

Presentation by Australia

11th ARF ISM on Counter-Terrorism and Transnational Crime

On behalf of the Government of Australia, we are delighted to be here in Hanoi. I would like to reiterate our Australian co-chair's earlier remark and thank our counterpart, Vietnam, for co-hosting this meeting and for the excellent meeting arrangements. Australia is an active participant in the ASEAN Regional Forum. We are pleased to be the 2012-13 co-chair of this Intersessional Meeting in Counter-Terrorism and Transnational Crime.

In recent years, the security in the Asia Pacific region has been and continues to be characterised by a complex mix of challenges, both which are traditional and non-traditional, and opportunities. Australia's security is inextricably linked to the security of our region. Hence, from our perspective, our regional engagement on key issues such as the focus of the meeting in counter-terrorism and transnational crime is crucial.

On the key theme of this meeting, transnational crime, as we know contemporary criminal syndicates increasingly operate as global enterprise. They have the capacity to inflict serious harm to our economies, businesses and institutions. The annual cost of organised crime to Australia is estimated at A\$15 billion or approximately one to two percent of the Australian Gross Domestic Product (GDP). The Australian Government's white paper on Australia in the Asian century, launched in October last year, provides a backdrop to Australia's security strategy, including against transnational crime.

The nature of transnational organised crime is evolving. Opportunities for organised crime today are unprecedented – globalisation, escalating cross-border movement of people, goods and money and emerging international markets and rapidly developing technologies provide a fertile operating environment for organised crime. Technology and the Internet have enabled criminals to expand their reach, commit crimes from a distance, create the appearance of legitimacy and exploit lack of clear jurisdictional authority.

The impact of greater access to information and communications technology, particularly if information is not accurate, can help negative influences in society. Combining easier information transfer with the increasing mobility of people, goods, services and money will help raise the capabilities of more dangerous transnational groups such as terrorists, people traffickers and smugglers, pirates, transnational criminals and hackers. Transnational organised crime groups are using technology to facilitate money laundering, identity theft, online child exploitation, fraud, unsolicited bulk email or spam and copyright offences.

Transnational organised crime is motivated by profit. Criminals blend criminal activity with legitimate business structures and processes, and operate through the corruption of public and private officials. The sheer size, reach and influence of organised crime groups make them among the most powerful businesses in the world. A key focus is, therefore, preventing criminals from accessing the profits of their crimes and from accessing funds to facilitate their criminal activities.

In Australia, trade in **illicit drugs** continues to be the principal source of profit for serious and organised crime. Australia is an attractive market for organised crime groups, particularly as high drug prices make importation highly profitable. Only last week, on 28 February, the Australian Joint Organised Crime Group sized 585 kilograms of methamphetamine or ice valued up to A\$438 million. This represents the largest single seizure of ice in Australian law enforcement history. Thanks to the joint collaboration of federal police, customs and border protection, local police and our crime commissions. A 2007 Australian Drug Law Reform Foundation report found the estimated economic cost of illicit drug in Australia to be A\$6.7 billion per year. This of course does not include the significant physical and emotional trauma and social dislocation caused by illicit drugs – a value cannot be placed on these.

If I may offer other examples, **credit card fraud** is becoming one of the fastest growing ways organised criminal are exploiting businesses and individuals. The Internet is a force of multiplier and has very significant challenges for law enforcement in Australia. The amount of personal information requested and stored online, along with the growing popularity of social networking sites, provides organised crime with a larger pool of victims and data to harvest. Fraud associated with credit cards not being present accounts for approximately 70 percent of fraud value on Australian-issued cards. In 2012, this resulted in losses of almost A\$200 million. If we breakdown that figure down that is A\$16.6 million a month, A\$4.4 million a week, or about A\$550,000 per day.

And **cyber crime** is spreading at an unprecedented rate. The latest *Norton Cybercrime Report 2011* estimates the global cost of cybercrime topped A\$388 billion in the past year. That is more than the combined global market for cannabis, cocaine and heroin (\$288 billion) and fast approaching the value of all global drugs trafficking (\$411 billion).

One of the oldest form of transnational crime of course is **piracy**. We commend countries in South-East Asia for successfully addressing this issue, which has confronted the region for centuries, through national and regional cooperation. In the Indian Ocean, we acknowledge the recent decline of piracy attacks, but these gains are easily reversible. Piracy comprises the freedom and security of maritime trade and transport in the region and hampers the delivery of humanitarian assistance to Africa. Australia was pleased to host an international counter-piracy conference in Perth in July and a follow-up workshop in New York in October in 2012. In which a comparison was made of the successful efforts of counter-piracy in South-East Asia and their application to piracy in the Indian Ocean and emerging challenge in the Gulf of Guinea. There is much to gain from information sharing and exchange of lessons and cooperation in counter-piracy between the three regions most affected.

One of the greatest challenges is not about disrupting the crime at hand today, but in predicting, hardening and preventing the crime from occurring tomorrow. As presented by the Australian co-chair, we look forward to the forthcoming publication on the threat assessment of transnational organised crime in East Asia and the Pacific (TOCTA) by the UN Office on Drugs and Crime. TOCTA will provide a useful source of research and analysis to help policymakers develop new approaches towards dealing with the complex problems of transnational organised crime. It will be an analytical document of the trends in transnational crime to allow better policy responses at national and regional levels.

The Australian Government has responded to the challenges of fighting transnational organised crime. In January this year, the Australian Prime Minister launched a Strategy for Australia's National Security in which it recognises that serious and organised crime is a threat to national security and impinges on our prosperity, confidence and way of life. We also value our international partnerships to combat serious and organised criminal activities such as cybercrime, money laundering and illegal movement of goods and people across borders.

Finally, in concluding, our presence in Hanoi today highlights that no one country can tackle transnational crime and other key security challenge alone. Only through a sustained and well-coordinated international collaborative effort – at various levels and involving many different actors – can we succeed. The ASEAN Regional Forum has performed strongly in contributing to this effort, and Australia expects it will continue to serve us well into the future, as we face the multi-faceted and ever changing security environment in our region. Thank you.