

Parliament of the Commonwealth of Australia  
**The House of Representatives Standing Committee on  
Finance and Public Administration**

**Risky Business—The 37 000 Kilometre Challenge**

The First Report on an Inquiry into  
Aspects of the Australian Customs Service

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## Members of the Committee

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Chairman: Mr S P Martin, MP  
Deputy Chairman: Hon I B C Wilson, MP  
Members: Mr J N Andrew, MP  
Mr J H Beale, MP  
Mr R A Braithwaite, MP  
Dr R I Charlesworth, MP  
Mr B W Courtice, MP  
Mr S C Dubois, MP  
Mr R F Edwards, MP  
Mr R P Elliott, MP  
Mr G Gear, MP  
Mr R S Hall, MP  
Secretary: Mr D R Elder

## Members of the Subcommittee

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The Subcommittee appointed to undertake the inquiry comprised:

Chairman: Mr S P Martin, MP  
Members: Mr J N Andrew, MP  
Mr S C Dubois, MP  
Mr R P Elliott, MP  
Mr G Gear, MP  
Subcommittee  
Secretary: Ms G M Skinner  
Adviser: Mr D J Abbey  
Inquiry  
Staff: Mrs A J Garlick

## Terms of Reference of the Committee

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The Standing Committee on Finance and Public Administration is empowered to inquire into the report on any matters referred to it by either the House or a Minister including any pre-legislation proposal, bill, motion, petition, vote or expenditure, other financial matter, report or paper.

# Terms of Reference of the Subcommittee

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1. Examine the Program Management Structure of the Australian Customs Service which has been in operation since 1 September 1987 with particular reference to
  - . management reporting systems
  - . devolution of authority
  - . control mechanisms
  - . efficiency of administration
2. Review the Import/Export Control Sub-program, as a major ACS Sub Program with regard to
  - . techniques for processing entry clearance transactions for both imports and exports
  - . the relationship with importers, exporters and bodies associated with the transport, storage and clearance of goods
  - . the scope for electronic initiatives to improve the processing of clearance transactions to the benefit of the Customs and parties involved in importing and exporting
  - . the level of staffing necessary for Customs to process the transaction level, to secure correct payment of duty, and to minimise tax avoidance and evasion
3. Report on
  - . Coastwatch
  - . Drug Detector Dog Unit
  - . Drug Interceptionsas major elements of ACS operations.

The Auditor-General's Audit Report No 17 1989/90 on the Australian Customs Service - Passenger and Crew Processing has also been referred for inquiry and report.



## FOREWORD

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This is the first report of a broad inquiry into a number of the functional areas of the Australian Customs Service. The report reviews an audit report of passenger and crew processing at Sydney Kingsford Smith Airport, and three other elements of Customs operations - Coastwatch, the Drug Detector Dog Unit and Drug Interceptions.

These four areas are closely related in that they are concerned with operations designed to protect the Australian community from unlawful importation and exportation of prohibited and restricted goods, particularly illicit drugs.

The practice of illegal narcotic importation is one which causes deep concern to the community and to the Committee. Reports from Federal and State authorities and from overseas indicate that the trafficking of illicit drugs to Australia has increased in recent years. The role played by Customs in combating such activity is vital to the well-being of the Australian community and particularly to the well-being of our young people.

An extensive program of inspections and briefings at locations around Australia enabled the Committee to gain an appreciation of the enormity of the task facing Customs. As indicated in the title of the report, the challenge for Customs is to devise approaches which will deal adequately with all attempted breaches of the Customs barrier around Australia's 37 000 km coastline.

To respond adequately to the increasing sophistication and ever changing methods of those prepared to engage in the 'risky business' of illegal importations, it has been necessary for Customs also to develop sophisticated, resourceful and flexible operational initiatives.

The report focuses on some of these approaches. It reviews the 'risk assessment' approach in place, the requirement to balance the facilitation and control aspects of Customs responsibilities, the adequacy of resource levels and the quality of service provision to client agencies.

While the Committee endorses the direction taken by Customs in these areas, it also considers that there is a need for enhanced performance information to enable continuing assessment of the effectiveness of its strategies. Ongoing evaluation of techniques is essential to ensure that the Customs Service meets the challenge presented by its interception role.



STEPHEN MARTIN, MP  
CHAIRMAN



# Abbreviations

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AFP	Australian Federal Police
AFS	Australian Fisheries Service
ALRC	Australian Law Reform Commission
ANAO	Australian National Audit Office
ANPWS	Australian National Parks and Wildlife Service
AQIS	Australian Quarantine and Inspection Service
CAA	Civil Aviation Authority
CET	Contraband Enforcement Team
CPA	Cairns Port Authority
CTRA	Cash Transaction Reports Agency
CUSTOMS	Australian Customs Service
DASETT	Department of the Arts, Sport, the Environment Tourism and Territories
DCSH	Department of Community Services and Health
DDDU	Drug Detector Dog Unit
DEFENCE	Department of Defence
DILGEA	Department of Immigration, Local Government and Ethnic Affairs
DOTAC	Department of Transport and Communications
FAC	Federal Airports Corporation
FMIP	Financial Management Improvement Program
GBRMPA	Great Barrier Reef Marine Park Authority
NCA	National Crime Authority
OPAC	Operations and Program Advisory Committee
RAAF	Royal Australian Air Force
RAN	Royal Australian Navy
RSL	The Returned Services League of Australia
SKSA	Sydney Kingsford Smith Airport



# SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

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## 2. THE AUDIT REPORT ON PASSENGER AND CREW PROCESSING

### General Security Arrangements

The Committee recognises that as a result of the audit report, or through other initiatives, considerable steps have been made to improve security at international airports. These are noted earlier. (2.25)

However, the Committee is concerned about the question of pass issuing and control at international airports. The Committee considers that international airports, often with adjacent domestic facilities, pose an environment in which people should undergo some form of security check before being given employment. (2.26)

While noting that the number of pass issuing authorities has been reduced from 35 to 5 the Committee believes one issuing authority would be more satisfactory. Linked to this, Customs should not only be part of this single wider based system, but also maintain its own identification for Customs controlled areas at the terminals. (2.27)

The Committee endorses the proposal by FAC that the airport operator, suitably backed by relevant legislation should control security aspects at each airport. For privately controlled airports it is to be assumed that any such legislation would be so framed as to not restrict the normal operations of control by relevant authorities. (2.28)

The Committee concludes that further consideration is necessary by agencies to provide adequate control measures for vehicle access and egress from airports such as Sydney Kingsford Smith. (2.29)

The Committee recommends that DOTAC expedite steps to further reduce issuing authorities for Aviation Security Identification Cards to one authority and in so doing take note of the following:

- . the single authority be the airport operator;
- . background checks be made on all employees;
- . Customs Officers be included in those provided with ASICs (in addition to using Customs own identification); and
- . the need for appropriate legislative backing. (2.30)

The Committee recommends that DOTAC within existing consultative arrangements canvass effective arrangements for control of access and egress from airports that meets the requirements and responsibilities of all agencies in an even-handed manner. (2.31)

The Committee recommends that FAC expedites the examination of measures to control perimeter access and surveillance and that additional funding be allocated to put such measures into effect. (2.32)

### Insufficient use of Frisk - Search

The Committee accepts that the detention and search provisions in the Customs Act, through section 196, did not provide Customs with the capacity to undertake informal frisk-searches as sought in the audit examination. The Committee endorses the changes that are being introduced through the current legislative amendments. (2.39)

### Performance Indicators

While the overall question of illegal drug data will be referred to again in Chapter 5, the Committee concludes that the Passenger Processing Sub-program objective of increasing annually the number of interceptions of narcotics and other prohibited goods, within the framework of statistical data currently collected, provides the best alternative at present. (2.50)

The Committee would expect that analysis of detection levels would be kept under active review and reported on in Customs's annual reports. (2.51)

On the question of the use of random examinations, the Committee concludes that this is not at present an appropriate device to evaluate performance. (2.52)

The Committee recommends that Customs continue to keep its passengers processing performance measures under active review and report on the adequacy of the measures in its annual report. (2.53)

### Domestic Passengers

The Committee concludes that Customs is conscious of the need to be alert to the risk posed by domestic passengers, that Customs has rightly assessed that risk as low in overall terms and that steps taken as a result of the audit and the joint review with DILGEA will further improve control. (2.62)

## **Aircrew Processing Procedures**

The Committee concludes that the activity undertaken in relation to crew is adequate, particularly as this group is included in the joint review process. Nevertheless the Committee would expect that Customs would keep in mind the concerns outlined in the audit and ensure that airline crew are included in checking procedures on a regular basis. (2.66)

## **Drug Detector Dog Unit**

The Committee is satisfied that Customs is now paying adequate attention to the aspects that ANAO has referred to. (2.73)

## **Staff Training**

The Committee has some concern with the manner in which training is being handled in the Customs Service. The Committee notes that training is an issue raised in submissions on the other aspects of Customs under review. The training policy and the extent that Sub-programs have put it into practice raises corporate considerations which the Committee will address in the second report. Whether the issues raised concerning training at Sydney Airport suggest more needs to be done in terms of formal technical courses and bringing staff to a better understanding of the current policy will be considered at that time. (2.81)

## **Other Issues**

The Committee recommends Customs give early consideration to the funding requirements of the Passenger Processing Sub-program to make adequate facilities available to staff at international terminals. (2.91)

The Committee's observations lead it to conclude that curfew variations influence the staffing and resource disposition for passenger processing at international airports. (2.105)

The Committee would not wish to see any variation to Customs processing standards to meet changed requirements and would expect that increasing capacity either through extension of existing facilities, new facilities or increased flight/passenger loadings would be met by increased resources. (2.106)

The Committee recommends that any future decision to approve the establishment of a new international airport take account of:

- . the accessibility and adequacy of existing facilities;
- . the cost to the public purse; and
- . the effect on Customs resource deployment. (2.107)

The Committee recommends that the FAC instruct duty free operators to provide staff with uniforms clearly distinguishable from those of Customs Officers. (2.113)

The Committee recommends that the ANAO include health and safety issues in all audits concerned with operational efficiency.

### 3. COASTWATCH

#### Financing of Coastwatch

From submissions, informal discussions and its own observations the Committee formed the opinion that the 1988 decision to transfer responsibility for civil coastal surveillance to the Australian Customs Service has been vindicated. (3.64)

The subsequent bringing together of policy, operational control, contract administration, intelligence assessment and funding into one semi-autonomous agency has resulted in a streamlined and improved administration, more able to respond to the needs of client agencies. (3.65)

The review of operational requirements undertaken by Customs has resulted in new operational arrangements designed to overcome previous shortcomings, in particular the predictability of flights, and lack of offshore and night flying capacity. (3.66)

Satisfaction among major client agencies is at a high level, but submissions from some agencies and individuals indicate that there is a degree of ignorance about the changes which have taken place in Coastwatch administration. Similarly it appears that despite Coastwatch's efforts to expand its coverage to include areas from Perth northwards around the coast to the northern regions of NSW, some southern organisations do not perceive it as a viable alternative in provision of security. (3.67)

The Committee notes the intention of Coastwatch to develop and refine performance indicators to measure outcomes in such a way as to demonstrate effective value for money. The Committee agrees that this is desirable, as to ensure ongoing funding performance information will need to go beyond measures currently in place. (3.68)

The Committee recommends that further attention be given to the development of performance information which measures both operational effectiveness and effectiveness in meeting clients' needs. The latter should be via formal measurement techniques such as questionnaires or surveys rather than via anecdotal reports or informal impressions. (3.69)

The Committee also recommends that Coastwatch give attention to the measurement, in consultation with relevant agencies, of confidence in southern areas that Coastwatch can provide surveillance currently required. In conjunction with this exercise it would also be advantageous to gather information on possible future requirements arising from emerging high risk areas. (3.70)

#### 4. THE DRUG DETECTOR DOG UNIT

The Committee was impressed at each centre it visited by the potential of the DDDU to play a key role in drug interdiction. (4.33)

The Committee considers that there is scope in the future for wider deployment of DDDU teams to assist other Subprograms to contribute to the achievement of the Corporate Goal of Drug Interdiction. (4.34)

However, the Committee notes the current absence of comprehensive performance information by which to gauge the effectiveness and efficiency of the Dog Detector Program. It considers that such information needs to be collected, assessed and reported on a continuing basis. (4.35)

The Committee recommends that finalisation of the review of the DDDU as outlined in the Corporate Plan be accorded high priority. (4.36)

This review process should not be a one-off undertaking, rather the first phase of ongoing evaluation of the DDDU, involving continuing collection, assessment and reporting of performance information. (4.37)

The evaluation process should take account of all costs involved in training, salaries and upkeep of dogs, both those deployed in Customs operations and those trained for other agencies. (4.38)

Performance information gathered should include:

- . number of operations on which dogs are deployed;
- . number and significance of detections;
- . locations or situations of detections; and
- . type of drug(s) involved, with particular note being taken of the dogs' effectiveness in detecting powder drugs. (4.39)

## 5. DRUG INTERCEPTIONS

### The Performance of CET

The CET approach is an example of risk assessment in operation. The overall effectiveness of CET in comparison with resource input has not yet been demonstrated however, and ongoing analysis and evaluation of the program is necessary. In the absence of tangible results it is particularly important that attention be paid to the continued motivation and enthusiasm of CET members. (5.69)

The Committee recommends that Customs undertake an ongoing assessment of the effectiveness of the CET concept and include an evaluation of CET within its formal Evaluation Plan. (5.70)

### Port Security

The Committee concludes that the decision to cease the practice of 24 hour patrols in the ports of Newcastle and Port Kembla was well-based. (5.77)

The Committee concurs with the Customs view that it is inappropriate for Customs Officers to be deployed as gate keepers at ports. (5.81)

The Committee recommends that Customs initiate a 'Port Watch' campaign, designed to enlist maritime, commercial, and public support in the maintenance of port security in those ports where a Port Security Committee does not presently operate. (5.84)

### Areas for Further Development

The Committee considers that considerable potential exists within the Barrier Control Sub-program for increased computerisation at both local and national levels. (5.91)

The Committee recommends that priority be given to:

- . an expansion of computer resources within the Barrier Control Sub-program; and
- . provision of relevant training to ensure maximum benefit is obtained from increased computer access. (5.72)

The Committee considers that, as outlined in the Customs publication, *Drug Initiatives*, flexibility in the application of the rotation policy, and improved career path planning are required. (5.98)

The Committee recommends Customs executive management:

- . exercise flexibility in implementation of the Staff Rotation Policy, giving consideration to the needs of both individual officers and the Service as a whole. Particular attention should be paid to ensuring maintenance of expertise in specialised areas; and
- . ensure the provision of satisfactory career paths for Customs Officers. (5.99)

Although Customs believes the current ad hoc approach to be adequate, the Committee believes that in locations such as Broome and Darwin at least one officer should have formal qualifications in Indonesian. This officer could then provide a resource not only to Customs, but also to other agencies in the area such as Fisheries and Immigration. (5.102)

The Committee recommends that formal training in the Indonesian language be available to Customs Officers deployed in Northern Australia. (5.103)

### Assessing Effectiveness in Drug Interception

The Committee notes that efforts have been made in the past to quantify the level of drugs available, and these have not proved successful up to the present. The Committee considers that the Government should set aside funds to permit an accelerated study into the development of an appropriate data base, under the direction of a steering committee chaired at the top level of Customs and including AFP, NCA, state Police Forces as well as Health authorities. (5.118)

This is of the utmost importance to the measurement of the effectiveness of Customs' drug interception operations and in turn to the effectiveness of the Government's overall strategy against drug abuse. (5.119)

The Committee recommends:

- . that a Steering Committee, chaired by Customs and including representatives of the AFP, NCA, State Police and Health Authorities be established by the Government, and funded at the level necessary to allow it to undertake an accelerated study into the establishment of an appropriate database through which to measure the quantity of illicit drugs in Australia whether imported or locally produced. (5.120)

### How Performance is Measured Now

The Committee concludes that wide ranging analysis of drug interception data is required to underpin not only the development and prioritising of drug interception strategies, but also to ensure that in a budgetary sense the distribution of resources can be externally justified and adjusted where necessary. This would place Customs in accord with FMIP principles and move it closer to an appreciation of its effectiveness. (5.137)

As outlined earlier the Committee considers the need to establish the overall level of drug importation to be an issue of great importance. It is also necessary to keep account of the means by which drugs are imported and to link this with changes and developments in source countries. The Committee endorses the close co-operation that exists between Customs, AFP, the NCA and overseas law enforcement and Customs agencies in this regard. (5.138)

The Committee recommends that Customs undertake the development and assessment of performance measures to:

- identify the usage by illegal importers of each of the areas of threat identified in this report;
- maintain constant data on the means used to secrete illicit drugs; and
- analyse the efficacy of the means and processes used in drug interceptions

for the purpose of ensuring that inputs are directed to optimise outputs, that resources are utilised flexibly and effectively and are at all times justified in a budgetary sense in accordance with FMIP principles. (5.139)

# 1. INTRODUCTION

---

## Introduction

1.1 The operations of the Australian Customs Service have a direct or indirect effect on practically every Australian. Many of us are travellers, some are importers but hardly anyone can deny the possession and use of some product that was manufactured overseas.

1.2 Tasks of Customs include:

- . levying the correct duty, if indeed duty should be paid;
- . collecting sales tax - for the Australian Taxation Office;
- . maintaining community protection requirements on its behalf or at the request of quarantine or health authorities; and
- . ensuring immigration requirements are met.

They touch the community widely.

1.3 While the detail and to some extent the emphasis may have changed to meet emerging requirements of successive governments, Customs in a wider sense has been with us for a great many years. The origin of the term 'Customs' can be traced back to the Roman Empire where a well developed system of import and export duties existed. There are later references through history to terms such as dues, prisage (a wine tax), rates and tariff. These terms are all connected with charges being made on the import and export of goods and produce. It is said that the payment of duty ensured Royal protection and it became the custom of the King to take this toll; hence the use of the term.

1.4 Customs laws were consolidated in the United Kingdom in the middle of the Nineteenth Century and were then adopted into the Australian colonies in this consolidated form. Customs then was one of the first administrative functions absorbed by federal authorities at the time of Federation in 1901.

1.5 The Committee has observed that the Customs Officers of today are steeped in the traditions of their Service. Nevertheless in the aspects of Customs examined by the Committee, Customs officers also demonstrate an enthusiasm for innovation and a dedication for service that warrants a general respect for a diverse and often difficult task well done.

1.6 Balancing the legislative requirements with a need to not hinder clients, whether they be travellers or industry, is forefront in the Customs approach. The Committee has identified areas where improvements might be made, where a different emphasis or increased resource application might be applied. These are referred to in this report. Their adoption would in the Committee's view, go to an improved and more effective Customs Service.

## **The Inquiry into the Australian Customs Service**

1.7 On 7 September 1989 the House referred to the Committee the Auditor-General's Report No 17 of 1989-90 Australian Customs Service - passenger and crew processing. Subsequently a wider inquiry into Customs was discussed with the Minister of the time.

1.8 That inquiry did not eventuate and was revived in the present Parliament following discussion with the present Minister.

1.9 These further discussions led to the present inquiry which was referred to the Committee by the Minister for Small Business and Customs on 17 May 1990.

## **The Conduct of the Inquiry**

1.10 The inquiry was advertised on 26 May 1990 in the major daily newspapers and submissions were sought directly from relevant Commonwealth Government Ministers, State Governments and interested organisations.

1.11 At a meeting on 1 June 1990 the Committee resolved to appoint a Committee to conduct the inquiry. The inquiry commenced on 21 June 1990 with an informal briefing by senior Customs managers. This was a useful forerunner to a wide ranging program of inspections and briefings to familiarise the Committee with the workings those elements of Customs with which the inquiry was concerned. The inspections were conducted between 22 June 1990 and 6 September 1990 and took members as far afield as Melbourne, Broome and Cairns. A list of the inspections and informal discussions undertaken is at Appendix A.

1.12 Forty-six submissions were received from Ministers, Commonwealth and State agencies, industry and other associations as well as individuals including former officers of the Customs Service. Not all of these submissions apply to those matters dealt with in this first report. A list of all submissions received is at Appendix B.

1.13 Evidence was taken at public hearings; those applicable to this report were held in:

Canberra - 26 July 1990

Canberra - 17 September 1990

1.14 A list of the witnesses who gave evidence at these hearings is at Appendix C.

1.15 The transcripts of the public hearings and other evidence authorised for publication have been incorporated in separate volumes and copies are available for inspection in the Committee Secretariat and Parliamentary Library.

### The Scope of this Report

1.16 The terms of reference required the Committee to examine a number of discrete functional areas of the Australian Customs Service while being overlaid with a consideration of particular facets of the program management system of the whole organisation. In conducting the inspections it was found that there were considerations arising from the submissions received on the Import/Export Control Sub-program that were not relevant to the other program elements under review.

1.17 In view of this, the Committee decided to separate its task into two segments and report, firstly on:

- . Audit Report 17 - passenger and crew processing
- . Coastwatch
- . Drug Detector Dog Unit
- . Drug Interceptions.

1.18 In this report there is comment on specific program management issues which relate to the aspects of Customs activity referred to above.

1.19 The second report, to be completed early in 1991, will address Imports/Exports and the wider issues of program management.

## The Common Thread - The Customs Barrier

1.20 There is a common thread flowing through Customs activity with passengers, the dog unit, drug interception generally and ACS civil surveillance needs. They all relate to the 'barrier', described metaphorically by Customs as the picket fence that encircles Australia.

1.21 ALRC Discussion Paper No 35, 1989, which was provided to the Committee describes the barrier in the following terms:

*The concept of the barrier.* All persons, goods, ships and aircraft arriving in or departing from Australia must come to the Customs 'barrier'. It is there that Customs discharges its responsibility of ensuring that no persons or goods enter or depart the country contrary to Australian law. That responsibility can be given effect only if persons or goods entering or leaving do so at particular ports or airports. Accordingly, the Customs Act 1901 (Cth) provides for the appointment of ports or airports for that purpose.  
(p. 1,)

1.22 At capital city ports and airports the Customs Barrier is clearly visible as a physical separation of space, as demonstrated by the following two examples:

- . the controlled space in an airport's overseas passenger terminal where all passengers and crew are processed through the formalities involved in entering Australia; and
- . the controlled space at container wharf or depot where goods are not made available for delivery until cleared.

1.23 The Barrier is similarly visible at the many other locations that make up the Customs network across the country.

1.24 Much less visible but very much part of the protection of the Barrier is the amalgam of intelligence, risk assessment, local contact and publicity which Customs employs to link up the remote areas of the continent.

1.25 To give some idea of the extent of the Barrier a submission to the inquiry noted that Australia's coastline measures more than 36.7 thousand kilometres, and that Customs jurisdiction extended 12 kilometres seaward as well as to other areas particularly specified in legislation (Evidence, p. S478). It is the aim of Customs that for the purposes of the provisions of the Customs Act and the legislation it administers on behalf of other agencies that the 'picket fence' will not be breached in contravention of any of the various laws involved. In a wider sense Customs is providing protection to a range of vital Australian interests - local industry from damaging imports; rural industry from exotic pests and diseases; the population from infectious diseases, illegal drugs etc as well as illegal immigration.

## Enforcing the Barrier

1.26 No matter what resources were to be made available it is not possible for Customs to provide a physical presence to maintain the Barrier in a complete sense. Neither is it practicable to anticipate that each passenger, their baggage, each container, carton, ship or aircraft could be closely assessed. Considerable emphasis was given by Customs to the use of risk assessment based on intelligence to identify areas of risk or specific targets for examination. In their respective spheres the passenger processing staff, the Coastwatch service, the Drug Detector Dog Unit and other elements of Customs examined by the Committee such as the mobile Contraband Enforcement Teams contributed to the enforcement effort.

1.27 How this enforcement effort is practised in the context of risk assessment and management is considered in later chapters.

## The Modern-Day Customs

1.28 Customs believes that governments over the last 10 or 15 years have seen the Australian Customs Service as the primary government organisation at the Barrier. Customs therefore performs a range of functions on behalf of other agencies which in most instances have been put into effect with the exchange of a formal memorandum or agreement.

1.29 In exploring this further in an informal briefing with the Committee, the role of the modern-day Customs was developed into five separate facets:

- . Control - a fabric with which government seeks to administer laws on goods and people entering and leaving the country;
- . Enforcement - a responsibility to identify and follow-up on those who do not abide by the law;
- . Facilitation - which attempts to expedite and minimise interference with those who abide by the law;
- . Co-operation - an ability to maintain good relationships with other organisations with which Customs worked closely on a day to day basis; and
- . Service - the potential to influence national objectives outside the traditional Customs regime such as in tourism or waterfront reform.

### Facilitation Versus Control

1.30 The issue of facilitation versus control was touched on directly or indirectly in a number of submissions. The emphasis that should be given to one against the other has the Committee understands been a perennial question.

1.31 Dr David Day, A Visiting Fellow at the Australian National University writing in the Australian Customs History Journal, No 1, June 1989 described reconciling the Service's duty to uphold the provisions of the Customs Act with that of facilitating the free flow of trade as a persistent problem.

If the Service is too rigorous in searching for contraband, the trade and passengers passing through ports and airports is impeded, importers and exports are inconvenienced and a considerable cost to the community is incurred. The Service then faces an outcry from traders and manufacturers for doing its job too well! On the other hand, if the heavy hand of the Customs Service is relaxed too much, there is an equivalent outcry from the community against being swamped by contraband and from the Government for losing essential revenue.

1.32 Customs submitted that the environment in which it operated was complex and changing. The policies of government were administered against the pressures and demands of commercial clients, international travellers, the public and other government agencies. Such demands included calls for increased facilitation and clearance of goods or to provide speedy processing in the face of dramatic increases in passenger numbers as against community and government expectations for control at the Customs barrier.

1.33 In the face of resource limitations, steps in technological change, and the very size and nature of the barrier, Customs was endeavouring to balance requirements for facilitation with the need for control through the principles of risk management. Customs indicated where goods, people or transactions were determined to be low risk in terms of non-compliance with legislative requirements, facilitation was maximised. In a contrary fashion where high risk was identified, then control and enforcement were brought to bear (Evidence, p. S30).



## 2. THE AUDIT REPORT ON PASSENGER AND CREW PROCESSING

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### The Audit Report

2.1 ANAO conducted an audit of Customs control over passenger and crew processing at Sydney and Hobart International Airports in January/February 1989. The resulting report was tabled in the House of Representatives in September 1989.

2.2 The Committee visited the International Terminal at Sydney Kingsford Smith Airport (SKSA) and, by way of contrast, also inspected the international facilities at Melbourne's Tullamarine Airport, the new international terminal at Cairns and briefly inspected Proserpine and Hamilton Island facilities during an inspection in the Mackay area.

2.3 The Committee endorses the ANAO finding that the overall operations of Customs provide an efficient and effective service in the processing of passengers and crew.

2.4 However, the audit report drew attention to the following seven control weaknesses and deficiencies, each of which was examined in detail by the Committee:

- . weaknesses in general airport security arrangements at Sydney Airport;
- . insufficient use of frisk-searches to detect concealed prohibited goods;
- . the lack of sufficient data on the extent and nature of prohibited goods carried by passengers and crew to assess the effectiveness of the sub-program;
- . inadequate control over domestic passengers travelling on international flights;
- . inadequate checks of airline crews;
- . inadequate use of drug detector dogs to detect narcotics in passenger and crew baggage; and
- . insufficient formal refresher training courses for all staff.

## General Security Arrangements

2.5 While the Audit report acknowledged that FAC was responsible for general airport security and for the issue of permanent and temporary identification passes and keys, the tenor of the criticisms in the report was that Customs should have been doing more in specific areas and appeared by implication to be responsible for breakdowns.

2.6 In submissions and in evidence before the Committee it was accepted that DOTAC and FAC had a wider role than Customs in airport security issues.

2.7 DOTAC in its submission outlined the legislative basis for its responsibility for aviation security matters and provided some comment on the findings in the audit report. DOTAC made clear it had primary carriage of the regulatory function for aviation security (Evidence, pp. S286-289).

2.8 FAC outlined steps taken by the Aviation Security Advisory Committee to adopt new procedures for the issue of Aviation Security Identification Cards (ASIC's). Card design and issue guidelines had been provided by DOTAC. Steps for a new access control system were also outlined by FAC (Evidence, pp. S151-165).

2.9 In evidence before the Committee, Customs was able to point to initiatives at SKSA meeting some of the criticisms in the Audit report which had created a more secure environment for its administration:

- . locks on doors;
- . surveillance cameras in the basement area;
- . discussions with DOTAC on vehicle access and egress controls;
- . discussions on the feasibility of a single issuing authority for security passes; and
- . consideration on integrity checks for security pass holders (Evidence, pp. 4-6).

2.10 The ANAO in evidence also acknowledged that responsibility for security measures went wider than Customs but pointed to the value that had flowed from the audit.:

.... it has clearly been a catalyst for all organisations involved in the security of airports, particularly when noting the Committees that have been established where the major players have been involved in considering issues of importance to them all (Evidence, p. 65).

In the remainder of this section the Committee deals in detail with major security issues.

### Security Passes / Integrity Checks

2.11 The major concern for Customs was a knowledge of who had access air-side and what their background might be, particularly from a concern for internal conspiracy activity thereby voiding Customs control on prohibited imports. Customs saw the need for a 'total security environment' including control over access and egress of vehicles on the tarmacs. Customs was concerned that cleaning contractors, DOTAC, FAC and airline operators were presently able to issue passes. This was seen as a significant flaw in overall security arrangements (Evidence, p. 5).

2.12 Customs told the Committee that their concern would be lessened if there was knowledge available both of who could get airside and of any previous criminal involvement of those persons (Evidence, p. 6).

2.13 In its submission FAC had outlined that five authorities - Qantas, Ansett, Australian, DOTAC and FAC - were responsible for issuing ASIC's to non-Customs personnel. In evidence it was established that Customs relied on its own identification passes. While noting the value that Customs identification plays, the Committee considers that Customs should join with other airport authorities in the use of a standardised identification pass (Evidence, p. S151, p. 147).

2.14 FAC sympathised with the need for a single issuing authority and background checks but saw a number of associated practical problems; one example was the enormous number of contractors involved in new construction at Sydney airport working not only for FAC but also for Qantas, Ansett, Australian, and other FAC tenants. The concept of having to go to one issuing authority for a day pass had real practical difficulties in the present situation (Evidence, p. 49).

2.15 In evidence DOTAC informed the Committee that, in consultation with government agencies and industry, three broad areas were under active consideration. These comprised:

- . the number of issuing authorities, already reduced from 35 to 5 - with further rationalisation under review;
- . background checks - where a draft questionnaire had been developed. Privacy aspects and the need for legislative backing were said to be under consideration; and
- . arrangements for temporary or escort cards, to cover short-term visits into controlled areas (Evidence, pp. 58-59).

2.16 On the question of one issuing authority DOTAC offered either the airport operator or alternatively an identified airport security force such as the Australian Protective Service as a possible solution (Evidence, p. 59).

2.17 When the Committee put the same issue to FAC they responded strongly that the airport operator ought to be responsible for security on its airports and it ought to have the legislative support necessary (Evidence, p. 51). The Committee agrees with this view as providing the most logical solution.

### **Access Control**

2.18 In evidence before the Committee the FAC outlined the scope of a new access control system for Sydney Airport. It indicated that the existing system was limited to 50 access control points, of which most were on aerobridge doors. The new system was envisaged to have approximately 400 control points, of which approximately 230 will be doors. The new system would also include integration with closed-circuit television with all points being alarmed. As an additional safeguard the new system would cover airport lifts which currently were not controlled (Evidence, pp. 42-43).

2.19 FAC went on to advise the Committee that the new system, to be monitored from a central location, had been reviewed and agreed to by DOTAC, Attorney-General's Department, Customs, Qantas, the Airline Operators Committee and other interested parties. As a further point the system selected would then be used in new airport facilities at Darwin, Alice Springs and for extended areas of Tullamarine Airport, Melbourne (Evidence, p. 43).

2.20 The Committee accepts that these measures will go a long way to improving access door control in the various international terminals and sees their further extension to other international airports as a welcome and logical step.

### **Perimeter Fence Control**

2.21 In evidence Customs expressed concern about the perimeter security of Sydney Airport and vehicle access and egress. The Committee took the question of perimeter security further with the FAC, questioning how the security of perimeter fences at airports was policed.

2.22 The FAC responded that there were standards established that provided for minimum criteria for fencing as well as air-side patrols. Secondly, gatehouses at various locations around the airport controlled access through the land-side/air-side barrier. Further, the FAC stated that there were various activities such as air-side registrations and colour coding being trialled to identify vehicles and their legitimate locations.

2.23 Noting that this type of security was often obvious with flashing amber lights on the vehicles involved the Committee asked whether more discreet means of identification were being considered. The FAC responded that this was in view, outlining as possibilities the use of laser activity or cameras to be tied to their central monitoring location (Evidence, pp. 45, 46, 53, 54).

### **Security Cameras - Random Surveillance**

2.24 Customs had noted in its submission that security cameras had been installed in the Outwards Control Point and transit lounges and that tarmac operational strategies had been implemented to increase random surveillance and search capacity in tarmac areas. The Committee observed these aspects during inspections at Sydney, Melbourne, and Cairns airports (Evidence, p. S16).

### **Conclusions**

2.25 The Committee recognises that as a result of the audit report, or through other initiatives, considerable steps have been made to improve security at international airports. These are noted earlier.

2.26 However, the Committee is concerned about the question of pass issuing and control at international airports. The Committee considers that international airports, often with adjacent domestic facilities, pose an environment in which people should undergo some form of security check before being given employment.

2.27 While noting that the number of pass issuing authorities has been reduced from 35 to 5 the Committee believes one issuing authority would be more satisfactory. Linked to this, Customs should not only be part of this single wider based identification system, but also maintain its own identification for Customs controlled areas at the terminals.

2.28 The Committee endorses the proposal by FAC that the airport operator, suitably backed by relevant legislation should control security aspects at each airport. For privately controlled airports it is to be assumed that any such legislation would be so framed as to not restrict the normal operations of control by relevant authorities.

2.29 The Committee concludes that further consideration is necessary by agencies to provide adequate control measures for vehicle access and egress from airports such as Sydney Kingsford Smith.

### *Recommendations*

2.30 The Committee recommends that DOTAC expedite steps to further reduce issuing authorities for Aviation Security Identification Cards to one authority and in so doing take note of the following:

- . the single authority be the airport operator;
- . background checks be made on all employees;
- . Customs Officers be included in those provided with ASICs (in addition to using Customs own identification); and
- . the need for appropriate legislative backing.

2.31 The Committee recommends that DOTAC within existing consultative arrangements canvass effective arrangements for control of access and egress from airports that meets the requirements and responsibilities of all agencies in an even-handed manner.

2.32 The Committee recommends that FAC expedites the examination of measures to control perimeter access and surveillance and that additional funding be allocated to put such measures into effect.

## Insufficient use of Frisk - Search

2.33 The ANAO found that greater use should be made of powers in the Customs Act, provided under section 196 currently for the detection and search of suspected persons, to 'frisk' passengers whose baggage was being examined.

2.34 ANAO considered that assessment of passengers and crew should relate to the passenger or crew member as a whole, that is, both baggage and person. Thus if a passenger or crew member fitted a risk profile, which appeared applicable to the person involved, Customs officers should consider performing both a baggage search and a frisk-search of the outer garment.

2.35 Although in informal discussion, the Law Reform Commission had posed the view that section 196 gave Customs officers adequate powers, the Committee is sympathetic to the view that the nature and operation of section 196 does not allow a relatively quick, unobtrusive on the spot check of a passengers clothing to eliminate an officer's concern.

2.36 Customs in evidence outlined that under section 196 the officer involved must first develop reasonable cause to suspect that a person may be carrying illegal goods. The officer would then need to substantiate or justify that reasonable cause to a more senior officer. Customs saw the ANAO criticism being met by officers being allowed or given authority to pat down a pocket to ascertain what a bulge might be (Evidence, pp. 12-13).

2.37 During the audit, Customs had advised ANAO of legislative changes planned to introduce a frisk-search capability. The Committee notes that the Customs (Detention and Search) Bill 1990 which was passed in the House of Representatives on 22 August 1990, during the currency of the inquiry, introduces a frisk-search as the least intrusive form of search.

2.38 Customs summed up the frisk-search capability as a way to satisfy their suspicions in a far easier manner than in the past. It would prove beneficial for passengers in that Customs would be able to satisfy those suspicions much more quickly and therefore detain innocent people for a much shorter period (Evidence, p. 13).

### **Conclusion**

2.39 The Committee accepts that the detention and search provisions in the Customs Act, through section 196, did not provide Customs with the capacity to undertake informal frisk-searches as sought in the audit examination. The Committee endorses the changes that are being introduced through the current legislative amendments.

## Performance Indicators

2.40 In approaching this finding it was ANAO's view that Customs management would be unable to monitor the performance of the Passenger Processing Sub-program in improving the interception of prohibited goods including narcotics if it was in fact unaware of the total extent and nature of the prohibited goods carried by passengers and crew.

2.41 ANAO had noted that such information was not kept by Customs and was querying how effectiveness could be assessed in that situation. ANAO went on to suggest that ongoing monitoring of the composition of non-compliance to evaluate the contribution made by current intuitive techniques and to be alert to emerging trends would be useful steps to counter any changes made by the criminal element in a timely manner.

2.42 In its examination of this issue the Committee encountered a difficulty that is encountered by all law enforcement bodies involved in illegal drug interception - knowledge of the actual quantity of drugs produced, imported or available in the market-place. Evidence on this problem was also taken from Customs, the AFP and NCA when the Committee was examining Drug Interceptions. This is dealt with in Chapter 5.

2.43 Customs admitted in evidence in responding to the audit finding that it had long had difficulty in determining just how much of the drugs that were brought into the country that it actually detected. In consequence it had set its performance target as an increasing level of detection on an annual basis (Evidence, p. 23).

2.44 To overcome this difficulty Customs stated it maintained detailed statistical data not only on processing performance against defined standards of service but also on the detections that might be found at an international airport be they quarantine, revenue, prohibited goods or otherwise. Continual analysis of this data was linked in with the risk rating of incoming flights to assess how resources should best be applied (Evidence, p. 20).

2.45 When the Committee inspected Sydney Kingsford Smith and Melbourne's Tullamarine international terminals it observed how Customs put this analysis into practice through its computerised STOP system and the teams of officers that moved through the baggage collection areas observing passenger behaviour on a random or targeted basis.

2.46 Customs linked in its procedures the requirements of control based on risk assessment with the need for a facilitated processing of passengers through the airports. It was stated that a notional level of not more than 10 per cent of baggage examinations was set but in practice not necessarily adhered to if officers on their assessment judged more passengers warranted particular attention. Customs claimed it monitored the results of these examinations and provided continual feedback to the officers making the judgements for examination (Evidence, pp. 20-21).

2.47 Customs, in evidence, asserted that at all times it was endeavouring to increase officers' awareness of the outcome of their efforts so that judgements of who should be subject to examination would be influenced to a better result.

2.48 The Committee also questioned Customs on the use it made of random searches to gauge how significant the targeted approach might have been.

2.49 In response Customs outlined that random searches had basically been abandoned apart from what were termed saturation checks on particular flights where all passengers and baggage were checked. This process gave Customs the opportunity of assessing their performance when doing a 100 per cent baggage examination. The following were put to the Committee as factors discouraging the use of random selection for a routine baggage examination:

- . the number of passengers that would have to be selected for a random examination to provide a statistically viable group, with detrimental effect on facilitation targets;
- . that a proper random check would entail examination beyond baggage, to the passenger - bringing in the question of strip searches and internal checks as provided in section 196, without the justification that the legislation requires to authorise such a search; and
- . previous experience when random examinations were applied some years ago with negligible positive results (Evidence, pp. 21-22).

### **Conclusion**

2.50 While the overall question of illegal drug data will be referred to again in Chapter 5, the Committee concludes that the Passenger Processing Sub-program objective of increasing annually the number of interceptions of narcotics and other prohibited goods, within the framework of statistical data currently collected, provides the best alternative at present.

2.51 The Committee would expect that analysis of detection levels would be kept under active review and reported on in Custom's annual reports.

2.52 On the question of the use of random examinations, the Committee concludes that this is not at present an appropriate device to evaluate performance.

### *Recommendation*

2.53 The Committee recommends that Customs continue to keep its passengers processing performance measures under active review and report on the adequacy of the measures in its annual report.

### **Domestic Passengers**

2.54 ANAO found in its examination of passenger processing that domestic passengers (international passengers undertaking a domestic sector) on international flights were able to mix freely with international passengers on the flight and were treated by Customs as low risk. ANAO was concerned that a domestic passenger who could have obtained prohibited or dutiable goods from an international passenger was unlikely to be selected for examination, including frisk-search.

2.55 ANAO also found that records were not being kept on the extent of examinations of domestic passengers.

2.56 The possibility of an international passenger passing prohibited goods to a domestic passenger by arrangement on the same flight was also put to the Committee in a written submission (Evidence, pp. S132-133).

2.57 Customs submitted a number of points to the Committee in responding to the ANAO findings:

- . it did not favour mixing domestic and international passengers;
- . domestic passengers were risk assessed and checks undertaken;
- . experience had shown the associated risk to be low;
- . risk profiles were regularly re-assessed; and
- . a review of domestic processing was under consideration by DILGEA and Customs (Evidence, p. S18).

2.58 In responding to Committee questions on this matter Customs agreed on its possibility but considered that in overall assessment terms the particular threat posed was not high.

2.59 Customs advised the Committee that passengers who were regarded as 'domestics' had already been subject to Customs control adding that while in the baggage collection area domestic passengers were subject to the same surveillance as ordinary international passengers. On a further point, Customs assured the Committee that flights were assessed for risk and where a high risk flight was involved the attention given to that flight when it travelled on to further airports with domestic passengers on board would be significantly higher (Evidence, pp. 14-16).

2.60 Referring in evidence to the review undertaken with DILGEA, Customs stated that tighter procedures involving a two-part card with a reference number to identify movements would assist both agencies to undertake checks should they be required. Customs advised the Committee that the review had gone forward for Cabinet consideration (Evidence, p. 15).

2.61 Customs also noted that drug dog examination of hand baggage of airline passengers applied to domestic passengers (Evidence, p. 17).

### **Conclusion**

2.62 The Committee concludes that Customs is conscious of the need to be alert to the risk posed by domestic passengers, that Customs has rightly assessed that risk as low in overall terms and that steps taken as a result of the audit and the joint review with DILGEA will further improve control.

### **Aircrew Processing Procedures**

2.63 The findings of the audit indicated that procedures for checking crew possessions, baggage search and the records of checks that had been made were deficient; in addition, crew identification was not being verified. ANAO suggested the identity of crew be checked against their identification card photograph to ensure clearance was effectively controlled.

2.64 Responding to the audit findings Customs noted that crew were risk assessed in the same manner as passengers, that being professional employees they presented a negligible risk in terms of false identity and that the review referred to concerning domestic passengers also applied to crew (Evidence, p. S19).

2.65 In evidence Customs added that their computer system which contains information or alerts on particular persons also includes airline crew if they had come to the attention of any of the law enforcement agencies contributing to that system. In addition crew were subject to targeting by the Sierra (baggage hall surveillance) teams and by the marshalls manning the gateways out of the Customs areas. Customs stated it used the result of those targeting exercises as a basis for assessing crew risk (Evidence, p. 16).

### ***Conclusion***

2.66 The Committee concludes that the activity undertaken in relation to crew is adequate, particularly as this group is included in the joint review process. Nevertheless the Committee would expect that Customs would keep in mind the concerns outlined in the audit and ensure that airline crew are included in checking procedures on a regular basis.

### **Drug Detector Dog Unit**

2.67 The audit found that drug dogs were used sparingly at airports and only to a limited extent on passenger's hand baggage. ANAO also considered that the effectiveness of the Drug Detector Dog Unit (DDDU) should be reviewed.

2.68 In its submission Customs put forward the following:

- . drug dogs are used to assist in the detection of narcotics at international airports, both to screen baggage prior to delivery to the baggage hall and to check passengers hand luggage;
- . dogs are also used to check aircraft interiors on a risk assessment basis;
- . drug dog teams had been credited with significant seizures at airports; and
- . since the audit the number of dog teams operating in Sydney had increased (Evidence, p. S22).

2.69 The use of the DDDU is examined fully in Chapter 4 and the issues implicit in the above are dealt with in the examination.

## Lack of Maintenance of Records

2.70 ANAO reported that the records maintained in the tarmac patrol daily log book at Sydney did not record:

- . light aircraft searches;
- . inspection of document bags;
- . search of mail placed in the departure foyer mail box; and
- . septic tank screening checks.

2.71 The Customs submission contained the following responses:

- . light aircraft searches were not routinely performed. They were carried out when considered warranted, based on intelligence information;
- . light aircraft are assessed as a low risk category because of the lack of capacity in such aircraft to carry prohibited goods;
- . detailed records of positive finds/operations are recorded and reported monthly;
- . positive and negative information is recorded on the Flight Risk Register which is part of the STOP computer system; and
- . the other searches referred to were performed but not recorded because they were routine procedures (Evidence, p. S23).

2.72 The Committee noted the Customs response. During its Sydney airport inspection the Committee observed the STOP computer system and was assured of its effectiveness.

### **Conclusion**

2.73 The Committee is satisfied that Customs is now paying adequate attention to the aspects that ANAO has referred to.

## Staff Training

2.74 ANAO noted that apart from an initial training program there were no formalised refresher courses for Customs airport staff. ANAO suggested that refresher courses be conducted along with courses for all staff in foreign languages, body language, interrogation techniques and the taping of interviews.

2.75 In response, Customs submitted to the Committee that the Passenger Processing Sub-program provided retraining for existing staff and training of newly rotated staff when needed; in addition courses were provided on the specific topics mentioned (Evidence, p. S24).

2.76 As the Committee had received a separate submission from a Sydney Airport staff member who asserted that, to his knowledge, no retraining had occurred in the last five years, the Committee considered the issue warranted further examination (Evidence, p. S167).

2.77 The current strategy for training in Customs has been developed to meet recruitment, training and career development needs within its program management arrangements. The policy applied has as its main features a redefinition of responsibility to place that with individual officers for their own development, and on managers for the development of their staff and specific technical training opportunities required within each Sub-program.

2.78 Management and administrative skills training and new recruit training are also specifically catered for. On the latter, greater emphasis is placed on workplace based training within the respective Sub-programs rather than formal classroom instruction.

2.79 The Committee questioned Customs on training activity in Passenger Processing Sub-program. The Committee was advised, using Sydney Airport as an example, that training was considered as an ongoing process, covering continual on-the-job development of staff by supervisors, regular communication meetings between shift managers and their staff as well as specific formal activity such as a client contact workshop then occurring.

2.80 Customs airport management asserted that initial formal training backed by constant on-the-job development, including a balance of relevant technical training, was the best means to ensure staff were at a required skill level. Due regard had to be paid to processing priorities but occasional delays were inevitable and accepted when formal training occurred (Evidence, pp. 25-26).

## **Conclusion**

2.81 The Committee has some concern with the manner in which training is being handled in the Customs Service. The Committee notes that training is an issue raised in submissions on the other aspects of Customs under review. The training policy and the extent that Sub-programs have put it into practice raises corporate considerations which the Committee will address in the second report. Whether the issues raised concerning training at Sydney Airport suggest more needs to be done in terms of formal technical courses and bringing staff to a better understanding of the current policy will be considered at that time.

## **Other Issues**

2.82 During its examination of the audit report on passenger and crew processing, the inspections that the Committee made of the international terminals at Sydney, Melbourne, Cairns, Proserpine and Hamilton Island raised a number of other issues of concern to the Committee.

2.83 Opportunity was taken to question Customs and FAC, as appropriate, on some of these issues at the Committee hearings. Comment is provided on the following:

- . Accommodation and Furniture
- . Signage in Terminals
- . Staffing/ Airline Scheduling/Curfews
- . Marketing of Systems and Procedures
- . Information Sharing between Agencies
- . Duty Free Operators - Uniforms

## **Accommodation and Furniture**

2.84 On its inspections the Committee noted a distinct contrast between those areas of Sydney and Melbourne terminals frequented by passengers and the office areas where Customs Officers were required to work. The PASS (Passenger Alert Selection System) control room in Sydney, which contains a large number of TV monitors and associated equipment, was particularly crowded. The Sierra staff in Sydney appeared crowded and the furniture in that control room appeared inappropriate for the purposes for which it was being used. Search/interrogation rooms at both airports were considered to be poorly furnished with old desks and chairs evident.

2.85 The Committee questioned Customs whether it considered conditions for officers at Sydney Airport adequate in terms of space, furniture, lighting and amenable conditions. Customs noted there was little opportunity to undertake improvements without major redevelopment of the terminals. Customs indicated that FAC, which provides the overall space, had been approached on conditions applying at Sydney, Melbourne and Brisbane. Refurbishment and furniture funding was an issue for Customs within its internal program funding arrangements.

2.86 Customs also noted that in Sydney improvements had been made instancing officer input to the design of new modules at the inwards and outwards control points and rubber cushioning in the baggage examination area. Ergonomic furniture, painting and amenities were being progressed as funds permitted (Evidence, pp. 28-31).

2.87 The Committee noted an evident contrast at Cairns where the new terminal incorporated modern design features for Customs processing. Separation of the inwards control point, baggage collection and baggage examination into three distinct areas with oversight from an elevated PASS/TV monitor room were particularly pleasing aspects. Again Customs office furniture was obviously old but assurances were locally provided that funding was being made available for replacements.

2.88 FAC advised the Committee that, apart from daily contact, the formal consultative arrangements operating at the airports would provide an avenue for discussions on accommodation issues. In addition a Customs representative was on a committee 'that meets every two weeks to talk about the facilities, the requirements and the layout of the new terminal facility' (Evidence, p. 53).

2.89 The Committee found that the airport staff it approached demonstrated dedication and enthusiasm for their task despite the somewhat difficult working conditions. The Committee accepts that natural lighting is not available readily and that adequate space in older facilities may not match changes in practice and procedures. Bearing in mind the constraints imposed by the physical size and design of the older building, the Committee urges Customs to endeavour to upgrade the working conditions at the old terminal to a similar standard.

2.90 It noted that Customs had considerable input to Sydney Airport Redevelopment planning to ensure that the new terminal building contains facilities adequate for the various passenger processing operations eg. well furnished and equipped Sierra and PASS Control rooms.

## **Recommendation**

2.91 The Committee recommends Customs give early consideration to the funding requirements of the Passenger Processing Sub-program to make adequate facilities available to staff at international terminals.

## **Signage in Terminals**

2.92 The Committee noted a distinct contrast between the signs directing passengers through and to particular areas at Sydney and Melbourne terminals and those found for example in the new Cairns facility. Committee members had noted that signs suspended from the roof were either disregarded or not seen whereas the flashing and multilingual signs at passenger height appeared more obvious in the new Cairns terminal.

2.93 FAC told the Committee of efforts in train to improve signs at their Sydney terminal where specialists in signage logic were being utilised both outside and inside the terminal. FAC anticipated that airline carriers and Customs would be consulted on their respective needs  
(Evidence, p. 55).

2.94 The Committee appreciates that providing all embracing signs directing passengers (often tired and confused) has practical difficulties, and is only one of a number of airport aspects that could impact on a passenger's impressions of Australia.

2.95 The Committee is heartened that this matter is under active consideration and expects that any improvements developed for the terminal extension at Sydney Airport would flow on progressively to other FAC controlled terminals.

## **Staffing/ Airline Schedules/ Curfews**

2.96 The Committee introduced this topic through discussion with Customs on the adequacy of resources and staff numbers within the Passenger Processing Sub-program.

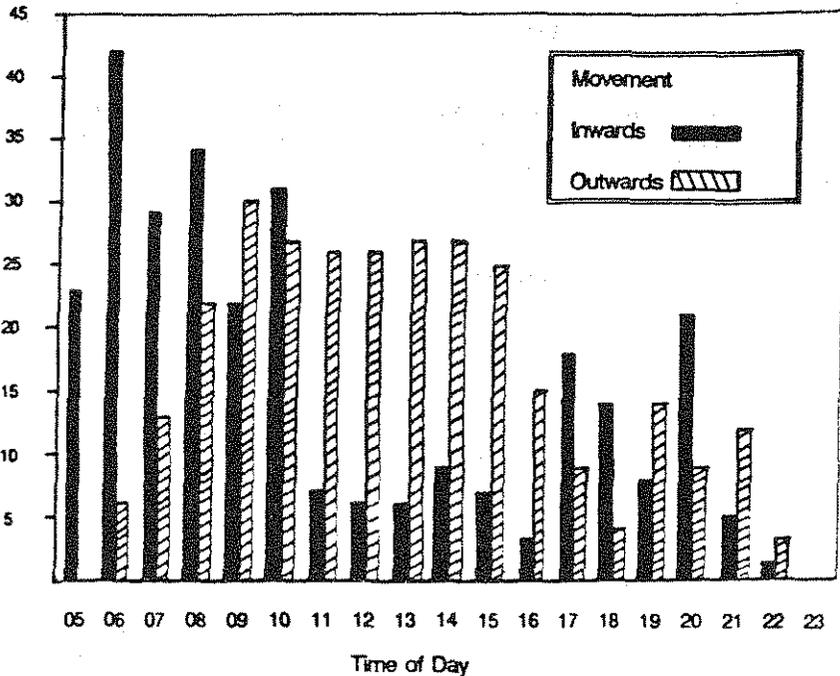
2.97 Passenger processing is one area of Customs which is under considerable pressure given the need for Customs to maintain its standard of service - 95 per cent of passengers through to Customs facilities in 30 minutes. Customs faces a demand driven workload with growth potential in terms of increasing international travellers to Australia. Against this Customs must balance staff numbers to make the best use of their resources in terms of shift routines so that delays during peaks are minimised and staff are not wasted during low periods.

2.98 Customs acknowledged that it could not expect a staff level which catered for peak processing periods. They were involved in scheduling arrangements and were conscious of the scheduling rules and the number of passengers that could be landed at any particular time at all airports. Information of that nature was used to determine workload commitments for both inwards and outwards processing, which at the busier terminals was basically concurrent activity.

2.99 In discussion with the Committee the distinction was drawn between Perth which does not have a curfew and Sydney which does. Customs was questioned whether it would like to see Sydney without a curfew. Customs noted that where curfews did not exist arrival patterns could be such that shift numbers did not cater for the actual staff numbers required at a particular time. In these situations supplementary staff would have to be brought in on overtime. Customs did not like this but addressed these problems as they arose. Regarding Sydney the 6am - 8am historical peak now seemed to extend through the whole morning (Evidence, pp. 34-39).

### ARRIVALS AND DEPARTURES SYDNEY KINGSFORD SMITH AIRPORT

No of Flights



Total flights for a typical week using the Northern Summer Schedule

2.100 Customs believed there were two factors affecting arrival times in Australia. The first was the need for airlines to meet connections overseas in for example the USA and through the Asian hub, Singapore, Bangkok, etc. The second was the amount of apron space to park aircraft. It would appear to the Committee that, while changes to the former may not occur that rapidly, changes to the latter either through increased terminal capacity as would be occurring with Sydney and had just occurred at Cairns and could eventuate if more international airports were established would place Customs in a difficult situation if present standards were to be maintained.

2.101 As passenger delays in arrivals were often publicly criticised the Committee does not envisage any move to reduce the standards of service that Customs adheres to. In these circumstances any increasing demands would need to be met by increasing resources.

#### **Establishment of new International Terminals**

2.102 Customs expressed concern along these lines on the possibility that other international airports could be established without an appropriate supplementation of resources to address the new requirements. The Committee sees two aspects in this. It supports Customs contention that additional resources rather than a thinning of existing resources or service standards would be necessary. The second aspect that seems of concern is the total number of gateway airports that are required or need to be resourced.

2.103 Only in a situation where the total costs of the establishment of an international airport and its processing costs for all agencies involved is not a cost to the public purse does it seem feasible to establish increased international gateways where others, not totally utilised, are available within reasonable and practical distances.

2.104 The Committee particularly noted the suggested establishment of new international terminals at both Hamilton Island and Proserpine. The Committee considers that such duplication of services in close proximity is untenable, and that plans to redevelop Proserpine as an international airport should be discarded. Before opening the recently completed Hamilton Island terminal careful assessment should be made of its likely effects on traffic at other northern airports, and the demands it will place on already stretched Customs resources (Evidence, pp. 37-38).

## **Conclusions**

2.105 The Committee's observations lead it to conclude that curfew variations influence the staffing and resource disposition for passenger processing at international airports.

2.106 The Committee would not wish to see any variation to Customs processing standards to meet changed requirements and would expect that increasing capacity either through extension of existing facilities, new facilities or increased flight/passenger loadings would be met by increased resources.

## **Recommendation**

2.107 The Committee recommends that any future decision to approve the establishment of a new international airport take account of:

- . the accessibility and adequacy of existing facilities;
- . the cost to the public purse; and
- . the effect on Customs resource deployment.

## **Marketing of Systems and Procedures**

2.108 The Committee asked Customs if consideration had been given to the potential for marketing to other countries of the process and information system described as follows in the joint ACS/DILGEA Master Plan for Passenger Processing;

.... the total off-shore control of other than Australian and New Zealand passengers by visas, combined with a one-stop computerised system providing alert checking and full movement record capabilities, is envied by most other OECD countries.

(*Master Plan for Passenger Processing at Australian Airports*, August 1988, ACS and DILGEA. p. 14)

2.109 Customs advised that the offshore visa system referred to would belong to the Immigration authorities. The Committee noted this advice but considers that as a concept opportunity should be taken wherever possible to market or recoup the costs of technology and facilities developed by agencies (Evidence, p. 27).

## Information Sharing Between Agencies

2.110 On questioning on this aspect Customs was able to advise the Committee that as far as passenger processing requirements were concerned relationships with other agencies were good with an open and beneficial sharing of information. This aspect is dealt with further in Chapter 5 (Evidence, p. 31).

## Duty Free Operators - Uniforms

2.111 The Committee had noted that staff employed by Duty-Free Operators to retrieve dockets from passengers passing through the Outwards Control Point at Sydney Airport were dressed in a uniform that on first impression could be mistaken for a Customs uniform (Evidence, pp. 39-40).

2.112 Customs has a corporate objective of maintaining a high level of image and expressed some concern at the matter. Customs indicated to the Committee that checks would be made on the practice at other airports and would be followed up if warranted. The Committee is concerned that civilian staff dressed in such a manner might accidentally detract from the good name of authorities at airports.

## *Recommendation*

2.113 The Committee recommends that the FAC instruct duty free operators to provide staff with uniforms clearly distinguishable from those of Customs Officers.

## Concluding Aspects

2.114 The Committee's focus in this chapter has been on the issues raised in the ANAO report on passenger and crew processing and on a number of other matters that came to the fore in the inspections and informal discussions of the Committee.

2.115 In the Customs's Corporate Plan 1990-91 it is acknowledged that the Passenger Processing Sub-program has, among others, a responsibility for 'Drug Interdiction' as one of its Corporate Goals. The Subprogram's responsibility will be explored in the later chapter on this topic.

2.116 The Australian National Audit Office also appeared before the Committee at its hearing on Thursday 26 July 1990.

2.117 ANAO believed that the audit had proved a catalyst for improvements particularly on airport security and in providing a further focus on the difficulties in obtaining data on the extent and nature of prohibited imports (Evidence, p. 63).

2.118 The Committee has noted earlier that the audit may have unfairly focussed criticisms on Customs. When the observation was put to ANAO, a representative conceded that the audit focus had been too narrow:

I think that we would acknowledge that we learnt a lesson in relation to this audit, that there is a need to involve other agencies in consideration of the audit findings. We certainly did the audit in the context of Customs and directed our comments in relation to its role, but in terms of the general security question, yes, it would have been appropriate for us, I believe, to have consulted a little wider (Evidence, p. 66).

The Committee would expect ANAO to fulfil this assurance.

2.119 The Committee noted that health and safety issues had not been covered in the audit and asked whether this would always be the case. ANAO responded that this area of interest had not been covered in the past but was an area that audits were likely to move into in the future particularly if they appeared to have a significant impact on operational efficiency (Evidence, pp. 64-65).

#### *Recommendation*

2.120 The Committee recommends that the ANAO include health and safety issues in all audits concerned with operational efficiency.

### 3. COASTWATCH

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#### Historical Background

3.1 Commonwealth involvement in civil coastal surveillance commenced in the late 1960's coinciding with the declaration of a 12 nautical mile fishing zone. The early days of coastal surveillance involved a limited use of defence force aircraft and naval patrol craft.

3.2 In the latter half of the 1970's there was a significant stimulus to interest in civil coastal surveillance as a result of the increasing arrival of Vietnamese refugee boats and Australia's interest in declaring and enforcing a 200 nautical mile Economic Exclusion Zone.

3.3 A number of reviews of coastal surveillance occurred in the late 1970's and early 1980's. These reviews focussed on the need to significantly upgrade the civil surveillance effort by making much greater use of contracted civil aircraft, by better co-ordinating civil surveillance to meet the needs of its clients, by targeting other areas (such as drug interdiction) as ones of importance and by raising public awareness and support for coastal surveillance activities.

3.4 Coastal surveillance was subject to a further major review in 1988 undertaken by Hugh Hudson. The Hudson Report concluded that the administration and funding of civil coastal surveillance would be better co-ordinated by bringing together the policy, operational control, contract administration, intelligence assessment and funding into one semi-autonomous agency. (Hugh Hudson, *Northern Approaches*, 1988).

3.5 Consideration by the government of the Hudson Report resulted in all administrative and operational responsibility for civil coastal surveillance being transferred to Customs.

3.6 Thus Customs role in coastal surveillance is that of a facilitator and co-ordinator of coastal surveillance administration and operations on behalf of a range of client departments and agencies, of which Customs itself is one. The departments and agencies set the policy parameters. Coastwatch is a service agency, it is there to meet the civil coastal surveillance needs of its clients. The surveillance service is, in the main, provided by outside civil contractors, with contract aircraft being flown by non-Customs pilots and surveillance being undertaken by non-Customs observers.

## Objectives of Coastal Surveillance and of Coastwatch

3.7 The historical background to the increasing emphasis being given to civil coastal surveillance points to the purpose of coastal surveillance and protection. The objectives were outlined in the Beazley review:

- . demonstrate Australia's resolve and capability to exercise control over its sovereign territory;
- . identify possible breaches of Australian law; and
- . gather information on patterns of activity in the littoral and offshore areas in order to increase the overall effectiveness in meeting the first two objectives  
(Kim Beazley, *A Review of Australia's Peacetime Coastal Surveillance and Protection Arrangements*, 1984, p.1.1).

3.8 These broad objectives comprise two distinct functions - surveillance and protection. Surveillance is 'the systematic observation of an area to acquire information on activities within it and to identify breaches of Australian law' whereas protection embraces 'responses taken to explore the law either in response to surveillance or other intelligence, or by barriers such as customs and immigration checks'. (*ibid*, p.1.1)

3.9 Coastwatch only performs the first of these functions (surveillance) and does so within parameters and guidelines set by its various clients. The objectives of Coastwatch are to:

- . co-ordinate and provide an effective civil surveillance service in high risk, coastal and offshore areas of Australia that meets the requirements of clients; and
- . actively co-operate and liaise with relevant client agencies to ensure an efficient and effective level of service is maintained within agreed standards of performance.

3.10 There appeared to be confusion in some submissions about Coastwatch's role, with some apparently considering that Coastwatch was or should be concerned with both surveillance and protection. These submissions proposed either integration into a defence controlled structure or to a body along the lines of a 'coastguard' (Evidence, pp.S164, S236, S479, S517)

3.11 In assessing the efficiency and effectiveness of the Coastwatch sub-program, the Committee did not address the broader questions of whether or not there should be civil surveillance. The Committee examined the operational efficiency and effectiveness of Coastwatch and the relationship between Coastwatch and its clients.

## Current Operations

### The Extent of the Task

3.12 At the time of the Hudson Report the civil surveillance program was primarily concerned, as the report title suggested, with the northern coast. However since commencing operations Coastwatch has expanded its surveillance coverage of the Australian mainland to include areas from Perth northwards around the coast to the northern areas of New South Wales. Associated naval patrols also cover offshore areas such as Norfolk, Cocos, Christmas and Ashmore/Cartier Islands.

3.13 The principle focus of the program for 1989/90 however remained the high threat northern areas particularly waters adjacent to Broome and Darwin.

### Co-ordination of Operations

3.14 The executive and operational headquarters of Coastwatch are situated in Canberra, close to the head offices of its client agencies. Regional operational centres have been established in Cairns, Darwin and Broome, with a sub-centre at Thursday Island in the Torres Strait.

3.15 The basis of all air and sea surveillance is determined by the Operations and Program Advisory Committee (OPAC), comprising Coastwatch and its clients. OPAC meets monthly to determine broad surveillance requirements for the immediate future.

3.16 Monthly meetings of clients are also convened in Broome, Darwin, Thursday Island, Cairns and Canberra to facilitate client input into the surveillance program, and to allow Coastwatch officers to provide feedback and results on Coastwatch performance.

3.17 Priorities are set by consensus at these meetings. Should a conflict of priorities or unforeseen events occur the National Manager, Coastwatch has authority to overrule these priorities.

3.18 Where possible and appropriate multi-tasking occurs to ensure maximum effectiveness and service to clients. An example of this co-ordination and co-operation was the multi-tasking of flights in 1990 in the Broome and Darwin areas to detect Indo-Chinese vessels of concern to immigration authorities, while also conducting surveillance to detect illegal Indonesian motorised fishing vessels.

### Aerial Surveillance

3.19 Aerial surveillance is provided through a combination of civilian and RAAF aircraft.

3.20 The major components of the current operations are:

- . 10 000 hours of visual aerial surveillance provided by civilian contract aircraft;
- . 2250 hours of inshore electronic surveillance provided by civilian contract aircraft; and
- . 700 hours of dedicated Royal Australian Air Force (RAAF) P3C Orions on offshore Australian fishing zone patrol, which will diminish to 250 hours in 1991.

### Sea Operations

3.21 The surface surveillance and response capability of Coastwatch is primarily supplied by the Royal Australian Navy through the provision of 1800 patrol boat days per annum. Customs seagoing patrol boats based in northern waters are also available to Coastwatch where tasks fall within their capabilities, and there is capacity to charter or hire additional craft as required.

### Community Support

3.22 An extensive community awareness campaign has been mounted under the slogan "Watch Out! - for Australia". The campaign encourages the reporting of suspicious or unusual activities via a free phone call to the 24 hour operations room in Canberra.



**Watch out! -for Australia**

Free Phone **06 247 6666**

*Report unusual or suspicious sea, land or air activities*

The community awareness campaign operates through advertisements such as the sticker shown above.

### **Over-the-Horizon Radar**

3.23 Coastwatch has maintained a close involvement in discussions on policy direction and development of the Over-the-Horizon Radar Facility at Jindalee. It is the only civilian organisation involved, and anticipates that when fully operational Jindalee could make a significant contribution to the civil surveillance effort.

### **Recent Developments**

#### **Aircraft Operations**

3.24 Following a detailed operational review of Australia's future civil surveillance needs, a new aerial surveillance contract was signed in late 1989.

3.25 The review took account of the immense size of the search area, the varied topography, requirements for visual and electronic searches and addressed the previous absence of night flying and offshore capacity.

3.26 The system requirements identified were:

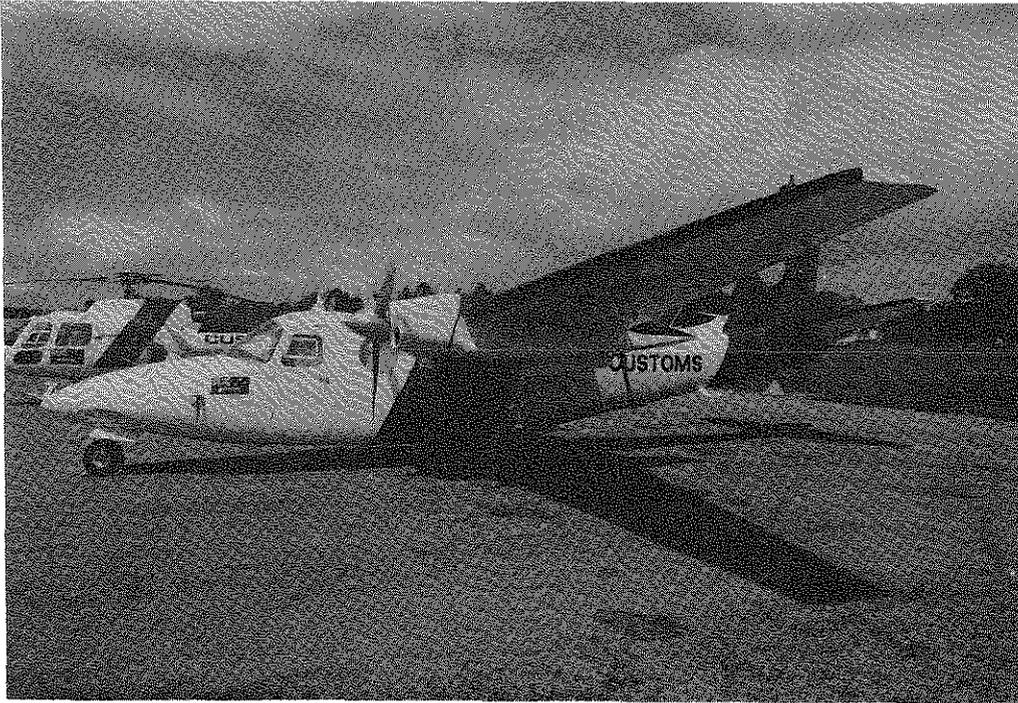
- . an inshore visual surveillance capability;
- . a medium range, short take off and landing -capable, electronic surveillance capacity, primarily to provide operational support to Customs for response purposes;
- . a long range offshore, day and night, all weather electronic surveillance capacity; and
- . helicopter support and response capability in the Torres Strait and far north Queensland.

3.27 The new aerial contract arrangements are being progressively phased into operation during 1990 and 1991 as follows:

- . from 1 July 1990 - helicopter based in the Torres Strait area;
- . 1 October 1990 - eight Aero Commander 500 aircraft nominally based at Broome, Darwin, Horn Island and Cairns, to provide inshore visual surveillance;
- . 1 January 1991 - three Nomad aircraft nominally based at Broome, Darwin and Cairns to provide inshore electronic surveillance; and
- . end April 1991 - three SeaScan, twin jet aircraft capable of offshore electronic all weather surveillance.

3.28 It is considered that the three offshore aircraft in particular will contribute to a significant upgrading of coverage of offshore areas. Early offshore identification of vessels approaching Australia will also enable subsequent littoral patrols to differentiate more easily between normal coastal traffic and traffic from overseas.

3.29 Customs has indicated that the introduction of these aircraft will also enable increased flights down the west coast of Australia as far west and south as Esperance. (*Explanatory Notes 1990-91, Industry, Technology and Commerce Portfolio*, p. 167). This will overcome some of the specific concerns expressed by WA police about the adequacy of Coastwatch in the area south of Port Hedland. (Evidence, p. S516)



Coastwatch Aero Commander 500 aircraft and helicopter.

## Planning

3.30 The Customs submission noted that a Planning Group is being established to process information from daily surveillance activities. The strategic and tactical data obtained will contribute to forward operational planning to determine the 'best chance' opportunities for surveillance sightings.

3.31 As part of this planning group Coastwatch appointed in July 1990 a planning officer with expertise in the deployment of aircraft particularly in conjunction with surface vessels. (*Explanatory Notes, op cit, p. 169*). This officer will be responsible for planning aircraft deployment and will liaise closely with Regions with the particular objective of assisting client agencies to improve their ability to task Coastwatch.

## Assessment of Operational Effectiveness

3.32 The measurement of the effectiveness of a program such as Coastwatch is by nature difficult. Coastwatch representatives pointed out to the Committee that effectiveness is not best measured by recording instances of incursions and apprehensions. Rather the program has to provide a level of assurance that requests for surveillance will be met and that such operations are conducted in such a way that what was seen was all that was to be seen (Evidence, p. 73).

3.33 Performance details as outlined in Explanatory Notes 1990-91 indicate that for 1989-90 programmed flying and patrol boat days were achieved or exceeded in all categories. (p. 166)

3.34 Both the Customs submission and the Corporate Plan 1990/91 noted however the need to revise key performance indicators to represent the tasks set Coastwatch and the ultimate achievement of those tasks.

3.35 Improved performance indicators came into force on 1 July 1990. They will measure both inputs and outputs in terms of surveillance hardware, effort and service. They focus not only on flying but also on information distribution, contractor performance and achievement of corporate goals.

3.36 From 1990/91 reporting will divide Coastwatch activities into four main areas. Three will relate to the flying program and the fourth to internal management arrangements (Evidence, pp. 72-3).

3.37 The three flying areas will cover the strategic program, the tactical program and the response program.

3.38 The strategic program refers to flights carried out in response to general needs as identified by clients and conveyed to Coastwatch through OPAC. Customs concedes that it is still in the process of finding appropriate measures of performance in this area. At present the measure is number of requests received, compared with number of flights provided.

3.39 The tactical program refers to a specific flying program mounted to counter a specific identified risk. Such a program may arise from the identification by a client of a particular target such as a foreign fishing vessel. With these flights Coastwatch has adopted a measure of 80 per cent as the confidence level that can be provided to clients that what was observed during the flight was all that was to be observed. Research has indicated that this confidence level can be reached with the resources presently available, as the area to be searched in this type of flight is much smaller.

3.40 Coastwatch is endeavouring to increase the proportion of flights in this category. With these flights clients can provide more specific information and intelligence and can thus request a more productive surveillance task (Evidence, p. 77).

3.41 The achievement of this shift in emphasis from strategic to tactical flying will be dependent on the ability of clients to assess risks in their target areas. At present some agencies have difficulty with this task. Coastwatch is working with agencies on this difficulty and is encouraging them to request taskings which will assist in the development of a knowledge base from which it will be possible to gauge relative risks in different areas.

3.42 The response program refers to action taken following a sighting. Such action is dependent on instructions from the appropriate client agency. Measurement of performance in this area involves comparison of action taken with action requested.

3.43 Coastwatch has also implemented a program of check and training to ensure that observers on contract flights are adequately skilled. Two check and training officers have been appointed, whose role is to be present on aircraft, to observe procedures in place and the degree of professionalism of crew. Where deficiencies are noted on-the-spot training is provided. The target is to monitor 15 per cent of flights, and at present this target is being exceeded. Post flight reports also provide information on the strengths and weaknesses of particular crews.

3.44 An evaluation of the community awareness campaign's effectiveness in terms of surveillance has not been undertaken, but Coastwatch reports that approximately 100 telephone calls are received each week. An example of its potential effectiveness was provided by the first sighting of a vessel carrying refugees being reported to Coastwatch by this method. The report came from the Bardi Aboriginal Community. Letters of appreciation have also been received in Northern Australian centres, from individuals and bodies such as the North West Cattleman's Association. The campaign has received extensive support from the business community.

## Client Relationships

3.45 The major clients served by Coastwatch are:

- . the Australian Customs Service, primarily through the Barrier Control Sub-program;
- . the Australian Fisheries Service (AFS);
- . the Australian Quarantine and Inspection Service (AQIS);
- . the Department of Immigration, Local Government and Ethnic Affairs (DILGEA);
- . the Australian National Parks and Wildlife Service (ANPWS); and
- . the Great Barrier Reef Marine Park Authority (GBRMPA).

Other federal agencies, such as the Australian Federal Police, may be served on an ad hoc basis.

## Client Satisfaction

3.46 In the course of its visits to Darwin and Broome the Committee was able to meet informally with many representatives of client agencies. Favourable reports of satisfaction with Coastwatch were received.

3.47 Submissions to the inquiry from major clients were also favourable. In relation to AQIS the submission from the Department of Primary Industries and Energy notes that:

Feedback suggests that co-operation and information flow-back has improved since ACS assumed operational responsibility, with information on possible incursions being immediately passed on (Evidence, p. S471).

while the AFS noted:

that in general the co-ordinating role of COASTWATCH in coastal surveillance is functioning well, particularly in comparison with previous arrangements using the Australian Federal Police and the Coastal Protection Unit (Evidence, p. S473).

3.48 The ANPWS reported that coordination of coastal surveillance and protection activities through Coastwatch has been of great benefit to organisations such as itself, by enabling it to participate in and gather information from multi tasking operations which would be prohibitively expensive for it to mount alone. It therefore 'strongly supports the continuation of Coastwatch operations in their present form' (Evidence, p. S512).

3.49 DASETT, in its submission, recounted an incident of interference to an historic shipwreck between October 1986 and March 1988. It blamed the infrequency of Coastwatch flights and the ability of those involved to track radio transmissions and thereby evade surveillance for the incident. In evidence before the Committee, however, Coastwatch pointed out that this incident preceded Customs' assumption of operational responsibility for the program.

3.50 The issue of radio transmissions is nonetheless of significance. Coastwatch is aware of the potential for evasion of detection through this avenue. It has already adopted some measures, such as use of codes in transmissions, and is in the process of developing other techniques to prevent the use of radio transmissions to track flights (Evidence, pp. 93-94).

3.51 One other submission critical of Coastwatch was received. The Western Australian Police Commissioner suggested that Coastwatch is inadequate in providing coastal security in the area south of Port Hedland. In response to this assertion the Coastwatch National Manager expressed surprise and disappointment as regional operations and planning committee meetings involving both State and Commonwealth agencies had been initiated in Fremantle during 1990. These concerns had not been brought to the notice of Coastwatch through this forum (Evidence, p. 78).

3.52 Nonetheless it seems that there may be a need for Coastwatch to raise awareness among southern agencies of its potential to service their needs.

#### **Relationship between Customs and Defence**

3.53 As outlined above resources are provided to Coastwatch by both the RAAF and RAN.

3.54 The Customs Submission and informal discussion with Coastwatch personnel indicated that Coastwatch considers working relationships with RAN and RAAF to be productive, and their resources to be readily available when requested.

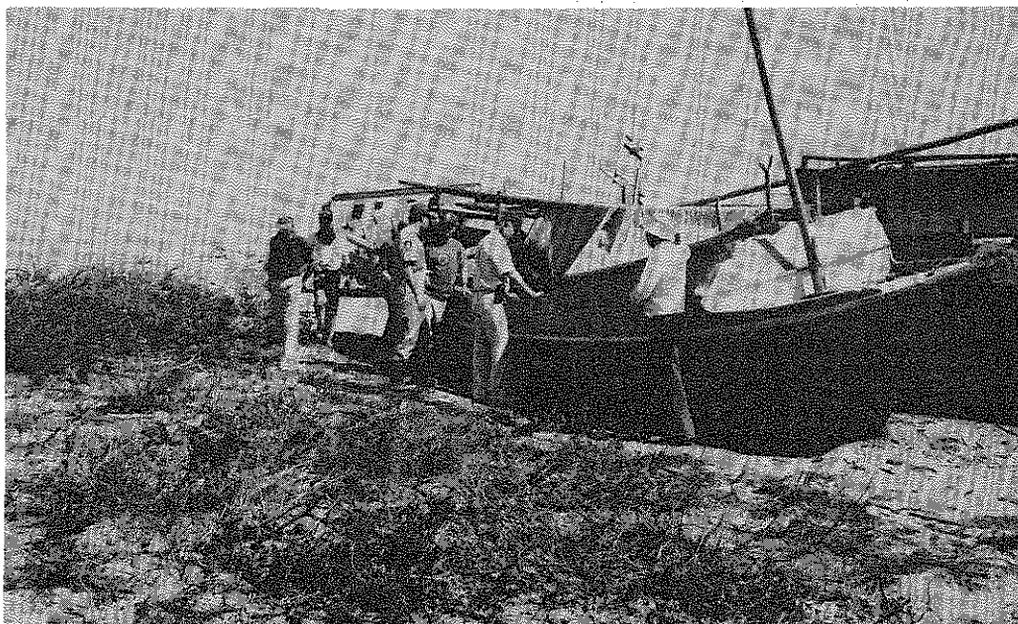
3.55 In return in its submission to the inquiry the Department of Defence noted that 'the interaction between Coastwatch and the ADF is good' (Evidence, p. S312). An ADF liaison officer together with RAAF and RAN observers regularly attend the monthly OPAC meetings.

3.56 In contrast to those submissions which advocated an increased role for Defence in Coastwatch the departmental submission sought no such increased role.

3.57 Some submissions suggested that by taking a larger role Defence forces would be provided with relevant training opportunities for any future military encounters.

3.58 Discussion with the Naval Officer Commanding Northern Australia revealed that contrary to these suggestions, the RAN Coastwatch involvement in civil surveillance does not provide significant operational experience of a military nature. To develop appropriate naval skills it is necessary to undertake exercises and tasks of a different nature.

3.59 The Committee noted while in Darwin that military lines of control require approval from Sydney headquarters before RAN vessels can be put to sea for response purposes. In pursuing this matter with Coastwatch the Committee was assured however that in practice such requirements do not impede timely response deployment (Evidence, p. 89).



Committee members examining Indonesian fishing vessel at Willie Creek, WA.

## Financing of Coastwatch

3.60 The question of the most appropriate method of funding costal surveillance operations is one which has been addressed in turn by the Beazley Review (*op cit*), the Report by the House of Representatives Standing Committee on Expenditure, *Footprints in the Sand*, (1986), and the Hudson Report (*op cit*). All have found it difficult to reach a firm conclusion.

3.61 Though no submissions were received on charging clients for Coastwatch services in line with FMIP principles, the Committee gave some consideration to the appropriateness of its implementation.

3.62 The requirement to pay for services may result in some rationalisation of requests for surveillance, by encouraging agencies to improve their ability to risk assess possible surveillance areas, and thus their tasking of Coastwatch.

3.63 However, the Committee concluded that the surveillance service is one provided in the public interest, and therefore appropriately funded from the central budget rather than by user charging.

### **Conclusions**

3.64 From submissions, informal discussions and its own observations the Committee formed the opinion that the 1988 decision to transfer responsibility for civil coastal surveillance to the Australian Customs Service has been vindicated.

3.65 The subsequent bringing together of policy, operational control, contract administration, intelligence assessment and funding into one semi-autonomous agency has resulted in a streamlined and improved administration, more able to respond to the needs of client agencies.

3.66 The review of operational requirements undertaken by Customs has resulted in new operational arrangements designed to overcome previous shortcomings, in particular the predictability of flights, and lack of offshore and night flying capacity.

3.67 Satisfaction among major client agencies is at a high level, but submissions from some agencies and individuals indicate that there is a degree of ignorance about the changes which have taken place in Coastwatch administration. Similarly it appears that despite Coastwatch's efforts to expand its coverage to include areas from Perth northwards around the coast to the northern regions of NSW, some southern organisations do not perceive it as a viable alternative in provision of security.

3.68 The Committee notes the intention of Coastwatch to develop and refine performance indicators to measure outcomes in such a way as to demonstrate effective value for money. The Committee agrees that this is desirable, as to ensure ongoing funding performance information will need to go beyond measures currently in place.

### *Recommendations*

3.69 The Committee recommends that further attention be given to the development of performance information which measures both operational effectiveness and effectiveness in meeting clients' needs. The latter should be via formal measurement techniques such as questionnaires or surveys rather than via anecdotal reports or informal impressions.

3.70 The Committee also recommends that Coastwatch give attention to the measurement, in consultation with relevant agencies, of confidence in southern areas that Coastwatch can provide surveillance currently required. In conjunction with this exercise it would also be advantageous to gather information on possible future requirements arising from emerging high risk areas.

## 4. THE DRUG DETECTOR DOG UNIT

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### Introduction

4.1 The Drug Detector Dog Unit (DDDU) is a Sub-component of the Barrier Operations Component of the Barrier Control Sub-program. The Component objectives are to:

- detect illegal activity at the Customs Barrier particularly in relation to the importation and exportation of narcotics; and
- effectively process all vessels and their passengers and crew arriving in or departing from Australia to ensure compliance with Australian law. (*ACS Annual Report, 1988-89, p. 89*)

4.2 The role of the Drug Detector Dog Unit within Barrier Operations is to support its activities by detecting prohibited drugs concealed in cargo, passenger baggage, vessels, aircraft or premises. This detection capability is provided primarily to the Barrier and Passenger Processing Sub-programs and is available on an on-call basis to other law enforcement agencies.

4.3 In the course of the inquiry subcommittee members inspected the DDDU facilities in Brisbane and observed dogs at work at Postal Control in Melbourne, the Qantas Air Cargo Facility at Sydney Airport, the Container Terminal at Port Botany, and during a ships search at the Port of Brisbane.

### Selection and Training of Dogs

4.4 Dogs are selected on the basis of attitude and temperament with sought-after traits including a bold, domineering attitude, a frantic and untiring desire to retrieve, and an aggressively possessive attitude towards any retrieved object. Selection is steered towards medium to large sized animals.

4.5 Attempts elsewhere to breed dogs appropriate to the task have not been successful. At present the preferred approach is to screen animals presented for the task and available through such establishments as pounds and RSPCA shelters.

4.6 While the dogs used at present are of medium to large breeds, strong enough to undertake the work involved, the Committee noted that there are some areas where smaller dogs may be more efficient eg in confined space searching. Customs indicated in evidence that these possibilities are being investigated (*Evidence, p. 100*).

4.7 Training of dogs and handlers is undertaken at the Detector Dog Training Centre in Canberra. The program takes twelve weeks and teaches dogs to detect the odours of illicit drugs such as heroin, cocaine, marijuana, hashish and amphetamines. The dog and its handler are trained together to mould them into an effective team.

4.8 Establishment of scent association is achieved through a series of retrieving exercises, in which the dog is rewarded with a game and exuberant praise each time it retrieves a dummy containing the drug odour. **Contrary to myth dogs are never fed, dosed, or in any way rewarded with drugs.**

4.9 There is almost no career path available for dog handlers who wish to remain with the dog unit. The officers in this unit are at Band 2 or 3 level and promotion to higher levels, apart from a few supervisory and training positions, necessitates moving to other areas.

## Deployment

4.10 In May 1990, 32 operational teams were deployed throughout Australia with the number expected to increase to 37 by December 1990 and further in 1991.

4.11 According to the Customs submission DDDU teams operate where all goods or vessels are subject to Customs control, or where international passengers are processed. Such places include sea and air cargo areas, baggage halls, wharves, ships, aircraft and overseas mail centres.

4.12 DDDU teams do not initiate work, but rather respond on a priority basis to users in the above areas.

4.13 It was suggested to Customs by the Committee that there may be a role for the DDDU in areas other than those listed above, which are primarily aspects of Passenger Processing and Barrier Control. In the Corporate Plan responsibility for Drug Interdiction is also assigned to the Import/Export Control and Investigation Sub-programs (Evidence, p. 26).

4.14 One possibility suggested was occasional visits to licensed warehouses and cargo storage areas. The presence of dogs in these areas could provide a deterrent effect by reminding importers of continuing efforts by Customs to detect contraband.

4.15 Access to the use of dogs in these settings would also provide an opportunity for the Import/Export Control Subprogram to play a tangible role in the Drug Interdiction area.

4.16 Additionally the occasional use of dogs to check cargo rated as low risk could provide Customs with a means of auditing its risk assessment of cargo. Any detections arising from random use of dogs would indicate factors which should be included in risk assessment profiles. Comparison of the rate of detections occurring through this random check method with those arising from the close scrutiny which follows high risk assessment, would provide valuable feedback on effectiveness of processes in place.

4.17 Another suggestion was to employ the dogs more visibly in passenger processing by their use in airport baggage halls. Their visible presence could serve to underline the priorities of Barrier Control in combating illegal narcotic importation, and may be useful in provoking extra cues in body language for roving Sierra Team members.

4.18 The Qantas submission argued against more visible use of dogs at airports on the grounds of possible danger to passengers and unwarranted anxiety to those who genuinely fear dogs (Evidence, p. 430).

4.19 An alternative mentioned in evidence by Customs was the possibility being explored by United States Customs of training smaller, less threatening animals to work among passengers. Customs indicated that it was also considering this as a strong possibility for the future (Evidence, p. 102). The Committee endorses this initiative, as being an appropriate compromise between enforcement and concern for the comfort of individual passengers.

4.20 Qantas also noted that where dogs are presently used to examine hand baggage, delays in the aircraft disembarkation process have at times occurred, with resulting detrimental effects to the overall facilitation process. It observes further that results of these operations 'would have to be substantial to warrant the impact on facilitation.' The Committee suggests that Customs review the current method of dog use with hand baggage with a view to streamlining the procedure if possible.

4.21 The Committee also sought information on the extent of DDDU deployment at outports. In evidence Customs indicated that at present such use is limited and is solely on an as required basis but agreed that there is an opportunity for increased use and possibly regular visits to outports (Evidence, pp. 98-99).

4.22 The Committee accepts that at present the dogs are fully employed on tasks assessed as high risk, but considers that there is potential for wider deployment when resources permit.

## Costs

4.23 The initial training of each DDDU team costs \$32 000. Subsequent recurrent costs are approximately \$35 000 per team per year which covers the handler's salary and cost of keeping the dog fit and healthy. Other major costs include vehicle hire and maintenance of kennel facilities.

4.24 The Detector Dog Training Centre in addition to training dogs for Customs purposes has also trained dogs for use by overseas Customs and law enforcement agencies and for other Australian authorities. This is often done as an aspect of inter-agency or international co-operation and as such is not always accomplished on a cost recovery basis. Additionally each training of a team for other than Customs brings with it an opportunity cost as it precludes a Customs team from being included in that training program.

4.25 In Brisbane it was reported to the Committee that the attrition rate for dogs and handlers is approximately 25 per cent. This is largely due to the physical demands of the work. After lengthy negotiations with relevant unions fitness testing is now routine for handlers.

## Performance

4.26 During 1989/90 the dog units achieved 991 seizures, a 42 per cent increase by number over the previous year. Of these 633 were from international postal articles, 82 from domestic mail, 21 from passenger baggage and 15 from cargo, while the remaining 240 were seizures made in co-operation with other agencies.

4.27 Reports indicate that the dogs have been successful in detecting concealed cannabis in a wide variety of situations and particularly in Postal Control where more than half of all detections made have been the result of the operations of the DDDU.

4.28 Budget Explanatory Notes 1990-91 (*op cit*) state that:

...strategic intelligence indicates an emerging and increasing threat particularly from the so-called hard drugs ie heroin and cocaine (p. 161).

4.29 In response to this increasing threat the ACS submission stated that:

the primary thrust of the Detector Dog Program for the 1990's is to combat the predicted surge in cocaine importations (Evidence, p. S60).

4.30 However, training dogs to detect powder drugs has proved to be much more difficult than training them to detect cannabis. Some concealments are more difficult for the dogs to detect than others and these are more easily achieved with powder drugs. In response to this significant problem Customs has initiated a review and refinement of current training and deployment techniques. Close liaison with the US Customs Canine Enforcement program will be of assistance in this area.

4.31 Performance levels may also be affected by climatic conditions. In Darwin for example dogs are not able to work at the same intensity as is possible elsewhere. Since the dogs must work with mouths closed they are unable to cool themselves by panting, and as a result work for shorter periods with more rest breaks.

4.32 The ACS Corporate Plan 1990-91 indicated that a review of the DDDU was to be undertaken in 1990 (p. 78). In evidence Customs reported that the review was in progress, but no detail was provided. It was indicated however that the review would provide information on which the DDDU could be assessed.

### ***Conclusions***

4.33 The Committee was impressed at each centre it visited by the potential of the DDDU to play a key role in drug interdiction.

4.34 The Committee considers that there is scope in the future for wider deployment of DDDU teams to assist other Subprograms to contribute to the achievement of the Corporate Goal of Drug Interdiction.

4.35 However, the Committee notes the current absence of comprehensive performance information by which to gauge the effectiveness and efficiency of the Dog Detector Program. It considers that such information needs to be collected, assessed and reported on a continuing basis.

### ***Recommendations***

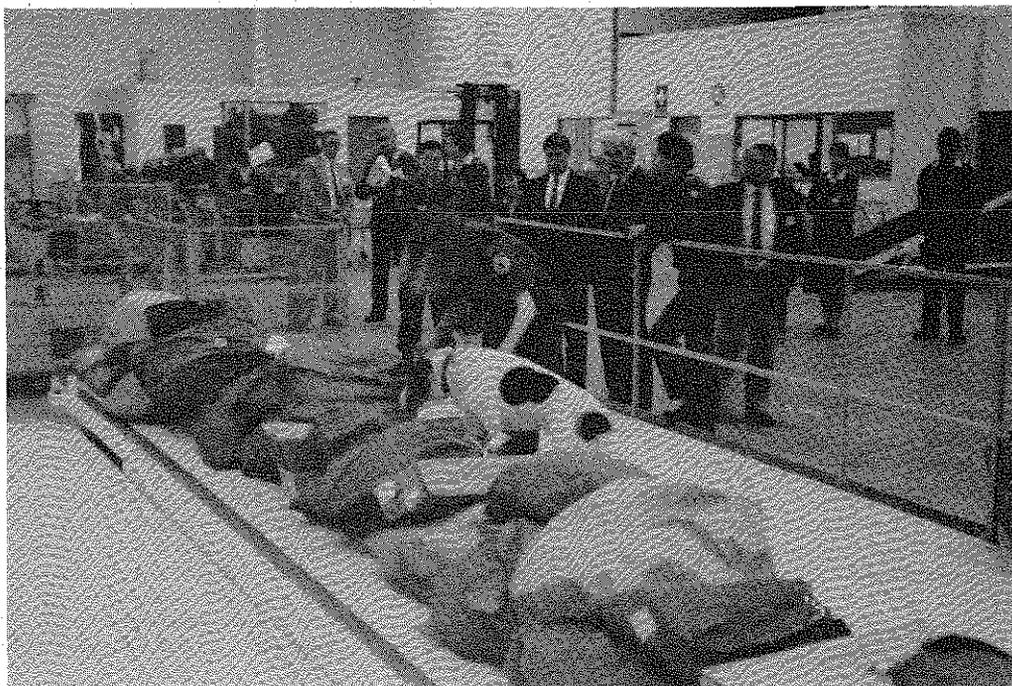
4.36 The Committee recommends that finalisation of the review of the DDDU as outlined in the Corporate Plan be accorded high priority.

4.37 This review process should not be a one-off undertaking, rather the first phase of ongoing evaluation of the DDDU, involving continuing collection, assessment and reporting of performance information.

4.38 The evaluation process should take account of all costs involved in training, salaries and upkeep of dogs, both those deployed in Customs operations and those trained for other agencies.

4.39 Performance information gathered should include:

- . number of operations on which dogs are deployed;
- . number and significance of detections;
- . locations or situations of detections; and
- . type of drug(s) involved, with particular note being taken of the dogs' effectiveness in detecting powder drugs.



Committee members observed dogs in operation at the Airmail Transit Centre, Tullamarine.

## 5. DRUG INTERCEPTIONS

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### The Context of Customs' Role in Drug Interceptions

5.1 The role of the Customs Service in Drug Interceptions is one aspect of a broad Government strategy to address the problem of production, trafficking and abuse of illicit narcotics in Australia. The strategy embraces law enforcement, education, rehabilitation, and, in recognition that this is a problem facing the world community, international co-operation demonstrated in Australia's support to the United Nations Commission on Narcotic Drugs, the United Nations Fund for Drug Abuse Control and the International Narcotics Control Board.

5.2 Prior to 1979 the Australian Customs Service, through the Narcotics Bureau, was the major Federal drug law enforcement agency in Australia. Following the 1979 Williams Royal Commission of Inquiry into Drugs, the primary responsibility for drug law enforcement was transferred to the newly formed AFP.

5.3 The current role of Customs and its relationships with the AFP and the National Crime Authority are laid out in the tripartite administrative arrangements agreed to at Ministerial level.

5.4 Under these arrangements responsibility for detecting and intercepting drugs at the Customs barrier rests with the Australian Customs Service, while the investigation and prosecution of such offences are the responsibility of the AFP and NCA.

5.5 The interception role is a crucial one as each interception represents an interruption in the supply line of drugs to the Australian population.

5.6 In responding to the terms of reference which required it to 'report on ... Drug Interceptions as [one of the] major elements of ACS operations,' the Committee therefore undertook to review the methods employed by Customs to meet its task of drug interception and the effectiveness of these methods. It did not review national or international policy on drug interdiction, nor the overall strategy of the campaign against drug abuse.

## Drugs and their Sources

5.7 While some of the illegal drugs consumed in Australia are produced domestically most are illegally imported. The most common drug types seized at the Barrier are heroin, cocaine and cannabis.

5.8 Of the drugs seized since 1988, 88 per cent of the heroin came from Asia, over 60 per cent of the cocaine from the United States of America and nearly 30 per cent from South America, while imported cannabis came equally from Asia and Europe - about 40 per cent from each.

### Heroin

5.9 Information provided in the AFP submission indicates that large importations of heroin into Australia have generally been made by the use of merchant vessels with the drugs concealed in containers or brought ashore by crew members. Private yachts sailing from South East Asian countries have also been used to import both cannabis and heroin.

5.10 Other importation methods include the use of international mail, internal or external body concealment by airline passengers, and secretion in concealed compartments in luggage.

5.11 Sydney and Melbourne are the major importation centres for heroin, with some direct importations also having occurred into Western Australia from Malaysia or Singapore.

### Cannabis

5.12 A considerable proportion of the demand for cannabis is met from domestic production.

5.13 Like heroin, the larger importations of cannabis from Asia come by sea concealed in cargo or in containers. Smaller quantities are imported by air passengers or via the international mail.

### Cocaine

5.14 Cocaine reaches Australia in smaller sized importations than other drug types. This difference is reflected in the methods of importation. Most detections have involved airline passengers. Other methods have included the use of international mail, concealment in baggage, and being mixed with other materials and formed into camouflaging items such as small statues.

## Other Drugs

5.15 Other drugs seized at the Barrier have included opiates, stimulants, psychotropics and depressants.

## Drug Interdiction as a Customs Corporate Goal

5.16 Under the heading 'Drugs Interdiction' the 1990-91 Corporate Plan lists the related Corporate Goal as follows:

to significantly reduce the availability of imported illicit drugs within the community (p. 15).

5.17 The Corporate Plan suggests that the desired reduction will come about first by the interruption of supply through interceptions at the Barrier and in a secondary sense by the deterrent effect achieved by the recognition of effectiveness in interception.

5.18 In May 1989 the Customs publication, *Drug Initiatives*, was produced to give all Customs Officers a clear statement on their role, and the future direction of plans to combat drug importations.

5.19 The initiatives included areas such as definition of the drug market; co-operation with other law enforcement agencies and industry groups, including international agencies; information and intelligence gathering; development and improvement of operational activities; enhancement of relevant legislation; improvement of staff development, training, and career paths; acquisition and/or upgrading of facilities and equipment; and deployment of human resources to match requirements.

5.20 The importance accorded these initiatives was reflected in the creation of the position of Director Drugs Co-ordination whose specific responsibility was the co-ordination of the implementation of each initiative with those Sub-programs involved. The implementation was overseen by the Operations Committee, which in turn reported to the Customs Corporate Management Committee.

5.21 Most Customs Sub-programs make some contribution to drugs interdiction:

- Barrier Control and Passenger Processing Sub-programs through their physical control and interception roles;

- Import/Export Control and Inland Revenue Sub-programs through their import document examination role;

- . Coastwatch Sub-program through its coastal surveillance role;
- . Investigation Sub-program through its intelligence and liaison roles;
- . Systems Sub-program through provision of high technology information processing and communications facilities;
- . Co-ordination and Services Sub-program through its training, liaison, public relations and legal services roles; and
- . Inspectorate Sub-program through its co-ordination role.  
(*ACS Corporate Plan, 1990-91 p. 28*)

5.22 Despite the spread of responsibility over almost all Sub-programs the most significant contribution is made by the Barrier Control and Passenger Processing Sub-programs. These sub-programs, operating at the Customs Barrier, clearly have prime responsibility for achievement of the Drugs Interdiction Corporate Goal.

## Key Elements of Customs' Approach

### Risk Assessment and Intelligence

5.23 The approach taken by Passenger Processing and Barrier Control is to identify, through a process of risk assessment, those persons, cargo, transport means and mail that represent a drug related threat to the Customs Barrier.

5.24 The risk assessment approach relies heavily on the application of 'profiles.' Profiles of perceived threats are developed and refined by a continuing process. Initial assessment of the threat presented by a particular person or activity is followed by information gathering, appropriate action and re-evaluation of perceived threat in the light of outcomes. The resulting knowledge base provides a generalised 'profile' of risk against which to compare further activities.

5.25 A steady flow of intelligence relating to known or suspected breaches of the Barrier is vital to these Customs efforts. While it is incumbent on other agencies such as the AFP and NCA to pass on relevant information in their possession, Customs also fosters its own sources, a task which requires considerable resource commitment.

5.26 The risk assessment approach allows Customs to facilitate the movement through the Barrier of passengers and cargo which, it is considered, do not present a risk, while exposing those deemed to be of high risk to a fuller examination. Thus the process allows Customs to pursue simultaneously its dual responsibilities of facilitation and enforcement. In fact Customs argued that facilitation assisted enforcement in that the bulk of low risk persons and goods were processed quickly allowing an enhanced focus on those of high risk.

5.27 A key step in developing this process has been the re-organisation of the areas involved in drug detection with a view to them becoming more flexible, less predictable and consequently more effective. The essence of the re-organisation has been the placement of well trained and highly motivated staff into small teams encouraged to develop their own approach to and skills in risk management (Evidence, p. S65).

5.28 In the cargo area Contraband Enforcement Teams (CET) are responsible for containing, evaluating and searching vessels, aircraft, cargo containers and ships' crew. In the air passenger and crew areas similar groups known as Sierra Teams undertake parallel activities. The Committee refers in more detail later to the use of CET as a means of risk management.

5.29 In postal areas the Risk Assessment Profile System (RAPS) has been developed following a Customs/Australia Post review of international mail handling procedures. The application of RAPS allows the immediate release for delivery of approximately 85 per cent of bagged letter class mail while ensuring close scrutiny of the remainder (Evidence, p. S66).

### **National and International Liaison and Co-operation**

5.30 Customs places a strong emphasis on co-operation with other law enforcement organisations within Australia and internationally. Regular liaison with the AFP, NCA and State Police Forces is maintained through outposted officers. In their submissions and in evidence before the Committee both the AFP and NCA acknowledged the present high level of co-operation achieved with Customs, citing joint projects under way and sharing of intelligence holdings. As a specific example both Customs and the AFP reported that notification arrangements were in place and complied with when Customs undertook surveillance away from wharf areas (Evidence, pp. S424, S426, 134, 142).

5.31 It appears to the Committee therefore that the tripartite arrangement dividing responsibility for drug law enforcement between Customs, the AFP and the NCA is working satisfactorily.

5.32 Customs has strongly supported international enforcement initiatives undertaken by the Customs Co-operation Council and the United Nations. Close links are maintained with other Customs Administrations, particularly in South East Asia, and a number of officer exchange programs are in progress (Evidence, p. S65).

### **Nationally Co-ordinated Operations**

5.33 An initiative which gathered impetus in 1989/90, and which the Committee explored in its inspections at locations around Australia, is the concept of nationally co-ordinated operations in relation to drug interception.

5.34 Such operations are supported by Customs, the AFP, NCA and State police, and rely on the development of close information linkages, for example of relevant databases, and exchanges between these agencies.

5.35 The operations, aimed at particular targets or high risk groups, are co-ordinated by a national commander. This ensures that the movement of persons or vessels which fit a particular operational profile can be tracked to all ports, information is available at, and can be sent from, all ports and resources can be assembled at any port to counter any perceived threat.

5.36 Assessment of the effectiveness of these operations is included later in this chapter with an assessment of the performance of CET.

### **The Extent of the Task**

5.37 An understanding of the magnitude of the task facing Customs in this area can be gained by considering, as in previous chapters, the extent of the Barrier under Customs jurisdiction.

5.38 The distance involved is the length of the Australian coastline, and possibilities to be considered are all possible modes, provided by persons or craft for, illegal narcotic importation.

### **The Areas of Threat**

5.39 *Drug Initiatives (op cit)* stated that the threat with illicit drug activity existed in all areas of Customs operations. The handbook goes on to cite, as particular areas of threat, air passengers (both on the person and in baggage), ships crew, small craft (including yachts and light aircraft), air cargo, sea cargo (both conventional and containerised) and mail.

5.40 To more readily appreciate the dimensions of threat in an overall sense, the above listing has been expanded to include all areas of threat of which the Committee was made aware during its program of inspections and discussions. This more detailed listing comprises:

- Aircraft, commercial
- Aircraft, private/light
- Aircrew
- Aircrew baggage
- Air passengers
  - cabin/hand baggage
  - hold baggage
  - unaccompanied baggage
- Air cargo
  
- Ships
- Ships crew
- Ships crew possessions
- Ships cargo
  - containerised
  - conventional
  - bulk
  
- Ships passengers
- Ships passengers
  - cabin/hand baggage
  - hold baggage
  - unaccompanied baggage or other possessions, including furniture and vehicles
  
- Small craft
  
- Mail
  - letters
  - postal articles/packages

5.41 While it may be possible to expand this listing even further, the extent of the threats listed demonstrates the complexity of the task which faces Customs in determining its priorities and applying resources, not only for drug interception purposes, but also to meet its other Barrier responsibilities. It is not possible to discount any as an avenue by which illegal drugs or other prohibited goods could be brought into the country in breach of the Barrier.

## The Means and Processes of Interception

5.42 Customs employs a wide range of initiatives in order to maintain flexibility and professionalism in countering illicit drug activities. These were referred to earlier. The Committee has grouped the means and processes utilised in drug interception under three headings:

- . Techniques;
- . Human resources; and
- . Equipment.

5.43 The Committee categorises techniques as Screening, Profiles, PASS, RAPS, STOP and Remote Area Dossiers.

5.44 Screening is the initial assessment of transactions and movements to identify those possessing particular risk characteristics. Those identified are then subjected to further assessment, possibly leading to a physical search or other specific attention. Screening is applied, in one form or another against all the areas of threat listed at paragraph 5.40.

5.45 Profiles are computerised data (signposts in the computer) which ensure that documents or persons meeting pre-recorded criteria are referred for processing in accordance with those criteria. Profiles may be applied against all the listed areas of threat. They may also be a relevant inclusion in the PASS, RAPS or STOP data-bases.

5.46 PASS is the computer system used at international airports to check all arriving and departing passengers against alert lists held by Customs on behalf of other government agencies. PASS may also be used in relation to sea passengers.

5.47 RAPS is a computer-based risk assessment system used specifically in Mail Centres to establish Customs control over mail identified as high risk for drug importation, and to facilitate early delivery of low risk items.

5.48 STOP is a locally-based computer system used by members of the Sierra teams in international passenger terminals to record profile data on passenger movements. Areas of particular risk are included on STOP.

5.49 Remote Area Dossiers (RADS) are data bases developed in the remote port and outport areas to assist the assessment of risks within specific localities.

5.50 There are other separate law enforcement and commercial data-bases, not specifically listed, that officers involved in the above activities draw on for research and assessment purposes.

5.51 Human resources means of interception comprise CET and Sierra Teams, Examination/Search activity, Surveillance activity and Dog Teams.

5.52 Contraband Enforcement Teams (CET) operate principally in cargo areas and are charged with the task of targeting high risk areas and cargoes on the basis of risk assessment profiles for the purpose of follow up, surveillance and intelligence gathering

5.53 Sierra Teams operate at airports in a fashion similar to CET. As the name suggests Sierra teams have a roving commission from the aircraft doors to the Customs Hall exit.

5.54 Examination/Search activity is applied to all the areas of threat and is undertaken by relevant officers as a routine or directed task. Examinations are usually undertaken to meet a commercial, or similar quarantine requirement. Search is involved where contraband (illicit drugs or other prohibited goods) are suspected.

5.55 Surveillance can be either of an overt or covert nature. It is often implicit in activity undertaken in CET or Sierra operations but is not limited to these staff groups.

5.56 Dog teams, the activity undertaken by members of the Drug Detector Dog Unit, are used against all areas of threat with the exception of air/sea passengers and crew. It is understood the dog teams have been used only sparingly where the search has involved bulk cargo. Other matters concerning the use of the dog teams are covered earlier in Chapter 4.

5.57 Equipment used by Customs in drug interdiction activity includes a wide range of items, particularly if the full list of equipment used by CET members is included. The following are however more widely used and for the last two listed can be put into operation independent of user/operators:

- . Launches - spread through Customs ports and outports, the launch fleet comprises:
  - 14 x 7 metre craft
  - 5 x 13 metre craft
  - 3 x 14 metre craft
  - 2 x 20 metre craft
  - 1 x 12 m sheltered water craft as well as small dinghies and inflatables. (Comment is made later on the adequacy of the launch fleet).
- . Radio equipment
- . Radar - in planes and in launches

- . Search devices using fibre-optic capacity
- . Video Cameras - as an aid for surveillance and control in terminals and depots
- . Sensors - used on remote airstrips to record landings.

5.58 In determining where to apply these means and processes, Customs has to consider the particular environmental factors involved as well as a variety of other constraints. The following few examples demonstrate some of the factors that Customs considers in deciding what means and processes to apply:

- . airports and mail exchanges funnel passengers and mail into confined areas for processing; constraints on the time available and the sheer numbers involved provide difficulties to be overcome;
- . in most capital city ports and at outports, such as Mackay, cargo whether bulk, container or conventional is unloaded or discharged at a large number of often dispersed approved areas with the size of shipments and their accessibility being a constraining factor; and
- . the physical features of locations and the use made of them by other parties can provide hindrance in establishing effective covert activity against particular targets.

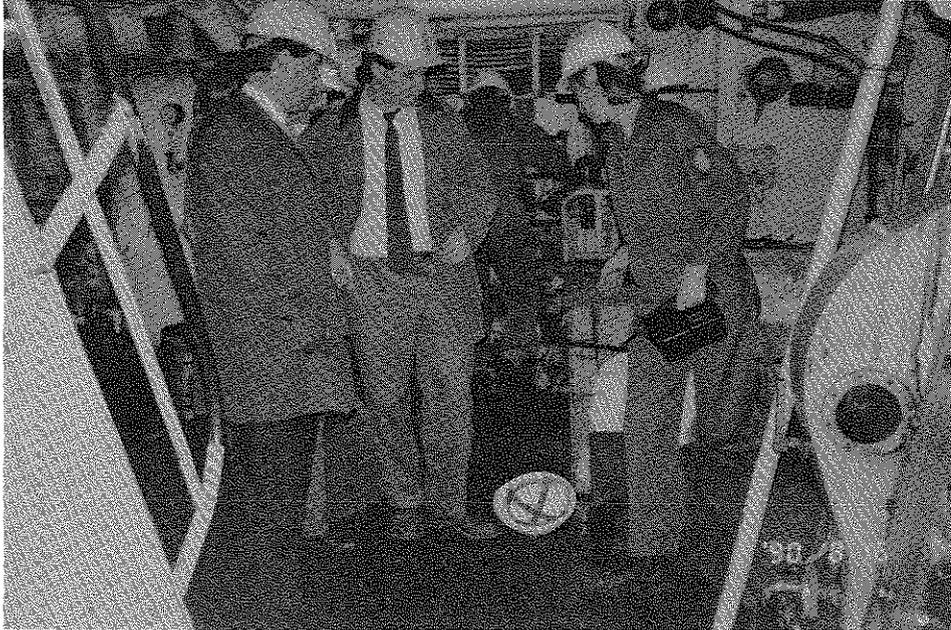
## The Performance of CET

5.59 The Contraband Enforcement Team concept is one approach which the Committee had considerable opportunity to review during its inspections and discussions at locations around Australia. It is an area into which Customs is currently deploying considerable resources.

5.60 CET activity was observed in the following situations:

- . a team unloading a container at Port Botany, unpacking and examining individually the large quantity (in thousands) of the specific goods involved;
- . at Port Kembla, a team readying equipment for a mission covering ports along the southern coastline of New South Wales;

- . in Melbourne, imported furniture items being unpacked, dismantled and examined;
- . at Sydney Airport, an imported liquor sample being checked with the support of a dog team; and
- . in Brisbane, a team undertaking the search of a Yugoslavian merchant ship.



**Committee members observed ship's search at Brisbane.**

5.61 Apart from individual taskings of this nature, CET teams are involved in nationally co-ordinated operations where, as noted earlier, surveillance and then search activity is co-ordinated through a number of ports for a range of vessels meeting specific criteria. Customs sees this widely co-ordinated approach as likely to be the most effective approach to large scale drug importations.

5.62 During a briefing on these operations it was indicated to the Committee that the following would increase the effectiveness of such operations:

- . putting the database of each operation on a mainframe computer system so that the large amounts of information available from it could be stored centrally. This would make linkages to other databases, NCA, AFP easier; and
- . mandatory early notification of vessels entering Australia, including such data as crew lists, would provide timely advice of the arrival of vessels and crew fitting particular profiles. (Customs noted that steps are under way to amend the Customs Act for this purpose).

5.63 Although Customs is giving considerable emphasis to the national operations approach it has yet to result in a major drug haul. The Committee referred to this aspect of CET performance in its hearing in Canberra.

5.64 Customs stated that there had been 'some very healthy results' which it believed justified the costs involved in terms of staff, resources and time required to mount what are often extended operations.

5.65 It was noted further by Customs that:

to some extent you become a victim of your own success, in that if you are particularly successful in one area the opposition is going to move around and try to exploit another area of weakness. We have got to keep up with it, so you can never really be sure (Evidence, p. 109).

5.66 The Committee acknowledges that the CET process is in its infancy but considers that Customs should keep it under very close scrutiny. It would seem a useful subject for a forward evaluation within the next three years.

5.67 In keeping CET under close scrutiny Customs needs to pay close attention to the motivation and enthusiasm of the officers that make up the CET Teams. This issue was also canvassed with Customs during the Committee hearings.

5.68 Customs response indicated that consideration had been given to this as a potential difficulty but that it had not yet been a problem as the staff involved 'know that they are doing something that is important in national terms.' (Evidence, p. 109) Committee members concurred that they had been impressed by the enthusiasm and dedication of CET team members in all locations where CET operations had been observed.

## **Conclusion**

5.69 The CET approach is an example of risk assessment in operation. The overall effectiveness of CET in comparison with resource input has not yet been demonstrated however, and ongoing analysis and evaluation of the program is necessary. In the absence of tangible results it is particularly important that attention be paid to the continued motivation and enthusiasm of CET members.

## **Recommendation**

5.70 The Committee recommends that Customs undertake an ongoing assessment of the effectiveness of the CET concept and include an evaluation of CET within its formal Evaluation Plan.

## **Port Security**

### **CET Teams and Port Security**

5.71 At the time that the CET process was being developed Customs withdrew a 24 hour patrol function from a number of smaller ports. Considerable concern was expressed in New South Wales over the withdrawal decision particularly in relation to the Ports of Newcastle and Port Kembla.

5.72 The Customs decision, its antecedents, ramifications and the wider CET process, were subsequently investigated by a task force comprising an Assistant Commissioner of the NSW Police and the Regional Manager, Barrier Control in NSW. The task force report upheld the validity of the Customs decision.

5.73 The Committee in its visit to port areas at Port Kembla and later at Mackay paid close attention to this issue. The validity of the argument that patrol, often motorised because of the extent of the area to be covered, provided little more than a 'flag-waving visible presence' was immediately evident. The process now in place relies on optimising a staff effort against specifically identified needs rather than wasting resources in a regimented but necessarily occasional visit to wharf areas particularly when no specific risk is present.

5.74 The Committee questioned Customs further on this issue seeking information to support the CET approach.

5.75 Customs responded that there had been no major interceptions at Newcastle or Port Kembla since the introduction of CET but that over the previous years of regular patrols results had 'been so negligible as to not exist.' (*Evidence*, p. 113) There had, however, been some significant enforcement outcomes, such as in relation to endangered species. There had also been a degree of success from operations working up and down the coast out of Port Kembla, details of which could not be released as the operations were not yet complete.

5.76 Customs also reported that the New South Wales Police Force endorse the CET approach. A number of joint operations have been mounted up and down the New South Wales coast involving Customs, NSW Police and the AFP.

### *Conclusion*

5.77 The Committee concludes that the decision to cease the practice of 24 hour patrols in the ports of Newcastle and Port Kembla was well-based.

### **The NCA Report on Port Security**

5.78 In its December 1989 Report to the Inter-Governmental Committee on Port Security the NCA sought a wider role for Customs in the provision of dockyard security. One specific recommendation was the staffing by Customs of port gates.

5.79 When the Committee raised this suggestion with Customs it indicated that while supporting a higher level of physical control at waterfronts it does not believe that it is cost-effective to have Customs Officers acting as gatekeepers. Customs control systems involve checks at gates and at other points on the waterfront to ensure adequacy of security standards, but the physical staffing of gates was not an appropriate Customs responsibility. The Committee endorses this view.

5.80 Customs was also questioned on whether the disappearance of ships watchmen from the waterfront, as suggested by current waterfront reforms, would be a disadvantage from Customs' point of view. In reply Customs indicated that the change would cause Customs to revise its risk assessment of security systems in place, but that the absence of ships watchmen would have little impact on overall Customs operations.

### *Conclusion*

5.81 The Committee concurs with the Customs view that it is inappropriate for Customs Officers to be deployed as gate keepers at ports.

## Port Security Awareness

5.82 In reviewing the operations of Coastwatch the Committee was appraised of the successful 'Watch Out for Australia' campaign, which was designed to increase public awareness of Coastwatch's existence and functions.

5.83 The Committee questioned whether consideration had been given to putting in place a similar program, designed to enlist public support in the maintenance of port security. Customs reported that discussions had been held with Coastwatch about the possibility of extending the campaign into this area. The possibility of involving the local port commercial community in 'port watch' was also being explored. Customs mentioned in addition that Port Security Committees exist in most major ports and that elsewhere the Sub-Collector took a leading role on port security aspects.

### *Recommendation*

5.84 The Committee recommends that Customs initiate a 'Port Watch' campaign, designed to enlist maritime, commercial, and public support in the maintenance of port security in those ports where a Port Security Committee does not presently operate.



The Committee visited Port Kembla as part of its review of port security.

## Areas for Further Development

### Computerisation

5.85 In discussion with Barrier Control representatives it was suggested to the Committee that there were three specific areas which required mainframe computer access.

5.86 The first, in order of priority, was in relation to nationally co-ordinated operations. As indicated in earlier discussion access to a mainframe would allow database information to be stored centrally.

5.87 Mainframe capacity was also desirable for the maintenance of small craft records. A central register of small craft movement would assist in the tracking of vessels designated high risk, and would provide rapid access to information when required.

5.88 Third, in response to the Committee's suggestion in Mackay, it was agreed that computerisation of RADS was desirable. Placing RADS on personal computers would simplify their maintenance, enhance their availability and ensure their continuity while also providing an impetus towards a national system.

5.89 In later evidence before the Committee the National Manager, Barrier Control indicated that while the amount of mainframe computer capacity currently available to the Sub-program was limited, increased availability was anticipated (Evidence, p. 121).

5.90 The Committee observed while visiting outports that recording and reporting procedures often involved only minimal use of personal computers. The Committee considers that the laborious methods in use could be profitably replaced with more streamlined procedures, and suggested that relevant training be provided as a priority.

### Conclusion

5.91 The Committee considers that considerable potential exists within the Barrier Control Sub-program for increased computerisation at both local and national levels.

## Recommendation

- 5.92 The Committee recommends that priority be given to:
- . an expansion of computer resources within the Barrier Control Sub-program; and
  - . provision of relevant training to ensure maximum benefit is obtained from increased computer access.

## Rotation

5.93 One of the initiatives outlined in *Drug Initiatives (op cit)* was the 'development of greater specialisation in combating illicit drug importation' (pp 5, 19). It was considered at that time that where the best interest of an officer, or of the Customs Service, indicated a need for specialist training or extensive training, the usual rotation of Band 2 officers and above could be postponed.

5.94 In informal discussions with Committee members several currently serving officers in CET areas expressed concern over the current rotation policy, believing that its rigid application would result in loss of vital expertise in key areas. The officers suggested that the rotation policy should be applied with due regard to ensuring a continuity of expertise in such groups.

5.95 In responding to these suggestions in evidence before the Committee a Customs representative observed that:

in terms of retaining expertise, experience and maturity there is a fine line between leaving somebody in one work area for too long and taking them out too soon.  
(Evidence, p. 123).

5.96 He also suggested that many other ACS officer would welcome the opportunity to experience work in these areas, and that rotation policy provided a mechanism by which such opportunities could occur.

5.97 There was acknowledgment however from Customs that the rotation policy was causing considerable discussion within the organisation and that 'some finetuning' needed to be done, particularly in regard to the effect of the policy on long term career paths. Attention to assessing officers' skills earlier, and giving guidance on career direction was required.

### **Conclusion**

5.98 The Committee considers that, as outlined in the Customs publication, *Drug Initiatives*, flexibility in the application of the rotation policy, and improved career path planning are required.

### **Recommendation**

5.99 The Committee recommends Customs executive management:

- . exercise flexibility in implementation of the Staff Rotation Policy, giving consideration to the needs of both individual officers and the Service as a whole. Particular attention should be paid to ensuring maintenance of expertise in specialised areas; and
- . ensure the provision of satisfactory career paths for Customs Officers.

### **Training in the Indonesian Language**

5.100 During its visit to Darwin and Broome the Committee noted the extensive contact Customs officers have with Indonesian persons such as the crews of Indonesian fishing vessels.

5.101 The Committee was surprised to learn that there was no formal program of instruction provided for officers in these locations. In evidence Customs suggested that in the case of interceptions around Broome the officers need only to make themselves understood, and considered that this required much less expertise than that required in a passenger processing situation, where Japanese courses are provided (Evidence, p. 127).

### **Conclusion**

5.102 Although Customs believes the current ad hoc approach to be adequate, the Committee believes that in locations such as Broome and Darwin at least one officer should have formal qualifications in Indonesian. This officer could then provide a resource not only to Customs, but also to other agencies in the area such as Fisheries and Immigration.

### **Recommendation**

5.103 The Committee recommends that formal training in the Indonesian language be available to Customs Officers deployed in Northern Australia.

## Equipment

5.104 The 1990-91 Corporate Plan lists as a key task the 'continuation of the upgrading program for ocean going Australian Customs Vessels' (Evidence, p. 55).

5.105 During visits to Darwin, Broome and Brisbane the Committee was able to compare the capability and performance of the older launches *Jacana* and *Jabiru* with those of the minister class vessel *ACE Sir William Lyne*. The superiority of the latter was readily apparent. The Committee supports the Customs' resolve to continue the upgrading of its fleet.

5.106 The Committee also saw merit in other plans for acquisition or upgrading of equipment. In particular it noted the potential for use of thermal imaging equipment as described to members in Brisbane. Trials of such equipment borrowed from defence sources have indicated that its availability could significantly increase the effectiveness of many surveillance operations.

## The Cash Transaction Reports Agency and Customs

5.107 In evidence before the Committee it was suggested by the NCA that the advent of the Cash Transaction Reports Agency (CTRA) could have implications for Customs operations.

5.108 CTRA information indicates that there may be a role for Customs in checking the movement of money out of Australia. The level of money movement would seem to be related to undetected drug importations.

5.109 Such a role for Customs would be dependent on the provision of relevant intelligence by the NCA, AFP and CTRA.

## Assessing Effectiveness in Drug Interception

5.110 In Chapter 2 when dealing with the criticisms in the ANAO report on passenger and crew processing the Committee referred to the difficulty that law enforcement agencies encounter in not knowing the quantity of drugs that has been produced or imported or are available in the market place at any time. This has meant that Customs is unable to assess any relationship between the quantity of drugs detected with the total quantity brought illegally through the Barrier. Without this comparison overall effectiveness cannot be determined.

5.111 This problem is not new and its solution has not yet emerged. The Report by the Parliamentary Joint Committee on the National Crime Authority *Drugs, Crime and Society* published in 1989 noted that, as early as May 1971, urgent action to develop uniform statistics on all forms of drug abuse had been recommended by the Senate Select Committee on Drug Trafficking and Drug Abuse. (p. 33)

5.112 The Joint Committee's Report went on to refer to the Australian Royal Commission of Inquiry into Drugs which in December 1979 had drawn further attention to the lack of reliable statistical information on drug-related matters. Recommendations made by the Royal Commission had not solved the problem; although further impetus had come from the 1985 'Drug Summit' Conference for the development of a drug data base. This, under the control of the Australian Bureau of Criminal Intelligence, was expected to be operational early this year but apparently has not been forthcoming yet. (p. 34)

5.113 In evidence before the Committee, Customs admitted that not knowing the quantity of drugs that was coming into the country limited its perception of how successful or unsuccessful it was. Customs said it took account, to the extent possible, of the amount of narcotics of various kinds available on the street, and the extent that these would have been imported. Without data, resort had to be made to intelligence assessment (Evidence, p. 103).

5.114 In further comment, Customs saw the need for a combined effort of all law enforcement and rehabilitation elements in Australia over the next five years or so to develop the drug data base that was central to the Drug Offensive initiatives. Customs linked this with a joint assessment by all law enforcement bodies of avenues for their further initiatives to combat imports and trade (Evidence, p. 107).

5.115 The issue was also explored with the AFP and the NCA. The AFP in evidence stated it was in no better position than Customs, and it placed reliance on information and statistics relating to aspects such as crop production, seizures, addiction rate and availability on the street. On further questioning, AFP surmised that movements in local crop production could be indicative of Barrier effectiveness but the link seems tenuous to the Committee and may not prove reliable as an indicator (Evidence, pp. 132-133).

5.116 AFP also endorsed the use of intelligence gathered from overseas sources to indicate trends for future activity. It was working closely with Customs, NCA and others on strategic intelligence to allow the best distribution of resources in future years.

5.117 The NCA also expressed concern at the lack of data on total import levels (Evidence, p. 144).

## **Conclusion**

5.118 The Committee notes that efforts have been made in the past to quantify the level of drugs available, and these have not proved successful up to the present. The Committee considers that the Government should set aside funds to permit an accelerated study into the development of an appropriate data base, under the direction of a steering committee chaired at the top level of Customs and including AFP, NCA, state Police Forces as well as Health authorities.

5.119 This is of the utmost importance to the measurement of the effectiveness of Customs' drug interception operations and in turn to the effectiveness of the Government's overall strategy against drug abuse.

## **Recommendation**

5.120 The Committee recommends:

that a Steering Committee, chaired by Customs and including representatives of the AFP, NCA, State Police and Health Authorities be established by the Government, and funded at the level necessary to allow it to undertake an accelerated study into the establishment of an appropriate database through which to measure the quantity of illicit drugs in Australia whether imported or locally produced.

## **How Performance is Measured Now**

5.121 Faced with the situation that information is not available against which to relate in a direct manner, interception performance, Customs has been relying on performance targets which seek an improvement each year against the previous years results. Given that Customs expresses its responsibility for drugs interdiction as a reduction in the availability of imported illicit drugs in the community then the setting of targets along these lines may be an appropriate approach in the circumstances.

5.122 The Committee observes that the two Sub-programs most closely involved have dealt with this in a slightly different manner.

5.123 In the 1989-90 Corporate Plan, Barrier Control Sub-program set a target to achieve a 10 per cent increase in interceptions (number and weight) over the previous financial year. The current Corporate Plan modifies the Barrier Control target to extend the period of comparison to the previous three-year (calendar) average results.

5.124 The Passenger Processing Sub-program, for 1989-90 set its target at a 15 per cent increase over the previous financial year for both detection and weight. Although comparison with the previous year is intended a specific target percentage is not included in the current (1990-91) Corporate Plan.

5.125 In terms of the results that have been reported, the approaches adopted have been maintained. In the 1988-89 Annual Report, both Sub-programs tabulated drug interceptions by number and weight, showing detection for 1987/88 and 1988/89 and identifying the percentage change between the two periods. The data for targets and results is in all instances broken down into 'cannabis', 'heroin', 'cocaine' and 'other'. There have been considerable fluctuations between the individual results and totals.

5.126 In *Explanatory Notes 1990-91, (op cit)* for Barrier Control the approach described above is continued, but in the case of Passenger Processing Sub-program reliance is now placed on a narrative statement of the total percentage increase for interceptions and for weight. In both instances these results are framed against the varying targets of 10 per cent and 15 per cent increases.

5.127 The Committee does not consider the stage that Customs has reached with performance indicators in this difficult area as totally unsatisfactory. As was made clear in this Committee's September 1990 report on the Financial Management Improvement Program *Not Dollars Alone*, the development of indicators which go to assessing program effectiveness is a very long term process. Customs reported to the Committee in the FMIP inquiry that it believed it might take 10 years to develop performance indicators based on outcomes (chapter 7). The Committee considers that Customs is endeavouring to address issues of performance in this area. That Customs is apparently considering the value and accuracy of percentage increase - based targets in already moving from a single year to a three year comparison indicates that it is attempting to come to grips with the best means of measuring performance and meeting its objectives.

5.128 By way of observation, if the percentage increase approach is continued it would seem beneficial for Customs executive management, in comparing program delivery results for the two Sub-programs, if the targets set were brought into line, either at 10 per cent or 15 per cent. This could be followed by a more detailed look at the real value of percentage increase targets. Fluctuations in supply and the pattern of import, both somewhat unknowns, must affect the interpretation of results under their current stage of development.

## Interception Performance

5.129 In its submission to the inquiry, Customs supplied data on the detection of illicit drugs at the Barrier during the calendar years 1987, 1988 and 1989 and for the period of 1990 prior to the start of the inquiry. The detections amounted to:

	Heroin	Cocaine	Cannabis	Other	Total
<b>1987</b>					
Amount (kg)	22.8	6.4	56	-	85.2
Seizures	94	17	391	48	550
<b>1988</b>					
Amount (kg)	25.4	15.9	8987.1	-	9028.3
Seizures	60	25	675	71	831
<b>1989</b>					
Amount (kg)	51.7	39.7	201.5	-	292.9
Seizures	75	87	904	64	1130
<b>Jan 90-May 90</b>					
Amount (kg)	26.7	45.0	1062.7	-	1134.4
Seizures	30	17	497	35	579

('Other' was said to includes opiates, stimulants, psychotropic and depressants. No weight was given for these drugs as the packaging varies (dose units, capsules etc.))

5.130 The interception data was supported by a further table categorising where in the Barrier the seizure had occurred:

	1987	1988	1989	1990 (Jan-May)
Air passengers	38	50	62	19
Air passenger bags	73	62	87	53
Other (public access areas)	15	18	16	9
Air unaccompanied baggage	2	8	4	3
Air cargo	5	16	8	5
Postal	373	609	903	478
Sea Barrier	44	68	50	12

5.131 The first table (interception data) is aligned to the matters discussed in the previous paragraphs of this report and consideration of the figures makes evident the difficulties of using the percentage increase performance criteria.

5.132 The second table however, provides a window into wider evaluations. Recognising the number of areas of threat that were outlined earlier and equally the number of means and processes being applied it would seem useful that Customs look more closely at performance:

- . firstly in the areas of threat; and
- . secondly in terms of the means and processes that are proving successful.

5.133 Assessing performance in the areas of threat would seem to involve not only capturing data on the results obtained against each of the categories set out in detail earlier, but also analysing those results against the targets established, over periods of sufficient length to provide a useful population. This assessment should then consider whether resources are appropriately being directed towards the right areas of threat in what then might be seen as the correct proportions.

5.134 A similar analysis seems appropriate for the 'means and processes' outlined earlier, to again provide a perspective for justifying or re-directing resources effort into these activities. The overlap of the means and processes used would require qualification in that assessment activity.

5.135 In effect Customs needs to know that it is applying its inputs where it will get its outputs.

5.136 Development of performance monitoring and assessment to the degree outlined in the above are not evident in the Corporate Plan or the Barrier Control Action Plan 90/91, which was made available to the Committee during its inspections in Sydney.

### ***Conclusion***

5.137 The Committee concludes that wide ranging analysis of drug interception data is required to underpin not only the development and prioritising of drug interception strategies, but also to ensure that in a budgetary sense the distribution of resources can be externally justified and adjusted where necessary. This would place Customs in accord with FMIP principles and move it closer to an appreciation of its effectiveness.

5.138 As outlined earlier the Committee considers the need to establish the overall level of drug importation to be an issue of great importance. It is also necessary to keep account of the means by which drugs are imported and to link this with changes and developments in source countries. The Committee endorses the close co-operation that exists between Customs, AFP, the NCA and overseas law enforcement and Customs agencies in this regard.

*Recommendation*

5.139 The Committee recommends that Customs undertake the development and assessment of performance measures to:

- identify the usage by illegal importers of each of the areas of threat identified in this report;
- maintain constant data on the means used to secrete illicit drugs; and
- analyse the efficacy of the means and processes used in drug interceptions

for the purpose of ensuring that inputs are directed to optimise outputs, that resources are utilised flexibly and effectively and are at all times justified in a budgetary sense in accordance with FMIP principles.

Stephen Martin, MP  
Chairman

October 1990

# APPENDIX A

## PROGRAM OF ACTIVITIES UNDERTAKEN BY

### SUBCOMMITTEE - 1990

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21 June	Canberra	Briefing by Australian Customs Service
22 June	Sydney	Discussions with Law Reform Commission  Visit to Sydney Airport to view passenger processing
12 July	Sydney	Briefing and Inspections on Drug Interdiction and Port Security
13 July	Port Kembla	Briefing and Inspections on Port Security and Risk Assessment
16 - 19 July	Darwin and Broome	Briefing and Inspections on Coastwatch and Barrier Control
5 - 6 August	Melbourne	Briefing and Inspections on Import/Export Control and Drug Interception
14 - 16 August	Mackay and Brisbane	Briefing and Inspections on Drug Interdiction and Port Security
5 - 6 September	Cairns	Briefings and Inspections on Coastwatch relevant to Great Barrier Reef Marine Park, Passenger Processing at a privately owned airport. Attendance at Regional Managers' meeting

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## APPENDIX B LIST OF SUBMISSIONS

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No.	Name of person/organisation
1	Richard Jennings Security Risk Management
2	Mr Kevin M Lawrence
3	Australian Customs Service
4	Australian Customs Service
5	M. de Jongh
6	P J Jenkins
7	C. Stokes & Co. Pty. Ltd.
8	E. J. Cooper
9	A C (Tony) Claydon
10	Steve Qazim
11	W. J. Glass
12	Federal Airports Corporation
13	Ms. Carol Grant A.C.A.I.A.,
14	Ian Pearse
15	BDW Aviation Services
16	The Customs Agents Federation of Australia
17	R. Livingstone-Ward
18	C.J. Fitzpatrick
19	Tom Cavanagh
20	D. P. Firstbrook
21	Excelsior Export Enterprises
22	Tradegate Australia Ltd

- 23 Inbound Tourism Organisation of Australia Limited
- 24 C H Davey
- 25 The Customs Agents Institute of Australia  
(Queensland Division) and The Customs Agents  
Association of Queensland Inc
- 26 The Customs Agents Association of South Australian
- 27 Australian Community Action Network
- 28 Department of Transport and Communications
- 29 Law Council of Australia
- 30 Department of Defence
- 31 Connor Anderson Customs Pty Ltd
- 32 Public Sector Union
- 33 Australian Federal Police
- 34 National Crime Authority
- 35 Qantas
- 36 Office of the Premier - Western Australia
- 37 Minister for Immigration, Local Government and  
Ethnic Affairs
- 38 The Premier of South Australia
- 39 The Australian Chamber of Commerce
- 40 Commonwealth Department of Primary Industries and  
Energy
- 41 The Returned Services League of Australia
- 42 Minister for the Arts, Sport, the Environment,  
Tourism & Territories
- 43 Commissioner, Western Australia Police
- 44 Minister for Foreign Affairs and Trade
- 45 E. J. Cooper

**Confidential Submission**

- 1 The Department of Community Services and Health

## APPENDIX C LIST OF EXHIBITS

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No.	Description
1.	Australian Customs Service Annual Report 1988-89
2.	Australian Customs Service Corporate Plan 1989-90
3.	Australian Customs Service Corporate Plan 1990-91
4.	Australian Customs Service: Drug Initiatives May 1989
5	Australian Customs Service Barrier Control Victoria: House of Representatives Committee, Documentation for Members
6	Australian Customs Service NSW: Passenger Processing Facts Sheet, Sydney Kingsford Smith Airport
7	Australian Customs Service Information Technology Plan 1989-93
8	Information on the Import/Export Control Sub-Program (Victoria) compiled for the House of Representatives Standing Committee on Finance and Public Administration August 1990
9	Electronic Initiatives Australian Customs Service
10	Australian Customs Service Information Kit
11	Australian Customs Service Industrial and Employee Relations Handbook
12	Law Reform Commission Research Paper, No 1, February 1989
13	Law Reform Commission Discussion Paper No 35, February 1989
14	Law Reform Commission Discussion Paper No 38, May 1989
15	Law Reform Commission Discussion Paper No 41, September 1989

- 16 Law Reform Commission Discussion Paper No 42,  
April 1990
- 17 Law Reform Commission Discussion Paper No 43,  
April 1990
- 18 Master Plan for Passenger Processing at Australian  
Airports August 1988. ACS and Department of  
Immigration, Local Government and Ethnic Affairs
- 19 Australian Customs Service: Export Concessions  
Drawback/TEXCO, December 1989
- 20 Australian Customs Service: Training Prospectus  
Import/Export Control, July 1990
- 21 Tradegate Express News Issue No 1 April 1990
- 22 Tradegate Express News Issue No 2 August 1990
- 23 Inbound Tourism Organisation Australia 1990 Edition
- 24 Australian Customs Service: Barrier Control Action  
Plan 1990-91

**Confidential Exhibit**

National Crime Authority Report to  
Inter-Governmental Committee on Port Security,  
December 1989

# APPENDIX D

## LIST OF WITNESSES APPEARING AT PUBLIC HEARINGS

<i>Witness/organisation</i>	<i>Date(s) of appearance</i>
<b>Australian Customs Service</b>	
Mr James Allan Conlon National Manager Coastwatch	17.9.90
Mr Leslie George Jones National Manager Passenger Processing	26.7.90
Mr John Raymond Maloney Regional Manager Passenger Processing	26.7.90
Mr Denis O'Connor Acting Comptroller-General	17.9.90
Mr Barry John Salmon Assistant National Manager Passenger Processing	26.7.90
Mr Colin Felice Vassarotti National Manager Barrier Control	17.9.90
<b>Australian Federal Police</b>	
Mr Peter John Lamb Assistant Commissioner Investigations	17.9.90
Commander William James Stoll Operations Coordination Division	17.9.90

**Australian National Audit Office**

Mr Russell Charles Coleman  
Executive Director

26.7.90

Mrs Alice Dobes  
Senior Director  
Audit Operations

26.7.90

Mr Edward McGovern Hay  
Acting Group Director

26.7.90

**Department of Transport and Communications**

Ms Anne Buttsworth  
Principal Adviser  
Domestic Aviation Division

26.7.90

Ms Rhondda Nicholas  
Director, Policy and Standards  
Aviation Security Branch

26.7.90

Mr Raymond Turner  
Assistant Secretary  
Aviation Security Branch

26.7.90

Mr James Mortimer Weber  
Director, Operations  
Aviation Security Branch

26.7.90

**Federal Airports Corporation**

Mr Jack Ford Moffat  
General Manager Operations and Regional  
Trunk Airports

26.7.90

Mr Grantley William Woods  
Manager Operations, Sydney Airport

26.7.90

**National Crime Authority**

Mr Geoffrey Ernest Sage  
Senior Legal Adviser

17.9.90