AUSTRALIAN CRIMINAL INTELLIGENCE COMMISSION

# SUBMISSION TO THE JOINT PARLIAMENTARY COMMITTEE ON LAW ENFORCEMENT

## Inquiry into the Capability of law enforcement to respond to transnational crime in the Pacific

## INTRODUCTION

The Australian Criminal Intelligence Commission (ACIC) welcomes the opportunity to make a submission to the Parliamentary Joint Committee on Law Enforcement (PJCLE) *Inquiry into the Capability of law enforcement to respond to transnational crime in the Pacific*.

The ACIC's purpose is to protect Australia from serious criminal threats by collecting, assessing and disseminating criminal intelligence and to provide national policing information systems and services. The agency's insights into serious and organised crime (SOC) support whole of government decision-making across operational, policy, regulatory and legislative environments.

In fulfilling this role, the ACIC:

- provides unique, actionable and insightful criminal intelligence to partners and advice to government on SOC – including where it has a transnational dimension – through the collection and analysis of information and data on complex offending patterns, criminal business models, and criminal groups, networks and individuals across multiple crime vectors
- undertakes investigations and operations for purposes including identifying vulnerabilities in particular networks and systems, and collecting and disseminating intelligence relevant to SOC to facilitate enforcement, prevention, disruption and regulation activities
- provides national policing information systems and services to law enforcement and intelligence partners to keep them – and the Australian community – safe
- delivers background checking services to support employment or entitlement decisions and to maintain community safety.

# THE SERIOUS AND ORGANISED CRIME ENVIRONMENT IMPACTING AUSTRALIA

Australia's SOC environment is becoming more complex, networked and damaging to the nation's economic, social and national security interests. Contemporary SOC groups are highly opportunistic and increasingly diversified, targeting any activity where profit can be generated at scale. This reflects a broader shift in the criminal landscape, with SOC activity increasingly converging with legitimate systems, services and supply chains, often supported by professional facilitators and corporate structures that obscure financial flows.

This escalating harm has been reflected in estimates of the economic impact of SOC. The Australian Institute of Criminology estimated that the total cost of SOC to Australia reached up to $82.3 billion in 2023–24 – equivalent to around 3.2% of gross domestic product – representing a significant increase from the previous year and underscoring the accelerating scale and systemic impact of SOC. This cost underscores the immense scale of the threat and the formidable challenges involved in tackling it.

Modern SOC networks operate as sophisticated, adaptive enterprises. They span the importation, manufacture and distribution of illicit commodities, the engagement in cyber-enabled crime and human exploitation, and the interception of public and private resources, moving seamlessly between criminal markets in pursuit of profit. These activities are increasingly enabled by digital platforms, encrypted communications, offshore facilitators and professional enablers, allowing networks to operate at scale, across borders and beyond the immediate reach of traditional law enforcement capabilities.

# SERIOUS AND ORGANISED CRIME IN THE PACIFIC

In 2024, the United Nations Office on Drugs and Crime identified trafficking in hard drugs, trafficking in persons and trafficking in illicit goods as transnational organised crime vectors for the Pacific. The Pacific drug highway is critical to the global illicit drug market: larger Pacific Island countries (PICs) are key transhipment locations for significant quantities of illicit drugs – including methylamphetamine and cocaine – that are destined for Australia. Close to 20 tonnes of illicit drugs have been intercepted in the Pacific since the beginning of 2026, with much of this likely destined for Australia. SOC groups exploit the region's heavy reliance on sea cargo to traffic illicit commodities. Some of the illicit drugs that have passed through PICs have transferred to local markets within those countries, where drug consumption has reportedly been increasing.

As a key strategic partner to PICs, Australia's response to the SOC threat in the Pacific can protect both Pacific Island and Australian communities from the harm caused by their illicit activities.

The SOC threat environment in PICs is complex and heightened, with SOC groups operating across the region. These groups have proven intent and capability to conduct drug trafficking

and serious financial crime, including money laundering. They are well resourced and highly connected, collaborating with other global criminal networks and local communities to extend their reach.

## Serious financial crime and money laundering

Illicit finance channels are becoming increasingly entrenched across the Pacific. Digital payment platforms and virtual assets are increasingly being adopted across PICs due to the costs and risks associated with traditional correspondent banking. These technologies enable SOC groups to transfer and access funds offshore beyond the purview of regulatory bodies. Offshore service providers also establish illicit finance channels to facilitate money laundering and tax evasion in PICs. Cash-based economies across PICs are also vulnerable to money laundering, because they enable SOC groups to conceal illicit wealth with minimal law enforcement visibility.

## Professional facilitators

Professional facilitators are individuals who possess specialist qualifications and knowledge who are used, either knowingly or unknowingly, to facilitate the misuse of their professional services in support of criminal activities. SOC groups engage professional facilitators in the Pacific who can amplify their criminal capabilities and profits, enabling them to operate at increased capacity and efficiency, as well as providing insulation from law enforcement activity.

Professional facilitators' ability to facilitate money laundering and provide knowledge of, and access to, logistics supply chains enable SOC groups to leverage opportunities to import illicit commodities into Australia and PICs.

Less established border management systems, a heavy dependence on sea cargo, a cash-intensive economy, citizenship-by-investment programs and cultural connections contribute to the unique operating environment of the Pacific. SOC groups engage professional facilitators who are skilled in navigating this environment from industries encompassing the tourism, security, logistics and professional services industries. The types of professional facilitators used by SOC groups in the Pacific include security companies, shipping agents, pilots, tradespeople and travel companies.

## Illicit drug trafficking

The Pacific's vast maritime environment and strategic location between source and destination markets make it an attractive transit corridor for SOC activity. Criminal networks exploit commercial shipping routes, remote maritime areas and jurisdictional boundaries to move illicit drugs towards lucrative markets, including Australia and New Zealand.

While Pacific nations are not major destination markets, they increasingly face the consequences of drug trafficking as SOC groups seek to move commodities through the region.

The impacts can extend beyond border security challenges to include drug-related harm, criminal infiltration and increased pressure on law enforcement and community services.

As illicit drugs move through the Pacific, some also enter local markets, contributing to community harm and creating opportunities for criminal networks to establish local footholds for both drugs and other commodities. This highlights the importance of understanding both the movement of illicit commodities and their broader impacts on Pacific communities.

The use of cargo vessels by SOC groups to transport drugs across international waters and conduct at-sea drop-offs, has subsequently created impacts across the region including community safety and spillover into local drug markets. Addressing illicit drug threats across the Pacific requires strong regional cooperation, intelligence sharing and evidence-based approaches.

**Case study – Narco subs**

In January 2026, Fiji Police Force intercepted a low-profile vessel – also known as a 'narco sub' – in waters off Vatia, in which they discovered 2.6 tonnes of cocaine. The vessel – which had spent 41 days travelling from Ecuador to Fiji – was one of at least 7 low-profile vessels discovered in Pacific waters since 2024, with 3 more of the drug-running vessels reportedly washed up in the Solomon Islands and the Marshall Islands in the 6 months between January 2026 and June 2026.

## Impact on regional stability

Transnational crime is an enduring threat to the peace and security of the Pacific. The Pacific Islands Forum identified gaps in regulatory environments, monitoring, surveillance and enforcement capabilities as opportunities that would continue to be exploited by transnational organised crime actors in parts of the Pacific through 2026 and 2027. The ACIC assesses SOC actors will increasingly exploit the Pacific due to its isolated borders, emerging drug markets, limited enforcement capabilities and developing financial systems, which are vulnerable to exploitation.

The emergence of narco-subs in Pacific waters demonstrates the willingness of SOC groups to invest in increasingly sophisticated maritime trafficking methods to move large quantities of illicit drugs through the region. These vessels present significant detection and interdiction challenges and highlight the Pacific's growing importance as a transit corridor for transnational SOC.

While the ultimate destination of illicit drug consignments can vary, trafficking activity in the Pacific has implications for regional law enforcement, border security and maritime domain awareness, including for Australia. The use of increasingly sophisticated trafficking methods reinforces the importance of regional partnerships, intelligence sharing and coordinated responses to detect, disrupt and deter transnational SOC.

**Case study – Australian – Pacific SOC connections**

In January 2024, the Mexican Sinaloa cartel smuggled over 4 tonnes of methamphetamine into Fiji using mother-daughter drug transfers, where larger vessels transfer cargo, goods or people to smaller vessels. The activity was allegedly conducted by individuals with ties to PICs and Australia.

# AUSTRALIA AND PACIFIC ISLAND COUNTRY COLLABORATION

The ACIC contributes to Australia's understanding of SOC threats and supports collaborative disruption efforts across the Pacific through its intelligence capabilities, strategic partnerships and regional engagement. The agency contributes to a collective regional response through intelligence sharing and analytical support that helps identify emerging threats, assess risks and inform operational and policy responses.

These efforts complement broader Australian Government initiatives that support Pacific-led approaches to transnational SOC, including Waqa Moana – a Pacific-led maritime security initiative to counter illicit drug trafficking. The ACIC also works in partnership with Australian and international intelligence and law enforcement agencies to strengthen intelligence collection, analysis and sharing across the region, supporting a shared understanding of SOC threats and more coordinated responses across the Pacific.

The ACIC is also supporting the development and delivery of Fiji's Wastewater Drug Monitoring Program, which is a collaboration between the Fiji Police Force, the ACIC, the University of Queensland and the University of the South Pacific. Modelled on Australia's internationally recognised National Wastewater Drug Monitoring Program, the initiative provides objective data on drug consumption trends and emerging threats, supporting evidence-based policy, health and law enforcement responses.

Wastewater monitoring strengthens the regional intelligence picture by providing insights into the scale and nature of drug-related harm, helping authorities better understand emerging trends and target resources where they are most needed. Data generated through the program supports a more informed and coordinated response to illicit drug threats across the Pacific, as well as assists to identify trends which may impact Australia.

# CONCLUSION

SOC activity in the Pacific has implications for Australia and the wider region, particularly where transnational criminal networks exploit maritime routes, financial systems and emerging technologies to facilitate illicit activity. As Australia's criminal intelligence agency, the ACIC contributes to understanding these threats through the collection, analysis, assessment and dissemination of criminal intelligence that supports informed operational, policy, regulatory and legislative responses.

The ACIC contributes to a stronger understanding of illicit drug trafficking, serious financial crime and money laundering, and other transnational SOC threats by sharing intelligence, providing analytical support and maintaining partnerships with PICs and Australian agencies. These efforts complement broader Australian Government initiatives that support Pacific-led responses to transnational SOC and help strengthen collective efforts to address shared security challenges across the region.