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CHIEF EXECUTIVE

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Senator Steve Hutchins
Chair
Parliamentary Joint Committee on Law Enforcement
Parliament House
CANBERRA ACT 2600

Dear Senator Hutchins

Inquiry into the adequacy of aviation and maritime security measures to combat serious and organised crime

Thank you for your correspondence of 9 May 2011 seeking further information from the Australian Crime Commission (ACC) to inform the Parliamentary Joint Committee on Law Enforcement's inquiry into the adequacy of aviation and maritime security measures to combat serious and organised crime.

This letter provides the Committee with further statistical information on the use of criminal intelligence in licensing. This letter also outlines the way criminal intelligence is exchanged at the Commonwealth level and provides some further suggestions on areas for improvement.

Criminal intelligence in licensing

ACC intelligence does not support the claims that there would be high levels of unemployment if criminal intelligence was included in the character assessment for holders of Maritime Security Identification Cards (MSIC) or Aviation Security Identification Cards (ASIC).

ACC analysis indicates that as at May 2011, less than 3 percent of individuals holding an ASIC or MSIC were identified in ACC intelligence holdings. A similar process was undertaken in Canada which identified a figure of between 5 and 8 percent. There are a range of people who are identified on ACC systems who are not involved in any behaviour that would prohibit them obtaining an ASIC or MSIC. For instance, an associate of a person of interest with no criminal involvement or an individual with past criminal history that no longer has a bearing on their ability to obtain an ASIC or MSIC are included in ACC intelligence holdings.

Any extension of the current assessment to obtain an MSIC or ASIC to include consideration of law enforcement intelligence holdings would not necessarily have a substantial impact on

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the number of applicants who may be disqualified from holding an ASIC/MSIC. Rather, it would operate to put in place additional risk mitigation for the very small percentage of the port population who present the greatest risk.

National criminal intelligence and intelligence sharing

There are a range of mechanisms that are designed to prioritise, share or exchange criminal intelligence across Commonwealth, state and territory agencies.

Criminal intelligence database/network

The ACC-hosted Australian Criminal Intelligence Database (ACID) is the national criminal database for Australia's criminal intelligence and data holdings. The Australian Law Enforcement Intelligence Network (ALEIN) facilitates exchange of classified and sensitive information between jurisdictions. A range of Commonwealth agencies and all state and territory police provide data and information into ACID.

ACID and ALEIN provide law enforcement with the tools to assist with identifying, analysing and sharing critical pieces of information including new criminal trends, emerging methodologies and links between criminal activities and criminal targets. The ACC draws on the criminal intelligence holdings in ACID to develop national criminal intelligence.

Strategic criminal intelligence

The ACC produces a range of strategic intelligence products in addition to operational intelligence reports and other intelligence product. The following strategic intelligence documents provide a picture of criminality in Australia and are disseminated to all of the ACC's partner agencies:

- *Illicit Drug Data Report* – which is the most authoritative picture available of Australia's illicit drug environment
- *National Criminal Target Report* which provides a national strategic overview of serious and organised crime targets impacting on Australia
- *Organised Crime Threat Assessment* which identifies the key organised crime risks to Australia so that agencies can combine their resources to respond to these risks. The ACC recently released a public version called *Organised Crime in Australia 2011* which is available on the ACC's website, and
- *Organised Crime 2020* which is a future looking analysis of the organised crime environment over the next ten years.

These strategic intelligence products help to inform operational prioritisation as well as legislative, regulatory and policy responses to serious and organised crime.

National intelligence sharing mechanisms

There are a range of national mechanisms (membership is at *Attachment A*) that are used to share data, information and intelligence, including:

- the *ACC Board* which sets the national criminal intelligence collection priorities and endorses the ACC national criminal intelligence collection plan.
- the *Australia New Zealand Policing Advisory Agency Crime Forum* which provides strategic advice on significant crime issues of cross-jurisdictional relevance.
- the *Serious and Organised Crime Coordination Committee* which implements the operational national response to serious and organised crime and allows for coordination of operational strategies for dealing with organised crime investigations, targets and threats at a national level.

Commonwealth sharing mechanisms

At the Commonwealth level, there are two key formal mechanisms for sharing of criminal intelligence, including:

- the *Heads of Commonwealth Operational Law Enforcement Agencies* (HOCOLEA) is the Government's primary consultative mechanism for law enforcement issues and HOCOLEA plays a role in discussing the outcomes of criminal intelligence.
- The *Tripartite Operations Group* is a management-level committee that provides ongoing liaison at a national level between the participating agencies of ACC, Customs and AFP regarding current operations and/or intelligence.

Joint task forces

At the national and Commonwealth level, a range of intelligence is shared through joint task forces or joint intelligence operations based around specific crime types, targets, environments or criminal methodologies. Task forces generally have joint management groups to guide inter-agency investigation and intelligence cooperation. At any one time, there are a range of task forces operating to investigate a range of serious and organised crime risks. Some examples of joint task forces include:

- The *Project Wickenby Taskforce* into serious tax fraud which allows for lawful intelligence sharing about tax evasion, avoidance and crime between agencies.
- The *Criminal Assets Confiscation Taskforce* which is designed to identify and remove the profits derived from criminal activity requiring sharing of intelligence between agencies.
- *Multi-agency response groups* under the Organised Crime Strategic Framework and Response Plan which share information and intelligence on specific crime types, and
- The *National Organised Crime Task Force* which shares intelligence on key national organised crime targets.

Bilateral information exchange

Outside of specific taskforces and the ACC Criminal Intelligence Fusion Centre, intelligence is shared bilaterally. For instance, the ACC receives data, information and intelligence from the following key Commonwealth agencies to assist in its functions.

- The *Australian Customs and Border Protection Service* provides intelligence to the ACC based on its analysis of Australia's border environment including the interception of illicit drugs and firearms and the methodologies of concealment of illicit commodities.
- The *Australian Federal Police* (AFP) provides intelligence to the ACC on a range of issues including fraud, drug trafficking, organised crime, money laundering and financial crimes. The AFP also obtains foreign law enforcement agency information through its international liaison officer network.
- The *Australian Intelligence Community* provides the ACC with national security intelligence on an as needs basis and vice versa.
- The *Australian Transaction Reports and Analysis Centre* (AUSTRAC) provides the ACC with financial intelligence to facilitate intelligence and investigation of organised criminals. AUSTRAC is also the point of contact for international financial requests for information from international jurisdictions through the Financial Action Taskforce.

The ACC also receives data, information and intelligence from and disseminates intelligence findings to a range of other Commonwealth agencies including: the Department of Immigration and Citizenship, the Australian Taxation Office, Centrelink, the Australian Securities Investment Commission, the Australian Security Intelligence Organisation as well as a range of policy agencies including the Department of the Prime Minister and Cabinet,

the Department of the Treasury, the Attorney-General's Department, and the Department of Infrastructure and Transport.

Bilaterally and in task force arrangements, information and intelligence is only shared when agencies identify a need to share.

Aviation and maritime intelligence sharing mechanisms

The ACC has been involved in a range of intelligence activities in relation to the border environment, including participation in joint intelligence groups operating across a range of Australian ports.

Further, the ACC continues to collect and analyse information about crime in the aviation and maritime environment in conjunction with a range of other Commonwealth, state and territory agencies. The ACC also uses its coercive powers to support intelligence collection in the port environment where required under its current determinations.

The ACC's Submission to the Committee's inquiry outlines the ACC's role in the Crime in the Transport Sector Determination between 2005 and 2008. The ACC does not have visibility of any additional structures in the port environment other than those outlined on pages 14 – 16 of the ACC's Submission to the Committee.

National Intelligence Community intelligence sharing mechanisms

The Australian Intelligence Community has a well-established intelligence prioritisation, collection and sharing framework which has been refined over many years.

Over recent years, Australia recognised that the range of perceived threats to national security that exist in a modern, globalised world no longer fit within the historical model. The former Prime Minister's inaugural National Security Statement (NSS) to Parliament on 4 December 2008 articulated Australia's evolving paradigm of national security. The NSS created an expanded 'national intelligence community' to reflect changed global, strategic and threat environments including serious and organised crime/trans-national criminal threats.

The National Intelligence Coordination Committee (NICC) consists of all national intelligence, security and law enforcement agencies and is the most senior mechanism for whole-of-government strategic coordination of national intelligence. It is the primary coordination and oversight mechanism for the expanded national intelligence community and aims to better integrate the foreign, defence, security and law enforcement intelligence communities to more effectively address emerging threats. The NICC, chaired by the National Security Adviser, currently meets once every two months. It is agile and responsive, and in the past has held special meetings in response to events of national security concern. As a member of the NICC, the ACC CEO provides advice on the serious and organised crime priorities that are facing Australia.

The National Security Committee of Cabinet (NSC) sets national intelligence priorities annually, directing the work of the intelligence community. In line with the expanded national intelligence community, these priorities overlap between the foreign, security and law enforcement intelligence domains. The working-level National Intelligence Collection Management Committee (NICMC) is the forum which manages the national intelligence priorities on a regular basis.

The future of criminal intelligence exchange

Part of the challenge of responding to serious and organised crime is that it is adaptable, innovative, fluid and flexible. Organised crime is able to change its methodologies to respond to changes in law enforcement or regulatory action. This requires a strong and coordinated

response by law enforcement, intelligence, regulatory and policy agencies in addition to the private sector to ensure the response to organised crime continues to be effective.

The ACC continues to work with partner agencies to enhance the timely lawful exchange of criminal intelligence both at the Commonwealth level and with state and territory law enforcement agencies to affect a response to serious and organised crime in Australia.

Some of the key areas that the ACC sees as priorities for the future are:

Development of the national criminal intelligence model

The way in which intelligence is collected, analysed and exchanged needs a strong level of consistency across Australia in order to achieve maximum connectivity. The ACC is currently leading the development of a national criminal intelligence model. The objective of the national criminal intelligence model is to facilitate the development of a consistent strategic intelligence picture which objectively defines problems and supports response planning.

The model is proposed to cover the key phases of the intelligence cycle: collection, analysis, reporting and evaluation, and the enabling capabilities of information sharing, technology interoperability and common training and security standards. On completion, the model will enable the development of more effective criminal intelligence capabilities across Australia and will be a positive approach to ensure greater consistency and focus around development of criminal intelligence.

Enhancing use of the Australian Criminal Intelligence Database

A strong national criminal intelligence collection is vital to respond to the threat of serious and organised crime. The Australian Criminal Intelligence Database (ACID) and the Australian Law Enforcement Intelligence Network (ALEIN) allow law enforcement to exchange information and intelligence.

Moving forward, there are significant opportunities for the ACC and its partner agencies to better utilise this database to ensure that information is shared in a timely manner and law enforcement officers and intelligence analysts are best using ACID and ALEIN to maximum effect. Based on feedback from partner agencies, the ACC believes that continued improvements are needed to ensure that this database is capable of meeting the expectations of law enforcement and the intelligence community.

Enhancing Australia's criminal intelligence fusion capability

One of the challenges in responding to serious and organised crime is co-ordination of information from the wide range of data, information and intelligence holdings of a range of Commonwealth agencies to develop specific intelligence product. An exciting capability that was funded by the Australian Government in the 2010/11 Budget for four years is the ACC-hosted criminal intelligence fusion capability. The fusion capability co-locates a multi-agency team to allow for lawful exchange of information and intelligence in a timely manner.

The fusion capability brings together people from a range of Government agencies, with different expertise and unique skills, and access to their own agencies' information holdings. Officers in the fusion capability work collaboratively to provide a more comprehensive picture of the targets, risks, threats and vulnerabilities associated with criminal activity. This means that data can be fused in near real-time, the results analysed and fed back to agencies to act upon. The ACC believes that the fusion capability will have a strong response to, and impact on, serious and organised crime.

Enhancing criminal intelligence coordination mechanisms

There are always opportunities to improve the coordination of criminal intelligence across the Commonwealth and between jurisdictions.

The Commonwealth Organised Crime Framework and subsequent Response Plan, the criminal intelligence fusion capability and the more effective utilisation of ACID are opportunities by which to enhance collaboration at an operational level. There is value in improving the timely exchange of information and intelligence particularly to support the development of strategic criminal intelligence and better support the NICC in developing national intelligence priorities.

Further, there is value in improving intelligence sharing with national security agencies given the similarities in the enabling infrastructure and methodologies used by organised crime and terrorists. However, any additional intelligence sharing with the national security community will require law enforcement to ensure that officers have continually updated security national security clearances which will remain an ongoing challenge.

I trust that this information is of benefit to the Committee in finalising its inquiry.

Should your office require further information please have them contact Hamish Hansford on or via email to

Yours sincerely

John Lawler APM
Chief Executive Officer
25 May 2011

Attachment A

Role and Membership of Various Committees

ACC Board

The ACC Board brings together all of Australia's police commissioners as well as the heads of the Attorney-General's Department, the Australian Taxation Office, the Australian Customs and Border Protection Service, the Australian Security Intelligence Organisation, the Australian Securities and Investment Commission as well as the CEO of the ACC.

Australia New Zealand Policing Advisory Agency Crime Forum

The role of the ANZPAA Crime Forum is to provide strategic advice on significant crime issues aligned to the ANZPAA Work Program and of relevance cross-jurisdictionally. All police jurisdictions in Australia and New Zealand, ACC and the Commonwealth Attorney-General's Department are represented on the ANZPAA Crime Forum.

Serious and Organised Crime Coordination Committee

The Serious and Organised Crime Coordination Committee was established under the auspices of the ANZPAA Protocol on Multi jurisdictional Investigations for Serious and Organised Crime. The SOCCC membership is the Australian Federal Police, the Australian Crime Commission and all of the state and territory police forces. The role of the SOCCC reflects the commitment of all law enforcement agencies to support a cohesive, consistent, and collaborative operational response to organised crime. The SOCCC's work will complement but not duplicate or overlap work being progressed through other forums.

Heads of Commonwealth Operational Law Enforcement Agencies

The Heads of Commonwealth Operational Law Enforcement Agencies (HOCOLEA) comprises the agency or departmental heads and/or deputies of operational law enforcement agencies and key financial sector regulators. It is the Government's primary consultative mechanism for law enforcement policy issues. Currently membership extends to: ACC, AFP, AGD, APRA, ACCC, ASIC, ATO, AUSTRAC, CDPP, CrimTrac, Customs and Border Protection and DIAC.

Tripartite Operations Group

The ACC, AFP and ACBPS also share information and intelligence through an ongoing consultation mechanism regarding current operations and/or intelligence.

National Intelligence Coordination Committee

The NICC membership comprises the Departments of the Prime Minister and Cabinet, Defence, Foreign Affairs and Trade, Immigration and Citizenship, Attorney-General's, the Australian Customs and Border Protection Service, the ACC, the Australian Federal Police, the Office of National Assessment, the Australian Security Intelligence Organisation, the Australian Secret Intelligence Service, the Defence Intelligence Organisation, the Defence Signals Directorate and the Defence Imagery and Geospatial Organisation.