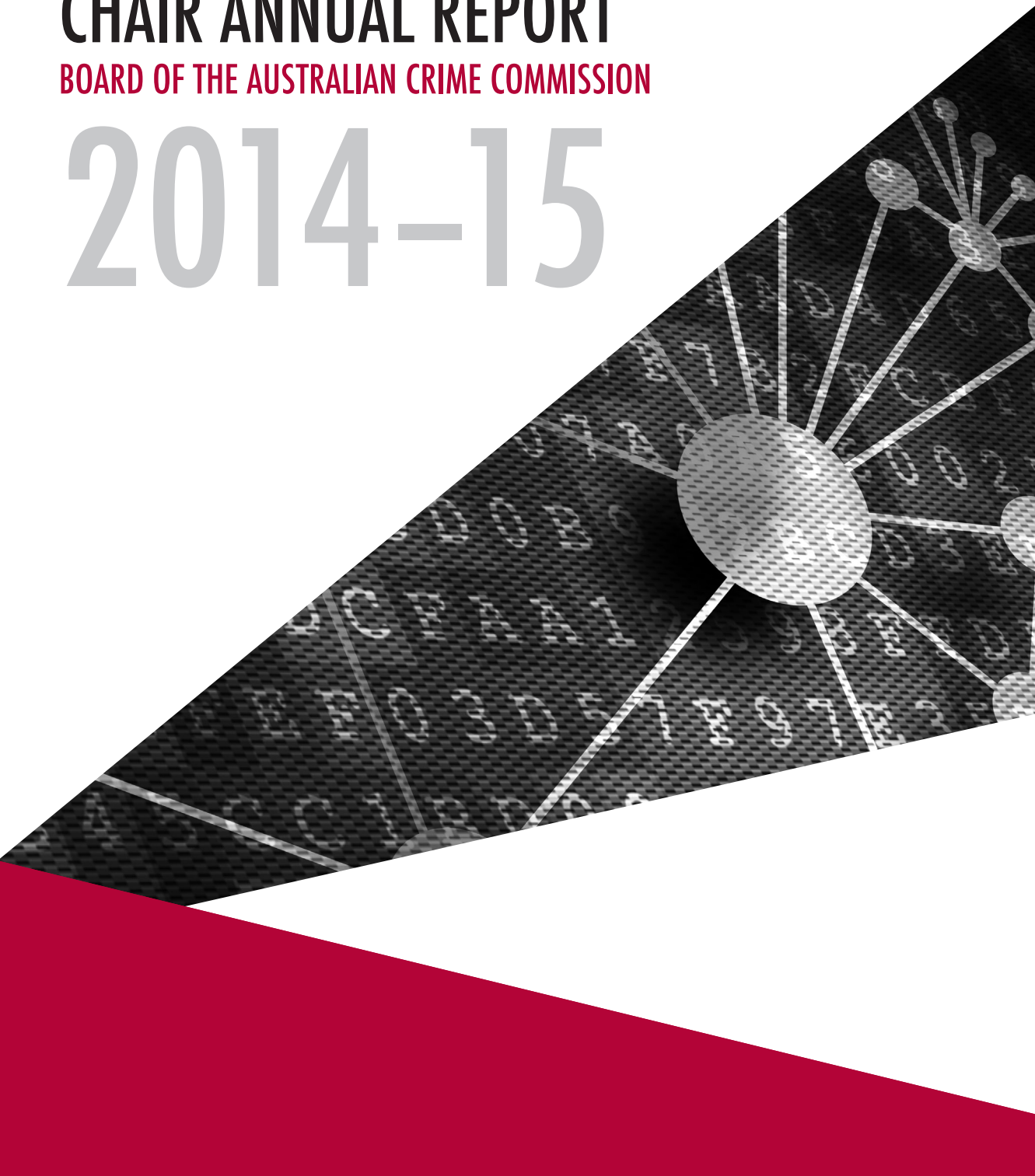




CHAIR ANNUAL REPORT

BOARD OF THE AUSTRALIAN CRIME COMMISSION

2014-15



Letter of transmittal

3 May 2016

The Hon Michael Keenan MP
Minister for Justice
Minister Assisting the Prime Minister on Counter-Terrorism
Parliament House
Canberra ACT 2600

Dear Minister

On behalf of the Board of the Australian Crime Commission (ACC), I am pleased to present our annual report for the financial year ended 30 June 2015.

The *Australian Crime Commission Act 2002* (ACC Act) requires that the Chair of the ACC Board prepare a report on the ACC's operations during the year as soon as practicable after 30 June. In accordance with the ACC Act, I have provided our report to the Inter-Governmental Committee on the ACC for transmission and then to the Commonwealth Minister and the appropriate Minister of the Crown of each participating state. The ACC Act requires the report be laid before each House of Parliament, within 15 sitting days of that House, after you receive the report.

This report outlines the ACC's operations during 2014–15. It has been prepared in accordance with section 61 of the ACC Act.

During 2014–15, the Board contributed to the ACC's strategic direction, considered key areas of work and supported national initiatives against serious and organised crime.

The Board acknowledges the ACC's achievements this year, including investigative and intelligence outcomes that have contributed to a reduction in the threat and impact of serious and organised crime.

A handwritten signature in black ink, consisting of a large, stylized 'A' followed by a smaller 'C' and a period.

Andrew Colvin APM OAM
Chair
Board of the Australian Crime Commission

About this report

This report by the Chair of the Australian Crime Commission (ACC) Board documents the operations of the ACC for 2014–15, as required by the *Australian Crime Commission Act 2002* (ACC Act). The Board does not have its own staff or budget so there are no financial statements to report.

This report is presented to the Commonwealth Minister for Justice and appropriate ministers of each participating state and territory.

The separate annual report by the ACC Chief Executive Officer (CEO) fulfils the requirements of government agencies under the *Public Governance, Performance and Accountability Act 2013* and the *Requirements for Annual Reports* issued by the Department of the Prime Minister and Cabinet. It includes information about the ACC's progress against Portfolio Budget Statement performance indicators as well as details about the agency's structure, staffing and audited financial statements. It is available at www.crimecommission.gov.au.

By producing separate reports, the Chair and the CEO are able to directly address requirements of the respective legislation.

ACC contact details

For enquires about this annual report and general information requests, please contact the:

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This report and more information about the ACC is available at www.crimecommission.gov.au.

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The ACC is Australia's
national **criminal
intelligence** agency with
specialist investigative
capabilities.





01

Introduction

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About the ACC Board

Board members

The ACC Board is chaired by the Commissioner of the Australian Federal Police and comprises the heads of a number of Commonwealth, state and territory law enforcement, national security and regulatory agencies. The Chief Executive Officer of the ACC is a non-voting member.

For details about Board members and meetings in 2014–15, see page 10.

Board functions

The ACC Board is responsible for providing strategic direction to the ACC and determining which investigations and intelligence operations are authorised to include the use of the ACC's special coercive powers.

The functions of the Board, as set out in the ACC Act, are to:

- determine national criminal intelligence priorities
- provide strategic direction to and determine the priorities of the ACC
- authorise, in writing, the ACC to undertake intelligence operations or to investigate matters relating to federally relevant criminal activity
- determine, in writing, whether such an operation is a special operation or whether such an investigation is a special investigation
- determine, in writing, the class or classes of persons to participate in such an operation or investigation
- establish task forces
- disseminate to law enforcement agencies or foreign law enforcement agencies, or to any other agency or body of the Commonwealth, a state or a territory prescribed by the regulations, strategic criminal intelligence assessments provided to the Board by the ACC
- report to the Inter-Governmental Committee on the ACC's performance.

The Board also undertakes other functions as are conferred on the Board by other provisions of the ACC Act.¹

1 Section 7C of the ACC Act outlines the Board's functions: <https://www.comlaw.gov.au/Details/C2014C00754>

Chair's review

Andrew Colvin APM OAM

Strength in collaboration

Strong collaboration between law enforcement, national security and regulatory agencies is essential to reduce the threat of serious and organised crime.

Following my first year in the role as Chair of the ACC Board, I can confidently say that the ACC exemplifies this approach. ACC Board members—representing federal, state and territory law enforcement and key national security and regulatory agencies—provide a truly national, strategic perspective. ACC staff contribute their unique blend of skills and capability.

This powerful force against serious and organised crime is multiplied by the ACC's close work with partners around the country and internationally on a wide range of joint investigations and intelligence operations. It is further strengthened by the ACC's unique 'discover, understand, respond' approach, that enriches the picture of serious and organised crime impacting Australia and identifies priorities for responses that reduce the threats of most harm.

It is important to note the significant body of work that has been undertaken this year following the National Commission of Audit recommendation to merge CrimTrac with the Australian Crime Commission to better harness their collective resources. These considerable efforts were undertaken whilst maintaining high operational tempo, and I commend all involved for their contribution.

Discover and understand

During the reporting year the ACC conducted 176 coercive examinations to fill intelligence gaps, progress investigations with its partners and enhance understanding of serious and organised crime threats and targets. The ACC shared 6650 intelligence products with 265 agencies during the year.

New targets

During 2014–15 a total of 61 new targets were added to the National Criminal Target List, including 29 provided by the ACC.

New insights

Insights into the national picture of serious and organised crime were included in the classified *National Criminal Target Report 2015*, which was presented to the ACC board and is used to drive strategic and operational decision-making. The public *Illicit Drug Data Report* provides the most current picture of illicit drugs in Australia. The public *Organised Crime in Australia 2015* report was launched in May 2015, just days before Commonwealth, state and territory Attorneys-General and Police Ministers endorsed the National Organised Crime Response Plan 2015–18, drawing together the threat picture and the national response.



During the reporting year the ACC also released a classified and public report about Australia's methylamphetamine market. This report highlighted the increasing availability of crystal methylamphetamine (ice) and the ongoing involvement of serious and organised crime—over 60 per cent of Australia's highest risk serious and organised crime targets participate in this market. The report contributed to the national response, including the National Ice Taskforce announced by the former Prime Minister in April 2015. In addition, the ACC, as well as a number of ACC Board members, contributed to a series of Commonwealth, state and territory parliamentary inquiries into ice.

Other intelligence produced by the ACC covered topics as diverse as money laundering, drug production methods, terrorism threats, cybercrime threats, exploitation of virtual currencies, serious and organised crime involvement in ransomware (malware) and use of encrypted communications, the MDMA market (3,4-methylenedioxymethamphetamine), outlaw motor cycle gang activity, profit motivated vehicle theft, visa and migration fraud, public sector corruption, business structures and illegal business practices used to facilitate criminal activity and hide proceeds of crime, the illicit tobacco trade, vulnerabilities associated with tax and secrecy haven jurisdictions, and vulnerabilities to criminal exploitation at maritime ports.

New insights also emerged from the work of task forces and joint projects. For example:

- Project Iceberg identified seven previously unknown transnational criminal networks, likely to have laundered over \$39 million.
- The work of the multi-agency Task Force Eligo resulted in intelligence on previously unknown international professional money laundering syndicates' methodologies and operations.
- Intelligence gathered through Project Ridgeline supported Australia's efforts to counter terrorism threats.
- Project Longstrike brought to light previously unknown cybercrime threats for further investigation and insights into criminal exploitation of virtual currency.
- Project Alberta-Mede identified a new method of producing the illicit drug MDA (3,4-methylenedioxymphetamine) using unregulated chemicals.

New services

The ACC introduced a real time alerting service this year through Project Rosencrantz. It delivered 4333 automated alerts to relevant partners about transactions and movements of entities on the National Criminal Target List.

Through Project Legion and the Australian Gangs Intelligence Coordination Centre, the National Gangs List of outlaw motor cycle gangs and the Gangs Intelligence Hub—which enables secure sharing of gangs information—were introduced this year.

The multi-agency Australian Cybercrime Online Reporting Network (ACORN) was another initiative launched in 2014–15.

Respond

The ACC's work led directly to 54 disruptions of criminal behaviour or criminal entities in 2014–15, and 194 people arrested on 548 charges.

A significant amount of illicit drugs were stopped before they reached the streets this year, with the seizure of \$1.96 billion worth of illicit drugs and \$175.7 million of precursor chemicals (estimated street values).

Criminal profits and assets were also targeted, with \$34.53 million in cash seized, \$238.89 million in assets restrained, \$95.3 million in tax assessments issued, and \$81 million in forfeitures and pecuniary penalty orders issued. In addition, 88 entities—with an estimated value of offending of more than \$80.81 million—were referred for consideration by the Criminal Asset Confiscation Taskforce.

In conclusion

I would like to take this opportunity to acknowledge and thank former Australian Federal Police Commissioner, Tony Negus APM, who left the role of Chair of the ACC Board in September 2014. The ACC matured as an agency and developed its unique approach and clear strategic direction during Mr Negus' time as Chair, leading to collaborative responses that underpinned this year's results.

I look forward to working with my Board colleagues to build on these strong results.



Commissioner Andrew Colvin APM OAM
Chair
Board of the Australian Crime Commission

Strategic framework and decision-making

The Board carries out its legislative functions under a formal strategic framework that links the ACC's operating model and the Board's statutory decision-making responsibilities. There are three decision-making phases that involve confirming targets, priorities and responses. This framework supports effective participation in processes and discussions to identify the ACC's strategic direction and priorities, and to achieve the ACC's outcome.

National Criminal Intelligence Priorities

The Board considers advice from the ACC, and draws on Board members' experience as leaders in the law enforcement, national security and regulatory arenas, to endorse the National Criminal Intelligence Priorities (NCIPs). This is a legislated function of the Board.

ACC priorities

The Board receives various intelligence products and information, and considers a range of matters including strategic issues, significant areas of current ACC work and potential new areas of work. It takes all these matters into account to set priorities for the ACC; authorising investigations, intelligence operations and task forces.

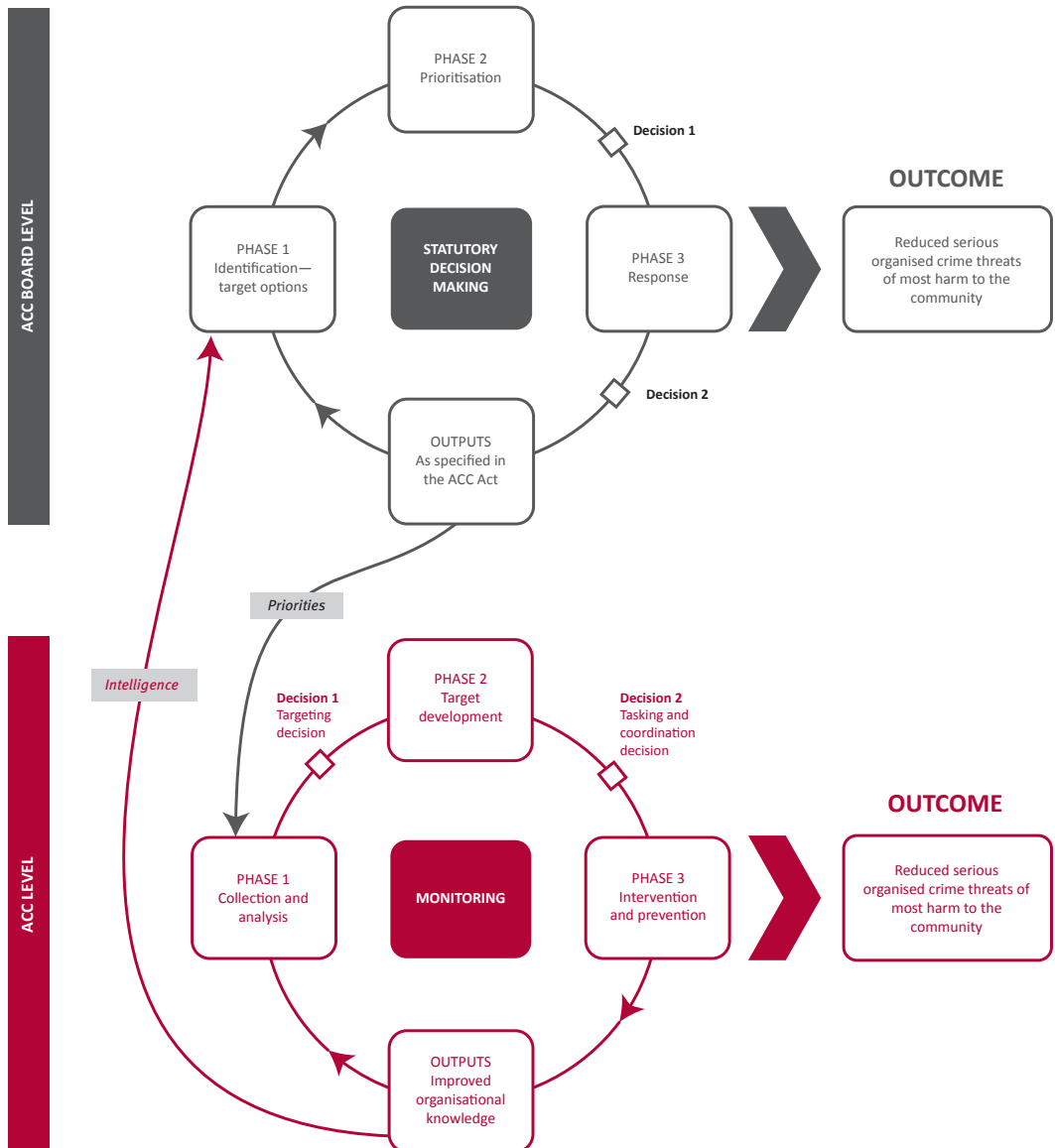
Coercive powers

The Board confirms if investigations and operations are deemed 'special', which authorises the use of the ACC's special coercive powers where traditional measures are not expected to be, or have not been, effective.

The ACC's coercive powers are similar to those of a Royal Commission and may only be exercised by an ACC Examiner for special operations or special investigations.

The special powers allow the ACC to summon a person to give evidence under oath, require the production of documents, demand information from Commonwealth agencies, apply for a search warrant, and require the production of a passport.











Strategic framework—the ACC Board relationship to the ACC












Board members and meetings 2014–15

Under the ACC Act, the Board is required to meet at least twice a year. In practice, however, the Board meets more often.

Attendance at Board meetings 2014–15

		11 September 2014	11 March 2015	10 June 2015
	Commissioner Andrew Colvin APM OAM, Australian Federal Police (Chair)	✓	✓	✓
	Mr Tony Sheehan, Acting Secretary, Attorney-General's Department	✓	—	—
	Mr Chris Moraitis PSM, Secretary, Attorney-General's Department	—	✓	✓
	Mr Roman Quaedvlieg APM, CEO, Australian Customs and Border Protection Service	✓	✓*	✓*
	Mr Greg Medcraft, Chairman, Australian Securities and Investments Commission	✗	✗	✓
	Mr David Irvine AO, Director-General of Security, Australian Security Intelligence Organisation	✗	—	—
	Mr Duncan Lewis AO DSC CSC, Director-General Security, Australian Security Intelligence Organisation	—	✓	✓
	Commissioner Andrew Scipione APM MM, NSW Police Force	✓	✓	✓
	Chief Commissioner Ken Lay APM, Victoria Police	✓	—	—
	Acting Chief Commissioner Tim Cartwright APM, Victoria Police	—	✓	✓*

		11 September 2014	11 March 2015	10 June 2015
	Commissioner Ian Stewart APM, Queensland Police Service	✓	✓	✓
	Commissioner Gary Burns BM APM, South Australia Police	✓	✓	✓
	Commissioner Karl O'Callaghan APM, Western Australia Police	✓*	✓	✗
	Commissioner Darren Hine APM, Tasmania Police	✗	✓	✗
	Commissioner John McRoberts APM, Northern Territory Police	✓	✓	—
	Commissioner Reece Kershaw, Northern Territory Police	—	—	✓
	Assistant Commissioner Rudi Lammers APM, Chief Police Officer, ACT Policing	✓	✓*	✓*
	Mr Chris Jordan AO, Commissioner of Taxation, Australian Taxation Office	✓	✓	✓
	Mr Chris Dawson APM, CEO, Australian Crime Commission	✓	✓	✓

— Person was not a Board member at the time of the meeting.

* Person was represented by someone officially acting in the Board member's position.

Board authorisations 2014–15

The Board reviewed the ACC's strategic priorities and, based on an assessment by the ACC, agreed that the current suite of Board-approved determinations was appropriate and therefore requested no changes for the 2015–16 financial year, with the exception of a consequential amendment to the National Security Impacts from Serious and Organised Crime No. 2 Special Operation to include provisions under the *Counter-Terrorism Legislation Amendment (Foreign Fighters) Act 2014*, which came into force on 1 December 2014.

The following table lists Board authorisations as at 30 June 2015.

Determination	Type	Decision type and date	Current until
Highest Risk Criminal Targets No. 2	Special Investigation	Established 4 September 2013	30 June 2016
Targeting Criminal Wealth No. 2	Special Investigation	Established 4 September 2013	30 June 2016
High Risk and Emerging Drugs No. 2	Special Operation	Established 4 September 2013	30 June 2016
National Security Impacts from Serious and Organised Crime No. 2	Special Operation	Established 4 September 2013	30 June 2016
Making Australia Hostile to Serious and Organised Crime No. 2	Special Operation	Established 4 September 2013	30 June 2016
Child Sex Offences No. 2	Special Operation	Established 4 September 2013	30 June 2016
Highest Risk Criminal Targets—South Australia	State Special Investigation	Established 4 September 2013	30 June 2016
Highest Risk Criminal Targets—Victoria	State Special Investigation	Established 4 September 2013	30 June 2016
Outlaw Motor Cycle Gangs	Special Operation	Established 4 September 2013	30 June 2016
Eligo National Task Force	Task Force	Extended 10 June 2015	31 December 2015
National Task Force Morpheus	Task Force	Established 11 September 2014	31 December 2015

In addition, in 2014–15 the Board:

- reviewed progress of key ACC activities
- considered the final report of the National Indigenous Intelligence Task Force
- received reports from the Chairs of the Serious and Organised Crime Coordination Committee and the Australian Criminal Intelligence Forum

- considered strategic issues including:
 - an implementation update on the *ACC Strategic Plan 2013–18* (incorporating the development of ACC Capability Strategies)
 - findings of the ACC Stakeholder Survey 2013–14
 - proposed legislative amendments to the *Telecommunications (Interception and Access) Act 1979*, with a specific focus on data retention
- considered the ACC's 2015 *National Criminal Target Report* and the 2015 *Organised Crime in Australia*, noting the strategic value of these products to the Australian law enforcement community
- considered the ACC Mid-Year Performance Review and commended the quality of the report and results achieved
- received a report from the Audit Committee Chair, who provided independent assurance on the ACC's risk, control and compliance framework, including external accountability responsibilities, and challenges and risks including the declining budget
- received a verbal update from the Commonwealth Attorney-General's Department on the joint review into the Martin Place siege
- received an update on potential Machinery of Government changes relating to the proposed merger with the Australian Institute of Criminology
- noted work done on the threats posed by encrypted communications.

The Board held two extraordinary meetings (on 24 November 2014 and 5 May 2015) to consider issues with, and receive updates on, enhanced collaboration between CrimTrac and the ACC. These meetings were jointly held with the CrimTrac Board of Management, which also includes the Commissioners of Australia's police forces and a representative of the Commonwealth Attorney-General's Department, and considered options to build stronger inter-agency cooperation.

During the reporting year, the Board farewelled:

- Commissioner Tony Negus APM, Australian Federal Police (Chair)
- Mr Roger Wilkins AO, Secretary, Attorney-General's Department
- Mr David Irvine AO, Director-General, Australian Security Intelligence Organisation
- Chief Commissioner Ken Lay APM, Victoria Police
- Commissioner John McRoberts APM, Northern Territory Police.

This year the Board also welcomed:

- Commissioner Andrew Colvin APM OAM, Australian Federal Police (Chair)
- Mr Chris Moraitis AO, Secretary, Attorney-General's Department
- Mr Duncan Lewis AO DSC CSC, Director-General Security, Australian Security Intelligence Organisation
- Commissioner Reece Kershaw, Northern Territory Police
- Mr Roman Quaedy APM, Chief Executive Officer, Australian Customs and Border Protection Service.

During the year Acting Chief Commissioner Tim Cartwright APM, Victoria Police, was a member of the ACC Board, with Chief Commissioner Graham Ashton AM, Victoria Police, commencing his appointment just after the reporting year, on 1 July 2015.

The ACC discovers,
understands and
responds to federally
relevant **serious and
organised crime.**



02

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Special investigations

Special investigations are designed to disrupt and deter criminal groups by collecting evidence and intelligence about criminal activity. The ACC Board may determine that an investigation is deemed 'special', enabling the use of the ACC's coercive powers. Before doing so, it must consider whether ordinary police methods of investigation into the matters are likely to be effective.

During 2014–15, there were four Board-approved special investigations:

- Targeting Criminal Wealth No. 2
- Highest Risk Criminal Targets No. 2
- Highest Risk Criminal Targets—Victoria
- Highest Risk Criminal Targets—South Australia.

Targeting Criminal Wealth No. 2

Providing intelligence to identify and stop criminal money flows is one of the most effective ways to disrupt the activities of serious and organised crime networks and reduce the harm they cause. This special investigation into financially motivated crime includes money laundering, serious and organised superannuation and investment fraud, sophisticated tax evasion and confiscating criminal wealth.

Discover and understand

This year, through the Targeting Criminal Wealth No. 2 Special Investigation, the ACC:

- conducted 50 coercive examinations to investigate criminal activity and inform law enforcement, law enforcement, national security, regulatory and policy agencies around the country
- added 11 criminal targets to the National Criminal Target List
- identified 112 previously unknown criminal targets related to money laundering, through the Eligo National Task Force
- produced 455 intelligence products, shared with partners through 1227 disseminations to build greater understanding of emerging issues including:
 - movement of illicit funds and the methodologies used
 - previously unknown transnational money laundering syndicates impacting on Australia
 - business structures and illegal business practices used to facilitate criminal activity and hide proceeds of crime
 - legal and regulatory vulnerabilities associated with tax and secrecy haven jurisdictions exploited by professional facilitators of criminal activity.

Respond

Prevention activities

Prevention and reform initiatives in 2014–15 included:

- working with the Australian Transactions Reports and Analysis Centre (AUSTRAC) and the Australian Federal Police to engage and improve professionalism of the alternative remittance sector and harden the environment against serious and organised crime infiltration
- providing case studies for consideration by the Five Eyes Law Enforcement Group Proceeds of Crime Working Group and international Financial Action Task Force
- contributing to a review of Australia's international anti-money laundering/counter-terrorism financing regime by the international Financial Action Task Force.

Disruption activities

The Targeting Criminal Wealth No. 2 Special Investigation led to significant responses this year, including:

- \$34.36 million cash seized
- \$238.2 million worth of assets restrained
- \$52.5 million worth of assets forfeited or recovered
- \$65.9 million worth of tax assessments issued
- 33 criminal entities disrupted
- \$381.2 million estimated street value of illicit drugs seized
- 350 charges against 146 people
- 24 people convicted.

Task forces and joint projects

The work of the ACC-led **Eligo National Task Force** is responsible for the bulk of the disruption activities under the Targeting Criminal Wealth No. 2 Special Investigation. For example, during the reporting year, Eligo's work led to seizures of cash totalling more than \$34 million. In addition, Eligo's strategy of 'following the money' often reveals other organised crime activity, like illicit drug trafficking, that generates the profits being laundered. The total estimated street value of drugs seized as a result of Eligo's work was more than \$365 million.

In 2014–15 the ACC referred 88 entities with an estimated value of offending of \$80.81 million to the **Criminal Asset Confiscation Taskforce**, which is led by the Australian Federal Police. Criminal Asset Confiscation Taskforce results this year included \$237.9 million assets restrained, \$52.4 million assets forfeited and \$87.17 million tax liabilities raised.

Project Wickenby is led by the Australian Taxation Office, and involves the ACC, Australian Securities and Investments Commission, AUSTRAC, Commonwealth Director of Public Prosecutions, and the Attorney-General's Department targeting targets offshore secrecy haven arrangements. This year Project Wickenby issued restraining orders for more than \$100 million worth of assets located in Australia and overseas.

Highest Risk Criminal Targets No. 2

The highest risk serious and organised crime entities pose a threat to Australia's national interests. They have a significant influence over illicit commodity markets and pose an ongoing risk. This special investigation into highest risk criminal targets identifies, detects and disrupts the entities that represent the greatest threat.

Discover and understand

This year, through the Highest Risk Criminal Targets No. 2 Special Investigation, the ACC:

- conducted 40 coercive examinations, generating intelligence that ACC partners could act on regarding serious and organised crime targets that represent the greatest threat and risk nationally
- added 12 criminal targets to the National Criminal Target List
- produced 994 intelligence products, shared with partners through 2523 disseminations to build greater understanding about:
 - known and previously unknown entities involved in serious and organised crime
 - methodologies used in relation to illicit drugs
 - illicit firearms trafficking
 - activities of entities on the National Criminal Target List
 - criminal enterprises of the Rebels Motor Cycle Club
 - the illicit tobacco trade
 - laundering proceeds of crime.

Respond

Disruption activities

The Highest Risk Criminal Target No. 2 Special Investigation led to significant responses this year including:

- 11 criminal entities disrupted
- 189 charges against 44 people
- 21 people convicted
- \$1.58 billion estimated street value of drugs seized
- \$175.7 million estimated street value of precursor chemicals seized
- \$29.4 million worth of tax assessments issued
- \$530 000 tax recovered
- \$730 000 worth of assets restrained
- \$166 000 cash seized.

A model for future collaboration



The Attero National Task Force significantly enhanced the ability to discover, understand and respond to the threat posed by the Rebels outlaw motor cycle gang, which had proved highly resilient to traditional law enforcement. The Attero National Task Force produced timely operational intelligence products as well as tactical intelligence that supported nationally agreed collection requirements, and operational and strategy activity. This successful model for future collaborative work included joint information sharing and management structures comprising traditional law enforcement partners, non-traditional Commonwealth agencies and an international partner, with a coordination framework underpinned by a Joint Agency Agreement.

Task forces and joint projects

During 2014–15 the Highest Risk Criminal Target No. 2 Special Investigation incorporated the work of several projects including Iceberg, Rosencrantz, Macrobust and Kardinia as well as the Attero National Task Force. Through this special investigation the ACC is also involved in the Joint Analyst Groups, the Victorian and Western Australian Joint Organised Crime Task Forces and the New South Wales Joint Organised Crime Group.

The **Attero National Task Force** began in June 2012 and concluded in December 2014. In 2014–15 two people were charged with importing a commercial quantity of a border controlled precursor, following the controlled delivery of 30 kilograms of pseudoephedrine (\$10 million estimated street value) to a Sydney business premises. Over the life of the task force, a total of 4149 Rebels members, nominees or associated were arrested, 5756 charges were laid, 86 firearms and 60 other weapons were seized, 21 taxation audits resulted in total liabilities identified and raised exceeding \$16.3 million and more than \$3.3 million in tax collected, more than 400 inward and outward travel movements of Rebels members were monitored (enhancing the ability to collect intelligence on the Rebels' overseas activities and networks) and more than 19 797 task force reports were provided.

Project Iceberg discovers new targets involved in serious and organised crime by exploiting the widest possible range of data holdings, particularly financial records. During the reporting year, through Project Iceberg, the ACC produced 86 information reports that provided new information to partners, helped them better understand criminals' methods and created opportunities for them to respond. This included six reports identifying new target networks that were added to the National Criminal Target List.

Project Iceberg identified seven transnational criminal networks, comprising foreign nationals who regularly travelled to Australia, that are likely to have collectively laundered more than \$39 million disguised as legitimate financial transactions. The Department of Immigration and Border Protection is investigating the leads generated and reviewing the stance on visa conditions for certain travellers.

Project Rosencrantz monitors and improves understanding of Australia's most significant serious and organised criminal risks. Through this project, the ACC launched an automated alerting service in August 2014, through its National Target System. This service monitors all entities on the list and automatically reports new activities to relevant partners. As at 30 June 2015, the ACC had provided automated alerts to relevant partners regarding more than 4333 financial transactions, company events or travel movements, linked to entities on the National Criminal Target List.

Through **Project Macrobust** the ACC contributes to the multi-agency, state-based Joint Analyst Groups (see page 33). Over the last 12 months 161 intelligence products were disclosed to partner agencies to inform them about changes in the organised crime environment and movement within criminal markets, and to inform intelligence and operational responses.

Record proceeds of crime outcome



In May 2015 the Queensland Supreme Court ordered James O'Brien and Michael Falzon to pay the state \$28 million. The case dates back to a joint ACC/Queensland Police Service operation that began in 2002, investigating the criminal activities of the Rockhampton chapter of the Rebels Motor Cycle Club, including drug production and trafficking, firearms offences and money laundering. In 2008, James O'Brien was convicted of trafficking methylamphetamine and sentenced to 14 years imprisonment. The next year his business partner and fellow Rebel, Michael Falzon, was also convicted and sentenced to 10 years. The \$28 million represented the value of the proceeds of crime O'Brien and Falzon derived from their drug trafficking operation, and is a record proceeds of crime order.

Through **Project Kardinia** the ACC provides intelligence on illicit firearms and firearms trafficking to assist state police agency investigations. The firearms trace dataset includes some 1.8 million firearm transactions and importation records. In 2014–15 the ACC responded to 540 firearm trace requests, disseminating 302 responses with information.

During 2014–15 the ACC contributed to the **New South Wales Joint Organised Crime Group**. Highlights included the investigation of 1917 kilograms of MDMA, with an estimated street value of \$651 million, and 849 kilograms of ice, with an estimated street value of \$849 million, in a shipping container arriving in Australia—six people were charged. Other seizures included 218 kilograms of pseudoephedrine (\$165.7 million estimated street value), 88 kilograms of heroin (\$33 million estimated street value), 21 kilograms of methylamphetamine (\$21 million estimated street value) and 17.5 kilograms of cocaine (\$5.7 million estimated street value).

This year the **Victorian Joint Organised Crime Task Force** results included the seizure of approximately 24 kilograms of heroin (\$9 million estimated street value), eight kilograms of amphetamines, \$86 000 in cash and a sawn-off shotgun—nine people were charged. In addition, 50.12 kilograms of methylamphetamine (\$23.18 million estimated street value), four litres of methylamphetamine, 2.6 kilograms of cocaine and \$220 000 cash were seized and seven people were charged. This was the result of direct support to the Eligo Task Force following three operational referrals.

Highest Risk Criminal Targets—Victoria

The ACC Board authorised this state-specific special investigation on 4 September 2013. It provides special support to Victoria Police investigations through ACC coercive powers, to improve existing ACC and Victoria Police intelligence holdings and collect evidence on the nature and extent of the serious and organised crime threat to Victoria.

During the reporting year, the ACC held six coercive examinations to inform partner agency investigations and fill identified intelligence gaps about highest risk criminal target activity across Victoria and in other jurisdictions. The examinations provided breakthrough intelligence of a criminal network and operations, and specific, targeted intelligence, which significantly advanced investigations and established other useful avenues of inquiry. Work under this special investigation also facilitated cross-jurisdictional intelligence sharing.

Highest Risk Criminal Targets—South Australia

The ACC Board authorised this state-specific special investigation on 4 September 2013. It supports the collection of evidence and intelligence about specified criminal activity by entities identified as highest risk criminal targets impacting on South Australia.

The Highest Risk Criminal Targets—South Australia State Special Investigation was not used during 2014–15. Instead, activities related to highest risk criminal targets in South Australia were carried out under the authority of the Highest Risk Criminal Targets No. 2 Special Investigation and Outlaw Motor Cycle Gangs Special Operation.

Special operations

Special operations focus on gathering intelligence around particular criminal activity so decisions are informed by the extent, impact and threat of that activity. The ACC Board may determine that an intelligence operation is a special operation, enabling the use of the ACC's coercive powers. Before doing so, it must consider whether methods of collecting the criminal information and intelligence that do not involve the use of powers in the ACC Act have been effective.

During 2014–15, the ACC gathered intelligence under four special operations:

- High Risk and Emerging Drugs No. 2
- Outlaw Motor Cycle Gangs
- National Security Impacts from Serious and Organised Crime No. 2
- Making Australia Hostile to Serious and Organised Crime No. 2.

The ACC also:

- maintained contact with its partners through the Child Sex Offences No. 2 Special Operation, to stay informed and contribute to the national response
- finalised work under the former special operation, National Indigenous Intelligence Task Force (Indigenous Violence or Child Abuse No. 3) which ceased on 30 June 2014.

High Risk and Emerging Drugs No. 2

The production and supply of illicit drugs is the major activity of organised crime in Australia. This special operation monitors all Australian illicit drug markets and has developed an increasingly holistic understanding of those markets, both domestically and internationally. Through this special operation, the ACC contributes to demand, supply and harm reduction strategies in line with the *National Drug Strategy 2010–15*.

Discover and understand

This year, through the High Risk and Emerging Drugs No. 2 Special Operation, the ACC:

- conducted 30 coercive examinations to fill intelligence gaps, identify insights and enhance understanding of serious and organised crime and high risk and emerging drugs
- added one criminal target to the National Criminal Target List
- produced 101 intelligence products, shared with partners through 308 disseminations to build understanding about:
 - the methylamphetamine market in Australia, in particular crystal methylamphetamine (ice)
 - a method of manufacturing MDA using unregulated chemicals
 - the potential resurgence in the domestic MDMA market
 - the threat and potential harms of a range of peptides and hormones not scheduled as 'prescription-only medicines'
 - concerning trends including the diversion of chemicals to prepare steroids for illicit sale and the potential for increased organised crime involvement in the illicit pharmaceuticals market and associated adverse impacts.

Respond

Response actions and outcomes

During 2014–15 the ACC's work under the High Risk and Emerging Drugs No. 2 Special Operation influenced or contributed to:

- the formation of the National Ice Taskforce to better coordinate efforts across government, education, health and law enforcement
- a sharper focus on the importation of an identified precursor and like substances used in the illicit manufacture of MDA
- the scheduling of certain peptides and hormones as 'prescription-only medicines'.

Australia's ice problem and national response



The ACC's assessment found that the methylamphetamine market had grown significantly since 2010. It highlighted the central role of serious and organised crime in supply and distribution, with more than 60 per cent of Australia's highest risk serious and organised crime targets involved in the methylamphetamine market. Of all illicit drugs, the ACC assessed that methylamphetamine, and in particular ice, poses the highest risk to the Australian community and is of significant national concern. The head of the High Risk and Emerging Drugs No. 2 Special Operation was subsequently seconded to the secretariat of the National Ice Taskforce, announced by the former Prime Minister in April 2015. The National Ice Action Strategy will represent a whole-of-government response to ice, incorporating demand, supply and harm reduction components, in accordance with the National Drug Strategy.

Methylamphetamine market

Through **Project Baystone** the ACC worked with multi-agency bodies including the Serious and Organised Crime Coordination Committee (SOCCC) to inform the national law enforcement response to the crystal methylamphetamine (ice) problem. The ACC assessed the nature and extent of the threat, alternative sources of data and appropriate operational and policy responses. It provided a classified strategic assessment to partners and also released a public report in March 2015.

MDA manufacturing

Through **Project Alberta-Mede** the ACC released a classified intelligence assessment identifying a method, previously unknown to Australian law enforcement, of manufacturing MDA using unregulated chemicals. Criminal groups generally develop new methods to produce precursor chemicals that are controlled substances. However, this method resulted in production of the drug without producing the intermediate controlled substances. This work resulted in several successful jurisdictional investigations into the purchase of chemicals for, and manufacture of, illicit drugs.

The ACC also shared information about suspicious purchases, related to the MDA and steroids markets, with state and territory law enforcement for further action. The ACC discovered that non-controlled chemicals were being diverted and combined with imported raw materials for the domestic production of steroids in injectable form.

MDMA market

Through **Project Baystone** the ACC produced a classified assessment summarising the potential resurgence of MDMA identifying potential sources of threat and assessing the likely short to medium-term trajectory for the market.

New generation performance and image enhancing drugs

The ACC had previously identified the threat, potential harms and systemic vulnerability posed by the fact that a series of peptides and hormones were not scheduled as 'prescription-only medicines' in Australia. During the year the ACC worked with the National Integrity of Sport Unit in the Department of Health to advise the Therapeutic Goods Administration, and the substances are now scheduled under the Standard for the Uniform Scheduling of Medicines and Poisons.

Illicit pharmaceuticals

Under **Project Andronicus** the ACC has begun assessing the relevant components of the illicit pharmaceuticals market to identify substances of concern, points of vulnerability in the legitimate supply chain, gaps in existing knowledge, links between this market and other illicit drugs markets, the nature and extent of the organised crime footprint and appropriate operational and policy responses.

Outlaw Motor Cycle Gangs

Outlaw motor cycle gangs (OMCGs) are highly visible crime entities, with a presence in all Australian states and territories. This special operation involves working in partnership with key stakeholders to reduce the threat posed by OMCGs.

Discover and understand

This year, through the Outlaw Motor Cycle Gangs Special Operation, the ACC:

- conducted 14 coercive examinations to fill intelligence gaps on topics including national and local OMCG structures, members and recruitment, illicit activities, club culture and power plays, and OMCG relationships to businesses, companies and other entities
- produced 468 intelligence products, shared with partners through 1654 disseminations to build a greater understanding of issues such as state/territory wealth footprints of OMCGs, drug importation and distribution and firearms.

Respond

Australian Gangs Intelligence Coordination Centre

The ACC-led Australian Gangs Intelligence Coordination Centre (AGICC) has been operating at the ACC since December 2013, under **Project Legion**. The AGICC is building and coordinating an intelligence-led response to OMCGs and other known gangs by linking strategic understanding of the national picture with intelligence that supports operational and tactical responses. It provides a dedicated intelligence capability for the National Anti-Gangs Squad led by the Australian Federal Police. The AGICC also provides intelligence and assistance to state and territory police gang squads.

During the reporting year, the AGICC:

- contributed intelligence to 72 law enforcement operations
- provided 459 intelligence reports to fill gaps in knowledge and provide leads for action
- responded to 175 requests for information.

Task force Morpheus

The new multi-agency Task Force Morpheus was formed in September 2014 to build on the success of the Attero Task Force, which targeted the Rebels outlaw motor cycle gang. Morpheus is a joint initiative of all law enforcement agencies, with a broader focus on all OMCGs that pose a risk to the community. It is overseen by the Serious and Organised Crime Coordination Committee. As at 30 June Task Force Morpheus had resulted in:

- 906 people arrested on 2043 charges
- 441 search warrants executed
- 207 firearms and 6162 rounds of ammunition seized
- 12 motor vehicles and nine Harley Davidson motor cycles seized
- more than \$1.35 million cash seized
- seizures of 43 kilograms and three litres of methylamphetamine, 55.7 kilograms of cannabis and 586 cannabis plants, 2703 steroid pills and other quantities of unlawfully possessed substances including prescription drugs.

Strategic insights

In 2014–15 the ACC produced two strategic insights products into OMCG activity, looking at the changing nature of OMCG violence and OMCG engagement with affiliate groups.

National Security Impacts from Serious and Organised Crime No. 2

Serious and organised crime is a threat to national security. Through this special operation, the ACC provides a unique perspective on the evolving threats and risks posed by serious and organised crime groups within the national security environment.

Discover and understand

This year, through the National Security Impacts from Serious and Organised Crime No. 2 Special Operation, the ACC:

- conducted 27 coercive examinations to fill intelligence gaps and develop the national picture on current and emerging threats
- added one criminal target to the National Criminal Target List
- assisted partner agencies with investigations into national security matters and provided support to Operation Sovereign Borders through the Joint Agency Task Force
- produced 125 intelligence products, shared with partners through 400 disseminations.

Respond

Counter-terrorism

The ACC Foreign Fighters Task Force commenced in September 2014, through **Project Ridgeline**, which aims to identify Australian citizens involved in the Syria and Iraq conflict and whether they are engaged in serious and organised criminal activity or linked to serious and organised crime groups. Sub Project Ridgeline-Pinecrest focuses on identifying domestic terrorism threats. Through these projects in 2014–15 the ACC:

- produced 79 information reports concerning foreign fighters and counter-terrorism
- used coercive powers and other specialist capabilities to generate intelligence and inform partner agency operations into national security matters
- produced an intelligence brief that assisted in the profiling and identification of potential terrorism threats, by providing indicators of 'at risk' individuals
- applied Fusion's specialist data analytics tools to proactively identify persons of potential interest to national security partners.

Maritime sector

Under **Project Persephone** the ACC provided analyst support to three multi-agency task forces investigating serious and organised crime exploitation of the maritime sector in New South Wales (Polaris), Victoria (Trident) and Queensland (Jericho). During the reporting year the ACC supported investigations of waterfront-related organised crime and provided intelligence about vulnerabilities at maritime ports.

Making Australia Hostile to Serious and Organised Crime No. 2

As serious and organised crime becomes ever more diversified, sophisticated and complex, Australia must find more innovative ways of identifying and preventing such criminal activity before it gains a foothold. Through this special operation the ACC works closely with partners and collaborates with industry to help make Australia's society, institutions, industries and economy hostile to serious and organised crime.

Discover and understand

This year, through the Making Australia Hostile to Serious and Organised Crime No. 2 Special Operation, the ACC:

- conducted nine coercive examinations
- added four criminal targets to the National Criminal Target List
- produced 57 intelligence products, shared with partners through 491 disseminations to build greater understanding of issues such as cybercrime, visa and migration fraud, encrypted communications and card fraud
- provided new insights into criminal exploitation of the virtual currency markets (through Project Longstrike)
- produced a classified assessment on the national picture of the threat posed by cybercrime, including the increasing threat of malware (through Project Longstrike).

Respond

Cybercrime

During 2014–15 the ACC's work under the Making Australia Hostile to Serious and Organised Crime No. 2 Special Operation influenced or contributed to responses such as:

- an investigation into TorrentLocker Malware, based on an ACC cyber intelligence report
- developed under Project Longstrike and an Australian Federal Police cybercrime investigation, prompted by ACC intelligence.

Through Project Longstrike the ACC also:

- provided previously unknown, unique knowledge of recent cybercrime threats and targets affecting Australia
- provided intelligence to support two international cybercrime investigations that were initiated based on ACC intelligence
- supported the establishment of the whole-of-government Australian Cyber Security Centre, of which it is a founding member.

Cybercrime



Cybercrime is a complex, persistent threat that is having a significant impact on Australia's national interests and economic prosperity. Through Project Longstrike, the ACC is part of the Australian Cyber Security Centre—a government initiative to better understand cyber security threats, including cybercrime, and to help Australia's security agencies respond more quickly and effectively to the continuing problem of cyber attacks. The ACC contributed to the centre's first conference and first public national cyber threat report.

Encrypted communications

During 2014–15 the ACC played a role in bringing together partners to consider the implications of encrypted communications for Australian law enforcement agencies. In particular, through **Project Muskwood**, the ACC collected intelligence and provided six intelligence reports on the use of encrypted technologies by serious and organised crime, as well as developing a national understanding of the market for encrypted communications in Australia and the ramifications for future law enforcement intelligence collection.

Visa and migration fraud

The ACC worked with the Department of Immigration and Border Protection to examine links between serious and organised crime and visa and migration fraud and produced a related strategic intelligence product. This was done through the ACC's work under **Project Sinis**.

Firearm assessments

Under **Project Nox** the ACC commenced intelligence collection to inform ongoing work for its strategic firearm assessment. The strategic assessment will assist partner agencies to better understand vulnerabilities of the licit and illicit firearms markets in the community.

Child Sex Offences No. 2

Child sex offenders are becoming increasingly sophisticated in their networking activities and more able to access information to facilitate their crimes, in particular using the online environment. Through this special operation the ACC uses its coercive powers to collect intelligence on the nature and extent of child sex offenders in Australia, and the methodologies and technologies they use, to assist in reducing the impact and support national responses.

There was limited activity under this special operation during 2014–15, partly due to the nature of investigations in this area and complications arising from the High Court decision of *X7 v Australian Crime Commission (2013)* in June 2013, as a result of which the ACC ceased all coercive examinations of witnesses charged with indictable offences (see page 52).

One information report was produced and shared with partners through two disseminations.

National Indigenous Intelligence Task Force

The Indigenous Violence or Child Abuse No. 3 Special Operation supported and enhanced the work of the National Indigenous Intelligence Task Force, which concluded on 30 June 2014. The task force collected and analysed information and criminal intelligence to provide government with an understanding of the nature and extent of violence and child abuse affecting vulnerable Indigenous communities. Through the task force, the ACC contributed to investigations, informed policy, program and law reform, and improved national intelligence collection and information sharing about these issues.

In 2014–15 the ACC finalised the 20 intelligence products, which it shared with partners through 254 disseminations. It also released the final report which described the work and achievements of the task force, intelligence findings and issues for consideration.

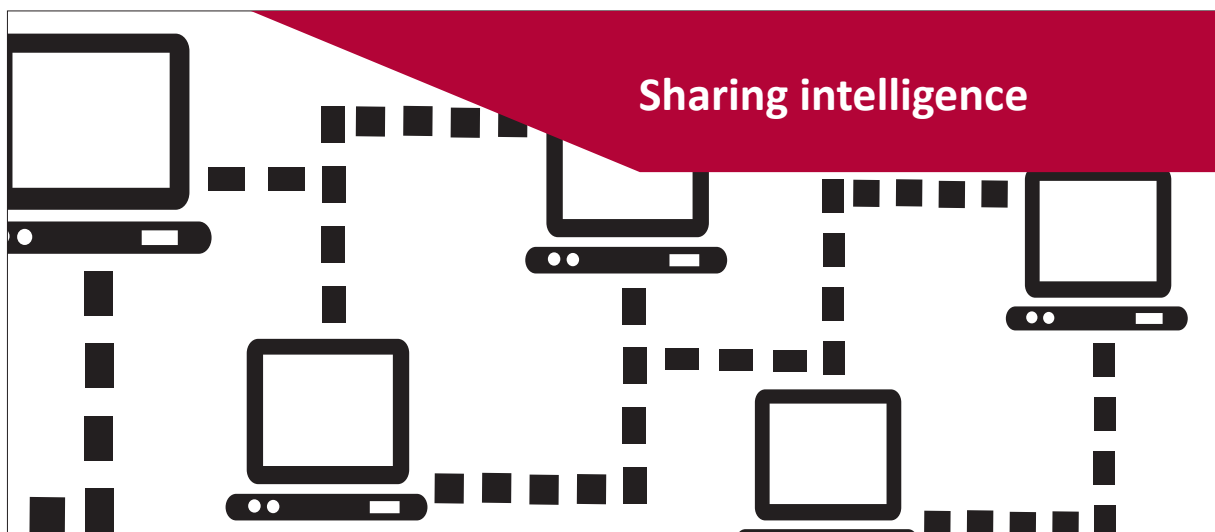
The task force's work continued to contribute to responses during the year including influencing the Northern Territory Government's Domestic and Family Violence Reduction Strategy 2014–17 that was launched in September 2014, supporting Western Australia Police operations and South Australia Police investigations and inter-agency prevention and education programs, and participating in the cross-agency working group and steering committee that managed and governed the Cross Border Domestic Violence Information Sharing and Intelligence Desk.

Strategic information provided to law enforcement

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

The ACC builds up the national picture by fusing and analysing intelligence from its investigations and operations and from intelligence feeds from partner agencies.

Much of the intelligence is classified and only shared with partner agencies. However, the ACC increasingly engages with the private industry to share its understanding of the threat picture and releases unclassified information to the public to help prevent or harden the environment against serious and organised crime threats.



During 2014–15 the ACC shared 6650 products with 265 agencies. This included six flagship intelligence publications (the *Picture of Criminality in Australia* suite), seven strategic assessments, 16 strategic insights products, 21 operational analysis products, 82 intelligence briefs and issues reports, two discussion papers, 1789 information reports, 394 other tactical information products and 4333 automated alerts (a new service introduced during the reporting year).

Flagship publications

The ACC's flagship publications, collectively called the *Picture of Criminality in Australia*, are the:

- *Organised Crime Threat Assessment*—current and emerging threats (classified, biennial)
- *Organised Crime in Australia*—current and emerging threats (public, biennial)
- *National Criminal Target Report*—threat and risk posed by known targets (classified, annual)
- *Illicit Drug Data Report*—statistical overview and analysis of illicit drug markets over the past 12 months (public, annual)
- *Organised Crime 2025*—likely future trends (classified, periodic).

Organised Crime Threat Assessment

This market-based assessment examines Australia's key illicit markets including illicit commodities, crimes in the mainstream economy and crimes against the person. It also assesses activities that enable serious and organised crime, such as money laundering and cybercrime. The next assessment is due in mid-2016.

Organised Crime in Australia

The *Organised Crime in Australia 2015* report, released in May 2015, provides public information about key crime markets and enablers, and how they pose a threat to the Australian community. This year's report demonstrated that while organised crime remains involved in lucrative traditional crime markets, such as illicit drugs, its reach is now extremely diverse. The next report is due in 2017.

National Criminal Target Report

This annual classified report provides decision-makers with a consolidated national picture of the risk posed by serious and organised crime groups affecting Australia, to inform both operational and strategic decisions. The 2014–15 report detailed emerging criminal markets, changes in risk and geographic footprints, as well as strategic links to wider-government initiatives including the National Ice Taskforce.

Illicit Drug Data Report

This annual statistical overview covers arrests, seizures, purity levels, profiling data and prices. It is based on data from the ACC's Commonwealth, state and territory partners, as well as academic and health data.

Organised Crime 2025

This is the third in the ACC's series of strategic foresight products that examine factors likely to affect the Australian criminal environment over the next decade. It was released after the reporting period, in late 2015.

Strategic assessments

In addition to the flagship publications, the ACC also produces strategic intelligence products. Topics covered in 2014–15 included the methylamphetamine market, cybercrime, profit motivated vehicle theft, visa and migration fraud, public sector corruption and a financial crime risk assessment.

Strategic insights

The ACC's strategic insights products provide new insights into serious and organised crime threats, groups, vulnerabilities, methodologies or markets. In the reporting year the ACC produced 16 strategic insights products on topics such as organised crime exploitation of Australia's real estate sector, money laundering methodologies and vulnerabilities in Australia, vulnerabilities related to banknotes and covert movement of money, mobile money services, the MDMA market in Australia, virtual currencies, and outlaw motor cycle gang activity.

Other intelligence work

Wildlife and Environmental Crime Team

The ACC's Wildlife and Environmental Crime Team was formed in early 2014–15 to collect intelligence to better understand the nature and extent of serious and organised crime involvement in wildlife and environmental offences around the Great Barrier Reef and the Torres Strait. This includes methodologies, persons of interest and links to other crimes such as money laundering and drug trafficking. The team is part of the Australian Government's *Reef 2050 Plan* and associated *Dugong and Turtle Protection Plan*. During the year the team:

- conducted 27 visits to 17 regional towns and Indigenous communities in Queensland, including the Torres Strait
- produced 20 tactical intelligence products, provided to partner agencies through 42 disseminations.

National assets

The ACC's *Strategic Plan 2013–18* has a strong focus on building capability. It articulates the ACC's vision and approach, the changing environment in which the agency works and how it will build capability and work with partners to achieve its vision.

In 2014–15 the ACC continued to provide its unique capabilities and support to partners to complement and maximise national responses to serious and organised crime. It also continued to bring different partners together whose varied expertise and capabilities can be combined to combat the common threat. This included through the ACC Fusion capability, the Australian Gangs Intelligence Coordination Centre, participation in multi-agency Joint Analyst Groups and the ACC's role as a national focal point for initiatives and forums that bring together Commonwealth, state and territory partners to address nationally significant crime. Of particular note this year were advances in developing and launching new national databases and tools for ACC partners.

Fusion

Since it was established in 2010, the ACC-led National Criminal Intelligence Fusion Capability has evolved from a standalone capability to become integrated into business-as-usual across the ACC. Fusion brings together specialist people, tools and data from more than 20 Commonwealth, state and territory agencies to develop insightful intelligence about serious and organised crime in Australia. Fusion is integral to results achieved across many areas of the ACC's work and increasingly in demand by partners.

Australian Gangs Intelligence Coordination Centre

The multi-agency Australian Gangs Intelligence Coordination Centre (AGICC) has been operating at the ACC since December 2013. Housed in a custom-built operations room within ACC headquarters, the AGICC brings together specialist staff from the ACC, Australian Federal Police, Australian Taxation Office, Australian Customs and Border Protection Service, Department of Immigration and Border Protection, and Centrelink. This is a key government initiative to combat the growing threat of outlaw motor cycle gangs.

This year, through the AGICC, the ACC produced the Gangs Intelligence Hub and National Gangs List (see page 34).

Joint Analyst Groups

Joint Analyst Groups (JAGs) are multi-agency intelligence functions located in each state and territory. They bring together analysts from the ACC, jurisdictional police and other Commonwealth and state partner agencies. The JAGs identify, coordinate and prioritise intelligence about targets and threats at a jurisdictional level. They provide this intelligence to Joint Management Groups (forums of senior managers) to inform the coordination of operational and intelligence decision-making. Established in 2013, the JAGs are continuing to develop and provide increasingly mature and timely advice to the Joint Management Groups.

National Criminal Target List

The ACC maintains the National Criminal Target List, which details the risk posed by Australia's nationally significant serious and organised crime targets, including those based offshore but active in Australia's criminal markets.

Australian Criminal Intelligence Model

The Australian Criminal Intelligence Model represents an agreed national framework for managing knowledge of the criminal environment and better exploiting intelligence capabilities nationally. The model is improving the flow of criminal intelligence within and across the three operating domains of (policing and community safety, serious and organised crime, and national security). The model will assist and influence decision-makers nationally. This is a significant step towards treating criminal intelligence as a national asset—something that is collected once and used often for the benefit of many.

Australian Criminal Intelligence Forum

Australian heads of intelligence collaborate on the implementation of the Australian Criminal Intelligence Model and formulate national advice to the ACC Board and other stakeholders through the Australian Criminal Intelligence Forum. The forum consists of agencies from the three operating domains of policing and community safety, serious and organised crime, and national security.

National database and tools

The ACC maintains the Australian Law Enforcement Intelligence Network (ALEIN). There are currently 28 international, Commonwealth, state and territory law enforcement agencies connected to ALEIN. This secure extranet that provides a gateway for partners to access the:

- Australian Criminal Intelligence Database (ACID)—the national criminal intelligence and information system, which is mandated in section 7A(a) of the ACC Act. It includes much of the intelligence the ACC assembles as well as intelligence uploaded by partners.
- National Target System—the secure online data repository contains information on nationally significant organised crime groups (criminal targets).
- Automated alerting service—the new service that monitors entities on the National Criminal Target List and automatically reports new activities to relevant partners.
- Gangs Intelligence Hub—the new central and secure hub of important outlaw motor cycle gang and criminal gang information and intelligence.
- National Gangs List—the new secure and validated, nationally agreed list of outlaw motor cycle gang members.
- National Clandestine Laboratory Database—the national repository of data and intelligence about seized clandestine laboratories.
- Violent and Sexual Crime Database—the database used to capture information about violent and sexual crime.
- ALEIN information desks—ACC partners can access intelligence products stored within a ‘desk’ based structure.

ALEIN is also a secure messaging channel for sharing criminal information and intelligence between Commonwealth, state and territory partners.

Australian Cybercrime Online Reporting Network (ACORN)

The ACC is responsible for the administration of the new Australian Cybercrime Online Reporting Network (ACORN), which was launched in November 2014. This national initiative allows the public to securely report cybercrime incidents and provides advice to help people recognise and avoid common types of cybercrime. The ACORN is a collaboration between the ACC, all Australian police agencies, the Attorney-General's Department, the Australian New Zealand Policing Advisory Agency, the Australian Competition and Consumer Commission, the Australian Communications and Media Authority and CrimTrac (which built and hosts the system).

National Criminal Intelligence System



The National Criminal Intelligence System (NCIS) is the proposed replacement for ACID and ALEIN, which will support a more technologically advanced and efficient response to serious and organised crime in Australia, and will further evolve the Fusion capability for ACC partners.

On 30 June 2015 the Government endorsed the ACC's application for \$9.799 million funding under the *Proceeds of Crime Act 2002* to support the development of the NCIS through 2015–16 and 2016–17. This will build on existing infrastructure where possible to upgrade access to, and performance of, the ACID and the ALEIN systems, both of which are no longer fit for purpose.

The ACC maintains the
**national intelligence
picture** on current and
emerging threats. ACC
partners contribute to and
use this picture to guide
**responses to serious and
organised crime.**



03

Identified criminal activity

Nature, scope, trends and patterns of organised crime 38

Nature, scope, trends and patterns of organised crime

Through its strategic intelligence products, the ACC identifies patterns and trends on the nature and scope of organised criminal activity which assists to inform responses. During 2014–15, the ACC released a number of classified and unclassified publications (see page 30). This section highlights key unclassified findings.

Key characteristics of serious and organised crime

Serious and organised crime is growing in sophistication and expanding its reach globally. It is constantly exploiting new technologies and diversifying into new markets, both legitimate and illicit, to increase opportunities to generate wealth.

While some aspects of organised crime are highly visible, other aspects can be hidden and harder to detect. For example, fraudulent investment schemes may be promoted through professional-looking brochures, seminars or webinars and websites, making them appear legitimate even to the most financially literate. Many serious and organised crime groups present, and may operate to some degree, as genuine businesses.

Cooperation between organised crime groups is becoming more apparent, along with the intermingling of different types of concurrent criminal activities.

In the current Australian environment, serious and organised crime is exploiting three key capabilities, in particular:

- **The integration into legitimate markets to conceal criminal activity**—serious and organised crime has become interwoven with Australia’s economic, social and political environments. While continuing to operate in traditional illicit markets, such as drug markets, serious and organised crime has also been innovative in infiltrating legitimate industries to generate and launder significant proceeds of crime.
- **The exploitation of technology and online capabilities**—Serious and organised crime has proven adept at identifying and exploiting new and emerging technologies to facilitate crime, to expand its reach, and to provide the anonymity and distance from criminal activities that makes it more difficult for law enforcement to detect and identify them.
- **The reach of globalised criminal networks**—Up to 70 per cent of Australia’s serious and organised criminal threats are based offshore or have strong offshore links. There are transnational groups, networks and individuals operating at an ‘elite’ criminal level and targeting illicit markets in numerous countries simultaneously. They are highly networked, highly professional, well-funded, and employ specialist advice to evade detection or to operate within the gaps in legislative and regulatory regimes internationally.

Key enablers of organised crime

Key enablers are illicit activities (which can be crimes themselves) that underpin and contribute to the effectiveness of serious and organised crime, and therefore are key areas of risk.

Money laundering

Money laundering is an important enabler for almost all serious and organised crime. Serious and organised crime entities increasingly engage the services of highly sophisticated professional money laundering syndicates, which use a variety of methodologies to launder money out of and into Australia. Methodologies include the use of alternative remittance services, informal value transfer systems, and trade-based money laundering.

Cyber and technology enabled crime

Serious and organised crime entities use technology and cyber capabilities to extend their reach across jurisdictions and around the globe. Organised crime has identified and seized the opportunity to exploit Australians' use of digital systems and the Internet for its own financial gain. A diverse range of devices can be exploited for criminal purposes, including computers, mobile phones and point of sale systems. Potential victims include government, critical infrastructure agencies, industry, businesses and individuals.

Identity crime

Identity crime is a fast growing crime market that enables serious and organised crime groups to use stolen personal information to facilitate criminal activities. Identity crime, though under-reported, is among the most prevalent crime types. An increased reliance on personal identity information in online services, along with the exploitation of technology by criminals, has seen identity crime become one of the most pervasive crime types in Australia.

Corruption

Public corruption in Australia remains comparatively low, although high profile cases of political and official corruption highlight the willingness of criminals to use this technique to facilitate serious and organised crime. Corruption can work insidiously to protect the business of serious and organised crime, and prevent identification of criminal behaviour. It undermines the public's trust in government and in the legitimacy of the instruments of government.

Criminal exploitation of business structures

The criminal exploitation of business structures involves the use of unlawful business practices and the deliberate structuring of businesses to conceal criminal infiltration of an industry, to generate or conceal illicit profits, or to gain an unfair advantage over competitors by expanding market share. The criminal exploitation of business structure by organised crime results in financial gains for criminals and financial losses to the Australian economy. It may also affect public confidence and the perceived legitimacy of business.

Violence

Violence is a key enabler of organised crime related activities such as extortion, intimidation, and crimes against the person. Violence can be used to gain or retain control of 'turf' or drug markets, as punishment or retaliation, to collect debts or send warnings, or it may be offered as a paid service to other crime groups.

Key illicit markets

Illicit drugs

The illicit drug market remains the primary source of profit for organised crime groups. Most groups identified by the ACC and partner agencies, including the majority of the highest risk organised crime groups, operate in this market. The Australian illicit drug markets are fundamentally linked to global drug markets, with organised crime groups operating across national and international jurisdictions.

The domestic illicit drug market is increasingly characterised by poly-drug use, supply and use of drugs within social groups and organised crime groups trafficking different drugs simultaneously. These trends add to the challenges faced by law enforcement agencies and blur the margins between individual drug markets.

The growth of the Internet and ‘darknets’ has added a new dimension to the illicit drug market. Users can access drugs, and information about the availability and effects of new drugs, from anywhere in the world. As a result, overseas drug trends, which would have previously taken some time to flow on to the Australian market, are now very quickly replicated in Australia. In some cases, Australia is at the forefront of illicit drug trends.

The MDMA market was expected to re-emerge during 2014–15, due to increased large-scale illicit manufacture overseas. However, although several large attempted imports of MDMA were detected and there is a level of domestic manufacture, the market remained patchy. There is significant latent demand for genuine MDMA and the ACC will continue to monitor the market for signs of a more sustained and consistent recovery.

The methylamphetamine market has grown significantly since 2010. The ACC assesses that this illicit drug, in particular ice, poses the highest risk to the Australian community (see page 23).

In 2013–14² there was a record number of 93 086 national illicit drug seizures—weighing a record 27.3 tonnes—and a record number of 112 049 national illicit drug arrests. This included a record number of national amphetamine-type stimulants (ATS), cocaine and steroid seizures and arrests, and a record number of national cannabis arrests. It also included a record number of border detections of ATS, excluding MDMA.

The Australian heroin market has remained relatively stable, with domestic market indicators suggesting that the user market consists of an entrenched and ageing population. In 2013–14 analysis of heroin border seizures indicated heroin originating in South America for the first time.

² These statistics are from the ACC’s 2013–14 *Illicit Drug Data Report*, which is an annual retrospective report. The 2014–15 *Illicit Drug Data Report* is due for release in the first half of 2016.

However, the ACC continues to monitor the heroin market closely, largely because of its links to the growing illicit market for pharmaceutical opioids such as oxycodone and fentanyl.

The Internet has given rise to the manufacture, distribution and popularity of the new psychoactive substances market over the past decade, with drug users now showing a preference for these types of drugs as well as more 'traditional' drug types.

In recent years, the illicit performance and image enhancing drugs market has expanded beyond anabolic steroids to include a range of substances collectively known as peptides and hormones. Evidence suggests the use of these drugs in Australia is no longer limited to body builders, with a broader user demographic emerging and a greater organised crime presence in the market.

Crimes in the mainstream economy

Investment and financial market fraud

Investment fraud can be a complex, sophisticated and transnational activity that generates significant illicit profits with minimal risk of disruption, making it attractive to organised crime. Australia remains a particularly attractive target for domestic and overseas-based organised crime involved in investment and financial market fraud because of the relatively stable economy and Australian investors' high subscription to share purchases. This crime type refers to fraudulent investment schemes, the manipulation or exploitation of the legitimate share market to artificially raise or lower the price of securities for financial benefit, and the exploitation of securities to commit fraud or conceal the proceeds of crime.

Superannuation fraud

The Australian superannuation industry maintains investments totalling \$1.62 trillion. This makes the sector a highly attractive target for serious and organised crime. The Australian superannuation industry is a major contributor to the Australian financial sector, and large superannuation frauds perpetrated by serious and organised crime could result in significant costs for government. These costs would include financial support for victims and social security benefits for those unable to provide for themselves in retirement as a result of such frauds.

Revenue and taxation fraud

Revenue and tax fraud involves the intentional and dishonest evasion of taxation obligations. Organised crime entities exploiting the Australian taxation system increasingly use complex and sophisticated organisational structures. This makes these entities less recognisable and harder to detect. Organised crime in Australia perpetrates revenue and tax fraud through refund fraud, tax evasion schemes, phoenixing schemes, and the abusive use of trust structures.

Card fraud

The card fraud market continues to be dominated by overseas-based groups. Many of these groups travel to Australia to conduct specific card fraud offences—for example, conducting shopping trips with fraudulent cards or skimming ATMs for card details.

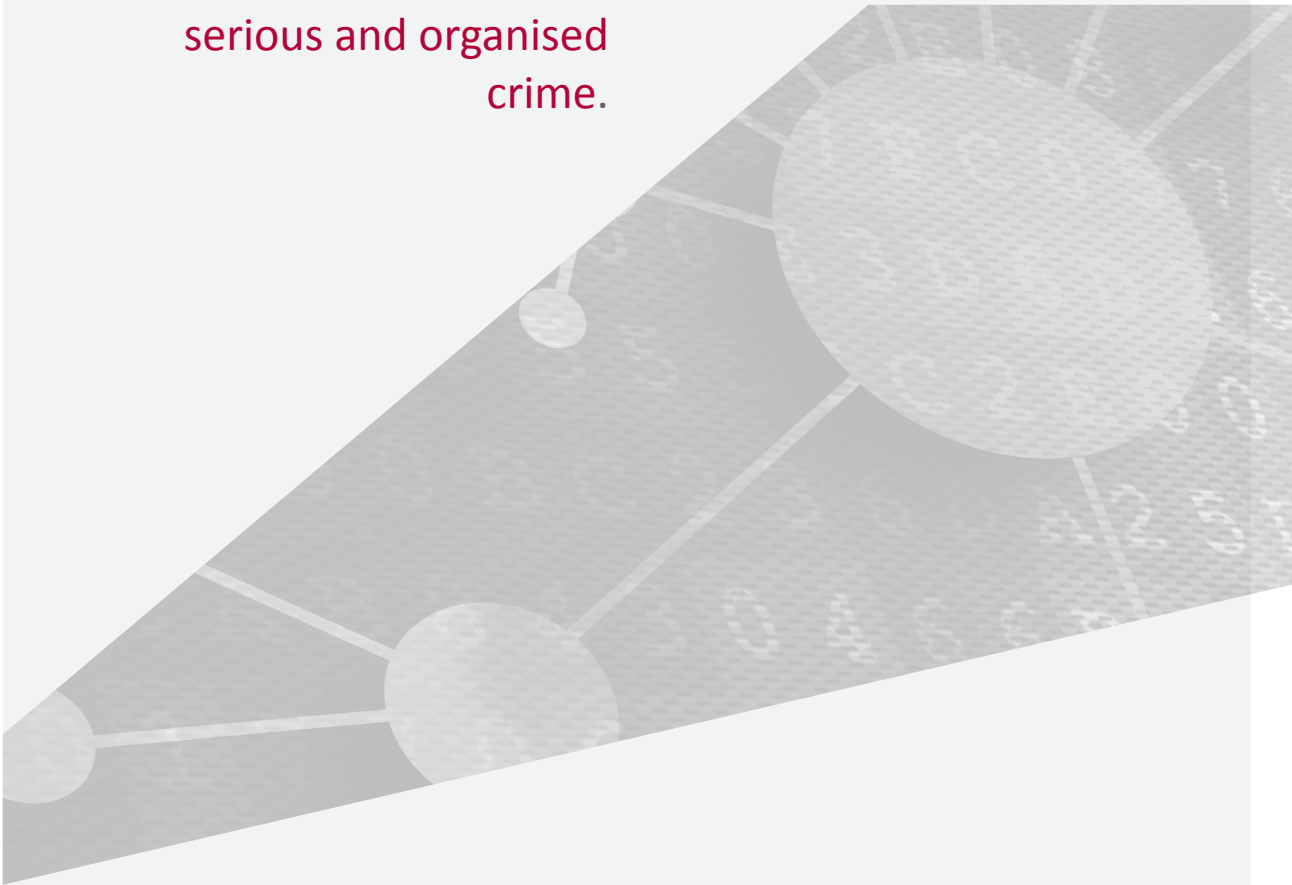
Visa and migration fraud

Collaborative work between the ACC and the Department of Immigration and Border Protection has identified that organised crime has infiltrated and exploited the visa and migration fraud market, and will continue to do so. Visa and migration fraud occurs when a visa is issued on fraudulent or false grounds. It can be complex, systematic and organised, involving a range of complicit individuals—including the applicant themselves—and other entities such as registered migration agents and business operators.

Crimes against the person

Serious and organised crime entities remain involved in crimes against the person. These crimes include maritime people smuggling, human trafficking and slavery, and child sex offences. They can result in serious harms to the individuals who are exploited.

The ACC builds the
national picture and
breaks the business of
serious and organised
crime.





04

Appendices

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Appendix A: Reporting requirements index

The following is provided to help readers find required reporting information.

Compliance with Section 61 of the ACC Act

Section of the ACC Act	References in this report
Section 61(2)(a) a description of any investigation into matters relating to federally relevant criminal activity that the ACC conducted during the year and the Board determined to be a special investigation	<i>Section 2: Description of activities</i>
Section 61(2)(b) a description, which may include statistics, of any patterns or trends, and the nature and scope, of any criminal activity that have come to the attention of the ACC during the year in performance of its functions	<i>Section 3: Identified criminal activity</i>
Section 61(2)(c) any recommendations for changes in the laws of the Commonwealth, of a participating State or of a Territory, or for administrative action, that, as a result of the performance of the ACC's functions, the Board considers should be made	<i>Appendix B: Recommendations for legislative change</i>
Section 61(2)(d) the general nature and the extent of any information furnished by the CEO during that year to a law enforcement agency	<i>Section 2: Description of activities</i>
Section 61(2)(e) the extent to which investigations by the ACC have resulted in the prosecution in that year of persons for offences	<i>Appendix C: Court proceedings</i>
Section 61(2)(ea) the extent to which investigations by the ACC have resulted in confiscation proceedings	<i>Appendix C: Court proceedings</i>
Section 61(2)(g) particulars of the number and results of: (ii) applications made to the Federal Court of the Federal Magistrates Court under the <i>Administrative Decisions (Judicial Review) Act 1977</i> for orders of review in respect of matters arising under this Act; and (iii) other court proceedings involving the ACC; being applications and proceedings that were determined or otherwise disposed of, during that year.	<i>Appendix D: Judicial decisions</i>

Appendix B: Recommendations for legislative change

In 2014–15 the ACC Board made recommendations for change regarding telecommunications interception and access:

- The *Telecommunications (Interception and Access) Amendment (Data Retention) Act 2015* was introduced in October 2014 and came into effect on 13 October 2015. The Act requires telecommunications companies to retain secure and limited metadata records for two years. In February 2015, the ACC Board, with the ACC, provided evidence both publicly and in camera to the Parliamentary Joint Committee on Intelligence and Security, Inquiry into the Telecommunications (Interception and Access) Amendment (Data Retention) Bill 2014. The ACC had previously provided a submission in January 2015 and provided evidence, both publicly and in camera, in December 2014 and January 2015. The submission focused on the need for telecommunications data retention to aid investigations into serious and organised crime, including case studies illustrating the value of telecommunications data to the ACC's statutory functions. The ACC also discussed the potential dataset, and the concept of restricting the range of agencies permitted to access such data, as well as additional oversight by the Commonwealth Ombudsman. The committee tabled its report on 27 February 2015.

In addition, the Board was advised that:

- The ACC hosted the Senate References Committee on Legal and Constitutional Affairs, Comprehensive Revision of the *Telecommunications (Interception and Access) Act 1979*, in camera, at the ACC Sydney office in July 2014. The ACC previously provided submissions to the inquiry, proposing reforms to enhance the ability of law enforcement to discover, understand and respond to organised crime, improve the privacy of Australian citizens, and support ACC partners in combating organised crime.
- The Minister for Justice introduced into Parliament the Law Enforcement Legislation Amendment (Powers) Bill 2015 on 26 March 2015. The Bill passed both the House of Representatives and the Senate during the reporting year, and the Act commenced operation on 28 July 2015, just after the reporting period. The new laws significantly amend the ACC Act to clarify when coercive examination powers may be used.

Appendix C: Court proceedings

Prosecutions

During 2014–15, ACC-related court results included convictions for offences such as illicit drug offences, fraud and deception, prohibited weapons and explosives offences, theft, money laundering and ACC Act offences. The ACC achieved these results by working closely with its partners.

The following information presents court results grouped by severity of sentence. The sentence used for categorising cases is the total maximum sentence liable to be served for all the ACC-related charges in that case, as finalised in the financial year. The offence type listed is a broad category that is indicative of the offences charged, based on the Australian and New Zealand Standard Classification Offence Classification (ANZSOC). It is not intended to be exhaustive.

Where a matter has several results, all convictions are represented by the head sentence and other withdrawn or dismissed results are listed.

Court results

	Offence	Outcome
1	Illicit drug offences	Custodial sentence 10 years or more
	Theft and related offences (proceeds of crime and money laundering)	
	Public order offences	
2	Illicit drug offences	Custodial sentence 10 years or more
3	Illicit drug offences	Custodial sentence 10 years or more
4	Illicit drug offences	Custodial sentence 10 years or more
5	Illicit drug offences	Custodial sentence 10 years or more
6	Illicit drug offences	Custodial sentence 10 years or more
7	Prohibited and regulated weapons and explosive offences	Custodial sentence 10 years or more
8	Illicit drug offences	Custodial sentence of six years—less than 10 years
9	Illicit drug offences	Custodial sentence of six years—less than 10 years
10	Illicit drug offences	Custodial sentence of six years—less than 10 years
11	Illicit drug offences	Custodial sentence of six years—less than 10 years
	Theft and related offences (proceeds of crime and money laundering)	
	Prohibited and regulated weapons and explosive offences	
	Fraud, deception and related offences	Withdrawn / Dismissed / Acquitted

	Offence	Outcome
12	Illicit drug offences	Custodial sentence of six years—less than 10 years
	Public order offences	
13	Illicit drug offences	Custodial sentence of six years—less than 10 years Withdrawn / Dismissed / Acquitted
	Theft and related offences (proceeds of crime and money laundering)	
14	Illicit drug offences	Custodial sentence of six years—less than 10 years
15	Illicit drug offences	Custodial sentence of six years—less than 10 years
16	Illicit drug offences	Custodial sentence of six years—less than 10 years
17	Illicit drug offences	Custodial sentence of three years—less than six years
18	Offences against government procedures, government security and government operations	Custodial sentence of three years—less than six years
	Theft and related offences (proceeds of crime and money laundering)	
19	Offences against government procedures, government security and government operations	Custodial sentence of three years—less than six years
	Theft and related offences (proceeds of crime and money laundering)	
20	Illicit drug offences	Custodial sentence of three years—less than six years
21	Theft and related offences (proceeds of crime and money laundering)	Custodial sentence of less than three years
22	Fraud, deception and related offences	Custodial sentence of less than three years
	Theft and related offences (proceeds of crime and money laundering)	
23	ACC Act offences	Custodial sentence of less than three years
24	Theft and related offences (proceeds of crime and money laundering)	Custodial sentence of less than three years
25	Theft and related offences (proceeds of crime and money laundering)	Custodial sentence of less than three years
26	Theft and related offences (proceeds of crime and money laundering)	Custodial sentence of less than three years
27	Fraud, deception and related offences	Custodial sentence of less than three years
28	Theft and related offences (proceeds of crime and money laundering)	Custodial sentence of less than three years
29	Illicit drug offences	Custodial sentence of less than three years

	Offence	Outcome
30	Theft and related offences (proceeds of crime and money laundering)	Custodial sentence of less than three years
31	Theft and related offences (proceeds of crime and money laundering)	Custodial sentence of less than three years
32	Theft and related offences (proceeds of crime and money laundering)	Custodial sentence of less than three years
33	Theft and related offences (proceeds of crime and money laundering)	Custodial sentence of less than three years
34	Fraud, deception and related offences	Custodial sentence of less than three years
35	Fraud, deception and related offences	Custodial sentence of less than three years
36	Fraud, deception and related offences	Custodial sentence of less than three years
37	Prohibited and regulated weapons and explosive offences	Non-custodial sentence
	Theft and related offences (proceeds of crime and money laundering)	
38	Illicit drug offences	Non-custodial sentence
39	Fraud, deception and related offences	Non-custodial sentence
40	Illicit drug offences	Non-custodial sentence
41	Illicit drug offences	Non-custodial sentence
42	Fraud, deception and related offences	Non-custodial sentence
43	Illicit drug offences	Non-custodial sentence
	Theft and related offences (proceeds of crime and money laundering)	Withdrawn / Dismissed / Acquitted
44	Theft and related offences (proceeds of crime and money laundering)	Non-custodial sentence
45	Illicit drug offences	Non-custodial sentence
46	Fraud, deception and related offences	Withdrawn / Dismissed / Acquitted
47	Illicit drug offences	Withdrawn / Dismissed / Acquitted
48	Fraud, deception and related offences	Withdrawn / Dismissed / Acquitted
49	Illicit drug offences	Withdrawn / Dismissed / Acquitted

Note: People charged in a financial year may not have appeared in court by 30 June of that year, and convictions may be for people charged in previous financial years.

Offences

Offence types are described at: <http://www.abs.gov.au/AUSSTATS/abs@.nsf/Latestproducts/6C187C233CE10C82CA2578A200140F77?opendocument>.

Confiscations

During 2014–15 the ACC, in conjunction with its partners, achieved:

- \$238.89 million proceeds of crime restrained
- \$81 million proceeds of crime forfeited (forfeitures coming to \$80 659 592 and pecuniary penalty orders issued to \$350 000).

No pecuniary penalty orders were recovered.

Appendix D: Judicial decisions

The ACC is subject to legal challenge as a normal part of its operations. This may occur in the context of applications in the Federal Court for judicial review under the *Administrative Decisions (Judicial Review) Act 1977* or section 39B of the *Judiciary Act 1903*, or as part of the criminal justice process, such as in a contested subpoena or application for a stay of criminal proceedings.

In 2014–15 the ACC was involved in a range of matters including prosecutions where the grounds for stay applications were claims that the conduct of ACC examinations and dissemination of ACC examination material adversely affected the accused's right to a fair trial, or the proper administration of justice.

Four matters related to applications made to the Federal Court or the Federal Circuit Court under the *Administrative Decisions (Judicial Review) Act 1977* for orders of review in respect of matters arising under this Act. All four applications were brought by people who had been summonsed to attend an ACC examination. All four applications were dismissed.

Nine matters related to other court proceedings involving the ACC. Of those, two witnesses were found to be in contempt of the ACC, two appeals brought by defendants were dismissed, one section 25A(13) application brought by the prosecution was refused, one prosecution was withdrawn, one application brought by a witness was dismissed, and two claims brought by defendants were dismissed.

Other matters involving relevant judicial decisions during the year included the following examples.

X7

X7 v ACC and Commonwealth of Australia was an application in the original jurisdiction of the High Court for declaratory and injunctive relief.

The background to the case was the examination of the plaintiff (X7) by an ACC Examiner after X7 had been charged with serious criminal offences. X7 sought a declaration that, to the extent the ACC Act permits a coercive hearing of a person charged, it is unconstitutional, and sought injunctions restraining the ACC from examining X7 before his criminal charges were finalised.

On 23 August 2012 the parties agreed to state a case for the consideration of the Full Court of the High Court, which included two questions of law. On 26 June 2013, a majority of the High Court held that as a matter of statutory construction the ACC Act did not authorise an Examiner to require a person charged with an indictable Commonwealth offence to answer questions about the subject matter of the offence. The majority of the Court did not consider the constitutional arguments raised.

Just after the reporting period, on 28 July 2015, the *Law Enforcement Legislation Amendment (Powers) Act 2015* commenced. This legislation clarifies the ACC's coercive powers by specifically authorising post-charge coercive examinations.

R v Seller and R v McCarthy

In the matters of *R v Seller* and *R v McCarthy*, heard together in the Supreme Court of New South Wales, the defendants were charged with fraud and corruption offences. The defendants sought, and were granted, a permanent stay of the criminal trials on the grounds that their right to conduct their defence was compromised by the dissemination of the transcripts of ACC examinations to the Commonwealth Director of Public Prosecutions.

The Commonwealth Director of Public Prosecutions appealed the decision and on 1 March 2013 the New South Wales Court of Criminal Appeal delivered judgment in favour of the Commonwealth. The Court found that a stay of proceedings should only be granted in the most extreme cases, and where there is prejudice the trial judge will be able to remedy it in most cases by excluding evidence.

On 2 April 2013 Seller and McCarthy both filed applications for leave to appeal to the High Court, claiming that the New South Wales Court of Criminal Appeal mistakenly re-instated the proceedings. Counsel for both Seller and McCarthy sought to rely on X7 in support of the notion that disclosure of the examination transcripts to the Commonwealth Director of Public Prosecutions constituted such an inroad into the accusatorial process that it amounted to actual prejudice and warranted a stay of prosecution. The Court rejected these arguments, finding that the New South Wales Court of Criminal Appeal was not in error when it concluded that there was no evidence that the trial would suffer a fundamental defect warranting a stay, and there was no point of legal principle arising which would warrant the consideration of the High Court. The two applications were dismissed.

On 28 July 2014 the defendants, relying in part on the High Court decision in *Lee v The Queen*, opened pre-trial applications in the Supreme Court to exclude witnesses and the current prosecution team on the basis that they were tainted by direct or indirect access to the defendants' examination evidence. Hearing of the applications was completed in August 2014. On 19 December 2014 the Court ruled in favour of the defendants.

The Commonwealth Director of Public Prosecutions appealed the ruling and the defendants lodged a cross-appeal. On 29 April 2015 the New South Wales Court of Criminal Appeal dismissed both the Crown appeal and Defence appeal, and remitted the matter for trial on a date to be fixed.

On 28 May 2015 Seller and McCarthy filed an application for special leave to appeal in the High Court.

After the reporting period, the High Court refused special leave on 7 August 2015. The matters went to trial on 24 August 2015 and on 22 September the jury returned a verdict of not guilty on all counts.

Bartlett, Sayers, Grace and Dunn

The prosecution of Bartlett, Sayers, Grace and Dunn arose from the Wickenby investigation. Like the Seller and McCarthy proceedings, it raised issues of derivative use of ACC Act examination information and prosecutorial disclosure of examination material prior to charge. In a pre-trial application three of the defendants applied for a stay of their prosecutions. Initially they relied on the same arguments as Seller and McCarthy, asserting that the non-publication direction permitted disclosure to the prosecution that prejudiced the fairness of their trial. They further argued that the High Court's decision in X7 was equally applicable to a case where a person may be charged with an offence and therefore the ACC examinations should not have proceeded.

On 15 August 2013, Heenan J of the Supreme Court of Western Australia dismissed the applications for a permanent stay of the prosecutions of each of the accused in his decision of *Bartlett v The Queen* [No.6] (2013) WASC 304. His Honour held that it was the absence of any reference to any tangible evidence or any use of particular evidence as a form of potential prejudice that left the applicants' submissions without foundation. Dunn was subsequently convicted, Grace was acquitted, and the jury was unable to reach a verdict in relation to Bartlett and Sayers. The charges against Bartlett and Sayers were subsequently discontinued in August 2014.

Dunn appealed his conviction and on 19 June 2015 the Western Australia Court of Appeal dismissed the appeal. Dunn has subsequently sought leave to appeal to the High Court.

XCIV v ACC & Sage

XCIV was summoned to attend an ACC examination but sought an injunction to prevent the examination on a range of administrative and constitutional law grounds. The matter was heard before Wigney J in the Federal Court (Sydney).

On 26 June 2015 the Court ruled in favour of the ACC (XCIV v ACC [2015] FCA 586), dismissing the application for injunctive relief.

Contempt of the ACC

ACC Examiners have the power to apply for a witness to be dealt with for contempt of the ACC in certain circumstances. These applications are heard in either the Federal Court or relevant state or territory Supreme Court.

Two contempt proceedings were finalised in 2014–15. One of these matters involved charges for contempt under section 34A(a)(ii) of the ACC Act for failing to answer questions during an ACC examination. The person was sentenced to an indefinite period of detention subject to the purging of their contempt. When the contempt had been purged the court ordered the person's release. The other proceeding involved charges for contempt under section 34A(c) for an examinee giving evidence that they knew was false or misleading in a material particular. In this case, the defendant was convicted and sentenced to imprisonment, suspended upon them entering into a 15-month good behaviour bond.

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