, plant and equipment (non-current)

	2007	2006
	\$'000	\$'000
	9,636	9,490
	(2,094)	(141)
	7,542	9,349
	7,542	9,349
	7,900	2,870
	(1,496)	-
	(74)	-
	6,330	2,870
	6,330	2,870

Note 6C: Analysis of infrastructure, plant and equipment

TABLE A – Reconciliation of the opening and closing balances of infrastructure, plant and equipment (2006-07)

	Buildings \$'000	Other IP & E \$'000	Total \$'000
As at 1 July 2006			
Gross book value	9,490	2,870	12,360
Accumulated depreciation/amortisation and impairment	(141)	-	(141)
Net book value 1 July 2006	9,349	2,870	12,219
Additions:			
by purchase	146	5,104	5,250
Depreciation/amortisation expense	(1,953)	(1,570)	(3,523)
Disposals:			
Other disposals	-	(74)	(74)
Net book value 30 June 2007	7,542	6,330	13,872
Net book value as of 30 June 2007 represented by:			
Gross book value	9,636	7,900	17,536
Accumulated depreciation/amortisation and impairment	(2,094)	(1,570)	(3,664)
	<u>7,542</u>	<u>6,330</u>	<u>13,872</u>

TABLE A – Reconciliation of the opening and closing balances of infrastructure, plant and equipment (2005-06)

Item	Buildings \$'000	Other IP & E \$'000	Total \$'000
As at 1 July 2005			
Gross book value	7,408	8,304	15,712
Accumulated depreciation/amortisation and impairment	(2,743)	(3,844)	(6,587)
Net book value 1 July 2005	4,665	4,460	9,125
Additions:			
by purchase	5,589	974	6,563
from acquisition of entities or operations (including restructuring)	-	86	86
Revaluations and impairments through equity	1,347	(398)	949
Depreciation/amortisation expense	(2,237)	(2,040)	(4,277)
Disposals:			
From disposal of entities or operations (including restructuring)	(15)	(26)	(41)
Other disposals	-	(186)	(186)
Net book value 30 June 2006	9,349	2,870	12,219
Net book value as of 30 June 2006 represented by:			
Gross book value	9,490	2,870	12,360
Accumulated depreciation/amortisation and impairment	(141)	-	(141)
	<u>9,349</u>	<u>2,870</u>	<u>12,219</u>

Note 6D: Intangibles	2007	2006
	\$'000	\$'000
Computer software at cost:		
Internally developed – in progress	1,235	-
Purchased – in use	3,001	2,467
Accumulated amortisation	(2,515)	(2,019)
Total intangibles	1,721	448

No indicators of impairment were found for intangibles

Note 6E: Analysis of intangibles

Table C: Reconciliation of the opening and closing balances of intangibles (2006-07).

Item	Computer software internally developed \$'000	Computer software purchased \$'000	Total \$'000
As at 1 July 2006			
Gross book value	-	2,468	2,468
Accumulated depreciation/amortisation and impairment	-	(2,019)	(2,019)
Net book value 1 July 2006	-	449	449
Additions:			
by purchase or internally developed	1,235	461	1,696
Amortisation	-	(424)	(424)
Disposals:			
other disposals	-	-	-
Net book value 30 June 2007	1,235	486	1,721
Net book value as of 30 June 2007 represented by:			
Gross book value	1,235	3,001	4,236
Accumulated depreciation/amortisation and impairment	-	(2,515)	(2,515)
	1,235	486	1,721

Table C: Reconciliation of the opening and closing balances of intangibles (2005-06).

Item	Computer software internally developed \$'000	Computer software purchased \$'000	Total \$'000
As at 1 July 2005			
Gross book value	-	1,952	1,952
Accumulated amortisation and impairment	-	(1,329)	(1,329)
Net book value 1 July 2005	-	623	623
Additions:			
by purchase or internally developed	-	516	516
Amortisation	-	(690)	(690)
Net book value 30 June 2006	-	449	449
Net book value as of 30 June 2006 represented by:			
Gross book value	-	2,468	2,468
Accumulated depreciation/amortisation and impairment	-	(2,019)	(2,019)
	-	449	449

Note 6F: Other non-financial assets

Prepayments

Total other non-financial assets

	2007 \$'000	2006 \$'000
Prepayments	1,300	849
Total other non-financial assets	1,300	849

All other non-financial assets are current assets.

No indicators of impairment were found for other non-financial assets.

NOTE 7: PAYABLES**Note 7A: Suppliers**

Trade creditors

Operating lease rentals

Total supplier payables

Supplier payables are represented by:

Current

Non-current

Total supplier payables

	2007 \$'000	2006 \$'000
Trade creditors	11,788	4,580
Operating lease rentals	668	605
Total supplier payables	12,456	5,185
Supplier payables are represented by:		
Current	12,456	5,185
Non-current	-	-
Total supplier payables	12,456	5,185

Settlement is usually made net 30 days.

NOTE 8: INTEREST BEARING LIABILITIES**Note 8A: Other interest bearing liabilities**

Lease Incentives

Total other interest bearing liabilities

	2007 \$'000	2006 \$'000
Lease Incentives	3,199	3,509
Total other interest bearing liabilities	3,199	3,509

NOTE 9: PROVISIONS

Note 9A: Employee provisions

Salaries and wages	404	259
Leave	10,478	8,537
Superannuation	36	36
Other	38	90
Total employee provisions	10,956	8,922

Employee provisions are represented by:

Current	7,853	6,632
Non-current	3,103	2,290
Total employee provisions	10,956	8,922

The classification of current includes amounts for which there is not an unconditional right of deferral of one year, hence in the case of employee provisions the above classification does not equal the amount expected to be settled within one year of reporting date. Employee provisions expected to be settled in one year \$1,178 (2006: \$995), in excess of one year \$9,778 (2006: \$7,927)

Note 9B: Other provisions

Provision for 'Make Good'	322	371
Other provision	350	-
Total other provisions	672	371

Other provisions are represented by:

Current	350	-
Non-current	322	371
Total other provisions	672	371

	Provision for restoration \$'000	Total \$'000
Carrying amount 1 July 2006	372	372
Amounts reversed	(58)	(58)
Unwinding of discount or change in discount rate	8	8
Closing balance 2007	322	322

NOTE 10: CASH FLOW RECONCILIATION

	2007 \$'000	2006 \$'000
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement		
Cash Flow Statement	5,726	3,102
Balance Sheet	5,726	3,102
Difference	-	-

Reconciliation of operating result to net cash from operating activities:

Operating result	1,795	3,675
Depreciation amortisation	3,947	4,967
Net write down of assets	220	584
Gain on disposal of assets	16	20
(Increase) / decrease in net receivables	(2,506)	(10,265)
(Increase) / decrease in prepayments	(451)	555
Increase / (decrease) in employee provisions	2,032	(296)
Increase / (decrease) in supplier payables	7,273	(730)
Increase / (decrease) in other debt	(309)	3,292
Increase / (decrease) in other provisions	300	100
Net cash from / (used by) operating activities	12,317	1,902

NOTE 11: EXECUTIVE REMUNERATION

The number of senior executives who received or were due to receive total remuneration of \$130,000 or more:

	2007	2006
\$130 000 to \$144 999	-	-
\$145 000 to \$159 999	-	-
\$160 000 to \$174 999	-	2
\$175 000 to \$189 999	1	-
\$190 000 to \$204 999	-	2
\$205 000 to \$219 999	2	2
\$220 000 to \$234 999	5	-
\$235 000 to \$249 999	-	2
\$250 000 to \$264 999	2	1
\$265 000 to \$279 999	1	-
\$280 000 to \$294 999	1	-
\$325 000 to \$339 999	1	1
Total	13	10
	\$'000	\$'000
The aggregate amount of total remuneration of executives shown above.	3,178	2,226
The aggregate amount of separation and redundancy/termination benefit payments during the year to executives shown above.	-	97

NOTE 12: REMUNERATION OF AUDITORS

ANAO financial statement audit services are provided free of charge to the ACC.

The fair value of the services provided was:

No other services were provided by the Auditor-General.

	2007 \$'000	2006 \$'000
	78	74
	78	74

NOTE 13: STAFFING LEVELS

The staffing levels for the ACC during the year were:

The staffing level for the ACC represents Australian Public Service employees only as at 30 June 2007. Seconded officers from law enforcement agencies are not included in the above number.

	2007	2006
	522	426

NOTE 14: FINANCIAL INSTRUMENTS

Note 14A: Interest Rate Risk

Financial Instrument	Note	Floating Interest Rate		Fixed Interest Rate - Maturing In						Non-Interest Bearing		Total		Weighted Average Effective Interest Rate		
		2007 \$'000	2006 \$'000	1 Year or Less		1 to 5 Years		> 5 Years		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 %	2006 %	
				2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000							
Financial Assets																
Cash at bank	5A	-	-	-	-	-	-	-	-	5,726	3,102	3,102	-	n/a	n/a	
Receivables for goods and services	5B	-	-	-	-	-	-	-	-	1,355	357	357	-	n/a	n/a	
Total		-	-	-	-	-	-	-	-	7,081	3,459	3,459	-			
Total Assets										43,836	31,163	31,163				
Financial Liabilities																
Trade creditors	7A	-	-	-	-	-	-	-	-	12,456	5,185	5,185	-	n/a	n/a	
Total		-	-	-	-	-	-	-	-	12,456	5,185	5,185	-			
Total Liabilities										27,283	17,987	17,987				

Note 14B: Fair values of financial assets and liabilities

	Notes	2007		2006	
		Total Carrying Amount	Aggregate Fair Value	Total Carrying Amount	Aggregate Fair Value
		\$'000	\$'000	\$'000	\$'000
Departmental Financial Assets					
Cash	5A	5,726	5,726	3,102	3,102
Receivables for goods and services	5B	1,355	1,355	353	353
Total financial assets		7,081	7,081	3,455	3,455
Financial liabilities (recognised)					
Trade creditors	7A	11,788	11,788	4,580	4,580
Suppliers payable	7A	668	668	605	605
Total financial liabilities (recognised)		12,456	12,456	5,185	5,185

Note 14C: Credit risk exposures

The ACC's maximum exposures to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Balance Sheet.

The ACC has no significant exposures to any concentrations of credit risk.

All figures for credit risk referred to do not take into account the value of any collateral or other security.

NOTE 15: APPROPRIATIONS

Note 15A: Acquittal of authority to draw cash from the consolidated revenue fund for ordinary annual services appropriations and borrowings

Particulars	Departmental Outputs		Total	
	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000
Balance carried from previous period	15,626	9,604	15,626	9,604
Appropriation Act:				
Appropriation Act (No.1)	85,539	69,173	85,539	69,173
Appropriation Act (No.3)	4,074	5,073	4,074	5,073
Reductions:				
- current year	-	(42)	-	(42)
FMA Act:				
Appropriations to take account of recoverable GST (FMA s 30A)	2,815	3,429	2,815	3,429
Annotations to 'net appropriations' (FMA s 31)	2,174	3,114	2,174	3,114
Total appropriation available for payments	110,228	90,351	110,228	90,351
Cash payments made during the year (GST inclusive)	85,263	74,725	-	74,725
Appropriations credited to Special Accounts (excluding GST)	-	-	-	-
Balance of Authority to Draw Cash from the Consolidated Revenue Fund for Ordinary Annual Services Appropriations	24,965	15,626	110,228	15,626
Represented by				
Cash at bank and on hand	5,726	3,102	5,726	3,102
Departmental appropriations receivable	17,825	12,100	17,825	12,100
Add: Receivables - Net GST receivable from ATO	1,706	426	1,706	426
Less: Payables - Suppliers - GST portion	(292)	(2)	(292)	(2)
Total	24,965	15,626	23,551	15,626

Departmental and non-operating appropriations do not lapse at financial year end. However, the responsible Minister may decide that part or all of a departmental or non-operating appropriation is not required and request the Finance Minister to reduce that appropriation. The reduction in the appropriation is effected by the Finance Minister's determination and is disallowable by Parliament.

Note 15B: Acquittal of authority to draw cash from the consolidated revenue fund for other than ordinary annual services appropriations

Particulars	Non – operating		Total	
	Equity			
	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000
Balance carried from previous period	1,667	-	1,667	-
Appropriation Act:				
Appropriation Act (No.2)	618	-	618	-
Appropriation Act (No.4)	964	1,667	964	1,667
FMA Act:				
Appropriations to take account of recoverable GST (FMA s30A)	248	-	248	-
Total appropriations available for payments	3,497	1,667	3,497	1,667
Cash payments made during the year (GST inclusive)	2,732	-	2,732	-
Balance of authority to draw cash from the consolidated revenue fund for other than ordinary annual services appropriations	765	1,667	765	1,667
Represented by:				
Appropriation receivable	765	1,667	765	1,667
Total	765	1,667	765	1,667

Note 15C: Special accounts

Account Name	2007	2006
	\$'000	\$'000
Financial Action Task Force - Asia Pacific Group Secretariat Account		
<i>Legal Authority: Financial Management and Accountability Act 1997; s20 Purpose: for expenditure relating to the operations of the Secretariat to the Financial Action Task Force – Asia/Pa</i>		
This account is non-interest bearing		
Balance carried forward	-	812,540
Transfer to/from other agencies	-	(812,540)
Total	-	-

During 2005-06 the secretariat responsibility of the special account, Asia Pacific Group Secretariat Account, was transferred from the ACC to the Australian Federal Police.

NOTE 16: REPORTING OF OUTCOMES

Note 16A: Net cost of outcome delivery

	Outcome 1		Total	
	2,007	2,006	2,007	2,006
	\$'000	\$'000	\$'000	\$'000
Expenses				
Departmental	97,382	80,246	97,382	80,246
Total expenses	97,382	80,246	97,382	80,246
Costs recovered from provision of goods and services to the non government sector				
Departmental	(9,208)	(9,335)	(9,208)	(9,335)
Total costs recovered	(9,208)	(9,335)	(9,208)	(9,335)
Other external revenues				
Departmental	(329)	(276)	(329)	(276)
Total other external revenues	(329)	(276)	(329)	(276)
Net cost/(contribution) of outcome	87,845	70,635	87,845	70,635

Note 16B: Major classes of departmental revenues and expenses by output groups and outputs

Outcome 1	Output Group 1.1		Output Group 1.2		Outcome 1 Total	
	2007	2006	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Departmental expenses						
Employees	11,160	6,739	37,410	29,909	48,570	36,648
Suppliers	6,891	3,895	23,101	18,232	29,993	22,127
Depreciation & amortisation	907	913	3,040	4,054	3,947	4,967
Other expenses	3,363	3,031	11,274	13,453	14,637	16,484
Write down of assets	54	-	181	20	236	20
Total departmental expenses	22,376	14,578	75,006	65,668	97,382	80,246
Funded by:						
Revenues from Government	20,597	12,852	69,044	61,458	89,641	74,310
Sales of goods & services	2,116	1,226	7,092	6,388	9,208	7,614
Other non-taxable revenues	76	1,797	253	199	329	1,996
Total departmental revenues	22,788	15,875	76,389	68,045	99,177	83,920

NOTE 17: RESTRUCTURING

2007	2006
\$'000	\$'000

During 2005-06 the ACC transferred the Secretariat Host responsibilities for the Asia Pacific Group, including the special account, to the Australian Federal Police.

The net book values of assets and liabilities transferred to the Australian Federal Police were:

Total assets recognised	-	1,336
Total liabilities recognised	-	(883)
Net assets transferred	-	453

NOTE 18: SPECIFIC PAYMENT DISCLOSURE

No Act of Grace payments were made during the reporting period, and there are no amounts owing as at balance date (2005-06: Nil).

No waivers of amounts owing to the Commonwealth were made pursuant to sub-section 34(1) of the *Financial Management and Accountability Act 1997* (2005-06: Nil).

No payments were made under the Defective Administration Scheme during the reporting period (2005-06: Nil).

No payments were made under s73 of the *Public Service Act 1999* during the reporting period. (2006: Nil)

NOTE 19: CONTINGENT LIABILITIES AND ASSETS

Quantifiable contingencies

At 30 June 2007, the ACC did not have any quantifiable contingencies (2005-06: Nil).

Unquantifiable contingencies

At 30 June 2007, the ACC did not have any unquantifiable contingencies (2005-06: Nil).

Remote contingencies

At 30 June 2007, the ACC did not have any remote contingencies (2005-06: Nil).

NOTE 20: ASSETS HELD IN TRUST

Comcare reimbursements made direct to employers after 1 July 2006 are no longer considered special public moneys, following changes to the *Safety Rehabilitation and Compensation Act 1988*, nor are they required to be disclosed as assets held in trust, 2006-07 Nil (2005-06 \$40,291).

05

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APPENDIX A

COURT RESULTS

COURT RESULTS

AMPHETAMINES AND OTHER SYNTHETIC DRUGS

Date	Name	Offence type	Sentence
18 Jul 06	REXHEP Kasin	Trafficking a commercial quantity of methylamphetamine	Six years and six months imprisonment with a minimum of four years and six months.
19 Jul 06	KECA Milarad Milan	Trafficking a commercial quantity of methylamphetamine	Total effective sentence of five years and three months imprisonment, three year non-parole period.
		Trafficking ketamine	Disposal and pecuniary penalty in the sum of \$10,000.
10 Nov 06	KEMP Joshua	Refuse to answer question at ACC examination	Twelve months imprisonment, to be released after serving three months upon entering into a recognisance in the sum of \$5,000 conditioned that he be of good behaviour for a period of two years.

ESTABLISHED CRIMINAL NETWORKS - VICTORIA

Date	Name	Offence type	Sentence
06 Jul 06	WILLIAMS George Leslie	Give false evidence at ACC examination	Fined \$3,000
		Disclose existence of an ACC summons	Acquitted
		Give misleading evidence at ACC examination	
10 Apr 07	KAFRITSAS Jim	Give false evidence at ACC examination	Twenty months imprisonment, non-parole period 10 months

APPENDIX A

COURT RESULTS

HIGH RISK CRIME GROUPS

Date	Name	Offence type	Sentence
06 Jul 06	FANTINI Nicola Joseph	Possess a firearm without a licence	Without conviction, two years good behaviour
		Possess unregistered firearm	Without conviction, \$2,000 fine
		Fail to keep firearm secured	Without conviction, \$1,000 fine
		Fail to store ammunition	Without conviction, \$1,000 fine
20 Jul 06	LEE David Wei Meng	Illegal possession of abalone	Fifteen months imprisonment with 12 months suspended on condition of good behaviour for two years.
24 Jul 06	QUAID Marc	Give false or misleading evidence at an ACC examination	Ten months imprisonment, suspended on being of good behaviour for two years. Fined \$2,000 and ordered to pay costs of \$1,500
26 Jul 06	MURRAY Claire Carmel	Fail to store ammunition securely	Withdrawn
		Possess loaded firearm	Withdrawn
		Possess firearm without licence	Fined \$259
		Fail to keep firearm secure	Withdrawn
17 Aug 06	BABIN Alain Pierre	Possession of a dangerous drug and possession of utensils	Conviction not recorded. Placed on a good behaviour bond for five months with recognisance of \$150.
17 Aug 06	BENSON-NICHOLS Karne Patricia	Possession of a dangerous drug Possession of thing	Conviction not recorded. Placed on good behaviour bond for nine months, recognisance of \$500 and placed in a drug diversion program.
17 Aug 06	BILLINGSLEY William Allan	Possession of a dangerous drug	Fined \$500 to be paid within one month in default imprisonment for seven days.
		Possession of utensils	Fined \$1,000 to be paid within one month or imprisonment for 14 days.

APPENDIX A

COURT RESULTS

Date	Name	Offence type	Sentence
17 Aug 06	DAVIES Kirk Andrew	Possession of a dangerous drug and possession of an unregistered weapon	Fined \$1,000 to be paid within six months in default imprisonment for 20 days. Weapon seized.
17 Aug 06	DONOHUE Michael John	Possession of a dangerous drug	Conviction not recorded. Fined \$600 to be paid within three months in default imprisonment for 10 days.
17 Aug 06	DONOVAN Kevin Edward	Possession of a dangerous drug	Fined \$300 to be paid within one month in default imprisonment for six days.
17 Aug 06	FIRTH Brian William	Possession of a dangerous drug	Fined \$500 to be paid within three months in default imprisonment for six days.
17 Aug 06	GERES Benjamin Allan	Possession of a dangerous drug	Conviction not recorded. Placed on a good behaviour bond with recognisance of \$300 and court ordered drug diversion.
17 Aug 06	HARRIS Sheylene Marie	Possession of a dangerous drug Supply a dangerous drug Possession of utensils	Conviction not recorded. Placed on a good behaviour bond for 12 months recognisance of \$500 with a court ordered drug diversion.
17 Aug 06	HERAPATH Russell Clyde	Possession of a dangerous drug Possession of a utensil	Fined \$1,000 to be paid within three months in default imprisonment for 14 days.
17 Aug 06	JOYCE Stacy John	Possession of utensils Possession of a dangerous drug	Conviction not recorded. Placed on good behaviour bond for four months, recognisance \$150 and court ordered drug diversion.
17 Aug 06	McMURRAY Robert James	Possession of a dangerous drug Possession of utensils	Conviction not recorded. Fined \$1,200 to be paid within three months in default imprisonment for 24 days.
17 Aug 06	OWENS Gary Campbell	Possession of a dangerous drug Possession of utensil	Fined \$300 to be paid within three months in default imprisonment for five days.
17 Aug 06	SANDS Michael David Lewis	Possession of a dangerous drug	Fined \$360 to be paid within three months in default imprisonment for six days.

APPENDIX A

COURT RESULTS

Date	Name	Offence type	Sentence
17 Aug 06	SEPON James Bradley	Possession of a dangerous drug Possession of thing used in connection with dangerous drugs	Fined \$450 to be paid within six months in default imprisonment for six days.
17 Aug 06	STRAATMAN Janine Dorothy	Stealing	Conviction not recorded. Placed on a good behaviour bond for 12 months with a recognisance of \$500.
17 Aug 06	STRAATMAN Steven Michael	Possession of a dangerous drug Permitting place to be used in connection with offences under the DMA Possession of unregistered weapons	Conviction not recorded. Fined \$750 to be paid within six months in default imprisonment for 15 days.
17 Aug 06	THOMPSON Wayne John	Possession of utensils Possession of a dangerous drug	Conviction not recorded. Fined \$750 to be paid within four months in default imprisonment for 15 days.
17 Aug 06	WENZLE Phillip Wulstan William	Possession of dangerous drugs Possession of publications in relation to dangerous drugs	Fined \$1,200 to be paid within three months in default imprisonment for 20 days.
22 Aug 06	KINGDON Peter John	Supply dangerous drug Possess dangerous drug Possess drug utensils	Fined \$750
25 Aug 06	SOUMA Robert	Import prohibited imports	Seven years and eight months imprisonment.
04 Sep 06	SADLER Daniel Raymond	Possess dangerous drug	Four months good behaviour and to undertake drug diversion program.
15 Sep 06	TU David	Trafficking not less than the large commercial quantity of a drug of dependence Conspiracy to traffic not less than the large commercial quantity of a drug of dependence	Discharged
22 Sep 06	PARKER Gerald Alfred	Knowingly take part in the supply of prohibited drug	Eight years imprisonment, non-parole period six years
28 Sep 06	MERCORELLA Giuseppe Antonio	Dishonestly dealing in documents	Five years imprisonment with non-parole period of two years and six months

APPENDIX A

COURT RESULTS

Date	Name	Offence type	Sentence
29 Sep 06	CASSAR Joseph	Supply large quantity prohibited drug	Withdrawn
09 Oct 06	WONE Abraham Craig	Possess unregistered firearm	Fined \$300
		Possess restricted item (silencer)	Fined \$100
09 Oct 06	EDMONDS Kristian David	Possess unregistered firearm	Fined \$400
13 Oct 06	RANKINE Alec David	Produce dangerous drug	Two years imprisonment, wholly suspended for three years
26 Oct 06	NICKOLIC Djelos (George)	Conspiracy to import prohibited narcotic goods	Sixteen years imprisonment, 10 years non-parole period
28 Oct 06	TAN Vihn Phat	Import a marketable quantity of controlled drug	Five years imprisonment, non- parole period three years and four months.
02 Nov 06	SLIVO Raid	Import prohibited import Traffic dangerous drug Possess dangerous drug Possess item connected with drug offence Possess proceeds of crime Possess tainted property	Thirteen years imprisonment and registered as serious offender therefore must serve a minimum of 80% of sentence.
10 Nov 06	BARBARO Frank Patrick	Supply large commercial quantity prohibited drug	Four years imprisonment, non-parole period two years
10 Nov 06	NGUYEN Van Mau	Possess prohibited substance for sale	Eight months imprisonment, suspended on entering into recognisance to be of good behaviour
14 Nov 06	LAKE John William	Conspiracy to import prohibited import (commercial quantity of cocaine)	Seven years imprisonment, no recommendation for parole made
14 Nov 06	GEERLINGS Glenn	Conspiracy to import prohibited import (commercial quantity of cocaine)	Seven years imprisonment, no recommendation for parole made
14 Nov 06	CARSTEIN Jamie	Conspiracy to import prohibited import (commercial quantity of cocaine)	Eight years imprisonment, no recommendation for parole made

APPENDIX A

COURT RESULTS

Date	Name	Offence type	Sentence
17 Nov 06	APOSTOL Christian	Traffic dangerous drug Possess proceeds of crime	Eight years imprisonment, non-parole period two and a half years
22 Nov 06	LY Khon Tran	Traffic dangerous drug	Nine years imprisonment, no order made regarding non- parole period
24 Nov 06	CHEN Xi Jia	Take part in sale of prohibited substance	Withdrawn
27 Nov 06	VARITIMOS Dimitris	Supply dangerous drug	Nine years imprisonment, non-parole period three years
28 Nov 06	TROTTER Vanessa	Traffic dangerous drug Supply dangerous drug	Four and a half years imprisonment Eighteen months imprisonment (composite sentence) To be served concurrently, non-parole six years
28 Nov 06	RYAN Wayne	Traffic dangerous drug Possess dangerous drug Possess item connected with drug offence Possess property obtained from drug trafficking	Nine years imprisonment Three years imprisonment (composite sentence for other charges) To be served concurrently, non-parole four years
05 Dec 06	HOCKING Bruce	Give false or misleading evidence at ACC examination	Permanent stay of proceedings granted by Court
18 Dec 06	TITO Travis	Refuse to answer a question at ACC examination Traffic dangerous drug Supply dangerous drug Possess dangerous drug Possess property obtained from drug trafficking	Six months imprisonment Nine years imprisonment, no recommendation for parole made
20 Dec 06	IBRAHIM Nicholas	Refuse to answer question at ACC examination	Four months imprisonment (aggregate) to be served concurrently with current manslaughter sentence

APPENDIX A

COURT RESULTS

Date	Name	Offence type	Sentence
30 Jan 07	NABHAN Jim	Traffic dangerous drug	Thirteen years imprisonment and declared a serious violent offender.
30 Jan 07	D'ALESSANDRO Mario	Fail to answer ACC examination questions	Twelve months imprisonment, suspended after three months.
09 Feb 07	HALMI Nicolae	Supply dangerous drug	Three years and six months imprisonment, non-parole period two years and six months
09 Feb 07	KEATING Graeme	Supply dangerous drug Traffic dangerous drug	Five years imprisonment, non-parole period 18 months
19 Feb 07	TEA Robert	Trafficking marketable quantity of controlled drug	Three years and six months imprisonment, non-parole period two years
08 Mar 07	ITALIANO Dominic	Fail to answer ACC examination questions	Fifteen months imprisonment, to be served concurrently. Suspended on good behaviour bond for two and a half years.
09 Mar 07	COX Karina Amanda	Possess controlled substance for sale	Two years and six months imprisonment, non-parole period 15 months. Suspended on good behaviour bond.
13 Mar 07	DOWN Scott	Supply dangerous drug	Three years imprisonment, non-parole period 12 months. Suspended on good behaviour bond.
14 Mar 07	CASELL Megan Jayne	Give false or misleading evidence at ACC examination	Nolle Prosequi entered
23 Mar 07	BOSNJAK Oliver	Traffic dangerous drug Supply dangerous drug Possess dangerous drug Possess tainted property	Nine years imprisonment
28 Mar 07	TRINH Nguyen Thien (Kevin)	Traffic dangerous drug	Five years imprisonment, non-parole period 20 months
28 Mar 07	LI Chi Kin (Stanley)	Traffic dangerous drug	Three years imprisonment, eligible for immediate release on parole

APPENDIX A

COURT RESULTS

Date	Name	Offence type	Sentence
30 Mar 07	TRAN Binh Van	Trafficking drug of dependence	Seven years imprisonment, non-parole period four years and six months.
30 Mar 07	BUI Phoung Van	Trafficking drug of dependence	Seven years imprisonment, non-parole period of four years and six months.
30 Mar 07	HE Alan Guan Bin	Trafficking drug of dependence	Seven years imprisonment, non-parole period of four years and six months.
03 Apr 07	EVANS Mohamed	Give false evidence at ACC Examination	Ten months imprisonment, suspended and fined \$2000
05 Apr 07	KOSTOPOULOS Chrisanthos	Traffic dangerous drug	Fifteen years imprisonment and declared a serious violent offender
10 Apr 07	DIBLEY Garry	Traffic dangerous drug Produce dangerous drug Possess dangerous drug Possess item connected with drug offence	Eighteen months imprisonment, suspended No convictions for remaining offences
10 Apr 07	FITZGERALD Allan	Produce dangerous drug	Count one - two year good behaviour probation (without conviction) Count two - fined \$2,000 (with conviction)
10 Apr 07	LANE Michael	Produce dangerous drug Supply dangerous drug	Two years and three months imprisonment, suspended
15 Apr 07	BROWN James	Traffic dangerous drug	Three years imprisonment, non-parole period six months
17 Apr 07	DOW Anthony	Traffic commercial quantity of controlled drug	Six years and one month imprisonment, non-parole period three years and eight months
01 May 07	KOSIONAS Jason	Traffic dangerous drug Supply dangerous drug	Six years imprisonment, non-parole period two years
03 May 07	KLASAN Gordon	Traffic dangerous drug	Eleven years imprisonment and declared a serious violent offender.

APPENDIX A

COURT RESULTS

Date	Name	Offence type	Sentence
18 May 07	LEE Joey Yiu	Traffic dangerous drug Supply dangerous drug	Seven years imprisonment, non-parole period two years
01 Jun 07	DIHN Tran Cong	Supply commercial quantity prohibited drug Deal with proceeds of crime	Five years and four months imprisonment, non-parole period two years and six months
08 Jun 07	ATKINS Michael	Traffic dangerous drug Possess dangerous drug Possess item connected with drug offence	Six years imprisonment, non- parole period two years
15 Jun 07	OLIVER Murray	Possess dangerous drug (aggravated amount)	Eleven years and six months imprisonment, non-parole period four years and three months
20 Jun 07	DOBROSAVLJEVIC Peter	Supply dangerous drug	Sentenced to time served (32 months) then to be released on two years probation.
20 Jun 07	OLTRAN Branko	Produce dangerous drug	Eight years imprisonment
20 Jun 07	CHIPPINGTON Nikola	Traffic dangerous drug	Five years imprisonment, non- parole period 20 months
21 Jun 07	IRELAND Mark Timothy	Refuse to answer question at ACC examination	Nine months imprisonment, suspended

ILLICIT FIREARM MARKETS

Date	Name	Offence Type	Sentence
14 Dec 06	TONKS Phillip	Cross border firearms trafficking	Withdrawn
30 Mar 07	MASTERS Bradley Kevin	Trafficking in weapons Possess weapon Supply weapon	Eight years imprisonment, non-parole period two years
30 Mar 07	SCOTT Guy Anthony	Trafficking in weapons Possession weapon Supply weapon Trafficking dangerous drugs Possess dangerous drug Supply dangerous drug	Six years imprisonment, non- parole period 18 months

APPENDIX A

COURT RESULTS

MIDAS

Date	Name	Offence type	Sentence
01 Sep 06	HUANG Bin	Conspiracy to import 342 kilograms of MDMA Section 400.3(1) of the Criminal Code Act	Three years imprisonment, non-parole period of one year and nine months
04 Oct 06	CHEN Zhen Chu	S25(1) and (3) of the Organised and Serious Crimes Ordinance (Cap.455)	Nine years imprisonment
02 Feb 07	KEUNG Wing Kai	Conspiracy to import prohibited imports (MDMA)	Life imprisonment discounted due to offender's age. Non-parole period of 18 years.
02 Feb 07	BOW Wai Kwan	Conspiracy to import prohibited imports	Twenty-four years imprisonment, non-parole period of 16 years.
02 Feb 07	LIU Miller	Conspiracy to import prohibited imports	Twenty-one years imprisonment, non-parole period of 14 years
09 Mar 07	SIU Paul	Money laundering	Two years and 11 months imprisonment

APPENDIX B

CARRIED OVER REFERENCES

CARRIED OVER REFERENCES

Carried over references				
	Blade	Freshnet	Swordfish	TOTAL
Proceeds of crime				
Forfeited	-	-	\$729,904	\$729,904
Pecuniary Penalty Orders issued	\$811,460	\$1,200,000	-	\$2,011,460
Pecuniary Penalty Orders recovered	-	-	\$155,000	\$155,000
Tax assessments				
Issued		\$190,000		\$190,000
Recovered		\$100,000	\$356,754	\$456,754

APPENDIX C

SIGNIFICANT COURT MATTERS

SIGNIFICANT COURT MATTERS

The ACC was subject to significant court challenges in the Federal Court and High Court. These challenges have concerned the exercise of search warrant powers, mutual assistance requests, disseminations, legal professional privilege claims and the exercise of coercive powers.

The ACC has succeeded in all challenges in the Federal Court and High Court. Among other things, it has been held:

- The Board recorded its decision in writing in accordance with section 7J when it made the ACC *Special Investigation Authorisation and Determination (Money Laundering and Tax Fraud) 2003* and that instrument was lawfully made: *CC Pty Ltd & Others v. ACC Board & Others [2007] FCAFC 96*;
- A person who previously unsuccessfully challenged the validity of a search warrant was not entitled to copies of documents obtained under that warrant in subsequent Court proceedings: *Egglislaw v. ACC [2007] FCA 90*; and
- A person summonsed to appear and give evidence at an examination was not entitled to object to answering questions because those answers might incriminate a de facto spouse (*[S v Boulton 2006] FCAFC 99*; special leave application refused in the High Court).

A number of cases in the Federal Court and the High Court are ongoing.

In one matter, the Victorian Supreme Court ruled against the ACC in finding that a person charged with offences under the ACC Act is entitled to test whether an examiner recorded reasons in writing in deciding to issue an examination summons.

The ACC also succeeded in a number of prosecutions for offences under the ACC Act during the reporting period, including offences for giving false and misleading evidence at an examination and failure to answer questions at an examination. In several cases, penalties of imprisonment for periods up to 12-18 months were imposed.

APPENDIX D

COMPLAINTS 2006–07

COMPLAINTS 2006-07

Nature of complaint	Result
Complaints made to the ACC in 2003-04	
A person provided information that another person was being protected by an officer of the ACC.	Refer Chapter 3 - <i>Complaints made directly to ACC</i>
An ACC officer raised a complaint against an investigator regarding the investigator's integrity.	Refer Chapter 3 - <i>Complaints made directly to ACC</i>
Complaints made to the ACC in 2004-05	
The ACC received information that a former seconded officer and a current ACC officer may have made threats against a person.	This matter was investigated by the Australian Federal Police (AFP). The complaint was not substantiated.
Complaints made to the ACC in 2005-06	
A person complained to the Commonwealth Ombudsman about how the ACC had dealt with issues relating to the safety of his family and himself.	The person declined an initial ACC offer to pay for security measures at his premises. The ACC subsequently funded agreed security measures at the person's premises.
Complaints made to the ACC in 2006-07	
A person complained to the Minister for Justice and Customs that he had not been discharged from a summons to attend and give evidence.	The ACC wrote to the person advising him of discharge from the summons.
A law firm complained that the ACC provided information on a client to the media.	The ACC found no evidence to suggest any inappropriate release had occurred.
A law firm complained that the ACC or someone who had appeared at an ACC examination provided information on a client to the media.	The ACC found no evidence to suggest any inappropriate release had occurred.
A solicitor wrote to the ACC advising that the ACC had not responded to a request for assistance under sections 26 and 27 of the ACC Act.	The ACC advised the solicitor of the relevant procedures that need to be taken in relation to an application for reimbursement of expenses.
A person complained to the ACC and the Commonwealth Ombudsman that money was stolen during the execution of a search warrant.	This matter was investigated by an independent external investigator and the investigation was reviewed by Australian Commission for Law Enforcement Integrity (ACLEI). The complaint was not substantiated.
A contractor complained that his contract was unfairly terminated by the ACC.	The ACC terminated the contract due to unsatisfactory performance by the contractor.
The ACC received allegations that an ACC officer may be corrupt.	This matter is under investigation by the Queensland Crime and Misconduct Commission.

APPENDIX D

COMPLAINTS 2006–07

Nature of complaint	Result
A person alleged that she and her family had been harassed by members of staff of the ACC.	The ACC could find no record of either the person or her family and no evidence to support her allegations.
The ACC received an allegation that an investigator may have misled three agencies.	This matter is under investigation internally.
A person complained that an ACC investigator may have used false information to obtain telephone interception warrants.	This matter is currently being investigated by ACLEI.
A person complained that a Queensland Police Officer may have passed on information he obtained at an ACC examination.	The matter was referred to the Queensland Police Service for investigation.
A whistleblower made allegations relating to human resource issues and contracting in the ACC.	This matter is under investigation, oversighted by ACLEI.
A person complained to the Commonwealth Ombudsman about employment related issues.	The ombudsman referred this matter to ACLEI for investigation.

APPENDIX E

CONSULTANCY SERVICES

CONSULTANCY SERVICES

Consultant name	Description	Contract price	Selection	Justification
Accumen Alliance (ACT Pty Ltd)	FMAA Compliance Certification	\$35,387.45	Select tender	A and B
Content Group	Relationship management and strategic marketing	\$30,250.00	Open source	A and B
Iedex Pty Ltd	Review and development of planning	\$13,750.00	Direct source	A and B
Leximancer Pty Ltd	Proof of concept	\$17,001.57	Direct source	A and B
Macquarie Graduate School	Effectiveness and efficiency framework	\$79,860.00	Select tender	A and B
Pricewaterhouse Coopers	Tender evaluation services	\$84,761.00	Select tender	A and B
Yarrimbah Consulting	Internal investigation	\$36,927.00	Direct source	A and B
Merry Beach Conference Pty Ltd	Internal investigation	\$23,408.00	Direct source	A and B
Total		\$241,485.02		

Explanation of selection process terms drawn from the Commonwealth Procurement Guidelines.

Open tender: A procurement procedure in which a request for tender is published inviting all businesses that satisfy the conditions for participation to submit tenders.

Select tender: A procurement procedure in which the procuring agency selects which potential suppliers are invited to submit tenders in accordance with the mandatory procurement procedures.

Direct sourcing: A procurement process, available only under certain defined circumstances, in which an agency may contract a single potential supplier or suppliers of its choice and for which conditions for direct sourcing apply under the mandatory procurement procedures.

Panel: An arrangement under which a number of suppliers, usually selected through a single procurement process, may each supply property or services to an agency as specified in the panel arrangements.

Justification for decision to use consultancy:

A: Skills currently unavailable within the agency

B: Need for specialised for professional skills.

APPENDIX F

FREEDOM OF INFORMATION

FREEDOM OF INFORMATION

During 2006-07, the ACC received two requests for information under the *Freedom of Information Act 1982* and two requests for internal review of decisions. No requests for review of Freedom of Information (FOI) decisions were lodged with the Administrative Appeals Tribunal (AAT).

Statement under section 8 of the Freedom of Information Act

Section 8 of the *Freedom of Information Act 1982* (Cwlth) requires agencies to publish annual statements containing particulars and information about their organisation, functions, decision making powers, consultative arrangements, categories of documents maintained, and facilities and procedures to enable members of the public to obtain access to documents under the FOI Act. These statements are required by the FOI Act to be included in the annual report of each agency.

The following statement is correct as at 30 June 2007.

Establishment

The ACC was established by the *Australian Crime Commission Act 2002* to investigate serious crime, and commenced operations on 1 January 2003. The ACC was created by the amalgamation of three agencies, the National Crime Authority, the Australian Bureau of Criminal Intelligence and the Office of Strategic Crime Assessments.

During 2006-07, the ACC Act was amended by the *Law Enforcement (AFP Professional Standards and Related Measures) Act 2006*, the *Law Enforcement Integrity Commissioner (Consequential Amendments) Act 2006* and the *Statute Law Revision Act 2007*.

Organisation

The ACC is a Commonwealth statutory body established under Section 7(1) of the *Australian Crime Commission Act 2002* (ACC Act), and a prescribed agency for the purposes of the *Financial Management and Accountability Act 1997* (FMA Act).

Section 7(2) of the ACC Act states that the ACC consists of

- (a) the CEO;
- (b) the examiners; and
- (c) the members of the staff of the ACC.

APPENDIX F

FREEDOM OF INFORMATION

The ACC's functions are listed under section 7(A) of the Act. They are:

- (a) to collect, correlate, analyse and disseminate criminal information and intelligence and to maintain a national database of that information and intelligence;
- (b) to undertake, when authorised by the Board, intelligence operations;
- (c) to investigate, when authorised by the Board, matters relating to federally relevant criminal activity;
- (d) to provide reports to the Board on the outcomes of those operations and investigations;
- (e) to provide strategic criminal intelligence assessments, and any other criminal information and intelligence, to the Board;
- (f) to provide advice to the Board on national criminal intelligence priorities; and
- (g) such other functions as are conferred on the ACC by other provisions of the ACC Act or by any other Act.

Decision-making powers and powers affecting members of the public

The ACC has powers which may affect members of the public. It has the power to:

- (a) require information from certain Commonwealth agencies;
- (b) receive information from a State, or an authority of a State under arrangements made by the Commonwealth Minister;
- (c) make arrangements with any other body or person to receive information;
- (d) apply for the issue of a search warrant, in some cases by telephone;
- (e) summon a person to appear before it to give evidence;
- (f) require a person to produce documents;
- (g) apply for a court order requiring a witness to deliver his/her passport to the ACC;
- (h) apply for a warrant for the arrest of a witness considered likely to leave Australia;
- (i) apply for a warrant for the interception of communications in respect of a telecommunications service; and
- (j) apply for a surveillance device warrant in its own right for the investigation of certain Federal offences and for certain State offences with a Federal aspect.

APPENDIX F

FREEDOM OF INFORMATION

External consultation

The ACC Board exists independently of the ACC. It determines national criminal intelligence priorities, provides strategic direction to, and determines the priorities of, the ACC, authorises intelligence operations or investigations and determines which intelligence operations and investigations can use the ACC's coercive powers, establishes task forces and reports to the Inter-Governmental Committee on the ACC (IGC-ACC) on the ACC's performance.

The IGC-ACC monitors generally the work of the ACC and the ACC Board and oversees the strategic direction of the ACC and the ACC Board. The IGC-ACC comprises the relevant Commonwealth Minister and a minister from each participating state and territory. The Act also defines the role and responsibility of the Parliamentary Joint Committee on the ACC, comprising five Senators and five Members of the House of Representatives.

Although not specifically provided for in the Act, the ACC consults with the Ministerial Council for Police and Emergency Management - Police, and the Heads of Commonwealth Operational Law Enforcement Agencies (HOCOLEA).

Categories of documents

The following documents are available for purchase from the Australian Government Publishing Service:

- *Australian Crime Commission Act 2002*, and
- Australian Crime Commission Regulations.

In addition the following documents are available from the ACC on request:

- National Crime Authority Annual Reports 1984-85 to 2001-02;
- Australian Crime Commission Annual Reports 2002-03 to 2006-07;
- National Complex White Collar Crime Conference Papers (June 1992);
- Working Party Paper - Proceeds of Crime Conference (June 1993);
- National Proceeds of Crime Conference Papers (June 1993);
- Liberty, Law Enforcement and Accountability National Conference with the Victorian Council for Civil Liberties, Proceedings (April 1993);
- Strategic Crime Intelligence Explained (June 1994);
- Operation Cerberus - Italo-Australian Organised Crime - Bulletin (November 1995);

APPENDIX F

FREEDOM OF INFORMATION

- Assessment of the Potential for Fraud in the Australian Superannuation System (November 1996);
- Organised Crime in Australia - NCA Commentary 2001;
- Australian Illicit Drug Reports 1989-90 to 2001-02;
- Illicit Drug Data Reports 2002-03 and 2005-06;
- Public Information Statement, Examinations conducted under the *Australian Crime Commission Act 2002*;
- When Bad Things Happen to Your Business' Good Name; and
- When Bad Things Happen to Your Good Name.

The following categories of documents are held by the ACC:

- agendas, submissions, papers and minutes of board meetings, conferences and senior staff meetings;
- confidential transcripts of examinations conducted under Part II Division 2 of the *Australian Crime Commission Act 1984*;
- correspondence between the ACC and Commonwealth, state and territory governments and their agencies;
- documents and other materials comprising intelligence and other information made available by law enforcement and other agencies and individuals;
- documents and other materials produced to the ACC under the provisions of the *Australian Crime Commission Act 2002*;
- documents and other materials of the NCA transferred to the ACC under the transitional provisions of the *Australian Crime Commission Establishment Act 2002*;
- documents, files and other materials relating to internal management and administration, including personnel, staffing, finance and related matters;
- general correspondence files;
- investigation reports and analyses prepared by ACC staff;
- papers relating to the activities of the IGC of the ACC, the PJC on the ACC and other relevant committees;
- media releases and speeches;

APPENDIX F

FREEDOM OF INFORMATION

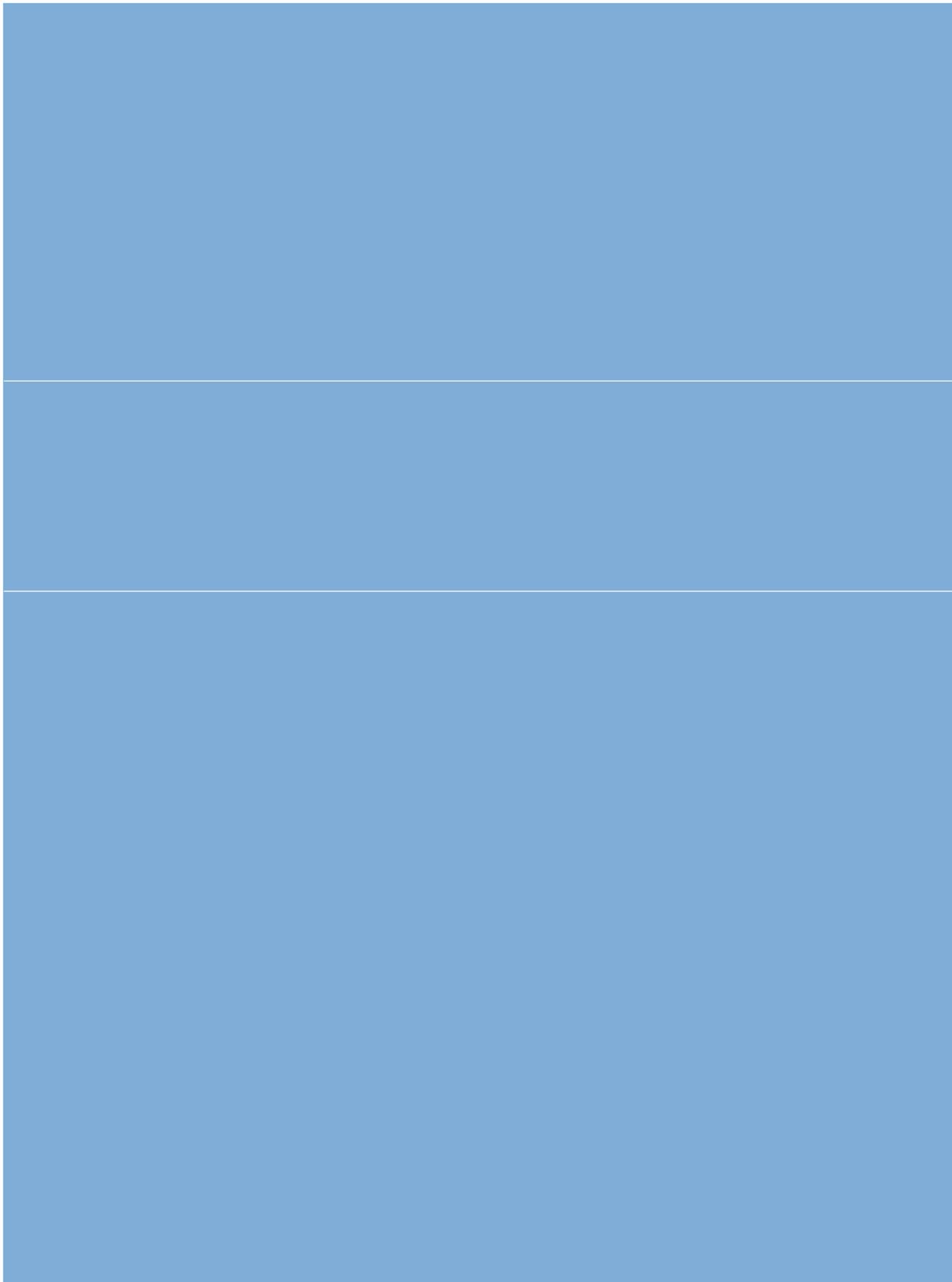
- procedural instructions and guidelines; and
- documents and other materials in the custody of the ACC pursuant to a direction under section 22(3) of the *Archives Act 1983*.

Access to documents

All applications for access to documents in the possession of the ACC are handled in the Melbourne office of the ACC. The ACC also has offices in Sydney, Brisbane, Adelaide, Perth, Canberra, Darwin and Alice Springs and arrangements can be made in each location for the viewing of documents, depending on the location of the applicant.

Requests under the provisions of the FOI Act should be addressed to:

FOI Coordinator
Australian Crime Commission
GPO Box 238
MELBOURNE Vic 3001



06

reference information

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Section 61 (2)(ea) – ‘the extent to which investigations by the ACC have resulted in confiscation proceedings’	33-36, appendix B
Section 61 (2)(g) – ‘particulars of the number and results of: (ii) applications to the Federal Court or the Federal Magistrates Court under the Administrative Decisions (Judicial Review) Act 1977 for orders of review in respect of matters arising under the Act; and (iii) other court proceedings involving the ACC; Being applications and proceedings that were determined, or otherwise disposed of, during that year	appendix C appendix A

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GLOSSARY OF TERMS

Amphetamines

A general term for the amphetamine-based group of drugs including methylamphetamine, ecstasy and crystal methamphetamines ('ice'). Illicit use and availability of this group of drugs has increased significantly in Australia and overseas.

Card skimming

Copying the data from the magnetic strip of a credit or debit card using a card reading device. The identity data may be used to create counterfeit credit or debit cards or to commit other forms of fraud with the stolen identity details.

Criminal intelligence systems

Information technology based systems which facilitate dissemination and sharing of criminal intelligence, including databases containing intelligence holdings which can be interrogated by users.

Criminal networks

Fluid entrepreneurial-type networks with a core group or key individuals whose activity may be localised, across Australia or extend overseas.

Desk

An intelligence analyst group which focuses on a specific area, (for example, illicit drugs or organised crime). Each desk has a presence on the Australian Law Enforcement Intelligence Network (ALEIN), part of the ACC's national criminal intelligence system.

Determination

When authorising the ACC to undertake an intelligence operation or an investigation, the ACC Board can determine that the ACC can use its special powers. Before issuing a determination, the ACC Board must consider whether normal intelligence collection methods or ordinary police methods of investigation are likely to be effective.

Examinations

ACC 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.

Examiners

Examiners are independent statutory officers and experienced legal practitioners who may exercise the ACC's special powers under a determination issued by the ACC Board.

Federally relevant criminal activity

Serious and organised crime which is an offence against a law of the Commonwealth or a territory, or serious and organised crime which is 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 where the ACC's interest in the state offence is incidental to ACC operations/ investigations relating to Commonwealth or territory offences.

GLOSSARY OF TERMS

Intelligence operation

An intelligence operation involves the collection, correlation, analysis or dissemination of criminal information and intelligence relating to federally relevant criminal activity.

National criminal intelligence priorities

At the strategic level, the ACC Board establishes national criminal intelligence priorities (NCIPs). They provide a comprehensive ranked summary of known national criminal threats affecting Australia and a basis for considering resource allocation and operational deployments. The NCIPs promote effective law enforcement agency planning and responses.

Serious and organised crime

Serious and organised crime means an offence that involves two or more offenders and substantial planning and organisation, the use of sophisticated methods and techniques, is committed in conjunction with other offences of a like kind and is punishable by imprisonment for at least three years.

Special intelligence operation or special investigation

Special intelligence operations and investigations are intelligence operations and investigations which the ACC Board has determined can use the ACC's special powers.

Special powers

The ACC has coercive powers similar to those of a Royal Commission, which may be exercised only by ACC Examiners for special intelligence operations or special investigations. The special powers allow the ACC to summons a person to give evidence under oath, demand the production of documents, demand information from Commonwealth agencies, apply for a search warrant and demand the production of a passport.

Vehicle rebirthing

A criminal activity where a stolen or illicitly-obtained or made vehicle is given a new 'identity', for example, by fitting a counterfeit or altered compliance plate, for the purpose of selling the rebirthed vehicle for profit. Vehicle rebirthing can involve the use of vehicle 'half-bodies', written-off vehicles and stolen vehicles to produce saleable whole vehicles.

ACRONYMS AND ABBREVIATIONS

AAT	Administrative Appeals Tribunal
ABCI	Australian Bureau of Criminal Intelligence
ACC	Australian Crime Commission
ACC Act	Australian Crime Commission Act 2002
ACID	Australian Criminal Intelligence Database
ACLEI	Australian Commission for Law Enforcement Integrity
Customs	Australian Customs Service
ACT	Australian Capital Territory
AFMA	Australian Fisheries Management Authority
AFP	Australian Federal Police
AHTCC	Australian High Tech Crime Centre
AIC	Australian Institute of Criminology
AIDR	Australian Illicit Drug Report
AIPR	Australian Identity Protection Register
ALEIN	Australian Law Enforcement Intelligence Net
ALERT	Australian Law Enforcement Referencing and Targeting
ANAO	Australian National Audit Office
AOSD	Amphetamines and Other Synthetic Drugs
APMC	Australasian Police Ministers' Council
APS	Australian Public Service
ASIC	Australian Securities and Investment Commission
ASIO	Australian Securities and Intelligence Organisation
ATO	Australian Taxation Office
ATS	Amphetamine type substances/stimulants
AUSTRAC	Australian Transaction Reports and Analysis Centre
AWA	Australian Workplace Agreement
CA	Certified agreement
CDP	Continuous development program
CDPP	Commonwealth Director of Public Prosecutions
CEI	Chief Executive Instructions
CEO	Chief Executive Officer
CIR	Current Intelligence Reports
CIU	Covert Intelligence Unit
CMC	Criminal and Misconduct Commission (Qld)
CNP	Card not present transactions
CPG	Commonwealth Procurement Guidelines
DIMIA	Department of Immigration and Indigenous Affairs
DPP	Director of Public Prosecutions
DSD	Defence Signals Directorate
ECN	Established Criminal Networks
EEO	Equal Employment Opportunity
GOC	Governance Operations Committee (Internal ACC)
ICT	Information and Communication Technology
IDDR	Illicit Drug Data Report
IGC	Inter-Governmental Committee of the ACC
JACG	Joint Asian Crime Group
LAN	Local area network
LEA	Law enforcement agency
LCC	Local Consultative Committee
MDMA	3,4-methylenedioxymethylamphetamine ('ecstasy')
Midas	Money Laundering and Tax Fraud

ACRONYMS AND ABBREVIATIONS

MoU	Memorandum of Understanding
NCA	National Crime Authority
NCICRs	National Criminal Intelligence Collection Requirements
NCC	National Consultative Committee
NCIPs	National criminal intelligence priorities
NSIC	National Strategic Intelligence Course
NCIOF	National Criminal Intelligence and Operations Forum
NSW	New South Wales
NSWCC	New South Wales Crime Commission
NSWPOL	New South Wales Police
NCTA	National criminal threat assessment
NDPSC	National Drugs and Poisons Scheduling Committee
NT	Northern Territory
OH&S or OHS	Occupational health and safety
OIR	Operational intelligence reports
OMCG	Outlaw motorcycle gangs
OSCA	Office of Strategic Crime Assessments
OSI	Open Source Information
OSCG	Organised and serious criminal groups
PC	Personal computer
PDS	Performance Development Scheme
PJC	Parliamentary Joint Committee on the ACC
POC	Proceeds of crime
PoCA	Picture of Criminality in Australia
POI	Proof of identity
PPO	Pecuniary Penalty Order
PPQ	Possible Parliamentary Question
PRD	Performance Reporting Database
PROMIS	Police Realtime Online Management Information System
PRP	Performance Recognition Program
PS&IMP	Professional Standards and Integrity Plan
PTSE	People Trafficking for Sexual Exploitation
QPS	Queensland Police Service
SA	South Australia
SAPOL	South Australia Police
SCIA	Strategic criminal intelligence assessment
SEAOC	South East Asian Organised Crime
SES	Senior Executive Service
SOCG	Serious and organised crime groups
Sustr or Sustr	Suspicious Transaction Reports
TASPOL	Tasmanian Police
TI	Telecommunication interception
US and USA	United States of America
VECN	Victorian Established Criminal Networks
VICPOL	Victoria Police
VIN	Vehicle identification number
WA	Western Australia
WAPS	Western Australia Police Service
WILES	Women in Law Enforcement Scheme

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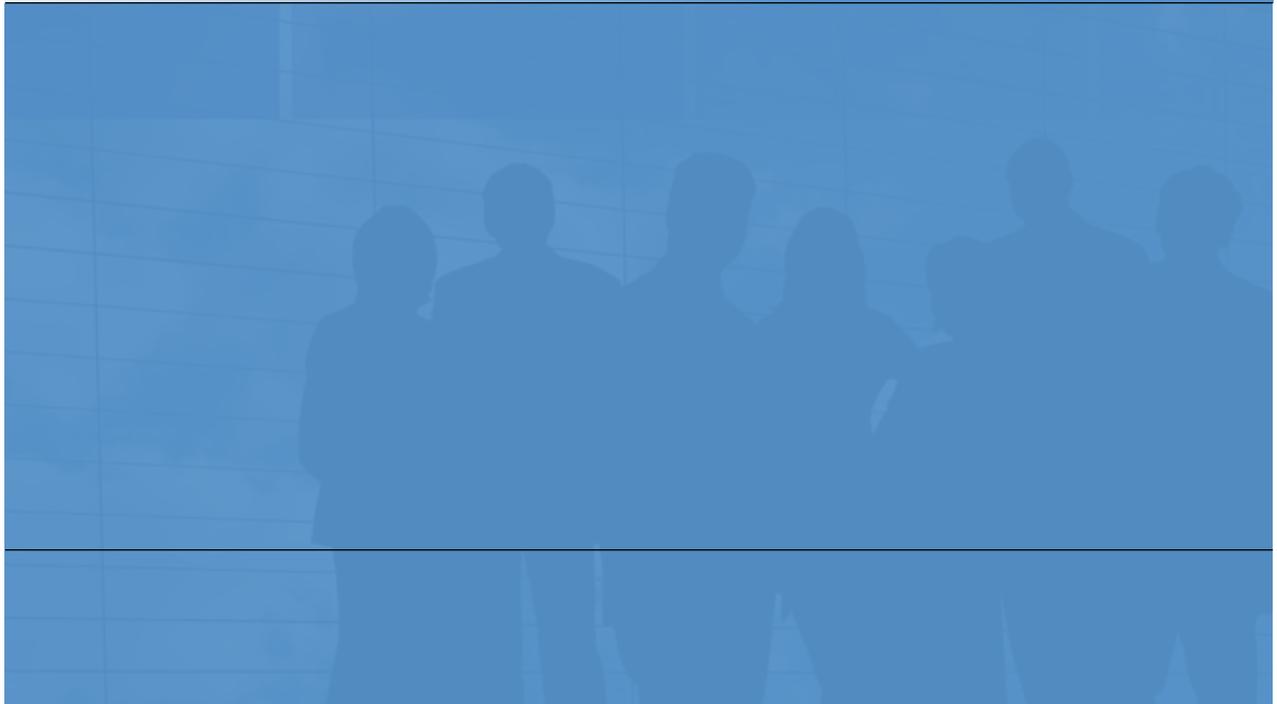
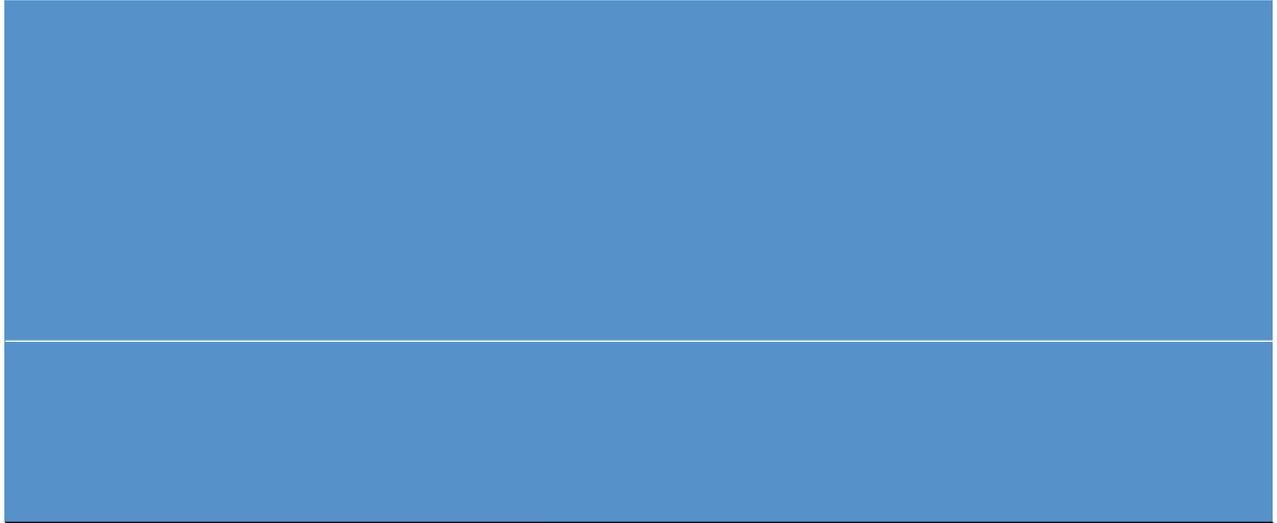
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