



Reply to Director General Coastwatch

Quote: C01/01122

Customs House
5 Constitution Avenue
Canberra ACT 2601

Dr John Carter
Inquiry Secretary
Joint Committee of Public Accounts and Audit
Parliament House
CANBERRA ACT 2600

Dear Dr Carter,

In preparation for the Committee's Round-table Conference of 30 January 2001, Coastwatch compiled briefing material on a number of the issues that were listed for discussion.

To assist the Committee and the Secretariat, a copy of the briefing material is attached.

Should you require any further explanation of the points raised in this or any other submissions provided by the ACS, please do not hesitate to contact me.

I can confirm that I have no objection to the material contained in that attachment being released to the JCPAA web-site.

Yours sincerely

R E Shalders
Rear Admiral, RAN
Director General
Coastwatch

15 February 2001

ISSUES

1. How can Coastwatch's success or failure be determined?

- The clearest evidence that Coastwatch has continued to be successful in delivering an effective civil maritime surveillance and response service has been embodied in submissions provided to the JCPAA by the clients themselves. This has been reinforced in the evidence given before the Committee during the public hearings. Without exception, Coastwatch clients have indicated that they have been satisfied with the level of service provided by Coastwatch.
- It is a feature of the Coastwatch *modus operandi* that the successful outcome of an operation (e.g. drug seizure or apprehension of SIEV/FFV) is, in reality, an outcome for the client rather than for Coastwatch. The essential Key Performance Measure for Coastwatch is the completion of the surveillance and/or response task to the satisfaction of the client.

2. Implications for Coastwatch of the application of risk management?

- Enclosure 7 to the ACS Submission provides a detailed treatment of the issue of risk management and its application to Coastwatch operations.
- Since the time of preparation of that submission, and in direct response to a recommendation made by the ANAO, Coastwatch has compiled a comprehensive Risk Management Plan, using the ACS Risk Management template. This plan defines a wide range of risks and identifies treatments needed to manage these risks.
- As noted in the original JCPAA submission, Risk Management underpins all Coastwatch operational activity. We cannot hope to cover all possible exigencies but we need to cover those presenting most risk to our client agencies.

3. The reporting of Coastwatch's performance

- This issue was raised by the ANAO, which proposed the adoption of a "balanced scorecard" approach. In response, the ACS indicated that it proposed to undertake an examination of the various options available to effectively measure and track Coastwatch's performance.

- Coastwatch has recently levied a task on the Defence Science and Technology Organisation (DSTO) to examine the issue. The project requires DSTO:
 - to determine the actual and potential contribution of surveillance to civil law enforcement and military operations
 - to assess the effectiveness of that contribution towards the achievement of overall operation success, and
 - to identify, as a result of that assessment, areas of weakness in the surveillance architecture.
- Previous Parliamentary criticism of ACS Annual Report data, wherein Coastwatch performance metrics were subsumed in Border Division information, was rectified in the Annual Report for 1999/2000.

4. The value and outcomes of Coastwatch/client MOUs and Service Level Agreements

- Coastwatch has identified 10 agencies with which it is appropriate to negotiate an MOU/SLA. Six agreements are now in place with work in-train on the remaining four.
- A status report on MOU/SLA action was provided to the JCPAA Secretariat on 6 February 2001.

5. The attribution of nominal costs of Coastwatch operations to clients?

- The issue of cost attribution is dealt with at Enclosure 4 to the Customs submission.
- a paper recently published by the Parliamentary Library devotes considerable space to a strident opposition to the 'user pays' principle. The JCPAA Secretariat may wish to research the Parliamentary Library paper on this matter.

6. Is Coastwatch too close to the Australian Customs Service?

- This issue was addressed in detail by the ANAO during their audit into Coastwatch. The audit report noted '*it is essential that clients perceive that they are receiving fair and equitable consideration of their requests for Coastwatch services*'. The report went on to note that changes made as a result of the recommendations implemented following the Prime Minister's Task Force (PMTF), whereby Coastwatch's independence was re-affirmed, '*... should considerably facilitate identification of responsibility and accountability for performance*'. These changes have now been fully implemented and, along with actions taken to rectify

shortcomings noted by the ANAO, have resulted in a situation whereby all client taskings are treated on their merits.

- Customs Border Division, through its participation in the Coastwatch planning process, is accorded the same standard of service delivery as other Coastwatch clients. Customs strategic surveillance bids from around the regions are aggregated by the Border Operations Coordination Unit in Canberra and presented to the bi-monthly OPAC planning meetings held by Coastwatch and attended by all major client agencies.
- Under Coastwatch's multi-tasking approach, Customs tasks are combined with those of other agencies with interests in the particular geographical area.
- During tactical operations, typically targeting suspected drug or people smuggling activities, Customs is fully involved in co-jointly tasking Coastwatch with other relevant agencies (AFP, DIMA and AQIS).

7. The processing of surveillance information for client agencies

- The need for Coastwatch to improve the way in which it reports the outcomes of surveillance sorties back to its clients has long been recognised.
- The Coastwatch IT infrastructure is currently being completely redeveloped. The Post Flight Reporting facility within the new Coastwatch Command & Support System (CWCSS) will be tailored to better meet the needs of Coastwatch clients.

8. Competency evaluations of Coastwatch staff

- In the original ACS submission to the JCPAA, it was indicated that a competency-based training package, including self-paced learning, would be available by August 2000. Due to staffing changes, including the resignation of the officer with prime carriage of the task, this deadline was not met.
- In November 2000, Coastwatch engaged the services of a consultant to compile all material relevant to the development of a comprehensive training package for Coastwatch operations staff. This material is now being used by a specifically tasked team to complete the task of developing the training and competency assessment packages.

9. Torres Strait

- Coastwatch has engaged the services of a Canberra-based consultancy firm to undertake a study of Torres Strait surveillance requirements.

- The study will provide further insights to allow Coastwatch to review its operations in the area to ensure that the most cost-effective approach is being adopted.
- The study is expected to be complete by the end of March 2001.
- The original AFP submission to the JCPAA included reference to a desire for more integrated night surveillance operations in the Torres Strait. Three trials have been conducted using electronic aircraft in support of response assets. While complex, such activities are quite feasible and further operations of this nature are planned.

10. Kimberley region/WA

In its submission to the JCPAA, the Government of Western Australia made a number of assertions regarding Coastwatch that the ACS consider warrant further comments. The assertions were:

- The conduct of surveillance by Coastwatch does not meet client needs.
- The levels of Coastwatch staff, equipment and resources have not kept pace with a substantial increase in illegal foreign fishing and other activities.
- The surface response capability is not as effective as the aerial surveillance capability.
- An Australian Coastguard may work as an autonomous central coordinating agency.

Client Satisfaction

- In Western Australia, as elsewhere, all Coastwatch surveillance operations are conducted according to prioritised tasking requests made by client agencies. Coastwatch planning staff actively engage client agencies at both the national and regional levels in the identification and development of tasking requirements and priorities. In WA, all client agencies are routinely invited, and do attend, Regional OPAC meetings conducted every two months in Fremantle as well as monthly ROPAC meetings conducted in Broome.
- Client tasks are undertaken through a centralised planning and coordination process that has proven to be the most effective means of satisfying a diverse range of client requirements across a large and widely dispersed geographical area.
- Service Level Agreements containing performance measures, which describe levels of service delivery, are either in place or under negotiation with all Federal level clients. Client agencies also have the opportunity to participate in regular client satisfaction surveys to ensure that identified service levels are being met. The

ANAO audit report on Coastwatch noted that 'clients have traditionally been highly satisfied with Coastwatch services'.

Resource Levels

- Coastwatch resources have increased over the past year resulting from the Prime Minister's Task Force into Coastal Surveillance (PMTF) and other initiatives.
- The commissioning of the National Surveillance Centre has delivered an up to date facility with staff and equipment to manage and support operations. Further enhancements will be realised with the delivery of the Coastwatch Command Support System through 2001.
- A night surveillance capable helicopter commenced operations in Torres Strait in January 2000. Two new Dash 8 maritime surveillance aircraft will enter service before the end of 2000 and funding for an additional five crews and 4000 flying hours has been made available over the next four years.
- Resources available to Coastwatch for the current and future financial years include:
 - 18500 fixed wing surveillance hours (a 3000 hour increase over 99/00 which, in turn, was a 1000 hour increase over 98/99)
 - 1250 rotary wing surveillance hours in the Torres Strait region (an additional 250 hours over 99/00)
 - 250 RAAF P3C Orion hours
 - 1800 Fremantle Class Patrol Boat (FCPB) sea days
 - 1300 Australian Customs Bay Class Vessel (BCV) sea days (an increase of 476 over 99/00)
- The additional 4000 Dash 8 hours translates to 2900 hours of AEEZ surveillance off the East Coast, 700 hours of aerial surveillance of the West Coast between Broome and Perth and up to 400 additional hours for off shore operations not tied to specific geographic areas.
- Although the WA submission notes that 'Illegal Foreign Fishing Vessel activity inside the AEEZ has increased substantially' no evidence is given to support this claim.

Surface Response Capability

- The Fremantle Class Patrol Boats (FCPB) continue to meet the demands of civil maritime surveillance generated surface response requirements from the 1800 seadays allocated by the Department of Defence. Despite approaching the end of their useful life, the FCPB provided 1796 sea days of surveillance and response in 1999/00 and, over the past three financial years, the level of support has averaged 1794 days. Defence is addressing replacement of the FCPB and Customs and Coastwatch are contributing to the process.

- Eight new Bay Class Vessels (BCV) have entered service over the past eighteen months. Despite the heavy training overhead associated with the acquisition and operation of a new capability, these vessels have provided efficient and effective surface response in support of the national effort. The BCV are not intended to replace the FCPB. Once fully operational the Customs fleet will provide a highly capable complement to the FCPB force. As noted in the WA submission, legislative amendments to the Fisheries Management Act now allow for Customs Officers to act as authorised Fisheries Officers. As a result, there are now significantly enhanced response capabilities available to AFMA/WA Fisheries.

Autonomous Coastguard

- The WA suggestion that Australia could consider adopting a US Coastguard model has been dealt with in detail on Enclosure 12 to the original ACS submission and in lengthy testimony given to the Committee. The evidence has highlighted a number of difficulties with such a proposal.
- The WA suggestion to consider a State Coastguard belies an understanding of the 'Whole of Government' approach to a critical national interest problem.
- An independent study completed in July 2000 for the Senate Foreign Affairs, Defence and Trade Committee concluded that an Australian Coastguard is unnecessary and would not result in a demonstrable improvement over the current system.
- The WA suggestion regarding Defence involvement in civil maritime surveillance and response suggests an incomplete understanding of the very close linkages now in place between Defence and Coastwatch.

11. Southern Oceans

- The issue of Southern Oceans Surveillance is covered in Enclosure 10 of the ACS submission
- Since the time of the preparation of the submission, considerable work has been undertaken by the Heard Island & MacDonal Island Operations Group (HIMI OG), which is chaired by the Director General Coastwatch, to prepare a definitive paper for Ministers on future options for dealing with threats to Australia's interests in the Southern Ocean.
- The paper will contain a threat assessment that shows that there has been a significant downturn in the level of and impact of Illegal, Unlicensed and Unregulated (IUU) fishing activities in the HIMI area.
- The Future Options paper is under continuous review with an expectation that a final version will be available for the Minister's consideration by April 2001.

12. Possible future threats

From the Coastwatch perspective, the future does not present any new threats, but rather a continuation and expansion of those existing today. For example:

- **People smuggling:** A recent international law enforcement conference on people smuggling concluded that the worldwide problem of illegal migration, now with the expanding involvement of transnational organised crime groups, will continue unabated, and may indeed rise. It is evident that as traditional destination countries (USA, UK, Netherlands, Germany) intensify their anti-illegal migration activities, and as the ability/need within the labour markets in these countries for cheap labour approaches saturation, people smugglers will turn their attention to other potential destinations, including Australia.
- **Drug Trafficking:** All available indicators show that this threat remains unchanged.
- **Fisheries management:** The UN Fish Stocks Agreement (UNFSA) is likely to come into force in the near future and will require Australia to contribute to fisheries surveillance and law enforcement action in a range of regions beyond Coastwatch's current area of operations.