



**NSW Police Submission to the Parliamentary Joint Committee  
on the Australia Crime Commission**

**Inquiry into the future impact of serious and organised crime  
on Australian society.**

**January 2007**

## Introduction

The Parliamentary Joint Committee on the Australian Crime Commission is conducting an inquiry into the future impact of serious and organised crime on Australian society. The terms of reference for the inquiry are;

- a) Future trends in serious and organised crime activities, practices and methods and their impact on Australian society.
- b) Strategies for countering future serious and organised crime.
- c) The economic cost of countering future organised crime at a national and state and territory level.
- d) The adequacy of legislative and administrative arrangements, including the adequacy of cross-jurisdictional databases, to meet future needs.

This submission has been prepared by the NSW Police State Crime Command. The role of the State Crime Command is to provide advice and direction to the NSW Police response to crime at all levels. This is done through the development and implementation of strategy, policy and intelligence products, fostering best practice and the provision of specialist investigative services.

The State Crime Command is divided into ten Squads<sup>1</sup>. Each Squad Commander is the Corporate Spokesperson for those crime types falling within their Command.

## Executive Summary

The key emerging trends in serious and organised crime evident within NSW are;

- The increasing sophistication and adaptability of organised crime.
- The increasing threat posed by cross border crime at both a national and international level.
- The threat posed by established crime networks targeting NSW in the importation, manufacture and distribution of amphetamine type substances (ATS) and their precursor chemicals.
- The use of identity theft as a means to commit further crimes

Broad strategies for countering serious and organised crime include increased networking and information sharing amongst partner agencies, strategic research into issues with identified knowledge gaps, and the continued development of investigative and intelligence gathering techniques to address new and emerging internet and communications technologies.

There is likely to be an increasing economic cost associated with addressing new and emerging threats posed by serious and organised crime; driven by the need to continuously develop and implement new methodologies and technological solutions.

Systems are already in place that allow the sharing of information between law enforcement agencies to address serious and organised crime from a national perspective, and law enforcement and government have demonstrated the capacity to develop and implement effective legislation to address new and emerging threats. The ongoing commitment from law enforcement agencies and government at both

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<sup>1</sup> The State Crime Command Crime Squads are; Child Protection and Sex Crimes, Drugs, Firearms and Regulated Industries Fraud, Gangs, Homicide, Property, Robbery and Serious Crime, South East Asian Crime, Middle Eastern Organised Crime

state and federal level will be required to ensure law enforcement's ability to address the changing face of serious and organised crime is maintained.

### **A. Future Trends in Serious and Organised Crime in NSW**

The future trends in serious and organised crime currently evident in NSW point towards the growing sophistication of organised crime and the increasing threat posed by cross-border crime on both a national and international scale.

Of the specific crime issues which have emerged in recent times two can be considered to have significant organised crime implications. The use of identity theft as a means to commit further crimes, and the threat posed by the manufacture, importation, and distribution of ATS and precursor chemicals are each emerging as serious crime issues having significant organised crime involvement.

Criminal groups at the higher level are becoming increasingly sophisticated and able to minimise the threat from many traditional law enforcement techniques. They are much more readily able to respond to legislative change by adapting their methodologies. Further, the adoption of new and emerging internet and communications technologies (ICT) has increased their resistance to many traditional interception techniques. There are growing indications that criminal groups with no prior affiliations are working in cooperation for mutual benefit.

There are strong indications that cross border crime is shifting away from traditional locations at both the point of origin outside Australia and point of entry to Australia. Drug syndicates perceive some points of entry such as Sydney to have tighter security than others, and they have begun to utilise locations with perceived weaker security procedures, with subsequent transshipment to Sydney. In addition this approach will be or is already being adopted by crime syndicates for illicit commodities other than drugs.

The threat posed by established crime networks targeting NSW in the importation, manufacture and distribution of amphetamine type substances (ATS) and their precursor chemicals is high. ATS remains the second most detected drug type in NSW after cannabis, with a continued shift away from heroin. Methods of importation and manufacture are becoming increasingly sophisticated, and whilst ATS continues to be imported there is a growing trend towards manufacture, with manufacturing groups linked to organised crime groups. It is likely tightening of regulations, or legislation restricting importation of precursor chemicals and equipment has resulted in these groups becoming more interdependent and recruiting established specialists with the appropriate sources and knowledge to carry out large scale drug manufacturing processes or aspects of the process.

The use of identity fraud is becoming more prevalent as criminal groups use stolen identity information to commit further offences. Identity information and banking details have become valuable commodities in their own right. Organised criminal groups are involved in both the collection and use of stolen identity information. Increasingly sophisticated techniques for obtaining information include the use of internet hacking techniques such as phishing, trojans and worms, and have included the setting up of front companies solely to obtain personal information from unsuspecting clients. Organised crime groups use stolen personal identity information to create fraudulent documentation that can be used to obtain funds or goods through fraudulent transactions. Group members are able to insulate themselves from these transactions through the recruiting of randomly selected

individuals with no knowledge of the crime group to conduct transactions on behalf of the group. This is indicative of the growing sophistication of organised crime groups and their ability to resist traditional law enforcement methodologies.

Unlike many traditional organised crime groups the groups committing these offences have little or no hierarchical structure; rather they consist of many smaller interdependent and adaptable enterprises willing to share methodologies and expertise. This sharing has extended internationally, with evidence that international criminal syndicates have financed criminals to travel to Australia to commit identity theft offences.

## **B. Strategies for Countering Serious and Organised Crime**

Police, government, business and the community are all key stakeholders in the fight against crime. The strategic partnership between NSW Police and government at both state and federal level is essential in order to develop effective policy and legislation to address emerging threats. The ongoing development of networking and information sharing protocols between partner agencies and increased liaison with industry in select fields will facilitate targeting of organised crime networks on a wider scale and provide greater options for investigations. For example, in NSW the Casino Investigation Unit is leading a multi-agency approach to money laundering, money lending and associated issues in casinos. The Drug Squad continues to participate on relevant committees to contribute to the holistic approach to drugs and their negative impacts on the people of NSW and other Crime Squads are involved in a similar capacity with relevant agencies and industry bodies.

The continued emergence of identity theft as a means to facilitate further crimes will require proactive contribution from multiple industry stakeholders, in conjunction with tight legislative control, to reduce opportunities for the theft of personal information. Further strategic research into the scope of identity theft and the impact of emerging technologies will assist in the targeting of specialised resources more effectively.

Law enforcement requires advances in investigative and intelligence gathering techniques to target the growing use of new technologies and sophisticated communications equipment by criminal groups, such as Voice over Internet Protocol (VoIP), which render many traditional investigative and intelligence practices redundant. Further, with the increasing size and diversity of the Australian ICT market strategies will be required to guard against the potential for organised criminal groups to play an increasing role in the provision of ICT services.

The increasingly global nature of organised criminal networks will require a coordinated response between nations to address cross-border crime and the movement of criminals across borders. At a transnational level a coordinated approach by all states to serious and organised crime will ensure issues are addressed from a national perspective.

Law enforcement has begun working with industry and government to restrict the availability of precursor chemicals and other items that have demonstrated criminal application. Illicit drug manufacture and bomb making are two fields of criminal enterprise in which restrictions on the availability of raw materials and manufacturing equipment has enhanced law enforcement's capacity to disrupt the activities of criminal groups. The introduction of regulations controlling pseudoephedrine within NSW in January 2006 reduced domestic availability to the criminal element. Such

reduced domestic supply will add pressure to Australia's border control capabilities as criminals seek to source materials overseas.

The strict firearms legislation in NSW has resulted in a reduction in the number of available firearms. However, the emergence of replica firearms to fill this void in some cases requires a coordinated national approach so as to remove the opportunity for criminals to exploit variations in legislation between states to obtain replica firearms legally in one jurisdiction and move them to another where their possession is illegal. The Firearms and Regulated Industries Squad is addressing these issues via the Firearms Policy Working Group, established by Australasian Police Ministers' Council.

### **C. Economic Cost of Countering Future Organised Crime**

The demonstrated willingness of organised crime to adopt new and emerging ICT will require an increasingly sophisticated response from law enforcement to maintain and enhance existing forensic evidence gathering and intelligence capabilities. The cost associated with maintaining an acceptable level of response will rise as the emergence of new technology with potential application for organised crime continues apace. The increasing complexity of ICT may require a greater level of outsourcing to provide technology solutions, with consequent cost implications.

### **D. Adequacy of legislative and administrative arrangements**

Technical infrastructure for cross jurisdictional sharing of information is already well established through systems including the Australian Criminal Intelligence Database (ACID) and the Violent Crime Linkage Analysis System (ViCLAS), both of which are administered by the Australian Crime Commission. The effectiveness of these systems is largely tied to the volume and quality of material made available by partner agencies. NSW Police continues to move towards an operating environment involving a greater degree of information sharing in order to maximise the benefits for the organisation and for partner agencies.

The transnational nature of organised crime requires a uniform approach to legislation across states to reduce the opportunity for weakest link targeting by criminal networks. Uniform state laws relating to banned and restricted items will reduce opportunities for criminals to acquire items in states with fewer restrictions and move them across state borders to states with tighter controls.