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**Opening Statement
Legal and Constitutional Affairs Legislation Committee
Supplementary Budget Estimates Hearing
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Chair, I congratulate you on your appointment and acknowledge all new and returning Committee members.

As I've previously advised, pressures within our operating environment continue to rise. For example, over the last four financial years international air travellers have escalated by over 17 per cent—from 38 million to 44.7 million—while imported air cargo consignments have increased by about 52 per cent—from 34.9 million to about 53 million.

From an economic perspective this is a very good news story. As important as facilitating trade and travel, we also undertake a range of compliance and enforcement functions to maintain the effectiveness of our border in keeping Australia safe.

In line with the broader public service we're striving to improve all aspects of our business. We aim to be more efficient, for example, by searching less and finding more. We aim to find better ways of delivering our services, for example, through our Trusted Trader Program. And we aim to focus our operations to optimal effect, for example, by targeting more compliance operations against unscrupulous labour hire intermediaries.

Ultimately, we will have to find more ways to absorb ongoing volume increases in the number of people travelling to and from Australia and goods crossing our border and, at the same time, make the border a more convenient, seamless and digital experience.

Customs and border modernisation

In this regard, a specific focus for my Agency is modernising our customs and border functions.

Australia's two-way trade value is now worth more than \$799 billion. Through the Australian Trusted Trader program, we're ensuring a more secure and efficient trading environment to support our nation's economy and international competitiveness. Last financial year, 233 businesses were newly accredited under the program—an increase of 157 on the 2017-18 financial year. At present, there are just over 500 trusted traders. Importantly, the Australian Trusted Trader program provides a platform to test new technologies with trusted partners, such as block-chain. We have also aligned the program with the Department of Home Affairs' Known Consignor scheme, which secures air cargo exports by implementing security measures in the supply chain.

The ABF also continues to work with the New Zealand Customs Service to trial a digital secure trade lane. For businesses, the lane reduces administration and customs checks, while our respective government agencies obtain trade information more expeditiously so we can target our enforcement efforts on higher-risk trans-Tasman cargo.

The measures I've outlined are merely some small elements of a longer-term, multi-phased plan to modernise our customs and border environment.

Working ahead of the border

Complementing the ABF's modernisation agenda, we continue to work ahead of the border.

Our nation's security challenges—such organised crime and terrorism—primarily originate outside of Australia. Indeed, 70 per cent of Australia's serious and organised crime threats are based offshore, or have strong offshore links.

At all times and wherever possible, the ABF strives to identify threats to our border 'upstream'—to prevent them from metastasising at our border or within the Australian community.

A prime example of our work is our Airline Liaison Officer, or 'ALO', program. ALOs help to disrupt unlawful travel to Australia by identifying individuals engaged in visa and identity fraud or other criminal activities. In 2018-19, the ABF interdicted more than 380 people offshore who were attempting to enter Australia using fraudulent documentation—an 89 per cent increase on 2017-18. We also identified and offloaded a further 1,300 people seeking to exploit Australia's visitor and temporary visa programs—a 142 per cent increase on 2017-18.

The ALO program saves Australian taxpayers literally millions of dollars in compliance and enforcement activities, legal costs and other government services which would otherwise be required if these people had made their way across Australia's border.

The ABF also continues to increase collaboration with international partners, including our contribution to Australia's stepped-up engagement in the Pacific region. For example, we are delivering a Container control programme, together with the United Nations Office on Drugs and Crime and World Customs Organization. The program will create inter-agency port control and air cargo control units focused on improving supply chain security and trade facilitation. The first Oceania program, being developed in Fiji, will commence in early 2020.

Professionalisation

Since 2015, the ABF has continued to integrate and build on its customs, migration and civil maritime functions and capabilities. Many other countries in our region and beyond are similarly seeking to better coordinate and integrate the work of their various border agencies, in recognition of how borders are a critically important asset for economic productivity, revenue and security; benefits that are inextricably bound together.

Our work at the border will continue to be shaped by our hyper-connected world, emerging strategic threats and the unintended consequences of new technologies. In preparing the ABF for

these challenges, we are working to become an agency that is adept in terms of solving problems and agile in responding to competing demands.

In June 2018, the ABF released our ambitious strategy document, *Realising Our Full Potential*, to further develop and augment the ABF's capabilities and leadership skills. Since that time, we've completed around 50 per cent of the initiatives originally outlined. Of particular note, we've established an Australian Border Operations Centre, which embodies an operating system that has improved how we plan, coordinate and manage national operations, particularly to bring unique expertise together to solve problems across the border continuum.

Operational results

Finally Chair, and very briefly, I want to highlight a few of the ABF's operational results from the 2018-19 financial year:

We made more than 285,000 detections of illicit tobacco, weighing more than 633 tonnes, representing more than \$670 million in duty evaded.

The ABF-led whole-of-government Illicit Tobacco Taskforce contributed to these results by seizing more than 182 million cigarettes and 61 tonnes of loose leaf tobacco at the border, worth more than \$213 million in evaded duty.

At the border, we also detected more than 19 tonnes of major illicit drugs—about 5 tonnes more than in 2017-18.

To date, under Operation BATTENRUN—a national operation targeting unscrupulous labour hire intermediaries and foreign worker exploitation—59 search warrants were executed, with 128 individuals detained, 118 subsequently removed from Australia and 58 illegal worker warning notices issued. Simultaneously, the ABF Sponsor Monitoring Unit undertook more than 500 site visits to ensure sponsors were not breaching their obligations.

These results provide a mere snapshot of the professionalism and tenacity of the men and women of the ABF who, whether on our front lines on land or at sea, or in close support, are ardently committed to improving the lives of their fellow Australians.

Thank you Chair.

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