

Chapter 4

Key issues

4.1 This chapter provides an overview of various issues the committee discussed with the Australian Crime Commission (ACC) during the committee's hearing on the ACC's 2015–16 annual report.

4.2 At the hearing, the ACC reported on the merger between it and CrimTrac, and provided a final update on Task Force Eligo. Other matters discussed included: the National Criminal Intelligence System (NCIS); international deployment of ACC staff; the National Wastewater Drug Monitoring Program (wastewater program); and cybercrime. This chapter also considers the ACC's key publications, and its security, integrity and misconduct strategies.

Merger between the Australian Crime Commission and CrimTrac

4.3 The merger between the ACC and CrimTrac was announced on 5 November 2015 by the Minister for Justice, the Hon Michael Keenan MP. The passage of legislation to implement the merger passed through the Parliament on 5 May 2016. Amendments found in the *Australian Crime Commission Amendment (National Policing Information) Act 2016* (and its Regulation¹) and the *Australian Crime Commission (National Policing Information Charges) Act 2016* enable the ACC to fulfil CrimTrac's functions, the governance of the new merged agency, and the continuation of the CrimTrac Special Account.² The regulation provides for the merged agency to be called the Australian Criminal Intelligence Commission (ACIC) and prescribes:

- a. bodies from which the merged agency will be able to collect 'national policing information' (intended to capture all bodies from which CrimTrac currently collects information)
- b. kinds of information for the purpose of the definition of 'national policing information' (intended to capture all information that is currently collected and disseminated by CrimTrac through its existing systems, to enable the merged agency to carry out its new national policing information function).³

4.4 Mr Chris Dawson, Chief Executive Officer of the ACC, informed the committee that this change:

1 The Australian Crime Commission Amendment (National Policing Information) Regulation 2016.

2 Australian Crime Commission (ACC), *Annual Report 2015–16*, p. 156.

3 ACC, *Annual Report 2015–16*, p. 156.

...now uniquely equips the ACIC as Australia's national criminal intelligence agency, combining law enforcement datasets with our investigative intelligence and information delivery functions.⁴

4.5 The ACC's annual report clarified that the ACC Board will continue existence but will incorporate functions previously performed by the CrimTrac Board of Management. It also noted that the *Australian Crime Commission (National Policing Information Charges) Determination 2016* details the amount the ACIC will charge for criminal history checks (a function previously performed by CrimTrac) and allows for the Minister for Justice to determine a new charge if appropriate.⁵

Task Force Eligo

4.6 The ACC informed the committee that Task Force Eligo (Eligo 2) ceased its operations as of 31 December 2016. This iteration of Eligo continued the work from the first iteration that was established in 2012. The purpose of Eligo 2 was to prioritise international and domestic money laundering operators. Domestically, Eligo 2 consisted of the ACC, the Australian Transaction Reports and Analysis Centre (AUSTRAC), the Australian Federal Police (AFP) and other Commonwealth, state and territory partners. Eligo 2's international partners included the Royal Canadian Mounted Police, the United Kingdom National Crime Agency, United States (US) Drug Enforcement Administration (DEA), the US Federal Bureau of Investigation (FBI), the US Immigration and Customs Enforcement, and the New Zealand Police.⁶

4.7 The ACC told the committee that Eligo 2 had disrupted global money laundering operations and drug networks, and resulted in the:

...seizure of over \$80 million in cash, the restraint of more than \$59 million worth of assets and in excess of \$1.6 billion in street value of drugs which have been taken from the streets. The work of the task force does include long-term prevention strategies. There are significant arrests that have been made by our international partners. Those have severely disrupted a number of networks.⁷

4.8 Although Eligo 2 had severely disrupted a number of networks, the committee was told that money laundering remains a challenge and the ACC will continue to work in this area.⁸ The ACC's annual report explained that its focus would shift to 'target money laundering at a more 'upstream' offshore level, the impact is spread more internationally, which means our onshore results are different this year'.⁹

4 Mr Chris Dawson APM, Chief Executive Officer, Australian Crime Commission (ACC), *Committee Hansard*, 14 June 2017, p. 1.

5 ACC, *Annual Report 2015–16*, p. 156.

6 ACC, *Annual Report 2015–16*, p. 61.

7 Mr Dawson, ACC, *Committee Hansard*, 14 June 2017, p. 1.

8 Mr Dawson, ACC, *Committee Hansard*, 14 June 2017, p. 1.

9 ACC, *Annual Report 2015–16*, p. 61.

National Criminal Intelligence System

4.9 During the 2015–16 reporting period, the ACC continued to develop its pilot of a NCIS. The purpose of the NCIS is to:

...improve the way criminal intelligence and information is shared and used across the country, meaning the right people will have the right information sets at the right time, when they need them, and this will greatly improve Australia's national capabilities to prevent, detect and disrupt threats, particularly those of serious and organised crime and, indeed, matters of national security such as terrorism.¹⁰

4.10 Presently, intelligence sharing between Commonwealth, state and territory law enforcement agencies is complicated by the use of different systems and the:

...limited technical capacity to handle and integrate the rapidly increasing volume of information, and a reliance on manual processes and personal network to share information.¹¹

4.11 A partnership between 15 agencies and over 400 users,¹² the pilot program incorporated intelligence practitioners, investigators, managers and front line law enforcement personnel. Users tested the NCIS design during operational activities, as a means to 'prove the value of delivering a system that is highly usable and could become an invaluable asset for Australia's criminal intelligence and information capability'.¹³

4.12 Mr Dawson advised the committee that the pilot program had consolidated over 100 million records and includes 30 million master records¹⁴ from 400 different data sources.¹⁵ According to Mr Dawson, the pilot NCIS 'has demonstrated already real-world day-to-day benefits can be realised through improved information and sharing'.¹⁶

4.13 The committee questioned the ACC about the funds required to establish a NCIS. In response, Mr Dawson stated a full program would cost \$200 million.¹⁷ The ACIC board had committed \$50 million, subject to a business case evaluation, and would be sourced from revenue generated as part of CrimTracs' background

10 Mr Dawson, ACC, *Committee Hansard*, 14 June 2017, pp 1–2.

11 ACC, *Annual Report 2015–16*, p. 110.

12 Mr Dawson, ACC, *Committee Hansard*, 14 June 2017, pp 1–2.

13 ACC, *Annual Report 2015–16*, p. 110.

14 Master records consolidate one or more identity records when sufficient data is available to link multiple records, consisting of hundreds of individual identify records. See, ACC, *Annual Report 2015–16*, p. 111.

15 Mr Dawson, ACC, *Committee Hansard*, 14 June 2017, pp 1–2.

16 Mr Dawson, ACC, *Committee Hansard*, 14 June 2017, pp 1–2.

17 Mr Dawson, ACC, *Committee Hansard*, 14 June 2017, p. 5.

checking—police clearance certificate-type fees. The remaining \$150 million would need to be sought externally.¹⁸

4.14 The pilot program concluded at 1 July 2016 and the ACC advised it would then undergo an evaluation.¹⁹

International deployments

4.15 An area of continued interest for the committee is the international deployment of ACC officers. The committee was advised that ACC officers are currently deployed to Hong Kong, Dubai, the US, and Canada. Officers are also deployed to Europol, The Hague and the National Crime Agency in the United Kingdom. Mr Dawson highlighted the importance of these international deployments because the ACC's focus is on transnational serious and organised crime. The ACC estimates:

...some 70 per cent of the most serious and organised criminal entities are either located offshore or are onshore with very strong connections with Australian criminal entities.

...

In our assessment...these are generally more than one individual. But if it is, for instance, a Chinese triad or Australians that have located themselves in other countries, they are organising a lot of the harm in the form of drug trafficking, money laundering, weapons and all of those sorts of criminal threats. They are either domiciled offshore or they have very strong connections with Australian criminals. But our estimation is that 70 per cent of these have that international or transnational connection. Hence, they are not just domestically focused—for instance, in Sydney, Melbourne or Brisbane.²⁰

4.16 The ACC also works collaboratively with existing international networks formed through the work of AUSTRAC, the AFP and the Department of Immigration and Border Protection.²¹

Wastewater analysis

4.17 In May 2016, the Minister for Justice authorised the expenditure of \$3.59 million over three years to establish a wastewater program. The wastewater program is 'used by agencies and entities tasked with understanding Australian drug markets' is capable of measuring 'drug use in small or very large populations and [has the] potential to inform timely and appropriate policy and operational responses to problems'.²²

18 Mr Dawson, ACC, *Committee Hansard*, 14 June 2017, p. 5.

19 Mr Dawson, ACC, *Committee Hansard*, 14 June 2017, pp 1–2.

20 Mr Dawson, ACC, *Committee Hansard*, 14 June 2017, p. 2.

21 ACC, *Annual Report 2015–16*, p. 17.

22 ACC, *Annual Report 2015–16*, p. 88.

4.18 Mr Dawson commented that the wastewater program is the first of its type to be done nationally and has been informed by the experiences of 20 European countries that have also implemented wastewater program. Australia's wastewater program tested for:

...13 drugs, both illicit and licit. The two licit drugs are alcohol and tobacco, and we coupled that with two prescription type drugs which are subject to abuse—oxycodone and fentanyl.²³

4.19 The wastewater program is able to determine drug use through Australia's wastewater system because:

When a person ingests a drug—by either snorting, smoking, injecting or whatever way they do it—they excrete it. The excretion obviously goes through the wastewater system. The metabolites go through the body and that is sampled. The science has developed to some precision. They calculate the amount and type of drugs at each sampling.²⁴

4.20 Each capital city's water catchment area is analysed, along with a number of regional sites: in total, 58 per cent of the Australian population is covered in the wastewater program.²⁵ According to Mr Dawson, the wastewater program is:

...the most precise instrument by which we can make an assessment of the types and quantities of drugs that are being abused in Australia. Previously we had to rely on a very limited urine analysis of police prisoners, detainees in custody—and they are a very small congregation—or a national drug household survey which is some three years old and is reliant on people's truthfulness and memory.²⁶

4.21 Along with the geographic distribution of drug use, the wastewater program provides valuable data on not only the type of drugs that are being consumed in a designated area, but also where those drugs are being used.²⁷

4.22 The committee questioned the ACC about whether the Department of Human Services (DHS) would use data from the wastewater program to determine trial sites for the government's proposal to drug-test welfare recipients. Mr Dawson advised the committee:

There are several universities that we have engaged—the University of Queensland and the University of South Australia. We have basically contracted them to work with the respective water authorities. I have not had a direct request personally from the Department of Human Services

23 Mr Dawson, ACC, *Committee Hansard*, 14 June 2017, p. 2.

24 Mr Dawson, ACC, *Committee Hansard*, 14 June 2017, p. 2.

25 Mr Dawson, ACC, *Committee Hansard*, 14 June 2017, pp 2–3.

26 Mr Dawson, ACC, *Committee Hansard*, 14 June 2017, pp 2–3.

27 Mr Dawson, ACC, *Committee Hansard*, 14 June 2017, p. 3.

about that specific matter you raise and I am not aware whether they have another avenue by which they would be identifying wastewater sites.²⁸

4.23 Mr Dawson then advised the committee that Queensland, Western Australia and South Australia have all independently conducted their own wastewater programs through their state police agencies. Mr Dawson re-iterated that he did not receive a direct request from the DHS; however, added that data had been provided to eight police forces and the Department of Health.²⁹

4.24 The committee questioned the ACC on the suitability of utilising the wastewater program data to determine the trial sites. Mr Dawson commented that he 'would have to understand better the type of information they need' and that the ACC made a 'conscious contractual arrangement' with water sampling authorities 'not to identify particular sites' in its unclassified report. The classified report was provided to authorities and Mr Dawson had written to state and territory police commissioners identifying the particle sample sites.³⁰ Mr Dawson added:

It is certainly self-evident from the report that the capital cities are all tested; that is true. With the regional sites in particular we have been quite careful, and not just because the water authorities themselves in some cases did not want those to be identified. In my words, we would not want to particularise a particular regional centre above another, simply because we have not sampled those that abut them. You may well shine a light on a particular regional town, but it may have a bigger or a smaller problem, because we simply have not sampled the towns in and around the same locality. That is one of the other reasons behind it.

...

Our present policy approach is not to identify the particular areas. We do not want to particularise a locality—particularly in a regional locality. As I say, the capitals are self-evident.³¹

Cybercrime

4.25 Cybercrime, and its links to serious and organised crime, is a priority area for the ACC. In its annual report, the ACC listed a number of its activities that contribute to intelligence on cybercrime. These activities include:

- The ACC, in consultation with the AFP and Australia's national computer emergency response team, authored the section on cybercrime for the Australian Cyber Security Centre's annual threat assessment.
- The Cybercrime Monthly Report is published by the ACC and provides regular high level summaries of the cybercrime environment. This report is distributed

28 Mr Dawson, ACC, *Committee Hansard*, 14 June 2017, p. 4.

29 Mr Dawson, ACC, *Committee Hansard*, 14 June 2017, p. 4.

30 Mr Dawson, ACC, *Committee Hansard*, 14 June 2017, p. 4.

31 Mr Dawson, ACC, *Committee Hansard*, 14 June 2017, p. 5.

to domestic and international law enforcement agencies and key private sector partners.

- In partnership with the FBI, the ACC produced a joint report on the characteristics of cybercrime activity.
- Information sharing agreements between the ACC and private sector partners.

4.26 In 2015–16, the ACC embedded analysts at the International Cyber Crime Coordination Cell (IC4). The IC4 supports collaborative efforts by participating law enforcement partners to identify, target and apprehend cybercriminals and disrupt key enablers of the cybercrime. The FBI hosts the IC4, which includes staff from the AFP, the UK National Crime Agency, and the German Federal Criminal Police Office.³²

4.27 Another responsibility of the ACC is to administer the Australian Cybercrime Online Reporting Network (ACORN). ACORN is a national policing initiative that allows the public to report instances of cybercrime and provides advice to help the public recognise and avoid common cybercrime activities. From 1 July 2015 to 30 June 2016, there were 41 341 reports of cybercrime made to ACORN, which ranged from instances of online scams to cyber bullying. The committee was told that a particular area of concern is the use of ransomware-type financial scams:

...broadly speaking, it is the majority of the reports were receive—and we then federate it out to the law enforcement agencies, primarily the Australian Federal Police and the state and territory police. It is just simply another crime type. Yes, it is complex. Yes, it does have some particular technical challenges, and it is also very much a transnational crime—it is borderless. So, if a victim is resident in Australia but their house is scammed by someone in Africa or eastern Europe—they are common areas that we will identify—that does present a real and present challenge. The jurisdictional challenges are but one of the challenges, to the nature of encryption and the nature of the dark webs, the pseudonyms and the challenges with ISPs et cetera.³³

4.28 The committee questioned the ACC further on its cybercrime-related activities. Of particular interest were the ACC's intelligence capabilities around the dark web and the use of bitcoins in transnational and organised crime. The ACC informed the committee that it had received \$16 million over four-years to employ 14 additional staff for cybercrime intelligence, including deployments to the IC4 and Europe.³⁴ Mr Dawson added this funding:

...is restricted to the intelligence effort, as opposed to the investigative effort. The investigative effort nationally is performed by the Australian Federal Police and other parties such as the Australian Signals Directorate, with whom we work in collaboration. The ASD have a particular remit more appropriately with national security matters, but we co-locate under

32 ACC, *Annual Report 2015–16*, p. 97.

33 Mr Dawson, ACC, *Committee Hansard*, 14 June 2017, p. 6.

34 Mr Dawson, ACC, *Committee Hansard*, 14 June 2017, p. 3.

ASD auspices at the Australian Cyber Security Centre. So we have co-located offices there, and we also have offices in Brisbane and Sydney at the CIRT facilities there, which also work with the private sector. So we are strong contributors in the national framework. It is a growing threat, which is reflected in our assessments. There is a current deal of effort being added to what is already been done. I am a member of the Prime Minister's cybersecurity board. We met as recently as yesterday, and this is a very topical matter which we are giving a lot of attention to.³⁵

4.29 The committee questioned whether the ACC has the necessary skills, knowledge and capabilities to address cybercrime, and asked whether there is a gap. In response, Mr Dawson re-assured the committee that the commission has the necessary skills and capabilities; however, Mr Dawson acknowledged that government agencies are competing with the private sector for experts in the cybercrime field:

We are all under a degree of pressure in terms of recruiting the right type of skilled specialists—because they are also in demand by the private sector. The private sector of course attracts some of our specialist. In fact, a number of specialists within our employ have been recruited within Australia and indeed by some international companies. So they are in high demand.³⁶

4.30 The ACC reported that it is learning from, and co-operating with, the UK and the US who are leading the way in innovative workforce planning. Mr Dawson maintained that Australia was not idle on this matter, and referred to the Prime Minister's announcement to establish a task force dedicated to deal with this issue:

The Special Adviser to the Prime Minister on Cyber Security has been tasked with leading a workforce on that, which we are contributing to as well, along with our other partners. I should say that this very much engages the states and territories and indeed the private sector as well. It is certainly a national issue. As to recruitment, I think we need to be more innovative. One of the absolute challenges, though, is getting the right people who have the right security clearances—for obvious reasons. They may have the technical skills, but they may not meet the security clearances. That is a real and present issue which, again, we are working through collaboratively.³⁷

4.31 Australia's international co-operation was further considered, in particular, Australia's engagement with the Five Eyes intelligence community on the matter of cybercrime. The committee expressed concern that despite the Five Eyes country's expertise, it appears they are unable to prevent cybercrimes being committed in other jurisdictions. In response, the ACC told the committee that it is communicating with 'service providers, from both an Australian and Five Eyes perspective...in the area of

35 Mr Dawson, ACC, *Committee Hansard*, 14 June 2017, p. 3.

36 Mr Dawson, ACC, *Committee Hansard*, 14 June 2017, p. 3.

37 Mr Dawson, ACC, *Committee Hansard*, 14 June 2017, pp 3–4.

terrorism and national security matters'. Mr Dawson highlighted the importance of having access to:

...the right information sets and being able to determine where, who and when they are able to transmit data across the cyber internet is a real problem for the entire world, not just Australia. I cannot provide a definitive answer as to why a particular country is ahead or behind, other than to say that, particularly with the Five Eyes law enforcement and intelligence sets, we are working very closely. We co-chair a cyber program...so our experts are working very much with the other Five Eyes countries, and indeed beyond the Five Eyes countries, but that is where our strongest partnership is. We are in step with the other Five Eyes countries: USA, Canada, Britain and New Zealand. In every effort they are making we are sharing our capabilities with them and they are sharing theirs with us.³⁸

4.32 A challenge, according to Mr Dawson, is achieving an 'understanding and agreement with service providers, because of their commercial reality and the way they operate'. Despite these challenges, Mr Dawson spoke of steps taken by a number of international providers that have assisted law enforcement and national security objectives to tackle the issue of cybercrime. That said, '[w]hile there is some progress, we are not getting cooperation from a lot of those [international] service providers'.³⁹ The ACC noted the strong political effort that is happening in Australia, namely by the Attorney-General, to enhance co-operation in this space.⁴⁰

Key publications

4.33 The ACC's key publications for 2015–16 are listed below. The publications, collectively known as the *Picture of Criminality in Australia*, provide valuable information to support the detection, disruption and understanding of serious and organised crime in Australia and abroad.

Organised Crime Threat Assessment

4.34 The *Organised Crime Threat Assessment* is a bi-annual publication that provides a risk assessment of Australia's illicit markets and the activities of serious and organised crime groups. Markets identified in the assessment include illicit drugs, economic crime (such as cybercrime and fraud), firearm and environmental crime and crimes against the person (such as human trafficking, slavery and sexual exploitation). This assessment underpins the Commonwealth's *National Organised Crime Response Plan*, as well as other high level strategies.⁴¹

4.35 The 2016 assessment included, for the first time, reference to professional facilitators to the activities that enable organised crime. This inclusion is based upon evidence that shows 'professional facilitators are increasingly important to criminals

38 Mr Dawson, ACC, *Committee Hansard*, 14 June 2017, p. 6.

39 Mr Dawson, ACC, *Committee Hansard*, 14 June 2017, p. 6.

40 Mr Dawson, ACC, *Committee Hansard*, 14 June 2017, p. 6.

41 ACC, *Annual Report 2015–16*, p. 44.

seeking to obscure their identity, minimise their risk of detection, conceal their illicit wealth, and operate within the cracks in current legislation and regulatory regimes'.⁴² The risk posed by the methamphetamine market, cybercrime and technology-enabled crime were also highlighted in the 2016 assessment.⁴³

Organised Crime in Australia

4.36 The *Organised Crime in Australia* report is a declassified version of the *Organised Crime Threat Assessment*. This report is released bi-annually; however, neither the 2015 report nor the 2017 report were released during the 2015–16 reporting period. The committee will consider the 2017 report, released on 24 August 2017, during its inquiry into the ACIC's annual report for 2016–17.

National Criminal Target Report

4.37 The *National Criminal Target Report* is a classified publication that provides a 'consolidated national picture of the risk posed by serious and organised crime groups affecting Australia'. Operational law enforcement work and strategies are informed by this report.⁴⁴ No report was released during the 2015–16 reporting period.

Illicit Drug Data Report

4.38 The 13th edition of the *Illicit Drug Data Report 2014–15* provides information on illicit drug related arrests, seizures, purity levels, profiling data and prices. Data is sourced from Commonwealth, state and territory law enforcement partners, as well as academic and health data.⁴⁵

4.39 The 2014–15 report again reported a record 105 862 national illicit drug seizures,⁴⁶ a significant increase from the previous year's total of 93 086.⁴⁷ This increase was also reflected with a record number of arrests: 133 926 nationally.⁴⁸ Other findings in the 2014–15 report included:

- a record 514.4 kilograms of national amphetamine-type stimulants seized and 35 468 arrests;
- a record number of national cannabis seizures and arrests, 59 271 and 75 105 respectively;
- a record number of national cocaine seizures (weighing over half a tonne) and 2092 arrests; and

42 ACC, *Annual Report 2015–16*, p. 44.

43 ACC, *Annual Report 2015–16*, p. 44.

44 ACC, *Annual Report 2015–16*, p. 45.

45 ACC, *Annual Report 2015–16*, p. 46.

46 ACC, *Annual Report 2015–16*, p. 46.

47 ACC, *Annual Report 2014–15*, p. 42.

48 ACC, *Annual Report 2015–16*, p. 46.

- a decrease in the number of clandestine laboratories detected by law enforcement agencies nationally.

4.40 For the first time, the report for 2014–15 included data from the national wastewater program.

Organised Crime 2025

4.41 The ACC released its third instalment of the *Organised Crime 2025* report. This report attempts to provide strategic foresight to examine factors that may influence the Australian criminal environment over the next decade. This classified document is shared with the ACC's stakeholders 'to inform decision-making on proactive response strategies, including structural development and operation priorities'.⁴⁹

Security, integrity and misconduct

4.42 The ACC in its annual report details its efforts to improve its security, integrity and misconduct profile, as well as report on any instances of these activities. This information is summarised below.

Integrity and Security Teams

4.43 The ACC has dedicated integrity and security teams. In 2015–16, these teams:

- consulted with ACC business areas regarding fraud and misconduct risks;
- improved mechanisms to report fraud and misconduct, and disclosure of information;
- reviewed and revised online integrity and security training modules;
- developed an ongoing staff suitability assessment; and
- used risk management to guide protective security.⁵⁰

4.44 The ACC's fraud and corruption detection program was audited throughout 2015–16, which targeted high risk activities identified through a fraud and corruption risk assessment process and fraud survey. Other integrity measures addressed were the development of integrity testing policy and procedures, and a review and update of public interest disclosure policy.⁵¹

Corruption and fraud

4.45 In 2015–16, the ACC's Integrity Assurance Team received two allegations of corruption. One case was referred to the Australian Commission for Law Enforcement Integrity (ACLEI) for investigation and remained open at the time of the 2015–16 reporting period. The ACC reported that the second case was undergoing a preliminary investigation. The ACC received 10 misconduct allegations. None of

49 ACC, *Annual Report 2015–16*, p. 47.

50 ACC, *Annual Report 2015–16*, p. 142.

51 ACC, *Annual Report 2015–16*, p. 142.

these allegations were referred to ACLEI, and one case remained open at the end of 2016.⁵²

4.46 There remained two fraud and corruption cases open from the previous reporting period. One remained with ACLEI and the other was referred back to the ACC for a joint investigation in partnership with ACLEI. The ACC reported that this investigation was ongoing.⁵³

4.47 There were no reported instances of fraud in 2015–16.⁵⁴

Public Interest Disclosure Scheme

4.48 In 2015–16, the ACC's Integrity Assurance Team received five internal disclosures under the Public Interest Disclosure Scheme (PID Scheme). Two matters were investigated under the PID Scheme and both cases were closed with no further action required. The remaining three cases were closed because they fell within the remit of another investigation.

Misconduct

4.49 The ACC received seven referrals of alleged misconduct in 2015–16. As of 30 June 2016: five cases did not require a formal investigation after a preliminary assessment or investigation; and two cases were withdrawn following a preliminary investigation and prior to a formal investigation.⁵⁵

Committee view

4.50 The committee extols the ACC for its continued work to inform Australia's law enforcement agencies in their fight against serious and organised crime. In particular, the committee is supportive of the ACC's engagement with Australia's international partners, including the Five Eyes, and in Hong Kong and the United Arab Emirates. The committee's inquiries into crystal methamphetamine and illicit tobacco have shown the value in fostering co-operative relationships with countries that are known transit points for illicit commodities coming to Australia.

4.51 The ACC's continued effort to establish a NCIS is commendable. The committee has received regular updates on the progress and design of the NCIS and is of the view that such a system will significantly improve the co-ordination and intelligence sharing capabilities of law enforcement agencies across all jurisdictions. For this reason, the committee has recommended in its first report for the inquiry into crystal methamphetamine that Commonwealth, state and territory governments commit long term funding for the implementation, maintenance and ongoing use of the NCIS.

52 ACC, *Annual Report 2015–16*, p. 144.

53 ACC, *Annual Report 2015–16*, p. 144.

54 ACC, *Annual Report 2015–16*, p. 144.

55 ACC, *Annual Report 2015–16*, p. 144.

4.52 The committee congratulates the ACC in its work to establish wastewater program in Australia. The wastewater program has provided invaluable data on licit and illicit drug usage of communities from across Australia. This data will provide policy makers and law enforcement agencies with additional insight into drug type and usage patterns, and inform appropriate responses to these problems. The wastewater program has already helped inform the committee in its inquiries into crystal methamphetamine and illicit tobacco.

4.53 Finally, the committee is pleased with the ACC's work in the area of cybercrime and the darkweb; however, it is concerned about the challenges faced in this space: namely, government agencies competing with the private sector for experts in the field of cybercrime; and the issue of accessing data held by international service providers to tackle the issue of cybercrime and terrorism.

Mr Craig Kelly MP
Chair

