



# Inquiry into the Examination of the Australian Criminal Intelligence Commission Annual Report 2016-17

## Department of Home Affairs responses to Questions on Notice.

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## **QUESTION TAKEN ON NOTICE**

**Parliamentary Inquiry : 29 November 2018**

HOME AFFAIRS PORTFOLIO

**(ACIC – AR/001) – Wastewater analysis**

Asked:

How do testing sites determine when to take wastewater samples?

- a. Are samples taken on the same day or days each month, or are they taken on an ad hoc basis?
- b. If samples are taken on an ad hoc basis (different days of the week from month to month), is it necessary to apply any statistical treatment to take that into account? If so, what is that statistical treatment?

*Answer:*

- a. Persons at the testing sites collect samples according to advice from the Universities of Queensland and South Australia. The full methodology is outlined in pages 20-22 and Appendix 3 of the National Wastewater Drug Monitoring Program Report 5.
- b. No samples are taken on an ad hoc basis.

## QUESTION TAKEN ON NOTICE

Parliamentary Inquiry : 29 November 2018

HOME AFFAIRS PORTFOLIO

**(ACIC – AR/002) – Wastewater testing sites**

Asked:

Some wastewater testing sites have not provided data across a number of reporting periods. For example, Queensland test site 020 has only provided data for the first report, and none for subsequent reports.

- a. Why are test sites, such as site 020 in Queensland, not providing regular wastewater data?
- b. What impact does this have on the wastewater analysis?
- c. What has the ACIC done to ensure continuity of data collection over reporting periods?
- d. Have the University of Queensland and/or the University of South Australia raised any issues about data collection at test sites?

Answer:

- a. There are a number of reasons for sites not contributing to all reporting periods. Test sites are operated by a series of different government, quasi-government and private sector entities. Those entities agree to provide samples to the Universities of Queensland and South Australia on a voluntary basis. In some cases, the wastewater treatment plant is relocated by the entity that operates it so a new site number is allocated. In other cases, as in the case of the entity which operates site 020, they decide not to participate further in the program or a decision is made not to include them in future collections.

- b. Decisions not to participate have a variable short-term impact on the national analysis. In the case of site 020, the impact was minimal.

Alternative sites are now providing samples instead of sites which no longer participate. These sites were chosen to maximise the proportion of the population that is covered by the program and the variety of population segments covered, as well as being areas reporting concerning drug use.

- c. In some cases the ACIC has worked with the Universities to emphasise the importance of the national program and the local benefits of participation. This has led to some entities continuing to participate or returning to the program.
- d. No.

## **QUESTION TAKEN ON NOTICE**

**Parliamentary Inquiry : 29 November 2018**

HOME AFFAIRS PORTFOLIO

**(ACIC - AR/003) – Wastewater analysis report, the ACIC announced it would test for cannabis consumption**

Asked:

In the most recent wastewater analysis report, the ACIC announced it would test for cannabis consumption.<sup>1</sup>

- a. Why was cannabis excluded from previous wastewater analysis?
- b. What were the circumstances that led to the inclusion of cannabis testing?
- c. Did the omission of cannabis in the wastewater analysis misconstrue the patterns of drug use in Australia?

*Answer:*

- a. The Universities initially had concerns with the levels of uncertainty attached to measuring cannabis in wastewater.
- b. The Australian Criminal Intelligence Commission asked the Universities to continue to work on resolving the specific problems related to measuring cannabis in wastewater. As the program evolved, the Universities became increasingly confident that they could deliver meaningful results for the drug, therefore it is now included in the program.
- c. No. The analysis was always expressed in terms of drugs tested in the program.

## **QUESTION TAKEN ON NOTICE**

**Parliamentary Inquiry : 29 November 2018**

HOME AFFAIRS PORTFOLIO

**(ACIC – AR/004) – Biometric Identification Services**

Asked:

During the hearing, Mr Phelan stated that at a minimum, it could be safely assumed that the BIS project had sunk \$26 million which won't be recovered.  
a. Has this financial loss impacted on other ACIC projects? If so, how?

*Answer:*

- a. No other ACIC projects were impacted by the closure of the Biometric Identification Services.

## QUESTION TAKEN ON NOTICE

Parliamentary Inquiry : 29 November 2018

HOME AFFAIRS PORTFOLIO

### **(ACIC – AR/005) – Biometric Identification Services project**

Asked:

Mr Phelan stated, in relation to the BIS, that:  
the total outlay would have far outweighed the benefit that we would have got from building the system because our assessment was that it would have been marginally better than the one we already had. So, just on a cost-benefit analysis, spending that extra \$47 million from that point in time was just not worth the Commonwealth expenditure.

- a. What was the original business case for pursuing the BIS project? Did the ACIC's initial assessment demonstrate that the BIS would be more than just 'marginally better' than the existing system?
- b. How did the ACIC compare the existing system to the new BIS system?

Answer:

- a. The business case for the functionality that would have been delivered by the Biometric Identification Services (BIS) project remains valid. The objective of BIS project was to:
  - replace the existing fingerprint matching capability provide by the existing system;
  - deliver a new facial recognition capability; and
  - deliver fusion capabilities with multimodal biometrics matching capability.

From the perspective of fingerprint functionality only, the BIS system would have been marginally better than NAFIS, had it been delivered.

The decision to terminate the BIS project was made as a result of project delays and the likely potential for cost increases.

- b. At the time of termination, any comparison was only able to be made in respect of fingerprint functionality. The ACIC and law enforcement representatives from state and territory police services, experienced in the use of NAFIS, were involved in workshops with the vendor and undertook the comparison of functionality.

## QUESTION TAKEN ON NOTICE

Parliamentary Inquiry : 29 November 2018

HOME AFFAIRS PORTFOLIO

### (ACIC – AR/006) – Key performance indicators and stakeholder survey

Asked:

The 2015–16 annual report outlined a decline in performance against performance indicators 4,5 and 6. It also stated that the agency would explore these declines in performance during the coming year, and in its next stakeholder survey.

- a. Did the ACIC examine the decline in performance for those performance indicators in 2015–16? If so, what were the results?
- b. What changes have taken place as a result of 2015–16 survey results?
- c. Did stakeholder feedback from 2015-16 inform the stakeholder survey for 2016–17? If so, how?

Answer:

- a. Yes. Following enquiries with the survey consultants and consideration of the data, several potential reasons for the decline were identified including:
  - Survey method/design changes by the Australian Crime Commission (ACC) and survey consultants

Changes to the survey method have occurred since the survey commenced in 2013-14. Notably, in 2013-14 some stakeholders received briefings on the ACC's activities to make them aware of what the ACC had undertaken during the year. This practice ceased prior to the 2015-16 survey.

- Lack of appropriate survey respondent targeting

The previous surveys did not collect detailed level survey data (such as the type of respondent, agency, role etc.) for the ACC to consider. In addition, all stakeholder respondents were asked all survey questions regardless of the relevance of the question to the individual.

There is a potential for survey results to be skewed if survey questions were asked of staff who by virtue of their role or level, weren't expected to be in a position to accurately answer certain questions but were compelled to answer anyway.

- Potential drop in organisational performance

All survey results were still considered a pass mark across the 2013-14 to 2015-16 survey period. The strength of the ACC/Australian Criminal Intelligence Commission's (ACIC) performance frameworks has always been that no one performance measure/metric is the sole determiner of one performance criteria.

There are a mixture of qualitative and quantitative performance measures for every ACC/ACIC performance criteria and even though some survey's results were down during this period, all were supplemented with solid to strong qualitative and quantitative performance measure results. Survey results should also not be examined in isolation but as part of meeting the broader performance criteria it relates to.

- b. Changes and improvements were made to the ACIC stakeholder survey from 2016, including changes to address the issues outlined above. These include:
  - Amending survey questions to be thematic and aligned to performance criteria, not simply verbatim stating the performance criteria as a question. This aims to assist in continuity of comparison of longitudinal data over time, especially where organisational changes may eventuate in the future.
  - An aim to maintain a consistent approach to survey design and delivery across years despite any organisational or performance framework change or well-intentioned improvement to the survey.
  - Changes to survey design to ensure the right/relevant questions are addressed to specific stakeholders.
  - Ensuring survey consultants provide appropriate data detail to allow flexible reporting and data analysis.
- c. The changes to survey design outlined in b. were undertaken in response to the analysis of previous stakeholder survey results.



## QUESTION TAKEN ON NOTICE

Parliamentary Inquiry : 29 November 2018

HOME AFFAIRS PORTFOLIO

**(ACIC – AR/007) – Concern about the then ACC's collection and reporting of quantifiable performance data**

Asked:

The committee has in the past expressed concern about the then ACC's collection and reporting of quantifiable performance data. The inclusion in annual reports of results from a stakeholder surveys since 2013–14 addressed the committee's concern, and provided valuable longitudinal data on the agency's performance.

- a. How has the new stakeholder survey impacted on the collection of the longitudinal performance data?
- b. How will the ACIC use historical data to monitor its progress against performance criteria?
- c. What can be done to ensure the continuity?

Answer:

a and b:

When the former Australian Crime Commission merged with CrimTrac in 2016 to form the Australian Criminal Intelligence Commission (ACIC), the new organisation required a new, improved, fit for purpose performance framework. As such, a new stakeholder survey was developed to align with this new framework. The collection and reporting of longitudinal performance survey data restarted from June 2016.

Since the merger, there is now two financial years of comparable performance survey data, with a third years' data available for longitudinal comparison at the end of the 2018-19 financial year.

The ACIC performance framework was not designed to compare performance measures over an infinite time period. However, the framework does enable comparison of performance themes longitudinally – for example investigations response or intelligence (see ACIC Annual Reports – Performance Statements) of which there are a number of performance measures.

Also, whilst survey data provides a useful year to year comparison, it is more appropriate to compare other ACIC performance measures over a longer period of time. For example, whilst longitudinal survey data goes back to 2016, ACIC investigation/response statistics are collected and can be reported back more than 10 years.

The ACIC Annual Reports include at least five years quantitative data – where appropriate - including the present year. This five year longitudinal reporting of statistics meets Commonwealth Agency longitudinal reporting requirements, mandated by the *Public Governance Performance and Accountability Act (2013)* (PGPA Act) and its supporting Rules.

c.

The ACIC Performance Framework from 2016 has focused on themes for easier longitudinal comparison regardless of organisational change.

## QUESTION TAKEN ON NOTICE

Parliamentary Inquiry : 29 November 2018

HOME AFFAIRS PORTFOLIO

**(ACIC- AR/008) – Concerns about the reliability and accessibility of the ACIC's systems.**

Asked:

In the 2016–17, the stakeholder survey revealed stakeholder concerns about the reliability and accessibility of the ACIC's systems.

- a. Did stakeholders specify which ACIC systems were underperforming? If so, which systems?
- b. What is the ACIC doing to address these concerns?

Answer:

- a. No. The survey questions were designed to answer overarching systems and services performance questions in a general sense, aligned with the Australian Crime Commission's (ACIC) Strategic and Corporate Planning goals.
- b. In the two years the systems and services surveys have been run (2016-17 and 2017-18), system reliability has been largely maintained at 67 per cent as reported in the 2017-18 ACIC Annual Report and accessibility has increased from 73 per cent in 2016-17 Annual Report to 79 per cent (+6 per cent) as reported in the 2017-18 ACIC Annual Report.

The performance criteria analysis (page 42 of the 2016-17 Annual Report) notes that despite concerns around system/service accessibility and reliability, a lot of those concerns relate to respondents that are 'on the fence' or have provided a neutral response. Therefore, those that don't agree regarding ACIC system accessibility and reliability also don't necessarily disagree either. The below excerpt from page 42 explains:

*"This is the first time we have surveyed stakeholders with specific questions about their views on our systems and services and, although the results are largely positive, it is somewhat concerning that a third of stakeholders surveyed were not convinced our systems were reliable, and a quarter were not convinced our systems were accessible. However, further analysis of the survey data indicates that only a small proportion (6% and 8% respectively) disagreed with the statements, with 26% and 20% providing a neutral answer".*

The ACIC Technology Division is using the survey results and other tools to improve stakeholder engagement and understanding of systems and services.

## QUESTION TAKEN ON NOTICE

Parliamentary Inquiry : 29 November 2018

HOME AFFAIRS PORTFOLIO

**(ACIC – AR/009)** – Specific concerns about its communication of information system projects

Asked:

The 2016–17 annual report recognises that a stronger focus on stakeholder engagement is needed, in particular, communication about the delivery of information system projects.

- a. Is the ACIC aware of specific concerns about its communication of information system projects? If so, what are they?
- b. What steps are being taken to address this?
- c. How will the ACIC monitor this issue into the future?

Answer:

- a. The results of the 2017 Annual Stakeholder Survey identified some concerns regarding the communication of information systems projects. These concerns related to day to day communication activities and the level of engagement during project development.
- b. The results of the 2017 Survey have been used by the Australian Criminal Intelligence Commission (ACIC) Technology Division, at both project and broader levels, to improve engagement activities across projects. Recent changes to the ACIC's External Governance and Engagement model will also enhance the engagement of all stakeholders in relation to key information system projects.
- c. The ACIC plans to continue an Annual Stakeholder Survey to assess stakeholder views on the ACIC's communication about the delivery of information system projects. Following the receipt of each year's survey results the ACIC assesses the usefulness of the responses received to inform changes and improvements to future survey methods.

## QUESTION TAKEN ON NOTICE

Parliamentary Inquiry : 29 November 2018

HOME AFFAIRS PORTFOLIO

### (ACIC – AR/010) – Review of the project management team

Asked:

On page 44 of the 2016–17 annual report, the ACIC notes that it engaged an external contractor to review the project management team.

- a. What were the circumstances that led to the engagement of an external contractor to review the project management team?
- b. Which contractor was engaged to conduct the review?
- c. What were the terms of reference for the review?
- d. What was the outcome of the review?

Did the review make any recommendations? If so, what were they? And how has the ACIC responded?

- e. How much did it cost to engage the contractor?

Answer:

- a. The Australian Criminal Intelligence Commission (ACIC) was established on 1 July 2016 following the merger of the Australian Crime Commission (ACC) and CrimTrac. Prior to the merger the projects typically delivered by CrimTrac were quite discrete with a particular focus on delivering technology solutions. Given the ACIC's broader focus there was a need for the agency's project management practices to be reviewed to effectively deliver the required capabilities and outcomes aligned to the new agency's strategic objectives.
- b. Ernst and Young (EY) were engaged as the preferred supplier following an approach to market to three suppliers, via ICT Professional Services– Treasury Portfolio panel arrangement.
- c. The Statement of Work for the review was as follows.
  1. The successful provider will Review the current program and project delivery framework including assessing the effectiveness of:
    - The project initiation approach, including the business case process.
    - Current project and program delivery objectives and focus on delivering business outcomes including cost effective and high quality ICT capability.
    - Current stakeholder engagement processes to inform the project and delivery of outcomes. For example, co-design approach and business change management.

- Governance arrangements and whether they assist in delivering project outcomes on time and within budget.
  - Project risk and assurance including escalation of risks at enterprise level.
  - Benefits realisation and ongoing benefit assessments.
  - Change control processes, in particular the decision making framework.
  - Current Project Management Office (PMO) functions including:
    - whether the PMO provides effective support in delivering projects
    - whether the PMO provides an appropriate level of oversight, such as ensuring that projects are delivered on time and within budget
    - whether the reporting framework adequately meets the requirements of the ACIC senior executive, capability committees and the Board
    - approach for allocation of project resources.
2. Engage with ACIC stakeholders to inform the review process.
  3. Draw on good practice approaches to develop options for an effective and efficient project and program management framework, in particular the role of the PMO in implementing the framework.
- d. The review identified seven key recommendations:
- R1 Develop, endorse and implement a project management framework that is specific to the needs of the ACIC.
    - The ACIC established a portfolio, program and project management (P3M) framework that addresses the specific needs of the ACIC and is supported by associated tools and templates.
  - R2 Implement program/project governance aligned to capability outcomes to enable the translation of strategic priorities into deliverable outcomes
    - The ACIC's P3M framework provides for program/project governance to be effectively aligned with delivery of capability and business outcomes. All key programs within the ACIC have governance arrangements in place, consistent with the framework, including effective senior executive oversight.
  - R3 Implement an ACIC prioritisation model that enables effective resource allocation and evaluation as priorities change.
    - The ACIC implemented an investment planning framework and an investment prioritisation model to ensure effective resource allocation and ongoing evaluation.
  - R4 Define, endorse and implement the governance roles, responsibilities, accountabilities, and escalation processes.
    - The ACIC P3M framework defines governance roles and responsibilities, and has established processes and procedures for escalation, especially for managing change.

- R5 Communicate an endorsed and clear mandate for the Portfolio Management Office (PMO).
    - The ACIC established a PMO vision and role which has been clearly communicated across the agency.
  - R6 Staff the PMO with the appropriate capability and capacity required to effectively deliver the endorsed mandate.
    - PMO staffing has been reviewed in line with ACIC requirements. All key positions have been filled with appropriately skilled and experienced staff.
  - R7 Design and implement PMO functions that will enable project delivery of capability outcomes aligned to strategic priority.
    - The ACIC developed and implemented a PMO service model to support effective delivery of capability and business outcomes to meet the ACIC's strategic priorities.
- e. \$192,500 GST Inclusive.

## QUESTION TAKEN ON NOTICE

**Parliamentary Inquiry : 29 November 2018**

HOME AFFAIRS PORTFOLIO

**(ACIC - AR/011) – National Electronic End User Declaration.**

Asked:

Please provide an update on the status of the National Electronic End User Declaration (eEUD).

- a. What are the barriers to implementing the eEUD?
- b. Which jurisdictions are yet to implement amendments to align legislation for the eEUD?
- c. What steps are being taken to progress the eEUD?
- d. Does the ACIC have an anticipated date for the eEUD to be operational?

Answer:

The End user Declaration Online Project has completed all of the business and technical requirements and the procurement documentation is nearing completion. The business and technical documentation has been approved by the EUDO Working Group and Justice Officials from each state and territory.

The End user Declaration Online Project will be approaching the market early 2019 for suitable tenderers to respond to build the system in strategic partnership with the ACIC.

- a. Legislative changes are a barrier to implementation. Agreement from both justice officials and police has been obtained on the system requirements and the legislative change required.
- b. All jurisdictions have been working in parallel with their law enforcement stakeholders to understand what legislative changes would be required to support business needs.
- c. Further work being undertaken to progress the eEUD includes consultation with industry on the precursor chemicals and equipment schedules which would be included. Further consultation will be undertaken with stakeholders through a series of workshops to gain a complete understanding of the business and technical requirements. Tender documents will be completed to facilitate an approach to market for the solution to be undertaken. Agreement will be sought from State and Territory Attorneys General to commit to progressing legislative reform by June 2020.
- d. The anticipated date for the eEUD to be operational is dependent on the outcome of the approach to market. Ideally system readiness would be aligned with the state and territory legislative amendments.



## **QUESTION TAKEN ON NOTICE**

**Parliamentary Inquiry : 29 November 2018**

HOME AFFAIRS PORTFOLIO

**(ACIC- AR/012) – Update on the status of AFIN**

*Asked:*

Can the ACIC please provide the committee with an update on the status of AFIN?

*Answer:*

The Australian Firearms Information Network (AFIN) became operational in October 2016. AFIN will not be completed until all partners integrate with the system. To date, no partner agencies have integrated with AFIN to provide near-real time firearm data to meet the benefits of a national firearm system.

In July 2018, the Australian Criminal Intelligence Commission (ACIC) established the Firearm Capability Program to promote and coordinate AFIN integration with partner agencies. From this, work towards integrating has improved this financial year with the Australian Federal Police and Victoria Police expected to be providing data directly to AFIN by the end of January 2019. Queensland Police Service and the Western Australia Police Force have commenced planning and analysis, with plans to integrate by July 2019 and December 2019 respectively. South Australia Police and Northern Territory Police have commenced planning for integration, however timeframes are not confirmed. New South Wales Police Force commenced integration planning in the second quarter of 2018, however work is currently on hold until local systems are upgraded.

## **QUESTION TAKEN ON NOTICE**

**Parliamentary Inquiry : 29 November 2018**

HOME AFFAIRS PORTFOLIO

**(ACIC- AR/013) – Which jurisdictions are yet to upload data to the network**

*Asked:*

Which jurisdictions are yet to upload data to the network?

- a. What are the reasons those jurisdictions have not yet uploaded data?
- b. What steps have been taken to work with those jurisdictions to expedite the input of data?

*Answer:*

To date, no partner agencies have integrated with Australian Firearms Information network (AFIN) to provide near-real time firearm data.

- a. The key reasons for integration delays with AFIN are due to competing state/territory priorities, resourcing and budget.
- b. The Australian Criminal Intelligence Commission (ACIC) offers jurisdictions a reimbursement of costs to integrate with AFIN. The ACIC's Firearm Capability Program, responsible for coordinating integration, has established regular engagement with jurisdictions for status updates and for consistent reporting to ACIC committees on jurisdiction AFIN integration progress.

## **QUESTION TAKEN ON NOTICE**

**Parliamentary Inquiry : 29 November 2018**

HOME AFFAIRS PORTFOLIO

**(ACIC - AR/014) – When was AFIN completed**

*Asked:*

During Senate Estimates on 28 February 2017, the ACIC informed the Senate Legal and Constitutional Affairs Committee that it expected AFIN to be fully operational within 12 to 24 months. When was AFIN completed?

*Answer:*

The Australian Criminal Intelligence Commission (ACIC) completed the build of the central system in October 2016, however AFIN will not be fully operational until all jurisdictions integrate (connect) and provision their firearm information into the system. The ACIC is currently populating AFIN with legacy firearm system information until jurisdiction integration occurs.