



We maintain a **national intelligence picture** on current and emerging threats that our partners contribute to and use to guide responses to **serious and organised crime.**



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Criminal intelligence

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Aim and results

Aim of our criminal intelligence work	How we achieved this aim	Contribution to ACC's key performance indicators		
		Discover	Understand	Respond
Build the national picture of serious and organised crime activities in Australia including by: <ul style="list-style-type: none"> ■ producing useful intelligence that identifies and provides insights on new and emerging serious and organised crime threats ■ filling intelligence gaps by identifying vulnerabilities and indicators of serious and organised crime ■ interpreting and analysing national intelligence holdings to create a national serious and organised crime intelligence picture ■ informing and influencing hardening of the environment against serious and organised crime. 	Produced flagship publications, strategic assessments and other products, which we shared with partner agencies and more broadly as appropriate.	✓	✓	
	Informed policy and legislative reform and other national responses.	✓	✓	✓
		Achieved	Achieved	Achieved

Note: Success in achieving ACC key performance indicators is measured against the collective achievement across all criminal intelligence work.

In addition to the indicators above, our stakeholder survey this year revealed that:

- 91 per cent of respondents agree or strongly agree that we interpret and analyse national holdings to create a national serious and organised crime intelligence picture
- 93 per cent of respondents agree or strongly agree that we produce useful intelligence and provide insights on new and emerging serious and organised crime threats
- 89 per cent of respondents agree or strongly agree that we fill intelligence gaps through the identification of vulnerabilities and indicators of serious and organised crime
- 83 per cent of respondents agree or strongly agree that we inform and influence the hardening of the environment against serious and organised crime.

Snapshot of our criminal intelligence work in 2013–14



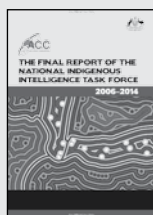
2164 intelligence products shared with 254 agencies



44 operational analysis reports on trends, methods and vulnerabilities

Final report

of the National Indigenous Intelligence Task Force



12 strategic assessments of crime types, markets or national criminal issues

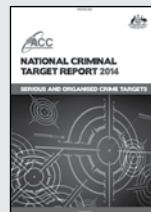
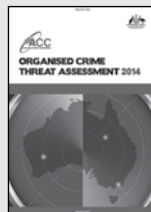
Past, present, future

Picture of Criminality in Australia

Produced the *Organised Crime Threat Assessment 2014*

Produced the *National Criminal Target Report 2014*

Produced the *Illicit Drug Data Report 2012–13*



89%

of stakeholders surveyed agree we fill intelligence gaps

93%

of stakeholders surveyed agree we produce useful intelligence insights

Context

The threat

Serious and organised crime is sophisticated, globalised and of increasing threat to national security. It is becoming more pervasive, powerful and complex. The traditional business of serious and organised crime now operates alongside new and emerging forms, including exploitation of the cyber environment and increased targeting of key economic assets and markets.

Our response

The more we know about organised criminal activities, methods and emerging threats, the more effective we are in breaking the business of serious and organised crime. We build up a national picture by fusing and analysing intelligence we gather from:

- investigations and intelligence operations (see Chapters 3 and 4)
- intelligence feeds from partner agencies.

Our intelligence products, advice and recommendations enhance national understanding of the organised criminal environment to inform collaborative responses, both immediate and longer-term.

Much of our intelligence is classified and only shared with partner agencies. However, we increasingly share intelligence with private industry and release unclassified information to the public, to help prevent or harden the environment against serious and organised crime threats.

Flagship publications

We provide our partners with the most comprehensive strategic picture available of serious and organised criminal activities in Australia.

Our flagship publications, collectively called the *Picture of Criminality in Australia*, are:

- *Organised Crime Threat Assessment*—current and emerging threats (classified)
- *Organised Crime in Australia*—current and emerging threats (public)
- *National Criminal Target Report*—threat and risk posed by known targets (classified)
- *Illicit Drug Data Report*—statistical overview and analysis of illicit drug markets over the past 12 months (public)
- *Organised Crime 2020*—likely future trends (classified).

Organised Crime Threat Assessment

Our biennial, classified market-based assessment examines Australia's key illicit markets and the activities that enable serious and organised crime.

Markets range from illicit commodities (such as drugs and firearms) to crimes in the mainstream economy (such as superannuation and investment fraud) and crimes against the person (such as human trafficking and maritime people smuggling).

We assess the dynamics of each market and the level of organised crime involvement. We also assess each market's demand and supply drivers, and harms and consequences, to establish an overall level of risk to the Australian people and economy, as well as the risk relative to other markets.

In addition, we assess the key activities that enable serious and organised crime: money laundering, cyber and major technology crime, identity crime, the criminal exploitation of business structures, corruption and violence.



‘This report is important and has implications for every Australian. The media needs to publicise it. And, most importantly, some deep thinking—which leads to action—is needed.’

*Dr David Connery, Senior Analyst,
Australian Strategic Policy Institute
(about Organised Crime in Australia 2013)*

The *Organised Crime Threat Assessment* is based on analysis of all available and relevant information and intelligence from within the ACC, as well as from our international, Commonwealth, state and territory partners. It underpins the Commonwealth’s Organised Crime Strategic Framework² and informs high level decision-making by identifying where additional response strategies might be required and where there may be gaps in our understanding of an issue.

The assessment changes over time, reflecting the changing risks posed to Australia by new and emerging markets. Over time it will also identify trends in organised crime risk levels. Our next *Organised Crime Threat Assessment* is due in mid-2016.

Organised Crime in Australia

We produce this public version of the *Organised Crime Threat Assessment* every two years. The most recent edition, released in July 2013, provides a comprehensive profile of organised crime in Australia including characteristics, drivers, activities and enablers of serious and organised crime, as well as the extent and impact. It also provides government, industry and the public with information needed to better understand and respond to the threat of organised crime, now and into the future. Our next public version of *Organised Crime in Australia* is due in 2015.

National Criminal Target Report

While the *Organised Crime Threat Assessment* looks at the ‘what’ of organised crime, the *National Criminal Target Report* looks at the ‘who’.

This annual classified report provides decision-makers with a consolidated picture of the threat and risk posed by nationally significant serious and organised crime targets on the National Criminal Target List.

This year’s report details changes in risk, target numbers, market involvement, geographic location and membership trends, as well as implications for the future.

The report combines analysis of national and regional data from the National Criminal Target List with qualitative intelligence provided by Board agency partners and compiled by regional Joint Analyst Groups.³

Drawing on the analytic expertise of the Australian Institute of Criminology, the report also includes more sophisticated statistical analysis that evaluates the relationship between serious and organised crime groups and risk levels. It also incorporates findings from our strategic intelligence products (such as the *Organised Crime Threat Assessment 2014*, *Illicit Drug Data Report 2012–13* and *National Cybercrime Intelligence Assessment*) with operational intelligence and contemporary operational case studies.

This comprehensive approach ensures the findings are rigorous, valid and meaningful in the context of operational law enforcement work.

Importantly, the report also informs the development of strategic, evidence-informed measures to combat serious and organised crime.

We presented the *National Criminal Target Report 2014* to the ACC Board in June 2014.

² This framework identifies key organised crime threats and coordinates a whole-of-government response.

³ Jurisdictional Joint Management Groups coordinate state law enforcement efforts. Each is supported by a Joint Analyst Group that delivers shared intelligence outcomes and supports national information sharing protocols.



‘...this report provides critical evidence so that decision makers and law enforcement officers can develop further strategies to undermine the business models of organised crime’

*The Hon Michael Keenan MP, Minister for Justice
(launch of the Illicit Drug Data Report 2012–13)*

Illicit Drug Data Report

We launched our most detailed *Illicit Drug Data Report* to date on 29 April 2014.

This public report, now in its 11th year, provides a national picture of the spectrum and extent of the illicit drug market in Australia. It provides an annual statistical overview of national illicit drug arrests, seizures and purity levels, based on data from our Commonwealth, state and territory partners, as well as academic and health data.

For the first time this year’s report also includes forensic profiling data of methylamphetamine and 3,4-methylenedioxymethamphetamine (MDMA) seizures, as well as profiling data for domestic heroin seizures. Unlike drug samples from plant-based drugs such as heroin and cocaine, where countries of origin can be determined, profiling data for amphetamine-type substances provides important information on the synthetic route of manufacture.

Over the last decade the illicit drug market has evolved and diversified, presenting new and unique challenges for law enforcement, policy makers and the community. By compiling data from a range of sources into one unique report, our *Illicit Drug Data Report* informs understanding and assists in focusing our collective efforts.

Feedback has been positive. For example, the Hon Lawrence Springborg MP, Queensland Minister for Health commended our work on the report, telling our CEO it ‘will be a very useful aid to planning the delivery of health services across the community’.

Significant findings

- The number of arrests, seizures and weights of nearly all drug types reached decade or record highs this reporting period.

- There were a record 86 918 national illicit drug seizures, weighing 19.6 tonnes, and a record 101 749 national illicit drug arrests.
- On average there was one seizure every seven minutes, one arrest every six minutes, and one kilogram of illicit drugs seized every 28 minutes.
- Cannabis again accounted for the majority of national seizures and arrests, with the number of seizures the highest reported in a decade.
- The number and weight of amphetamine-type stimulants (ATS) seizures increased in 2012–13 and are the highest on record.
- Methylamphetamine, particularly crystalline methylamphetamine (commonly known as ‘ice’), is a national concern. With its relative accessibility, affordability and destructive side-effects, ice is emerging as a pandemic akin to the issue of ‘crack’ cocaine in the United States.
- Clandestine laboratories manufacturing ATS (excluding MDMA) continue to be the most common type of laboratory detected in Australia.
- Despite a decrease in the number of clandestine laboratories detected nationally, the number detected (757) was still the second highest on record.
- The majority of laboratories are located in residential areas.
- While the greatest proportion of laboratories continue to be addict-based (smaller scale ‘kitchen labs’), the proportion of laboratories of other sizes almost doubled in 2012–13.

Organised Crime 2025

We are working on our classified *Organised Crime 2025* strategic assessment, for release in 2015. This will update our current *Organised Crime 2020* assessment.

This assessment analyses likely trends in environmental drivers—economic, societal, financial and technological—and how those factors are likely to influence organised crime and its impact on Australia. This involves collaborating with and drawing on a wide range of sources including government, academic and law enforcement. For example, last year we reviewed *Organised Crime 2020*, which identified that information and communications technologies and globalisation are increasingly enabling and amplifying the reach and impact of serious and organised crime. Principal risk areas include trends toward transnational criminal networking for illicit drug trafficking, money laundering and a variety of online frauds, including advance fee, financial securities and superannuation frauds.

By raising the level of understanding about possible and emerging organised crime capabilities and focus, we are assisting agencies to make decisions about policy priorities and the positioning of their operational capabilities for the future.

Other strategic intelligence work

Strategic assessments

Alongside our flagship strategic intelligence products, we produced strategic intelligence and assessments on a range of topics this year. These provided ACC Board member agencies and other relevant agencies with assessments of crime types, markets or criminal issues of national importance. Our strategic assessments support and influence a range of intelligence, operational and response decisions, and inform government consideration of future strategies including policy development. Examples this year include assessments of the cocaine market, the potential criminal exploitation of 3D printing, illicit tobacco in Australia and superannuation fraud.

Organised crime groups involved in the Australian cocaine market

Our strategic assessment of the nature of the Australian cocaine market included identifying the Australia-based and transnational organised crime groups involved in this market. Our assessment was based on ACC and partner agency intelligence. Our findings confirmed that a significant number of Australia's highest risk criminal targets are involved in the cocaine market, that cocaine enters Australia through a diverse range of international routes, and that transnational criminals seek out relationships with Australian crime groups to distribute cocaine domestically. Ongoing and new information sharing arrangements between Australian and foreign law enforcement agencies are enhancing our ability to monitor the cocaine market. Such cooperation is imperative given the transnational nature of this market.

3D printing: more than just firearms

Over the past couple of years, there have been media reports about concerns that organised crime groups are starting to exploit 3D gun-printing technology. This year we examined and reported on the potential for organised crime groups to exploit emerging 3D printing technology for criminal benefit in the near future. Our assessment is that 3D printing poses a low threat to law enforcement agencies in the short-term. Reasons for this include the current state of the technology and the expertise required to use it. However, over time as the technology becomes more accessible, organised crime groups may seek to use it for various criminal acts. Our report recommends continued monitoring of this technology to provide law enforcement agencies with possible indicators of the use of 3D printing by criminal groups. We shared our report with domestic and international partner agencies to facilitate their assessments of the technology.

Illicit tobacco in Australia

The illicit tobacco market is a priority for Commonwealth law enforcement and regulatory agencies. It costs millions in lost revenue and is dominated by serious and organised crime groups.

We produced a national strategic assessment on the illicit tobacco market, developed in partnership with the Australian Customs and Border Protection Service, the Australian Federal Police and the Australian Taxation Office. This assessment was released in July 2014. Our strategic analysts worked closely with their strategic and operational counterparts to consolidate intelligence holdings.

The report found that the market involves similar levels of organisation to illicit drug markets and that many of the organised crime groups involved in illicit tobacco are also involved in other illicit markets. We also identified further opportunities for law enforcement and regulatory agencies seeking to tackle the illicit tobacco market.

This report demonstrates our ability to deliver targeted strategic intelligence products on topics of immediate interest to our partners and customers. The product has directly informed a senior Commonwealth Working Group that is working to further enhance Government strategies to tackle the illicit tobacco market.

Superannuation fraud

Australian superannuation funds currently hold more than \$1.6 trillion, an amount that is projected to increase significantly over the coming decades. Serious and organised crime groups are likely to view such a large pool of funds as a potential source of illicit profit.

Superannuation fraud encompasses a range of different activities such as opportunistic theft by advisors, individuals using facilitators to illegally access their own superannuation, and highly organised endeavours carried out by serious and organised crime groups. We produced a strategic assessment on this in November 2013, which supported the ongoing work from law enforcement and regulatory agencies to improve systems and contribute to legislative change.

Assessing harms

One of the ways we enhance understanding of serious and organised crime is by assessing the harms associated with illicit activities or markets.

Our harms process provides an insight into the ways in which serious and organised crime impacts on Australian society. The process provides a way to measure and rate the impact of key illicit markets, organised crime activities and organised crime entities operating in Australia. This assists decision-makers in directing resources against the crime types or crime groups that are most damaging to the community. A key purpose of the harms process is to inform our *Organised Crime Threat Assessment*, which examines both the threat and harm of serious organised crime activities.

In 2013–14, we piloted a revised harms process. Based on the pilot's outcomes, we will further refine and develop the process in preparation for the next harms process, due by December 2015.

Policy submissions and advice

Part of our response to serious and organised crime is prevention. This includes informing and influencing decisions about policy responses, intelligence priorities and improving capabilities.

In 2013–14, we actively contributed to a wide range of national serious and organised crime forums and whole-of-government decisions. This included supporting domestic and international policy and legislative responses to organised crime and national security issues. For example, at a national level we contributed to the National Security Committee of Cabinet, the Law, Crime and Community Safety Council and inter-governmental forums. In addition, the ACC is a member of and contributes to the Secretaries Committee on National Security, the Heads of Commonwealth Operational Law Enforcement Agencies committee, the National Justice and Policing Senior Officers Group, the Cyber Security Operations Board, and the National Intelligence Coordination Committee and its associated sub-committees. Our intelligence contribution relates to serious and organised crime and other national security issues.

Internationally we contributed to the United Nations Crime Prevention Congress and Ministerial bilateral visits. The ACC is also a member of and contributes to the Strategic Alliance Group⁴ (see page 97).

Parliamentary inquiries

Throughout the year we also contributed to a range of Parliamentary inquiries affecting national law enforcement capability, including the following examples:

- *Senate Legal and Constitutional Affairs References Committee, Comprehensive revision of Telecommunications (Interception and Access) Act 1979*—We provided both an unclassified and classified submission to the Committee in March 2014 and appeared at a public hearing before the Committee in April 2014.

This inquiry is looking at the challenges posed by advancing technology and the impact on national security and law enforcement responses. This relates to our work including use of specialist capabilities for our Board-approved investigations and intelligence operations.

We outlined the fundamental evolution of telecommunications technology over the past 35 years since the *Telecommunications (Interception and Access) Act 1979* was implemented, and the impacts on law enforcement efforts to combat serious and organised crime.

We proposed reforms to the Act to enhance the ability of law enforcement to discover, understand and respond to organised crime, improve the privacy of Australian citizens, and support our partners in combating organised crime. Our proposed reforms include an obligation on telecommunications and ancillary service providers to provide law enforcement with mandatory assistance and uniform retention of telecommunications data, thereby ensuring information collected under the Act is able to be used for ACC purposes. The Committee is scheduled to report in October 2014.

- *Senate Legal and Constitutional Affairs References Committee, Crimes Legislation Amendment (Unexplained Wealth and Other Measures) Bill 2014*—In our unclassified submission to the Committee in April 2014, we strongly supported the proposed bill as a further step forward in the response to serious and organised criminal activity. This supports the intelligence work of our Targeting Criminal Wealth special investigation (see page 42).

We noted that organised crime is motivated by profit, and any tools that undermine this profit motivation should be welcomed.

⁴ The Strategic Alliance Group agreed at its May 2014 meeting to change its name to the Five Eyes Law Enforcement Group.

We also noted our past support for investigations into unexplained wealth and that we will continue to identify and seize unexplainable assets and proceeds of crime by providing our unique intelligence collection and investigative capabilities.

The Committee recommended the Senate pass the bill which, as at 30 June 2014, was before Parliament.

- *Parliamentary Joint Committee on Law Enforcement, Inquiry into financial related crime*—We provided an unclassified submission and summary of intelligence on financial crime in May 2014, and will appear before the Committee during 2014–15. In our submission, we noted that serious financial crimes have a pervasive and lasting impact on the Australian community and its economy.

Information sharing is essential to enable Commonwealth, state and territory law enforcement and regulatory agencies to readily share and access relevant criminal intelligence holdings. However, reforms to the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* and *Telecommunications (Interception and Access) Act 1979* would better support effective information sharing arrangements and cross-agency collaboration.

We noted the importance of the private sector in understanding and combating financial-related crime to develop effective prevention strategies that limit the impact of serious financial crime on Australia.

We also noted that our Financial Capability Strategy is a framework for developing and enhancing our investigative and analytical staff, systems and practices to ensure we are prepared to meet the evolving challenges posed by serious financial crime. More on our Financial Capability Strategy (and our other two key capability strategies) is on pages 96–97. As at 30 June 2014, this inquiry was ongoing.

- *Commonwealth review of Australia's anti-money laundering/counter-terrorism financing (AML/CTF) regime*—In March 2014 we provided a classified submission to the statutory review of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006*, led by the Attorney-General's Department. We noted that money laundering is a key enabler of serious and organised crime and, as a result, money laundering intelligence is a crucial component of most organised crime investigations.

This includes Australian Transaction Reports and Analysis Centre (AUSTRAC) information under the AML/CTF regime.

We recommended several changes that we consider would enhance the current legislation and make it harder for serious and organised crime to launder the proceeds of crime. As at 30 June 2014, this review was ongoing.

- *Parliamentary Joint Committee on the Australian Commission for Law Enforcement Integrity, Inquiry into the jurisdiction of the Australian Commission for Law Enforcement Integrity*—We provided an unclassified submission to the inquiry in May 2014, and will appear before the Committee during 2014–15.

We noted that public sector corruption is an enduring threat, and can undermine the trust in government and can facilitate illegal activities of organised crime groups. We also noted our strong relationship with the Australian Commission for Law Enforcement Integrity (ACLEI), including supporting its investigations.

We recognised that officers in a number of areas across the Commonwealth Government are at particular risk of being targeted by organised crime groups. This is due to their access to criminal intelligence or other sensitive government information that could be used to perpetuate fraud or other illegal activity.

We recommended the Committee examine whether an intelligence-led, activity-based approach to ACLEI's jurisdiction would be a more effective and efficient use of resources, and ensure that ACLEI remained focused on the highest risk areas of Commonwealth agencies. As at 30 June 2014, this inquiry was ongoing.

- *Review of the Freedom of Information Act 1982 (FOI Act) and the Australian Information Commissioner Act 2010*—The review report by Allan Hawke AC was released in July 2013. It recommended the ACC be excluded from the operation of the FOI Act, to provide protection for criminal information and intelligence.

This supported our position as outlined in our 2012 classified submission to the review. In our submission we outlined issues with the Act that posed risks to the integrity of sensitive ACC information and intelligence, comparisons with state legislation, and our role as a Commonwealth intelligence agency.

- *Victorian Parliamentary Inquiry into the supply and use of methylamphetamines, particularly ice, in Victoria*—We provided an intelligence-based submission and attended a public hearing of this inquiry. Consistent with our findings in our latest *Illicit Drug Data Report* (see page 30), we highlighted the pandemic-like threat posed by methylamphetamine in Australia.

Other inquiries

Our contribution to other policy-related inquiries and reviews included the following:

- In March 2014, we appeared with the Australian Federal Police and Victoria Police at a public hearing held by the Senate Education and Employment References Committee to examine the Government's approach to re-establishing the Australian Building and Construction Commission. Our appearance was in reference to the presence of organised crime in the construction and building sector. The Committee recommended the Senate not support the re-establishment of the Australian Building and Construction Commission.
- In early 2014 we contributed to the whole-of-government submission to the international Financial Action Task Force (FATF) as part of its mutual evaluation (peer review) of Australia's compliance with the FATF's 40 recommendations and overall effectiveness in combating money laundering and terrorist financing. The FATF is an inter-governmental body that sets standards (in the form of the 40 recommendations) and promotes effective implementation of legal, regulatory and operational measures for combating money laundering, terrorist financing and other related threats to the integrity of the international financial system. Our contribution focused, in particular, on demonstrating the critical role multi-agency task forces have had in targeting money laundering activity and the restraint of proceeds of crime. The FATF is scheduled to publish its report in 2015.
- We provided a submission to the National Commission of Audit in November 2013 outlining the importance of Commonwealth Government involvement in combating organised crime and our important role as the national criminal intelligence agency with specialist investigative capabilities. The National Commission of Audit released its report early 2014. It recommended CrimTrac be merged with the ACC to better harness our collective resources. It also recommended that the Australian Transaction Reporting and Analysis Centre (AUSTRAC) be reviewed to determine if it should also form part of the ACC.
- We provided intelligence and policy support to Australia's delegation to the United Nations Commission on Crime Prevention and Criminal Justice, held in May 2014. This included supporting the development of a draft resolution for adoption by the United Nations Economic and Social Council, to strengthen international cooperation in addressing smuggling of migrants. Australia co-sponsored the draft resolution.
- We contributed to a portfolio submission in July 2013 to the Senate Standing Committee on Legal and Constitutional Affairs, which examined the proposed *Telecommunications Amendment (Get a Warrant) Bill 2013*. The Bill lapsed at the end of the last Parliament in August 2013.

Other products

In addition to our strategic criminal intelligence, we produced a range of other products including:

- **Reports and briefs**—We produced 92 of these analytical products during the year, informing heads of government agencies, senior policy makers and ACC stakeholders of emerging criminal issues or events. These include regular intelligence summaries, reports on current and emerging issues and intelligence briefs.
- **Operational analysis**—We produced 44 of these analytical products this year. These advise on current, emerging and predicted criminal trends, methodologies, activities, vulnerabilities and associated impacts. They also inform immediate operational decisions as well as decisions for the next planning cycle.
- **Tactical intelligence products**—We produced 2011 information reports and other information this year. This is our main way of recording and sharing information derived from operational activity.
- **Responses to requests for information**—We responded to requests for information from national and international partners with 114 disseminations of intelligence holdings and 246 responses to firearm trace requests. We provide responses in a range of formats, most often as information reports.

ACC intelligence outputs

Product type	2012–13	2013–14
Analytical		
<i>Picture of Criminality in Australia</i> suite	4	5
Strategic assessments	12	12
Operational analysis	72	44
Intelligence briefs and issues reports	91	92
Tactical		
Information reports	1335	1618
Other tactical information	352	393
TOTAL (all products)	1866	2164

Looking forward

In the coming year our focus for criminal intelligence will include releasing our next major public document on organised crime, *Organised Crime in Australia 2015* and continuing to provide timely and relevant strategic assessments on topics related to the organised crime threat to Australia.

In addition, we will develop our process to assess the harm associated with serious and organised crime and continue to contribute to government and parliamentary enquiries related to organised crime.

We will also progress a pilot program to determine an up-to-date cost of the impact of serious and organised crime on Australia.



We inform and influence decisions to help prevent serious and organised crime.