



MARCH REPORT

31 March 2025

TSOC-MAG 25/01

Hon. Casey Costello, Minister of Customs and Associate Minister of Police

Key points

- ▶ The threat posed by organised crime in New Zealand has increased substantially in the last five years. Even with the best of will, New Zealand is losing the fight.
- ▶ We are seeing record seizures of illicit drugs at the border, as well as increasing consumption of drugs in our communities. Organised crime groups have moved into other profitable markets, including fraud, migrant exploitation and illicit tobacco - wherever they can make money.
- ▶ New organised crime groups are becoming active in New Zealand – from Burma through Malaysia, to the Comancheros and Mongols importing from South America through the Pacific. They are bringing new tactics of violence, intimidation and corruption of institutions we have not seen here before.
- ▶ This is impacting the safety and security of all New Zealanders in unprecedented ways. The economic impact of organised crime is significant.
- ▶ The Ministerial Advisory Group has been established to provide practical independent advice on tackling transnational, serious and organised crime in New Zealand.
- ▶ We have identified a range of challenges that must be addressed to make real progress in countering the threat posed by organised crime: targeting money flows, improving information sharing, improving partnerships and strengthening accountability.
- ▶ We will provide reports each month and a final report with recommendations in September to make a significant change in New Zealand's response to organised crime.
- ▶ An A3 outlining the key issues and challenges is attached as a prompt for discussion.

Steve Symon
Chair, Ministerial Advisory Group

REARRANGING THE DECK CHAIRS ON THE TITANIC

1. New Zealand is losing the fight against transnational, serious, organised crime.¹ This is not from a lack of will. The people involved, and the agencies they work for, are dedicated and passionate about stopping organised crime but current activities are not keeping pace with the accelerated growth of organised crime.
2. Successive governments have set ambitious strategies. There have been endless reports, committees, sub-committees, and working groups talking about these strategies.
3. Despite these efforts, organised crime is worse than ever and continues to grow. New Zealand's response has not adapted to the sophistication of modern organised crime groups. This, in turn, makes the country increasingly vulnerable to the influence of organised crime which will impact on the lives and businesses of all New Zealanders.
4. It will take new ways of thinking, and bold changes, to alter the course for New Zealand.

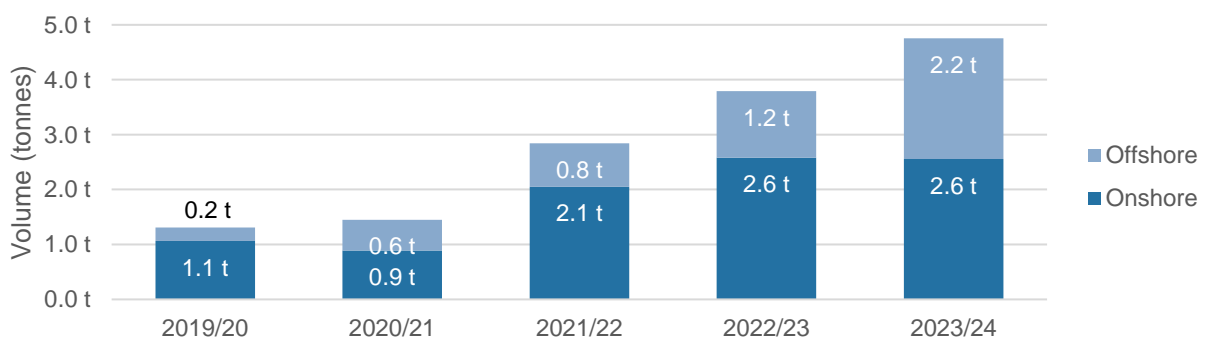
THE NUMBERS DON'T LIE

5. The nature of organised crime in New Zealand has changed dramatically over the last ten years.

There is increasing availability of illicit drugs in New Zealand

6. Ten years ago, Customs seized **nearly 55kg** in methamphetamine **over the entire year**. The news, at that time, was reporting on the scourge of methamphetamine.
7. Last year Customs **stopped close to twice that** (at over 90kg) in **every week**. The total amount of methamphetamine either seized onshore in New Zealand, or prevented from entry over 2023/24 was 4.8 tonnes.

Figure 1: Methamphetamine seizures by Customs and offshore partners



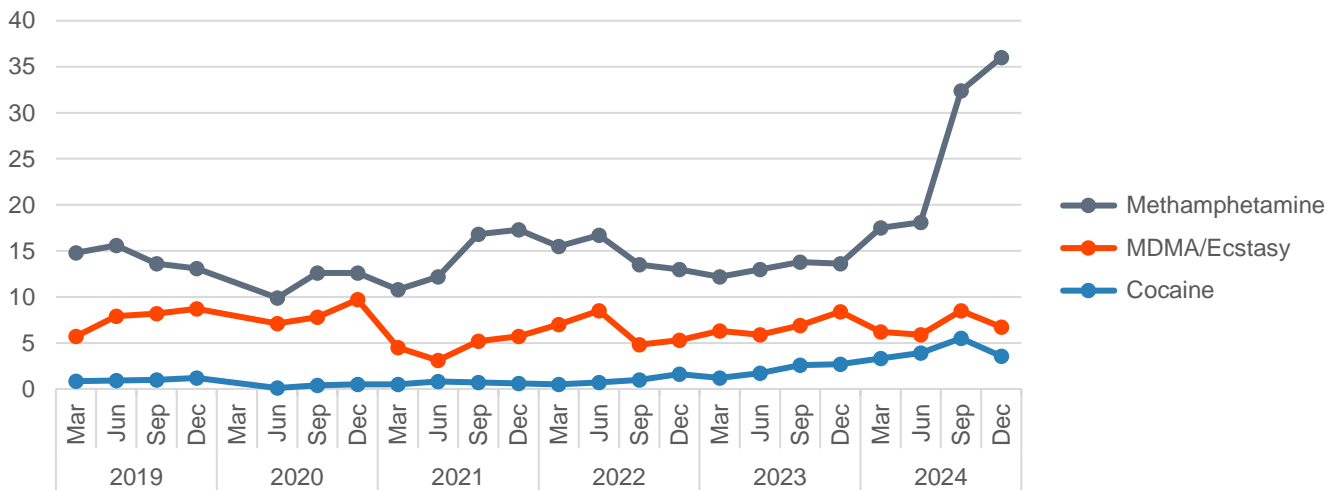
Source: New Zealand Customs Service, *Annual Report 2023/24*

8. The increase in seizures is reflected by methamphetamine consumption by the New Zealand public. The numbers, however you look at them, are dire. As shown below, based on

¹ For the purposes of this report, we have abbreviated TSOC to "organised crime". The focus of our work remains on transnational and serious criminal activities.

wastewater monitoring, around **15kg of methamphetamine** was consumed every week in the March 2019 quarter. We have seen a major spike in 2024. By the December 2024 quarter, around **36kg** was consumed on average each week.

Figure 2: Estimates of total weekly consumption of selected illicit drugs (kg) by quarter



Source: ESR/NDIB: Wastewater Monitoring Programme.

Note: no testing was undertaken in the March 2020 quarter

9. This indicates increasing availability of illicit drugs. In the past, there was a clear impact on consumption following major seizures, but this is no longer the case. That means we are not stopping enough to affect the market.
10. The size of the drug problem is overwhelming. A huge amount of the resources of the Police and Customs are expended on the drug problem, whether that is trying to prevent drugs reaching the public or the downstream problems caused by drug consumption. Incredible work is being done, but they are swimming against the tide.

Organised crime groups are resilient and flexible

11. While drugs remain a constant threat, we have seen the growth of other markets such as:
 - **cyber fraud** – which is now New Zealand’s most common crime, and commonly conducted online by organised crime groups far away from New Zealand
 - **migrant exploitation and human trafficking** – a growing global threat, reports of migrant exploitation in New Zealand quadrupled last year²
 - **transnational money laundering** – the misuse of New Zealand financial institutions, legal persons and legal arrangements to launder proceeds of crime generated in other parts of the world³

² Public Service Commission (2024) [Assurance Review of the Accredited Employer Work Visa scheme](#), paragraph 47.b.

³ Some of our biggest transnational money laundering cases involve organised crime – for example: Vinnik, \$140m; Yan, \$90m; Gong, \$72m, Rodriguez, \$17m.

- **black market tobacco** – in 2023, it was estimated that 23.6% of all tobacco consumed in New Zealand was illicit; the market share has increased primarily because consumption of legal tobacco has declined.⁴
12. In 2024, the FIU estimated that profits from drug and fraud crime alone likely exceed \$1.6 billion annually. Much of this profit is transferred offshore or reinvested in further criminal enterprise.⁵
 13. New Zealand prides itself as an easy place to do business, but it has also become easier for organised crime to thrive.

Reorganisation of transnational organised crime groups

14. In the past, New Zealand was seen as a remote and small market – with limited interest from global organised crime groups. However, in recent years, we have seen increasing presence and involvement of foreign organised crime groups in criminal activities within New Zealand. This includes, for example, major syndicates from China and Southeast Asia, Latin American Cartels, such as the Medellin and Sinaloa Cartels, and Australian gangs such as the Comancheros and the Mongols. This has been exacerbated by the arrival of deportees from Australia (3,399 since 2015), who have strong international connections.⁶
15. These groups and individuals are bringing new expertise, access to global networks, and a greater willingness to use intimidation, firearms and other violence, and coercion to achieve their ends. We are also seeing changes in the patterns of supply of illicit drugs. For example, methamphetamine is now coming from North America, Southeast Asia and Europe, as well as the primary source - China. The Pacific islands are increasingly being used as a gateway. There is a correlation between our main trading routes and crime corridors.⁷
16. Most organised crime originates from overseas.⁸ Disruption of onshore activities, through seizures and arrests of domestic participants is not solving that problem. For this reason, it is critical to target the profits before they leave New Zealand. Targeting domestic distributors along with increasing the focusing on reducing the demand for drugs can make New Zealand a less attractive market for foreign organised crime groups.

⁴ FTI Consulting Australia (2024) Illicit tobacco in New Zealand 2023, p 27.

⁵ New Zealand Police Financial Intelligence Unit (2025) [New Zealand National Risk Assessment 2024 on Money Laundering, Terrorism Financing and Proliferation Financing](#), pp 24 (illicit drugs) and 28 (fraud).

⁶ Data as of 5 March 2025. NZ Police (2025) [Deportees from Australia](#). Note that this information is not collated in a manner that sets out the “reasons” or section of the Australian Migration Act 1958 the people were deported under (i.e., s501, s116, s109). As a result, this includes all deportees from Australia.

⁷ The criminal deportation policies of Australia, the United States and New Zealand are a significant contributor to the rise of organised crime in the Pacific.

⁸ It is estimated that 70% of Australia’s serious and organised crime threats are based offshore or have strong offshore links. While New Zealand does not have the same data, it seems likely that the problem is replicated here. Australian Government (2018) [National Strategy to Fight Transnational, Serious and Organised Crime](#).





NEW ZEALANDERS ARE LEFT TO PICK UP THE PIECES

17. Most organised crime is orchestrated offshore. It is highly profitable, and New Zealanders are left to pay the price.
18. The full scale of the harm caused by organised crime in New Zealand is difficult to quantify. We do not have sophisticated tools for calculating the overall impact of organised crime.⁹ Even a conservative estimate demonstrates the financial, social and reputational harm caused to our communities.
19. Tackling organised crime cannot be viewed in isolation. It is critical to build resilience within communities to prevent these harms from occurring and to limit the impacts where they do.

Illicit drugs

20. Availability of methamphetamine is one indicator that organised crime is thriving in New Zealand. This is sadly having a devastating impact on the lives of many New Zealanders.
21. The cost of personal and community harms caused by methamphetamine, cocaine and MDMA is estimated to be \$1.65 billion in 2024.¹⁰ Locations with high methamphetamine use per capita were largely regional towns also experiencing high rates of socioeconomic deprivation.

Table 1: Estimated annual drug consumption in 2024

	Methamphetamine	MDMA	Cocaine
 Minimum annual consumption (% increase on 2023)	1,434 kg (96%)	367 kg (-2%)	215 kg (90%)
 Number of doses	72 million	3 million	2 million
 Social harm cost	\$1.5 billion	\$77 million	\$80 million
 Dollar value	\$538 million	\$73 million	\$75 million

Source: National Drug Intelligence Bureau (2025) [Drugs in Wastewater 2024 Annual Overview](#)

22. The harms of illicit drugs and other organised crime activities are also placing pressure on an already strained health system.¹¹

⁹ This is a challenge for all jurisdictions, and we understand that work is underway on developing a methodology to measure the harms of transnational organised crime.

¹⁰ National Drug Intelligence Bureau (2025) [Drugs in Wastewater 2024 Annual Overview](#)

¹¹ Mental Health and Wellbeing Commission (2024) [Kua Timata Te Haerenga | The Journey Has Begun — Mental health and addiction service monitoring report 2024: Access and options](#). The Mental Health and Wellbeing Commission reports that access to specialist addiction services decreased by 15.9 percent between 2018/19 and 2022/23, due to high vacancy rates putting the specialist workforce under increasing pressure.

Cyber fraud

23. Following global trends, fraud has become the most common offence in New Zealand, with one in every ten New Zealanders experiencing fraud in 2023. Most fraud was through unauthorised bank transactions (66 percent) followed by on-line scams (20 percent) and is largely conducted by criminal groups based offshore.¹²
24. In 2023, New Zealand victims of fraud reported the total costs of financial losses was \$397 million, with related social costs of a further \$989 million.¹³ The 2024 numbers are expected to be worse.

Migrant exploitation

25. Last year, MBIE received nearly four times the number of migrant exploitation complaints compared with the previous year (933 and 3,925 respectively). Most of these reported violations relate to pay and conditions, rather than criminal exploitation. It is, however, highly likely that serious criminal exploitation, such as people trafficking, forced labour and sexual exploitation, is underreported and growing within New Zealand. There are almost certainly exploited migrants in our horticulture, construction, beauty services and hospitality sectors.¹⁴
26. When New Zealanders are using these services, we are unwittingly supporting organised crime.

Every New Zealander is either directly or indirectly a victim of organised crime

27. The consequences of organised crime affect all New Zealanders. Organised crime means that we are at greater risk than ever before of dying from drug drivers, poorer health services, exposure to violence, increased insurance premiums, the list goes on.

Catching criminals is a high cost endeavour

28. It is expensive to investigate, prosecute and punish this type of offending.
29. There is a high cost to the justice system in dealing with people who are involved in organised crime - from investigation and prosecution costs and through to the costs of imprisonment. For example, it costs around \$200,000 per year to imprison one person.¹⁵
30. Taking a preventative approach to organised crime, rather than a reactive one, means that it is possible to reduce these costs and redirect that capital into strengthening the response and building community resilience.

¹² Ministry of Justice (2024) [New Zealand Crime and Victims Survey. Key stories – Cycle 6](#), pp 12-13.

¹³ Ministry of Justice (2024) [New Zealand Crime and Victims Survey. Key stories – Cycle 6](#), p 13.

¹⁴ Information provided by MBIE.

¹⁵ This estimate is based on the daily cost of \$562 for people in prison reported by Corrections in its [Annual Report 2023/24](#). For example, a sentence of 22 years, as recently given to a person involved in importing 700kg liquid meth concealed in beer and kombucha bottles will total \$4.4 million in nominal terms.

CHANGING THE APPROACH TO ORGANISED CRIME

31. It is in this context that the Ministry Advisory Group (MAG) has been established to provide independent expert advice on tackling organised crime within New Zealand. Minister Costello is seeking a step change in the way that government law enforcement and regulatory agencies work individually and together to detect, deter and dismantle organised crime groups.¹⁶

Perspectives from the sector

32. The MAG has engaged with a range of stakeholders involved in the response to organised crime (see Appendix 2). The consistent messages we have heard so far are:
- a. Most government agencies feel that that they are making a contribution to countering organised crime but recognise they can do more.
 - b. Everyone said that information sharing is a critical problem.
 - c. There are rising concerns about the changing tactics employed by organised crime groups, such as infiltrating trusted positions, and using violence and intimidation to their advantage.
 - d. The private sector feels they play a key role in countering organised crime, but do not feel involved in the government's strategic approach.

Target the money

33. Organised crime is all about money. Therefore organised crimes' biggest vulnerability is money. Like any business, removing its cash flow and other financial resources means it will fail.
34. It is essential that we focus on the financing of organised crime, to prevent offenders from enjoying the benefits of participating in crime.
35. We have a pretty good Anti-Money Laundering (AML) system which provides a reasonable foundation, but there are ways of making it more effective.
36. We need to have the right legal tools to do this effectively. It will only be when we are courageous in the design of legal tools that we will recoup the benefits of safer communities, homes, roads, and workplaces. The criminal economy is the funding stream to repair, improve resilience and ultimately make our country safer to live and do business.
37. This requires much stronger involvement of a wider range of regulatory agencies and private sector players such as banks and other financial institutions.

Solving the critical problem of information sharing

38. Information sharing between government agencies is deficient. In some cases, that is because there are specific legislative barriers. In others, the willingness to share information proactively is due to the culture of organisations.

¹⁶ A description of the MAG's approach is attached as Appendix 1.

39. Almost every report on disrupting organised crime at some point references problems with information sharing between Government agencies.

At times there is legislative work required to solve these issues, but more often it seems that different agencies do not know what they can share or who might find value in the information they have. This is part of a broader issue of the different agencies working in silos, which is a consequence of how individual agencies have developed over decades with specific focuses of their own.¹⁷

40. We need to have a mature conversation about the privacy settings which balances the need to combat organised crime effectively, without compromising individual privacy interests.
41. Agencies might individually see themselves as being experts in terms of their individual responsibilities, but the reality is that we need an expert team, and these privacy settings prevent us from working as an expert team.

Partnering for protection

42. There is a general recognition that Police and Customs, as the two key law enforcement agencies in the organised crime space, are working constructively together and are achieving good results. But their legislative mandate and access to regulatory levers is not broad enough to tackle the full range of ways that organised crime groups infiltrate and exploit relevant commercial and social systems within New Zealand.
43. Other agencies are involved in the response to organised crime but have competing priorities. For example, MBIE is tasked with making New Zealand the “easiest place in the world to do business”, but that has also made it easier for organised crime to thrive.
44. An integrated, coordinated response, utilising expertise from both the public and private sectors is essential. We need to consider alternative operating models that make best use of the knowledge and capabilities within regulatory agencies and relevant private sector partners to maximise the system response to organised crime.

Accountability for performance

45. Currently, there is no clear understanding of the overall performance of the system response to organised crime. This makes it challenging to hold individual agencies accountable for performance.
46. Performance measures used by agencies tend to focus on objective measures within their sphere of control. For example, Customs reports on the volumes of illicit drugs it seizes at the border (either onshore or offshore). While this is an important indicator, it does have weaknesses – especially in the current context where the consumption of illicit drugs appears to be growing alongside the volume of seizures at or before the border. It also potentially sets the wrong incentive for agencies to focus on seizures, rather than taking more deliberate action to dismantle organised crime groups, thereby reducing the overall flow of illicit drugs.
47. We must set clear accountabilities based around a comprehensive performance measurement framework that holds agencies accountable for meeting their individual

¹⁷ Jarrod Gilbert et al. (2024) *A Baseline Understanding of Transnational Organised Crime in New Zealand*, p. 4.

responsibilities, as well as for contributing to the government's overarching objectives of deterring, detecting and dismantling organised crime.¹⁸

NEW ZEALAND NEEDS TO ACT, AND ACT WITH URGENCY

48. The MAG has seen that there are significant obstacles to disrupting organised crime. Many of these obstacles are already well recognised by agencies. Therefore, our focus over the next six months will be on providing a series of reports with practical advice on making real progress toward strengthening New Zealand's capacity to counter organised crime.
49. We will continue to engage with you and other stakeholders to develop our forward programme of monthly reports to ensure they focus on addressing the most critical problems. This will culminate in a set of recommendations by the end of September.
50. The next report, in April, will focus on how to improve system capacity to target the money.

¹⁸ Developing a performance monitoring framework was a key action for the TNOC Strategy. The objective was to provide an efficient and effective measure of the system level success in countering TNOC activity across relevant public and private sector entities. We understand that outputs to date have not satisfied agency partners, and further work has been put on hold.

APPENDIX 1: PLANNED APPROACH

Strategic Context

1. New Zealand must be recognised as an effective contributor to global efforts to combat Transnational, Serious, and Organised Crime (TSOC). Failure to do so could result in other countries taking actions that harm our trade relationships and undermine the fabric of our nation.
2. This initiative is a key part of the Government's priorities to restore law and order and ensure community safety. It will inform government decisions on setting its strategy for countering TSOC, as part of the wider National Security Strategy. Additionally, it aligns with the Government's broader focus on reorienting the public service towards more effective and efficient delivery, including improving decision-making quality and system responsiveness. However, any changes must be balanced against the Government's Going for Growth approach, which aims to grow the economy. Initiatives that impose additional regulatory burdens or slow down legitimate trade are unlikely to be supported.
3. This work responds to the increasing harm caused by organised criminal groups in recent years. We have seen a sharp increase in the volume, brazenness, and violence of criminal activities, with little evidence of impact on supply. For example, the dismantling of the Comanchero operations in Christchurch had only a negligible impact on wastewater surveys results.

Background to this Review

4. Hon Casey Costello ('the Minister'), in her roles as Associate Minister of Police and Minister of Customs, has convened a Ministerial Advisory Group (MAG) to provide high-quality, independent expert advice on tackling TSOC. The Minister seeks a step-change in how government law enforcement and regulatory agencies work individually and together to detect, deter, and dismantle serious and organised criminal groups. The Minister also intends to refresh and integrate the current Transnational Organised Crime Strategy and the Resilience to Organised Crime in Communities strategic framework.
5. The MAG reports to the Associate Minister of Police / Minister of Customs.

Functions and Objectives of the Panel

6. The central question of the Review is: "What contribution and focus will Government agencies and the Private Sector need to have to successfully meet the current and future challenges from Organised Crime Groups? As the organisation continues to operate in increasingly complex crime and demand landscapes, what new capabilities and ways of working might be required? What will success look like?"
7. To answer these questions, the MAG will provide independent advice to support the strategic refresh and activities to tackle organised crime, identifying gaps, blockages, and obstacles (including organisational cultural issues) hindering effective and efficient cross-agency collaboration between government agencies to identify, investigate, and prosecute organised crime activity in New Zealand.

8. The MAG will also explore options to disrupt organised crime activity through regulatory enforcement (including prosecution) both as individual, agency-specific activities and in collective, targeted operations.
9. We will engage government regulatory agencies to work actively with law enforcement agencies to detect, disrupt, and dismantle organised crime groups and activities. We will also examine overseas jurisdictions that use a combined regulatory and law enforcement approach to disrupt and prosecute organised crime activity and consider how these approaches could be applied in the New Zealand context.
10. Finally, we will recommend optimal cross-government governance arrangements to ensure effective interagency collaboration in the investigation and prosecution of organised crime.

Benefits the project will deliver

11. The project will deliver insights to strengthen operational practices within and across government and private sector partners, focusing on improving the efficiency and effectiveness of the system response by strengthening collective efforts to dismantle organised crime groups.
12. It will also provide a whole-of-system focus to inform the refresh of key government strategies, ensuring a sustainable and resilient direction over the long term.
13. Additionally, it will increase public awareness of the challenges posed by organised crime.

Scope

14. The scope includes a core focus on Transnational, Serious, and Organised Crime, encompassing both local and transnational elements of serious organised crime. It covers all aspects of organised crime operating models, including but not limited to illicit drugs, illicit fishing migrant exploitation, fraud/corruption, money laundering and tax evasion.
15. The project will explore system capacity to detect, deter, and dismantle organised crime from all angles and options to strengthen accountability for organised crime, including institutional design and governance arrangements, models to deploy resources more effectively (e.g. a separate organised crime office or multiagency taskforces), and external monitoring and review of agency impacts (e.g. inspector-general/audit model).
16. Legislative tools, such as Proceeds of Crime legislation, proactive information sharing, and information collection, will also be considered.
17. The following issues are excluded from the scope:
 - a. demand-side issues that feed organised crime, such as social and economic conditions within local communities
 - b. local gangs engaging in disorganised criminal activities
 - c. terrorism
 - d. specific advice on addressing resource pressures in agencies.

Deliverables

18. The deliverables include a series of monthly reports framed around agreed themes and a final report with advice and recommendations on how the wider system can better respond to detecting, deterring and dismantle organised crime. The primary audience for these reports is Minister Costello.

Method and Approach

19. The intent is to provide a current looking assessment of New Zealand's capability and readiness to detect, deter, and dismantle organised crime. The panel will focus on three areas:

Focus Area One: Identifying gaps, blockages, and obstacles hindering effective and efficient cross-agency collaboration between government agencies to identify, investigate, and prosecute organised crime activity in New Zealand. This phase also involves identifying solutions to address these gaps and barriers.

Focus Area Two: Examine potential deficiencies in government regulatory agencies and law enforcement agencies activities, policies, or legislation that may enable organised crime to thrive in New Zealand. For instance, possible immigration settings that allow for migrant exploitation to occur.

Focus Area Three: Develop and recommend a future model for addressing organised crime by law enforcement agencies and regulatory agencies working together in New Zealand.

20. To deliver on the project the MAG will:
 - a. conduct a brief survey to gauge the state of the system from government agencies involved in the response to organised crime
 - b. have targeted one-on-one interviews with a cross-section of existing agency leaders and front-line staff
 - c. have targeted one on one interviews with key external stakeholders and partners,
 - d. have group workshops with agency leaders and front-line staff
 - e. have group workshops with key external stakeholders and partners
 - f. review relevant internal documentation including strategy, organised crime priorities and performance activities
 - g. research government and agency activities, policy or legislation that may enable organised crime to flourish in New Zealand
 - h. analyse and gain insights from past and current organised crime models both in New Zealand and internationally.
21. The Review will be undertaken from March 2025 to September 2025.

Limitations

22. The Review had an elapsed time of six months, so not every aspect of the agency's operations can be examined in detail.
23. All interviews will be conducted with the expectation of confidentiality, with no attribution of comments to specific individuals (unless directly authorised).

APPENDIX 2: SECTOR ENGAGEMENT, MARCH 2025

The observations in this report have been informed by the sector engagement we have carried out below.

SURVEY

In February, the MAG surveyed government officials involved in the various TNOC Strategy Groups to build an understanding of the current state of detection, deterrence, and dismantling of transnational, serious and organised crime in New Zealand.

Results

We received 29 responses (a 'Good' response rate of 31.9 percent), including three responses known to have been completed collaboratively, and one partial response.

At least one member from all five TNOC Strategy groups responded, with respondents from 11 agencies.

Respondents reported an average of 13 years' experience (mean = 10 years) with responsibilities for combating transnational, serious and organised crime, ranging from 1 year to 42 years.

MEETINGS IN MARCH

Government agencies

Ministry of Business, Innovation and Employment (MBIE)
Inland Revenue
NZ Customs Service
NZ Police
TNOC Strategy Leadership Group
Serious Fraud Office

Non-government stakeholders

Protect information that is subject to confidence