



LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY

12th Assembly

'Ice' Select Committee

Public Hearing Transcript

3.00 pm – 3.30 pm, Friday, 19 June 2015

Litchfield Room, Level 3, Parliament House

Mr Nathan Barrett, MLA, Chair, Member for Blain

Members: Ms Lauren Moss, MLA, Deputy Chair, Member for Casuarina
Mr Gerry Wood, MLA, Member for Nelson

Apologies: Mr Francis Kurruwu, MLA, Member for Arafura

Australian Crime Commission

Witnesses: Hamish Hansford: Acting Executive Director of Strategy and Specialist Capabilities

Mr CHAIR: On behalf of the committee, I welcome everyone to this public hearing into the prevalence, impacts and government responses to the illicit use of ice in the Northern Territory. I welcome to the table to give evidence to the committee from the Australian Crime Commission, Hamish Hansford, Acting Executive Director of Strategy and Specialist Capabilities. Thank you for coming before the committee. We appreciate you taking the time to speak to the committee and look forward to hearing from you today.

This is a formal proceeding of the committee and the protection of parliamentary privilege and the obligation not to mislead the committee apply. This is a public hearing and is being webcast through the Assembly's website. A transcript will be made for use of the committee and may be put on the committee's website. If at any time during the hearing you are concerned that what you say should not be made public, you may ask that the committee go into a closed session and take your evidence in private. I will ask you to state your name for the record and the capacity in which you are appearing. Then I will ask if you would like to make a brief opening statement before proceeding to the committee questions.

Could you please state your name and the capacity in which you are appearing.

Mr HANSFORD: Hamish Andrew Hansford, performing the duties of Executive Director of Strategy and Specialist Capabilities at the Australian Crime Commission.

Mr CHAIR: Mr Hansford, would you like to make an opening statement?

Mr HANSFORD: A brief one. You obviously have our submission we provided to support the inquiry and that will be the basis of what I will talk to.

Thank you very much for the opportunity to provide evidence to the select committee today. It is pretty clear from our submission and some of our public statements that our intelligence shows us that serious and organised crime entities are deeply entrenched in the importation, domestic manufacture, supply and distribution of ice to Australians, including in the Northern Territory. We think that 60% of our high-risk crime targets in Australia are involved in the methamphetamine market, which highlights its significance both in illicit profit generation for criminals and the fact it is the key commodity Australian criminals at the top end are seeking to sell in the Australian market.

You will also be aware that since 2010 we have seen a rise of the methamphetamine market. We are equally concerned as the committee about the damaging causes and impacts it causes in society.

Noting your terms of reference, we can make comments about terms of reference one, three and five, particularly concerning the reliability of data on ice use, the social and community impacts and the sources of ice.

That was a brief opening statement and I am happy to explore some of the issues with the committee.

Mr CHAIR: Could you outline for us how waste water works and if that would be effective in the Northern Territory, a very large piece of land with a small number of people? Would that be viable here to analyse the size of the market?

Mr HANSFORD: I think that is right. For some time we have had little bits of information about the size of the market. Obviously, any illicit commodity being black market, it is very difficult to determine the overall quantum and size of the market. We have been relying on seizure and arrest data primarily, as well as household surveys and criminal surveys such as the drug use monitoring in Australia project by the AIC. Once you combine all that data with something like waste water, you start to get a good idea of the prevalence of ice use within particular communities. You will have potentially seen the work done in Queensland, South Australia and Australia on waste water analysis. They are starting to get a picture of methamphetamine use by using waste water, equally so in Europe. Some of the numbers they are identifying are substantially more than what we would have expected. Once you add waste water, in comparison to other data, you start to get a true and accurate picture or the threat to different communities.

I think it would also be viable in the Northern Territory. There are, as your question alluded to, differences between a city and a regional and remote area. It is much easier to get a more accurate reading in a city where there is a larger number of people compared to regional and remote communities. However, it is a good analysis to undertake and one we are supportive of from the Australian Crime Commission's point of view, as I think we put forward in our submission.

Mr CHAIR: In your submission you talk about the sourcing of precursor chemicals used in the Northern Territory as an intelligence gap. Are there things we can do to close that gap?

Mr HANSFORD: One of the key things is engagement with industry. Currently our system of end-user declarations is an archaic paper-based system where the private sector provides end-user declarations to police that contain details of suppliers and purchasers of different chemicals. We are looking at how you do that in an electronic way to speed up the work collaboratively with industry. That is one area that could be improved.

One of the key areas we have found in different jurisdictions is where industry is more proactive and working with police and intelligence agencies we get a better outcome when identifying gaps and anomalies in different individuals importing precursor chemicals into Australia or domestically supplying them to individual criminals. That is a particular area of focus, but one of the difficulties with precursor chemicals is there is no end product. It takes a higher level of understanding by police officers on the ground and also the intelligence community about the different compounds which make up a precursor chemical and how it will be used, particularly in manufacturing.

One of the things the Crime Commission is looking to do is develop a precursor chemical information resource and provide that to all state and territory police and intelligence agencies so we have a national understanding of which chemicals are able to produce methamphetamine. Obviously that is an ongoing challenge, because once you identify a particular set of chemicals and potentially legislate for them then more chemicals can be used in different formulas to make crystal methamphetamine or ice.

Mr CHAIR: In regard to intelligence, how are you going working with the states and territories to share data, intelligence and things like that? Is the Northern Territory holding its own there?

Mr HANSFORD: One of the step changes that has happened in the last 12 or 18 months across different jurisdictions is the stand-up of the joint analyst groups, from our perspective. The Northern Territory has a joint analyst group and that has really changed the way agencies work together, both the federal police, state and territory police and the Crime Commission. We are starting to share intelligence in a real time manner.

That has been a major change and one that can be built on over the next period, but it is also fair to say I have not seen the collaboration between law enforcement put forward this well in my history in law enforcement. We are doing a very good job, but obviously, one of the key gaps is how you exchange real time information in intelligence. That will always be difficult, and one thing we would like to see put forward is a national criminal intelligence system where, in a technical sense, we are all joined up and all using the same intelligence database. That is one of the things we are working on from the Crime Commission. Being the nation's criminal intelligence agency with all the state and territory board members on our board, one of the things we would really like to see is the accurate real time sharing of intelligence.

Mr CHAIR: This morning the police were talking about the sections of road that have recently been announced which will be declared areas where the police will be able to search any vehicle for any reason. A legal group said there is no evidence to suggest that has any scope of working. What is your opinion on that?

Mr HANSFORD: Obviously there will be different approaches in different jurisdictions, but it is not really something the commission would normally get involved in. From an intelligence perspective, any additional powers that police are provided with have to be appropriate with the intelligence. In turn, if you look at the intelligence picture the threat posed by methamphetamines to the community is of such a significant nature it is something that legislators should potentially consider.

Mr CHAIR: Excellent, thank you.

Mr WOOD: Hamish, I suppose one of the challenges in law enforcement is to keep up with changes. When it comes to listening to mobile phone devices or trying to keep track of text messages my understanding is that some people have a way to get round it. I am not an IT person, but obviously there are ways to communicate and avoid being traced. The other issue is when we are talking about precursors you make a case study where you talk about emerging illicit drug manufacturing recipes. That sounds like the precursor is not there as a precursor at the beginning but the recipe makes the precursor later on.

Are these changes difficult for the Australia Crime Commission to keep up with?

Mr HANSFORD: Taking your last question first, that is right. The use of precursors and different manufacturing formats really goes to the heart of organised crime continuing to become more complex than ever before, and the way people try to subvert regulations continues to change on a daily basis. That is certainly a problem for all law enforcement, and the Australian Crime Commission nationally. I imagine it is no different in the Northern Territory.

To your first question about mobile phones, I think law enforcement more generally is dealing with an issue of traditional policing responses becoming less and less effective as the issues around encryptions start to take hold in the community. Since the Snowden incident the general rates of encryption have increased in the general public.

There is a high level of encryption being used by people in their daily lives from mobile phone applications, and that is making the job of law enforcement around Australia much more difficult. One of the things law enforcement is considering at the moment is how to respond to a world where you cannot always use telephone intercept for primary evidence. What types of other methodologies need to be used? I think that is an important issue, particularly as organised crime - I said at the beginning 60% of our high-risk crime targets are involved in the meth market. If that is true the sophistication of those targets means they will use high levels of encryption. What are some of the other areas we naturally need to explore to try to respond to criminals?

Combined with the fact we need to share intelligence more quickly, work with the private sector, work on prevention and disruption rather than just arresting and prosecuting people, although that is very important, we need to look at a more holistic response to a whole range of different issues like we never have before. Does that answer your question?

Mr WOOD: Obviously it is difficult and things are changing all the time, but because you are dealing with all the states and territories and not just about communication issues, how is our legislation? Is it close to be uniform or do we still have issues? Does the Northern Territory have a different set of rules to Queensland or New South Wales and do we need to fix that up?

Mr HANSFORD: There are always differences between states and territories. One of the good things we are working on is the precursor advisory group - a cross jurisdictional working group - is developing the model legislation. We have a sense of national coordination which is being replicated throughout each state and territory. I do not imagine there are too many issues in the Northern Territory if they follow the guidance of the precursor advisory working group and I know the Northern Territory is involved.

Ms MOSS: I want to ask a question about prevalence in remote communities from your perspective. What is your perspective on prevalence outside urban and regional areas in the Northern Territory?

Mr HANSFORD: The first point is probably that you can see the impact in a more tangible way within regional and remote communities because in small numbers the impact is larger. In cities you can hide some of the impacts a lot more.

The second point is if you look at page 17 of our submission to the inquiry, one of the case studies we have there is of one particular remote community where the impact is so large and it was a small group of women who have become so addicted to ice that it took over almost the entire community. That is not in the Northern Territory, it is in another jurisdiction, but people were spending up to \$300 a day and were consuming 1 gram of ice but they were smoking it like a bong. One gram would almost kill an individual, but the way they were smoking and consuming it was consuming their whole lives and it was having a devastating impact on the community.

In a regional and remote setting there are such massive issues if something like this takes hold. Under the National Indigenous Intelligence Task Force we were starting to see signs that outlaw motorcycle gangs were becoming involved in the trafficking and distribution of illicit drugs, particularly methamphetamine, to some regional and remote communities in different jurisdictions in Australia, not the Northern Territory. We did not find anything there because that was not the end of our fieldwork. Our fieldwork is in two other jurisdictions at the end of the task force, but certainly something to watch out for I would say.

Mr CHAIR: Are there organised crime groups you are currently looking at in the Northern Territory? Yes or no will do. I realise you probably cannot say who they are, but is it perceived by the ACC that organised crime is responsible for what is happening in the Territory as it is in the rest of the country?

Mr HANSFORD: The point to note there is one of the reasons we have a national criminal target list is because criminal targets do not operate solely within a jurisdiction, they operate nationally and internationally. Indeed, 70% of our organised crime targets are based or operate largely offshore and impact all of Australia. It is fair to say that organised crime has a footprint in the Northern Territory.

Mr CHAIR: Is it something we should be asking our police to pay a lot more attention to or is it relatively small in dealing with the issue from our perspective?

Mr HANSFORD: One of the good things about law enforcement at the moment is the Serious and Organised Crime Coordination Committee, which is all the Assistant Commissioners Crime across the country get together quarterly to try to work on common priorities. The Northern Territory is involved in that group and has a good idea of who the major criminal targets are, what sorts of criminal markets they are involved in, and we have secondees within the Northern Territory police. I talked about the joint analyst groups before, so we are all working together collaboratively and the more we can do that the better.

Mr WOOD: Hamish, the other issue is importation of the drug, not only precursors. The amount of drug imported compared to what is produced in Australia, is it greater or smaller?

Mr HANSFORD: I will get you the actual numbers. We group amphetamines and methamphetamines together and the data I will use is border detection and national seizures. There are a lot more seizures of drugs within Australian jurisdictions compared to the border. Obviously some of the national seizures are done by the Australian Federal Police and they will be put through a jurisdictional court or a federal court. There are detections at the Australian border and sometimes we will let them run on to the mainland. It is quite difficult to tell comparatively which is greater, but obviously methamphetamine and the importation of precursor chemicals is a major issue. Detection at the Australian boarder is a major issue, but also domestic manufacture is an issue. Ice is not one or the other, it is both domestic manufacture. The important point to note is the number of seizures nationally has continued to increase since 2010, and in the last reporting period it was a 38% increase or a 310% increase of total weight seizures between 2009-10 to 2012-2013

Mr WOOD: In relation into manufacture locally, we have heard there are environmental dangers of people having laboratories in residential areas. Is that something you come across often?

Mr HANSFORD: Absolutely. There is a whole range of different types of domestic manufacture ranging from an addict-based clandestine laboratory, which is done primarily to support addict-based people and that is high risk because people set it up potentially in hotel rooms or car boots and there is a lot of potential to go wrong, right up to an industrial organised crime-based meth lab, which has chemical or chemists involved.

All of them have a chance to go wrong, and some of the houses you might have seen in pictures of houses raided by police - the detrimental impact to the house and the surrounding environment is not just for the next month, it is for years and years ahead. The remediation of clandestine laboratories is a particular issue, and those living next to clandestine laboratories are particularly at risk. We have seen them in a whole range of different places and it only takes a child to walk into a clandestine laboratory and there will be catastrophic impacts.

Mr WOOD: State by state, are some places worse than others when it comes to back yard manufacture? I gather there have been some laboratories closed down in Alice Springs and there may have been one in Darwin, but it does not really matter where you are people set them up?

Mr HANSFORD: I think that is right. Particular areas of Australia have higher prevalence rates for clandestine laboratories, but I will go back to my earlier point which is they service all of Australia not just a particular jurisdiction. We are in a transnational organised crime environment and they will just go to the place where they can find the suppliers and then distribute the drugs to where they can find the best market to make a profit. It really depends on a market at a particular time.

Mr WOOD: Thanks, Hamish.

Mr CHAIR: No further questions at this point. Are there any other issues you would like to raise with the committee?

Mr HANSFORD: No, I think that has given you a snapshot. I am happy to support the committee through a further submission or additional questions on notice if required.

Mr CHAIR: Excellent, thank you.

Mr HANSFORD: Thank you so much.