



Dissenting report

This report deals with the need to replace the current arrangements for operating the Coastwatch program with an Australian Coast Guard.

History

- 1.1 Maritime surveillance for civilian purposes began in 1968 to protect the new 12 nautical mile fishing zone that had been declared in 1967. The first surveillance was undertaken using RAAF P3 Orion aircraft. Approximately 150 hours of surveillance were flown each year. The RAN assisted with surveillance and response using patrol boats.
- 1.2 During the early 1970s the activities of foreign fishing vessels in Australia increased, with 431 sightings in 1974. The most serious threat was traditional Indonesian fishing boats landing in the Kimberley with attendant quarantine risks. Surveillance was increased to 800 flying hours and patrol boat operations extended.
- 1.3 In 1975 a detachment of three RAN Grumman S2E Tracker aircraft were based at Broome and Operation 'Trochus 75' was mounted to monitor traditional Indonesian fishing operations and prevent the illegal taking of trochus from Australian waters. The operation was repeated in 1976 but was so successful it was considered unnecessary the following year.
- 1.4 In 1976 the first refugees arrived by boat from Vietnam. In 1977 a six month trial program using RAAF Dakota and RAN Tracker aircraft was conducted over waters between Darwin and Broome.
- 1.5 In August 1977 Australia declared a 200 nautical mile Exclusive Economic Zone.

- 1.6 In 1978 the Minister for Transport was made responsible for civil surveillance and the Department of Transport's Marine Operations Centre, which was responsible for ship reporting and search and rescue, was redesignated the Australian Coastal Surveillance Centre. The Defence contribution to surveillance was increased and a new surveillance program using civilian chartered aircraft was initiated. It was proposed that the combined Defence and civilian surveillance effort would be of the order of 27,000 flying hours per year but because of delays not all contract arrangements were finalised until mid-1981.
- 1.7 In 1982 the civilian surveillance program was given the name 'Coastwatch', the aircrew were dressed in uniforms and provided with more extensive training. The aircraft were upgraded with weather radar, multi-channel radio equipment, and VLF/Omega navigation equipment.
- 1.8 In March 1983, the Hawke Government was elected and the new Minister for Aviation and Minister Assisting the Minister for Defence, Kim Beazley, conducted a review, finding that more emphasis needed to be placed on drug enforcement. Responsibility for managing and coordinating coastal surveillance was transferred to the Australian Federal Police. A Coastal Protection Unit with its own budget was co-located with the Sea Safety and Surveillance Centre at the Department of Transport with regional co-ordination centres in northern Australia.
- 1.9 In 1988 the Minister for Transport and Communications, Senator Robert Ray, commissioned Hugh Hudson to undertake a review of the coastal surveillance function. The Hudson Report found there had been a resurgence of Indonesian fishing boat activity in the Kimberley area and that there was a need for a night surveillance capability in the Torres Strait. Hudson recommended that the aerial surveillance be funded as a program 'rather than attempt to fund notional inputs into the program.'
- 1.10 Hudson recommended that the Australian Maritime Safety and Coastwatch Agency be established as an independent agency responsible directly to an appropriate Minister. This recommendation was not adopted and instead the coastal surveillance function was placed within Customs.
- 1.11 In 1999 the current government responded to a series of undetected landings by people from boats, establishing a Prime Ministerial taskforce to review Australia's coastal surveillance. The outcomes of that review included; the establishment of a national surveillance centre; upgrading Coastwatch's intelligence function; the addition of two fixed wing surveillance aircraft and one night capable helicopter; and the appointment of a two star naval officer as Director-General of Coastwatch.

Following the taskforce review Coastwatch, which had been incorporated into the Australian Customs Service's Border Management sub-program, was established as a sub-program in its own right.

- 1.12 On the 23rd of January 2000, the Leader of the Opposition, Kim Beazley; the Shadow Defence Minister, Stephen Martin; and the Shadow Justice and Customs Minister, Duncan Kerr, released a policy to establish an Australian Coast Guard. The policy defined the Australian Coast Guard's role as the detection, surveillance and law enforcement response to people smuggling, drug smuggling and illegal fishing, search and rescue operations, and maritime safety. Its charter would include defence, quarantine and fisheries functions, with responsibility for oil spill and environmental protection and pollution control.
- 1.13 The Australian Coast Guard would have primary responsibility for the maintenance and enforcement of Commonwealth maritime law. In peacetime operating as a maritime police force with the full range of law enforcement powers. In times of war or declared emergency, the Australian Coast Guard would come under military command and act as a fourth arm of the Australian Defence Force.
- 1.14 The financial, personnel and physical resources to establish the Australian Coast Guard already exist across various Commonwealth agencies. The Australian Coast Guard would be formed from these existing operational components. By bringing these resources together in one integrated agency, the Australian Coast Guard would be able to deliver coastal surveillance more effectively and more efficiently than under the current arrangements.
- 1.15 The Australian Coast Guard would be established under an Act of Parliament, located within the Justice and Customs portfolio, with an operational commander on secondment from the Australian Defence Force. The Act establishing the Australian Coast Guard would authorise Coast guard vessels to undertake combat duty when placed under ADF command.
- 1.16 The Australian National Audit Office conducted a performance audit of the Coastwatch function which was tabled on the 6th of April 2000.
- 1.17 The ANAO found significant scope still remains for Coastwatch to improve its administration and therefore its cost-effectiveness. The ANAO recognised that in some areas it's recommended improvements would be heavily dependent on the full cooperation of Coastwatch's client agencies and that this cooperation had not been forthcoming in the past.

- 1.18 The performance audit found; Coastwatch assets were only providing limited coverage of the far southern aspects of the EEZ and of the Australian Antarctic Territory; deficiencies in the provision of intelligence to Coastwatch by client agencies; the need for an appropriate replacement for the Freemantle class patrol boats to meet Coastwatch response needs; deficiencies in the performance measurement system for the surveillance contracts; a need for a more systematic approach to ranking Coastwatch tasks; scope for Coastwatch to adopt a more rigorous approach to risk management; Coastwatch's performance indicators were difficult to access and of limited value; potential for identification of alternative delivery platforms and administrative systems – such as those used by the US Coastguard – to improve Coastwatch's performance; and deficiencies in accountability, in particular Coastwatch did not provide sufficient detail in the ACS Annual Report and Portfolio Budget Statements to allow the Parliament and clients to determine readily either Coastwatch's total costs, including the Defence component, or allow ready assessment of its overall performance.
- 1.19 The performance audit identified unauthorised aircraft movements as a potential problem not being adequately dealt with by Government.

Comment

- 1.20 Since its inception as a Defence program in 1968 the coastal surveillance function has gradually evolved in response to changes in the area of Australia's interest, changes in the level and profile of relevant threats, and changes in available technology to conduct surveillance.
- 1.21 Administrative arrangements for delivering the coastal surveillance function have also evolved from a Defence operation in the beginning, to a departmental operation (variously under Transport, the Australian Federal Police and now Customs). In the past the coastal surveillance function has been grouped with other functions such as maritime safety and search and rescue with which it has useful synergies. A separate agency status was first recommended by Hudson in 1988 but not proceeded with. The most recent change has been to establish Coastwatch under its own sub-program within the Australian Customs Service.
- 1.22 The Australian Labor Party's policy to establish an Australian Coast Guard as a separate agency in the Justice portfolio and that its functions include maritime safety and search and rescue would be a logical and timely development of the institutional arrangements.

Public expectations of Coastwatch

- 1.23 It is only possible to speculate on the public's expectations of Coastwatch. There is no quantitative data available that might give an indication of the public's understanding of Coastwatch's role and the performance of its operations or what is possible or appropriate.
- 1.24 However, given the level of media coverage relevant incidents receive, it is reasonable to assume that there is a high degree of awareness of the threats Australia faces in and over its maritime approaches. The farming community is acutely conscious of quarantine risks.
- 1.25 It is the experience of most members of parliament that issues associated with unlawful immigration and illegal importation of drugs evoke strong public reaction. There is also broad awareness of illegal fishing, environmental issues such as marine oil pollution, and search and rescue operations.
- 1.26 The defence debate in this country has always focused on the difficulty of protecting a small population on an island continent with 37,000 kilometres of coastline and the public awareness of that probably extends to non-military threats to Australia's territorial integrity. It may well be the case, in terms of both military and non-military threats, that given the potential capability of current and emerging technologies, the community actually underestimates the practicality of Australia maintaining a high level of surveillance and response to threats in its maritime approaches.
- 1.27 Some submissions suggested that Defence should take over the Coastwatch function. This is a view that is based on the belief that Coastwatch is a Defence like activity and that Defence resources are appropriate for it. It is probably reinforced by Coastwatch's use of some Defence resources, in particular its routine use of patrol boats and its limited use of P3C Orion aircraft.

Comment

- 1.28 Military assets such as maritime patrol aircraft are optimised for warfare not civil surveillance and are too expensive to cost effectively deploy to run a civil surveillance program on the scale necessary for Australia. The simplest demonstration of this is that surveillance using a civilian Dash 8 costs 21 cents per square nautical mile compared to \$3.30 per square nautical mile using a RAAF P3C Orion. Cost was the original logic behind establishing a civilian, contracted Coastwatch and the logic of using

civilian platforms optimised for civil surveillance rather than military platforms optimised for warfare remains valid today.

Government expectations of Coastwatch

- 1.29 Coastwatch has neither its own legislation or a written charter, there is therefore no formal statement of the government's expectations for the organisation. Successive governments have made statements from time to time about the functions of Coastwatch and how it will operate. Generally these statements have been to announce reorganisations of functions or responses to emerging issues.
- 1.30 One of the reasons that there has been no separate legislation or formal charter is that the functions Coastwatch performs are undertaken on behalf of other agencies. The outcome it produces is the facilitation of the outcomes of the agencies that are its clients. At present Coastwatch has responsibility for:
- providing to its clients specified aerial surveillance for both strategic and tactical purposes;
 - coordinating the use of military surveillance assets where that is required;
 - coordinating response to particular threats using available defence and civilian assets; and
 - collating intelligence in support of those activities.
- 1.31 Coastwatch provides an administrative structure for the ordering of competing priorities amongst the demands made of it by its clients.
- 1.32 Coastwatch made categorical statements to the inquiry that it does not determine threat areas or clients' surveillance interests and it does not task itself.
- 1.33 With multi-tasking of most operational activities, a high proportion of clients' needs can be accommodated within the surveillance program. That provides clients with a level of surveillance that they could not obtain as individual agencies. However it needs to be recognised that where particular tasks are given priority, either for surveillance or response, the performance of other tasks requiring the same assets is likely to suffer.
- 1.34 The expectations of Coastwatch at an operational level are the expectations of its clients. The expectation of government at a wider level

are that Coastwatch will facilitate those agencies performing their respective functions with the highest level of effectiveness possible given available resources.

Comment

- 1.35 Without legislation or a formal charter, and with a diffuse set of mechanisms for determining operational priorities, there appears to be a gap between the growing demands on the organisation and accountability for its priorities and performance. The Australian Coast Guard model would address these deficiencies.

The relationship of Coastwatch with its clients

Resources

- 1.36 The clients of Coastwatch are not in a purchaser provider relationship. The funding for Coastwatch is provided directly to it through an appropriation. The client agencies receive its services without having to draw on their own appropriations. This funding arrangement protects Commonwealth outlays. Any contestable market for surveillance or response would risk costly duplication and/or a dilution of the total surveillance and response effort.
- 1.37 The funding arrangement was complicated by a decision arising out of the Prime Minister's Coastal Surveillance Task Force to allocate an increase in resources, not to Coastwatch but directly to the Department of Immigration and Multicultural Affairs. The reasons for, and any benefits resulting from this decision remain unclear.
- 1.38 Defence assets are provided to Coastwatch without any inter-agency charge. Defence is committed to provide a specific level of resources—in particular a given number of patrol boat days—and other resources when they are required and available.
- 1.39 Coastwatch has a contractual arrangement with two companies for the provision of surveillance services, Surveillance Australia for fixed wing aircraft, and Reef Helicopters for rotary wing helicopters used in the Torres Strait.
- 1.40 These companies provide the aircrew. In the case of the major contractor, Surveillance Australia, many have been involved since the inception of the

Coastwatch function and have a high degree of commitment to it. These contractors appear to integrate effectively with the Coastwatch organisation.

Comment

- 1.41 The coastal surveillance and response function needs to be funded directly and not through client agencies as a user pays system may result in costly duplication and/or a reduction in the total effort.

Formal inter-agency agreements

- 1.42 Each client has or is developing a Memorandum of Understanding (MOU) or Service Level Agreement (SLA) with Coastwatch setting out the individual roles and responsibilities of Coastwatch and the agency.
- 1.43 The only exception to this is the Australian Customs Service. The CEO of Customs advised that as the Coastwatch organisation is part of his department there was no need for an MOU. While in the CEO's view this did not cause him any difficulty it may be an area for concern for other agencies that are competing with Customs for Coastwatch resources. A supplementary submission from Customs indicated that Customs was in the process of negotiating an MOU with Coastwatch in accordance with the recommendation of the ANAO.
- 1.44 Surveillance plans are determined at both a national and regional level through three consultative forums:
- the Operations and Program Advisory Committee (OPAC);
 - the Regional Operations and Program Advisory Committee (ROPAC);
and
 - the Planning and Advisory Sub-Committee (PASC).
- 1.45 State agencies that have a need to work with Coastwatch are required to work through a federal sponsor. Currently the extent of cooperation between Coastwatch and State agencies is limited. It needs to be recognised that some State agencies have resources, such as Vessel Monitoring Systems, that could be particularly useful to Coastwatch. State agencies may be able to benefit by greater access to Coastwatch resources.
- 1.46 Ultimately the success of the Coastwatch operation is dependent on cooperation between it and its clients. While there appeared to be a strong and effective working relationship between Coastwatch and Customs, and Coastwatch and DIMA, some other agencies with requirements that had

been accorded lower priority expressed some reservations about the service their organisations are receiving.

- 1.47 The relationship with Defence is the most important to the success of Coastwatch. The response function is dependent on the provision of patrol boats and the use of defence intelligence resources is critical to improving the effectiveness of operations. The appointment of a two star officer on secondment as Director General of Coastwatch has been demonstrated to provide effective leadership through a period when there has been both a need for major organisational change and heavy operational pressures.

Comment

- 1.48 There are limitations on the extent to which coordination arrangements can adequately manage a growing and complex operation like the current Coastwatch function. The operation is now reaching the limits of the current arrangements and it is necessary to implement a more robust institutional framework in the form of an Australian Coast Guard with direct responsibility for the control of the principal surveillance and response platforms.

Allocation of resources

Allocation of resources by Coastwatch

Risk Assessment

- 1.49 Coastwatch asks its clients to rank their strategic and tactical tasking priorities. Coastwatch then attempts to weigh up the risks inherent in each client's stated priorities so that it can devise a plan that responds to the greatest national risk or immediate threat.
- 1.50 The ANAO found that there was no evidence of a common risk assessment process to rank priorities across agencies. ANAO recommended that Coastwatch consult with its clients to develop a common risk assessment process.
- 1.51 Customs agreed with this recommendation with the qualification that it include the right to 'exercise well formed professional judgment which will often have to be exercised on a case-by-case basis.' The Auditor-General's response was that risk management did not remove the onus on management to make well informed decisions, it was a framework 'for the

rigorous application of professional judgment in assessing, prioritising, monitoring and treating risks.'

Priorities

- 1.52 The priorities of Coastwatch change over time as particular threats emerge or recede. Priorities are not published but can be deduced from the allocation of Coastwatch resources.
- 1.53 The greatest current demand on Coastwatch resources is unlawful immigration by boat. In terms of the number of persons making unlawful entry to Australia the majority are doing so to claim refugee status and arrange their entry in a manner to ensure that they are apprehended swiftly so that they can make that claim and have it processed. The majority are landing at one place, Ashmore Reef, where they know they will be apprehended. Given the volume of arrivals, surveillance is necessary to provide adequate warning to manage response.
- 1.54 However, not all boats carrying persons intending to make refugee claims land at Ashmore Reef where the crew will be arrested as people smugglers. Given the penalties for that offence, some will inevitably attempt to land their human cargo in other places and escape. There are also a smaller number of other groups unlawfully arriving by boat who do not intend to claim refugee status, but rather intend to disappear into the general community to work as illegal immigrants. A small number of detected arrivals in this category have been in more southerly areas close to major population centres. These threats, together with illegal fishing result in the need for a wide strategic surveillance program.

Allocation of resources to Coastwatch

- 1.55 Coastwatch has available to it a range of fixed and rotary wing aircraft provided by its contractors Surveillance Australia and Reef Helicopters. The fixed wing aircraft provide about 20,000 operating hours per year and the helicopters about 500 hours.
- 1.56 In addition Defence provides about 250 hours per year of maritime surveillance using P3C Orions.
- 1.57 As a response capability the Navy provides 1800 sea days per year with its 15 Fremantle class patrol boats. This represents about 80% of their available sea going effort.

- 1.58 Customs is acquiring 8 Bay Class patrol boats which will provide about 1200 sea days per year, 70% of which is currently planned to be used by Coastwatch.
- 1.59 Coastwatch's new National Surveillance Centre utilises military surveillance and intelligence resources including satellite surveillance capability.
- 1.60 Coastwatch's client agencies (particularly the AFP, DIMA and AFMA) put their personnel on both Navy and Customs vessels when responding to relevant threats. Other agencies such as Environment Australia and DFAT use those assets from time to time to put their officers into remote locations.

Comment

- 1.61 Coastwatch is the first line of defence against a number of major threats to Australia's national interest. It is critical that there is a rigorous approach to managing these risks. The management of some of the major threats is the responsibility of Ministers outside the Justice portfolio. Processes need to be developed for prioritising threats across portfolios and for ensuring accountability for their management. Assessments of threats and the priority for dealing with them should be explicit and in a form capable of being reviewed and approved at Ministerial level.

Deficiencies in response to identified threats

- 1.62 As Coastwatch does not have unlimited resources competing priorities result in some tasks either not being done, being delayed or being done less effectively. Improving cost effectiveness means being able to get more done with the same resources. The Committee took evidence that demonstrated some of the tradeoffs inherent in current priorities, in relation to the use of both surveillance and response assets.

Surveillance

- 1.63 The Committee received evidence that there was an 80 per cent strategic and 20 per cent tactical split in the allocation of Coastwatch flying hours.
- 1.64 Mr Patterson of Surveillance Australia Pty Ltd told the hearing on the 17th of October 2000 that:

When you have an anti-drug operation, obviously that gains the highest profile and the highest resources. There will always be a back-off in the strategic flying program to handle that sought of high profile threat.

1.65 Mr Cox asked:

Say a drug operation goes on for five days: is that going to lead to a five-day hole in the strategic surveillance program?

1.66 Mr Patterson responded:

Not an entire hole, but there will be a diminution of the strategic surveillance operation for that five day period and for some time afterwards as you recover from that high level of activity during that five-day period.

1.67 Mr Cox asked:

So it would greatly increase the risk of either a suspected illegal entry vessel or an illegal fishing boat reaching our shores in another location?

1.68 Mr Patterson responded:

It would certainly increase the risk. The level of risk increase would be a question I could not answer.

1.69 Mr Cox asked:

In terms of these tactical operations taking up time, do the drug ones take up the longest time? If you said that there were a whole lot of threats, drugs, illegal immigrants, illegal fishing—he things you get diverted from general surveillance to go and do and which take the longest time – would drugs be first?

1.70 Mr Patterson responded:

Drugs tend to be for short periods of high intensity. You could say that, in terms of illegal immigrants, we have been on an illegal immigrant tactical operation for almost the last 18 months.

1.71 At the same hearing Mr Cox asked:

If you came to the conclusion that the amount of strategic flying was inadequate because of the day-to-day tactical requirements and there was a need to increase the financial resources applied, would you need financial resources only to provide for more aircrews, not financial resources to provide for more aircraft

1.72 Mr Patterson replied:

Yes. More aircrews are an incremental increase that would give better utilisation of a very expensive capital asset, being the aircraft assets. There is obviously a limitation to each airframe, but we would not be at that limit at this stage. There is more flying capacity out of the current assets that are employed.

1.73 Mr Cox asked:

Can you give us a rough percentage of what the level of capacity of the airframe for the Dash 8s is at the moment?

1.74 Mr Patterson responded:

It would probably be best to compare it to, say, an RPT (regular public transport) operation. If you were an operator of a Dash 8 aircraft in an RPT environment, you would be looking to get somewhere between 2,000 to 2,400 hours per annum out of the aircraft. In the Coastwatch operation, when the new aircraft come on board, it will be approximately 1,600 hours per year.

Fisheries

1.75 The Australian Fisheries Management Authority presented in evidence a map showing the rate of apprehension of foreign fishing vessels fishing illegally relative to the number of sightings. Indonesian fishing boats are categorised in three types; Type 1 – canoes; Type 2 – traditional sailing vessels; and Type 3 – motorised vessels. Apprehension rates were as low as 2 per cent for Type 2 vessels and as low as 6 per cent for Type 3 vessels in some areas. This provided an indication of the chance of an illegal fishing vessel being apprehended.

1.76 AFMA later provided a supplementary submission showing the same map, for the same period 12 months later. The number of sightings had increased dramatically and the apprehension rates had fallen in some areas to as low as 0.6 per cent for Type 2 and 1.4 per cent for Type 3 vessels.

[Include chart from page S621 of volume 3 of submissions]

1.77 At the hearing on Friday 8th of September 2000, Mr Cox asked the Australian Fisheries Management Authority:

It is pretty obvious to me that if you are a traditional Indonesian fisherman, and you are likely to lose your livelihood, you would not be fishing in Australian waters unless you thought you would get away with it.

1.78 To which Mr Rohan from AFMA replied:

I would agree. One further aspect is that it is an economic decision for them; weighing the value of the catch against the probability of being caught against successful trips where they are not caught, and it may still be a worthwhile risk.

1.79 Mr Cox asked what are shark fins and trochus shells worth, relative to an Indonesian fisherman's ordinary income and Mr Venslovas from AFMA replied:

I do not have specific figures in relation to the current prices for shark fins or trochus shells, but we understand that, if an Indonesian boat can make a foray into the Australian fishing zone and escape successfully, then the investment that is directed toward that voyage is more than recouped on that first voyage, and that would include the value of the boat.

1.80 Mr Rohan (AFMA) told the hearing:

We have to be careful about the interpretation of these figures, because sightings could be multiple sightings over a number of days of the same vessel. It is raw data, but we have assembled it to give a pictorial and numerical indicator of where vessels are seen and what proportion are actually apprehended.

1.81 Mr Cox asked:

Do you think that Coastwatch would be able to reduce the number of sightings down to the actual number of boats, to give us a better picture?

1.82 Mr Rohan (AFMA) replied:

We would like to work toward more refined figures. Coastwatch, in their recently upgraded capacity, have indicated a preparedness to work with us on that, but it is taking a little time. We are both having to upgrade our data bases to deal with it.

1.83 Mr Cox asked:

The Coastwatch surveillance is only going to be a sample of the activity, in any event. The figures could be somewhat worse, anyway, in terms of the total number of boats operating—is that correct?

1.84 Mr Venslovas (AFMA) responded: 'That is correct, yes.'

1.85 At the hearing on the 30th of January 2001, Mr Cox asked the Director-General of Coastwatch:

The other thing that interested me when we were flying over the Ashmore Reef fishing zone was that there are an awful lot of boats out there. We saw 160 or something like that. There were 140 contacts, or something of that order, and we had a discussion about how much we knew about each one of them or the patterns of what they were doing. I think at the time you said you did not have the resources and you had not got into the process of trying to identify individual boats to come up with any information about which ones were frequent illegal fishers, which ones were likely to be just transiting and therefore, by deduction, which ones might also be carrying SUNCs or other contraband. Has Coastwatch got that on the horizon as one of its tasks to develop a more in-depth understanding of the boats that are operating in that region?

1.86 Rear Admiral Shalders responded:

Yes, we do need to develop an in-depth understanding of what they do, why they do it, where they do it and when they do it, but going down to an individual boat or perhaps an individual crew is almost impossible because, as you say, of the number of them, how often they might change their fishing areas and so on. That is an almost impossible task.

What we have done in conjunction with Northern Command—only very recently, actually—is to promulgate to all the concerned players what we call a normalcy study or analysis. Through going back in history and looking at where boats were at certain times, analysing the sighting reports over, I think, the last 10 years, we are now able to predict with a fair degree of certainty where certain types of vessels are likely to be at certain times of the year. That analysis was produced in August this year. At the moment we are comparing those predictions against what we are seeing, and the correlation is actually very tight up to this point of the year, cyclone season notwithstanding. So we have now got a good feel of what we expect to see in certain areas, what sought of

vessels and what sought of densities we would expect to see at certain times of the year. That has proven most useful. But to take it that next step, down to individual boats or perhaps individual crews, is regrettably going to be resource intensive, I think.

1.87 Mr Cox asked:

Is that because it is too difficult, with current technology, to identify them as individual craft?

1.88 Rear Admiral Shalders responded:

It is difficult to do that from the air. As you have seen, they are all very similar in appearance. You would probably actually have to go and board and search each of those vessels. Of course, we do that routinely, and we maintain a database of what we have seen and which crew are on the particular boat, but that cannot hope to cover every single boat. We do not routinely board boats, for example that are legally fishing inside the MOU box; there is no point in doing that.

1.89 Brigadier Silverstone, Commander Northern Command added:

For about eight months now NORCOM have undertaken the practice of gathering information of the vessel name and master's name from the fish reports that our patrol boats do send in, so we are just starting to gather that data and we will see where that takes us. It meshes into the normalcy study that the Director-General of Coastwatch has mentioned.

1.90 The Committee also received evidence from Mr Bizjak of Reef Helicopters at the hearing on the 24th of October 2000 regarding the availability of response assets in the Torres Strait. Mr Cox asked:

But is it your impression that some targets are not responded to because of a lack of response assets—whether they are boats rather than helicopters?

1.91 Mr Bizjak replied:

That has happened on one occasion where there have not been boats available. We actually have detected a vessel inside the fishing area but, due to no assets being available, I do not believe there was any response.

1.92 The main limitation on response to illegal fishing is the number of available platforms. At the hearing on the 30th of January 2001, Mr Cox asked the Director-General of Coastwatch, 'Is your gut feeling that we do

not actually have enough platforms out in that part of the world?' Rear Admiral Shalders replied, 'It would be a foolish Director-General, Coastwatch, that said he had enough assets.'

- 1.93 The Rear Admiral went on to say, 'generally we do have enough assets to satisfy our clients' requirements. I think the statistics speak for themselves.' He pointed out that in the previous calendar year Coastwatch had only missed one vessel carrying illegal immigrants to Australia out of a total of fifty.
- 1.94 At the hearing on the 30th of January 2001 Mr Cox asked about the proportion of tasking of the RAN Freemantle patrol boats and Bay class Customs boats attributable to the Coastwatch function.
- 1.95 Rear Admiral Shalders responded:

Eighty per cent of the Freemantle class patrol boat effort is allocated to the civil maritime surveillance and response role. That is based on 15 boats and 150 days of sea time, which is a personnel tempo requirement that the Navy has. We get 1,800 days per annum which represents 80 per cent of their available sea going effort. In terms of the National Marine Unit and the Bay class vessels, as Mr Woodward has said they have only recently come on line so I cannot give a firm figure. We expect that, once the fleet is fully commissioned and operational and the appropriate number of crews are trained, we will get 1,200 sea days each year from eight vessels. My expectation is that about 70 per cent of that time will be allocated to the civil maritime surveillance and response role that we are responsible for. So, 70 per cent for the Bay class; 80 per cent for the Freemantles.

Environment Australia

- 1.96 Until December 1999 Environment Australia had contracted for a vessel to monitor Ashmore Reef and enforce its own legislation. Following a Government decision, Environment Australia now relies on RAN patrol boats operating under the Coastwatch function to conduct monitoring of sensitive environments.
- 1.97 Dr Kay (Environment Australia) told the hearing on the 8th of September 2000:

We do not always get what we ask for and sometimes that causes us expense that we would rather have avoided. A lot of planning goes into patrolling, monitoring and research in some of our remote nature reserves and parks. If, for some reason, a higher

priority task comes along and we are ‘bumped off’ the vessel, all that expense and planning is for nought. It can be significant in long-term monitoring programs where missing a particular data set casts doubt on the legitimacy of the whole program.

1.98 The Chairman asked:

So, as a minority player, you need some mechanism in order to give you a bit more clout in the decision making process. Is that fair?

1.99 Dr Kay replied, ‘I would not use the word “clout”. Perhaps a bit more certainty.’

Comment

1.100 Tactical operations, particularly for interdiction of illegal drug imports or people smuggling are properly given priority. This is at the expense of both strategic surveillance, increasing other risk factors, and response to illegal fishing, reducing apprehension rates below desirable levels.

1.101 Other Coastwatch clients such as Environment Australia report their planned operations being given a lower priority.

1.102 Should any additional need be identified, there is potential to increase surveillance at incremental cost, because the main resource limitation on operations is aircrew and not airframes.

1.103 Deficiencies in response, particularly to illegal fishing, require additional patrol boat sea days. These are limited by the Navy’s personnel tempo rate of 150 sea days per year. Placing the Freemantle patrol boat replacements under the control of an Australian Coast Guard would provide the opportunity for more flexible crewing arrangements—using more crews than vessels – and a greater availability for and utilisation of the patrol boats for the civilian surveillance and response function. The Coastwatch function utilises 80 per cent of the current patrol boat days at the existing personnel tempo rate. They are therefore principally being used as a civilian asset.

1.104 A major objective of both the last Labor Government and the current Coalition Government has been the civilianisation of non-military functions. Civil maritime surveillance and response is by definition a non-military function. This can produce significant savings in terms of military personnel costs including military superannuation, subsidised housing and service allowances. These would in part be offset by the civilian personnel costs that replace them. The objective of policy in this area

should be achieving greater surveillance and response capability within the existing level of resources.

Replacement of the Freemantle Patrol Boat

1.105 Replacement of the Freemantle class patrol boats was identified as a critical issue by the ANAO because it would determine the future effectiveness of the Coastwatch response function.

1.106 Commodore Moffitt, Director-General of Navy capability gave evidence to the Committee at the hearing on the 30th of January 2001 in which he set out the military roles of the patrol boats:

It is a relatively simple role which encompasses surveillance, boarding operations and the insertion/extraction of troops between sea and shore—the sort of activity generally restricted to a scenario based on low-level contingencies. We certainly would not envisage them being used in a high-level multi threat complex warfare type environment.

1.107 With respect to their usefulness for training he said:

We put quite junior people in command of these ships, in second-in-command positions and in navigators' roles. Also, it provides us with the opportunity to have a significant number of junior seaman officers undertaking their basic levels of training in a challenging but not overly complex war fighting type scenario. So they develop quite quickly in their basic mariner skills and then can springboard from there to the larger ships to learn more complex operational aspects. But it does go beyond officers to sailors as well. By the same token, we have junior levels of sailors in all specialist areas relating to the patrol boats, fulfilling roles which, in larger ships, would be undertaken by much more senior people. So we are putting a lower and less experienced level of person into a position of higher relative responsibility than they might experience elsewhere in the fleet. The spin-offs for us in doing that are quite significant. It means that we have a much larger basic pool of people with significantly developed mariner skills and capabilities that can then be developed with significantly less effort in the more complex environments of larger and more complex warfare scenarios and bigger ships.

- 1.108 Commodore Moffitt provided the Committee with the following information on the development of the specifications for the patrol boats to replace the Freemantle class:

The specifications that we have drawn up and are refining in the light of the publication of the white paper go specifically to a functional description of the sorts of things that we are seeking to achieve with these vessels. We will be asking industry to propose solutions for us. There are some constraints on just how far we can go. Assuming that we will be operating these vessels, we will be operating them within our own infrastructure. We are keen not to incur any substantial infrastructure costs where we do not necessarily need to do so. You would say we have a view that something of the order of 55 metres of vessel with a beam of something of the order of eight to 10 metres may well be a solution. There are different technical ways of cracking the nut. We are looking to industry to give us the answers on how we might do that within those constraints as I have outlined ... They will be built to civilian classification society construction rules because there is no justification in terms of either the military role more specifically or the civil role that they will be employed in for mil spec, which incurs substantially increased cost ... I cannot think of anything that we are specifying in that vessel which would be contrary or counterproductive in the Coastwatch role ... Putting 100 people (suspected unlawful non-citizens) on a vessel of this nature at any time is not necessarily easy. The actual number that we are specifying, from memory, is of the order of 20 or so. But that is with a certain level of comfort. You can always carry more with a more austere standard of comfort than that level over shorter periods than originally specified.

Comment

- 1.109 The patrol boats to replace the Freemantle class have two military roles. Military operations would be confined to low level contingencies and are consistent with the proposed role for an Australian Coast Guard in times of conflict or declared emergency. The significant contribution that the patrol boats currently make in providing training opportunities for junior naval officers and sailors can also be accommodated within the Australian Coast Guard model. Secondment to the Australian Coast Guard for an appropriate period would become a normal and necessary part of a naval career.

- 1.110 The forthcoming replacement of the Freemantle class patrol boats with a civilian specification vessel represents a critical point at which responsibility for this capability can be transferred to an Australian Coast Guard.

Transfer of Bay Class and RAN patrol boats

- 1.111 At the hearing on the 30th of January 2001, Mr Cox asked Defence:

Is there any reason why the specific military tasks that the patrol boats do could not be done by a paramilitary coastguard – that is, assisting Northern Command with inserting troops and surveillance?

- 1.112 To which the Head of Strategic Command, Department of Defence, Air Vice Marshall Houston, replied:

I guess you could have a whole different set of arrangements if you wanted to. The point I would make is that what we have here is a set of arrangements which serve us well now in peacetime, and we have the assets available for contingent circumstances should we require them. I think it is a great use of Defence assets in peacetime where they are providing a very real return in terms of support to Coastwatch. That is the view I have.

- 1.113 At the same hearing Mr Cox also asked the Australian Customs Service:

Mr Woodward, are there any things that you, as chief executive of Customs, would want the Bay class to do that could not be done if they were in the control of a paramilitary coastguard with an appropriate set of arrangements?

- 1.114 To which Mr Woodward replied:

To answer that I would need to look at the experience of other countries. You are getting us into areas that I do not particularly want to get into. If you look at the US experience, what has tended to happen—and, of course, you are talking about a \$4 million [sic—actually \$4 billion], 42,000-person operation—is a tendency for agencies, including US Customs, to complement the capability of the US Coastguard by building up their own capability. I think US Customs has something like 20 vessels and 60 aircraft. They were getting a couple of aircraft that I think our military would have loved to have had. There is a possibility of competition rather than complementarity in that and, frankly, duplication of

resources. A theoretical answer is that there is nothing that I would want Customs to do that could not be provided by a capability of the kind that you are suggesting, but in practice it would not work out that way.

Comment

- 1.115 Neither Defence nor Customs could identify any function they would want their respective patrol boats to carry out for Defence or Customs purposes, that could not be undertaken if the relevant asset was being operated by an Australian Coast Guard.
- 1.116 As 80 per cent of available Navy patrol boat days are committed to Coastwatch, and 70 per cent of available Bay class sea days will be committed to Coastwatch those assets are already primarily used in the civilian surveillance and response function envisaged for the Australian Coast Guard. Under the Australian Coast Guard model it is entirely possible that the number of sea days applied to relevant civilian taskings could be increased to meet the existing shortfall in response capability.
- 1.117 The comments of Air Vice Marshall Houston are indicative of a view that the Navy patrol boats are primarily for Defence purposes. An examination of the use of the patrol boats over their total life and the significant national interest operations to which they are applied in their civilian role may indicate that this is not the most appropriate way to view them.
- 1.118 The warning given by Mr Woodward about the duplication of assets and competition between US Customs and the US Coast Guard are not applicable to the Australian Coast Guard model, because under it all the responsibilities, assets, and resources undertaken by multiple agencies in the US would be contained within a single organisation. The Australian Coast Guard would provide surveillance and response (including putting officers of client agencies at the scene of any interdiction) to customs, immigration, federal police, fisheries, and environment agencies.

Unauthorised aircraft movements

- 1.119 One of the issues identified by the ANAO was the risk associated with unauthorised aircraft movements (UAMs) which the ANAO described (ambiguously from a military perspective) as 'black flights'. The ANAO recommended that Coastwatch, in conjunction with Defence and other appropriate agencies, determine responsibility for the detection,

surveillance and interception of black flights arriving into, or departing from, Australian territory where appropriate, and associated financing requirements.

- 1.120 The Chief Executive Officer of the Australian Customs Service, Mr Woodward told the hearing on the 18th of August 2000:

Coastwatch's role is coastal surveillance and offshore surveillance. What the Auditor-General identified in his report was a view, which we accepted, that there was not absolutely clear responsibility for what are seen as unidentified aircraft movements, so there is a point: where does the border begin and end? As far as Coastwatch is concerned, Coastwatch's responsibility is coastal and offshore surveillance; it does not have a responsibility for surveilling inland Australia.

- 1.121 The amount of information on UAMs is limited. The Commissioner of the Australian Federal Police, Mr Palmer, told the same hearing:

Certainly our intelligence does not indicate there is an orchestrated movement of organised crime directed black flights, although from time to time there are sightings.

- 1.122 Rear Admiral Shalders advised:

There has been significant effort in the past 12 months to attempt to quantify the extent of the problem. In particular, in recent weeks, we have conducted an intensive exercise with Northern Command out of Darwin, which I attended. That exercise was looking not only at the quantification of the problem but actual procedural issues that might be used to resolve the problem if these flights are detected ... we did conduct an exercise in the Kimberley Region some three months ago now. Over a specified period of time we applied all the sensors that we possibly could to a certain area, including people on the ground to see what was flying, whether it was legitimate, whether it had filed a flight plan and whether we had sufficient information on all those flights. That was conducted under the auspices of Commander Northern Command, with a Norforce patrol using Jindalee radar. The end result of that particular exercise was that the extent of the problem was far less than we had originally anticipated. By that I mean that, over a two-week period, all but one aircraft track was able to be tied down to a legitimate movement, either by flight plan or by knowledge that we had from the launching site or whatever. Ultimately, that one track was also checked out and it turned out

to be a pastoralist who was investigating his property. So that was a two week snapshot in a particular area.

1.123 Commander McCourt of Northern Command told the hearing:

At Headquarters Northern Command our intelligence Branch has done an analysis of black flights, UAM, over the last 10 years. I think the issue is twofold: firstly, that a flight is unidentified; and, secondly, whether that flight is actually conducting any illegal activity or not. The breadth of the problem over the 10-year period is that we only have data where we have been able to collect data. For example, the whole of the northern coastline of Australia is not surveilled 24 hours a day or indeed everyday or whatever. So what we have is a bunch of data that was collected during major exercise activities in particular areas or, say, in areas around Darwin where radars are operating all the time, we have good coverage there. Across that 10-year period, we have been able to analyse the data down to a number of unidentified air movements. By doing deeper analysis, we have been able to reduce the scale of the problem such that we think we have a handle on what are potentially illegal activities.

1.124 Group Captain Roberts of Air Force Headquarters told the hearing:

The Cape Yorke Peninsula is not under surveillance. So we have no idea of the types of activity that do or do not occur in that area.

1.125 At the hearing on the 30th of January 2001, Mr Cox raised the following hypothetical scenario in relation to UAMs:

Let us assume we that we discovered that there is a substantial problem with unauthorised aircraft movements and a large part of the next decade has to be spent on developing a capability ... it is hypothetical because conveniently we are unable to determine there is, or is not, a problem. Assuming that we discover that it is a problem, or because we get so good at dealing with SUNCs arriving in SIEVs that they start arriving on suspect illegal entry aircraft, and that becomes the issue, and they are coming as refugees and they are also coming as people who want to quietly settle into the community without us actually knowing about it, then we obviously have a huge set of challenges that we are not dealing with at all at the moment. What are the realistic options for dealing with that? My gut feeling is that project Wedgetail, with four tremendously expensive aircraft, is not going to be really tailored to dealing with that. It would be a very expensive way of going about it. How do you deal with it cheaply?

1.126 Air Vice Marshall Houston replied:

We have to look at this. Obviously, what you are postulating is in the future. We might have hordes of people coming in aircraft rather than in boats. If I can take it on a hypothetical basis, first it would be a major policy issue for government. In fact I think it would be a huge issue for them. What could we do about it? Let us assume at that stage we have the AEW&C, we have got an up and running JORN system and we have got, say, Global Hawk. I think we are going to be much better placed in the future to deal with that sort of problem because there will obviously be options which we could use to respond to exactly the sort of situation you have come up with. At the moment, we do not know the extent of the full problem or what threat we face ... It would have to be dealt with on a whole of government approach. Whether Coastwatch or Defence would coordinate it, I am not sure. I rather suspect Coastwatch would deal with the coordination and we would provide the assets to put the necessary arrangements in place. I am confident that, 10 years from now, if we had the scenario you paint, we would be able to come up with some sort of response which would address the specific problem you raise.

1.127 Dr Ward from DSTO provided the hearing with the following information on emerging radar technologies:

There is work going on in the Jindalee radar as we speak. It is looking at improving the detection performance against light aircraft and the use of it for intelligence purposes. This changes the focus from surveillance to reconnaissance and puts more resources in a given area. If you have intelligence about the likely areas in which these things are flying, then it is possible to actually increase the sensitivity quite significantly, which allows you to provide first order coverage. In terms of light aircraft coverage, there are times of the day when, if you had adequate understanding of the propagation, you might be able to improve your chances of avoiding detection. JORN as a first order detection for light aircraft is increasingly probable, backed up by high precision but more expensive assets such as ground based radars which are relocatable and airborne radars in the AEW&C.

1.128 Mr Cox asked:

The airborne radar is really too expensive an asset for that. If you have only four, you want to be using them essentially for defence purposes anyway. They would not have a high degree of

availability. How much does it cost to have a 737 in the air for an hour?

1.129 Dr Ward responded:

That is generally true. It would depend on the level of threat you perceived and the response you wanted. We have had a lot of collaboration with the US on OTH radar and the use of the Navy's ROTH radar in the Caribbean region for the last five years in counter-drug operations. Those two radars, located in Virginia and Texas, are of comparable size to the Jindalee radar's JORN radar. They have been responsible for pretty well closing down the importation of drugs from the Caribbean by air. It has not closed it down completely but it has made a dramatic impact to the point where the funding authorities are no longer prepared to spend the money on developing that capability. Their argument in the Pentagon is basically that the drug war has been won in the air. Now they are facing the fact that it has moved into ships. In that sort of context there is plenty of evidence that OTH radar should not be written out in terms of a front-line defence against small aircraft.

1.130 Rear Admiral Shalders commented on the US experience with UAMs:

Mr Cox, to pick up on your look into the future, we do have a model. The US have that problem right now. They have a large number of unauthorised, unidentified air movements. You have heard about some of the means by which they are dealing with it. The US customs service actually runs an Air Interdiction Coordination Centre at Riverside, California. They have feeds into that centre from all sorts of sensors, including their own aircraft, military aircraft, over-the-horizon radar, et cetera. They track every movement in the continental United States and south—20,000 movements at any one time. If an aircraft deviates from a flight plan, that centre is alerted and they then have authority to put a response asset onto that aircraft track. So they are confronting, right now, the threat that you are postulating. The Air Interdiction Coordination Centre has been in place now for three years, I think, and they are having significant success in dealing with the UAM problem as it confronts the US. I think the hypothetical you posed to us is manageable—at considerable expense, I would have to add. It is not an insurmountable problem. We know that it is being dealt with quite successfully in the US.

- 1.131 Mr Cox asked, 'What do they use to do the interceptions?' Rear Admiral Shalders responded:

US Customs actually have their own AEW&C. They have a fleet of old P3Bs with the appropriate radar fit, and they have other P3s which they call 'slicks', which are long endurance P3 Orion aircraft able to track unidentified aircraft. They also have a fleet of Cessna Citation business jets. They have a fleet of 24 Black Hawk helicopters to take response teams to where they might need to be—this is the US customs service, nobody else—and they do have access to intercept, through the joint inter-agency task force arrangements on the east and west coasts. There is a system there. It does work and it had pretty significant success against the sort of threat you postulated ... The point I am making is that there is a system that can be put in place depending on the level of threat you are confronting. The threat confronted by US agencies, the drug or narcotic threat particularly, is such that they have had to resource their defences to that level and extent.

- 1.132 Mr Cox asked:

Say it is an infrequent threat and it is 50 aircraft movements a year, is Norforce equipped to go and respond?

- 1.133 Brigadier Silverstone, Commander Northern Command answered:

We have been focusing on surveillance and identifying the threat; then the next issue is response. As I indicated in my first set of comments in talking about UAMs earlier this morning, we are focusing a fair amount of effort in developing the capacity with the regional force surveillance units to think about responding to these threats, because our predominantly reserve organisation has a very limited capacity to do that at the present time. Part of this process is because the circumstances you have identified are hypothetical but possible in the future. We are working steadily towards exploring the range of options open and looking at the processes and procedures we have in place, not least of which are the inter-agency cooperative processes that have to occur necessarily if it is a breach of law. We are concerned with domestic criminal activities; that is very much part of the AFP, Customs and other agencies.

For the time being, we would see ourselves being involved in what I described earlier as the forensic activity; that is, 'We have had a suspected UAM that may have landed in this area. Do you have the capacity to send a patrol there to verify that? Did something

happen? If so, where, when and what other information can be gathered?' We have the capacity to provide some short-term response, but it is very limited and it would have to be something that we would take a while to go and do in our current circumstances with our current resourcing.

- 1.134 The Chief Executive of Customs clarified Coastwatch's role and capability in relation to UAMs:

The main point I want to make is that I do not believe that it is within the current charter of Coastwatch to tackle the issue that Mr Cox is raising. Most certainly Coastwatch is neither equipped nor resourced to deal with the hypothetical situation that you are talking about. If there were a view that Coastwatch would have a role, there would have to be government endorsement of that in its charter, and it would have to be equipped and resourced to play a part in it. It is not now.

- 1.135 Mr Cox asked:

If Defence were to be part of that response mechanism, would it require some legislative backing to perform that policing function?

- 1.136 Brigadier Silverstone responded:

It really depends on a whole range of inter-agency activities.

- 1.137 Air Vice Marshall Houston added:

I think that the legal issues would be quite complex and we would have to take that on notice if you wanted us to pursue it.

Comment

- 1.138 The amount of available information on the extent and nature of the UAM threat is extremely limited. Radar coverage across northern Australia is restricted to a few areas. There is adequate coverage in some places like Darwin. Attempts to quantify the problem in other areas like the Kimberley have not revealed a large problem but this study was only carried out for a short period and could not be described as conclusive.
- 1.139 The Committee received evidence that no information was available about possible UAM movements on Cape Yorke Peninsula, which is a possible pressure point because of its proximity to New Guinea and West Irian. These are areas that are significant for maritime surveillance because of identified risks associated with drug importation and the illegal export of firearms.

- 1.140 The Committee was told that the US Government had demonstrated that strategies are available to deal with the UAM threat, however these were in an intense aviation environment quite unlike northern Australia, and they used expensive, sophisticated military type assets and many of them.
- 1.141 Northern Command indicated that its capacity to deal with the UAM threat was extremely limited. It described its current capability as 'forensic' meaning that if it were directed to respond to a UAM sighting it would arrive long after the event and its contribution would probably be confined to attempting to ascertain whether any suspect activity had actually taken place.
- 1.142 Customs was emphatic that dealing with UAMs was not within its current responsibilities and that it was not equipped or capable of dealing with them.
- 1.143 JORN may be developed to provide a suitable surveillance system for light aircraft but if a threat is identified additional surveillance and response assets may be required. These assets would need to be tailored to Australia's circumstances and the nature of the actual threat and would not require a US style operation.
- 1.144 Assumptions on the basis of current information that there is not a significant UAM problem or that Australia has 10 years to develop a response should not be relied on. The history of Coastwatch has been one of rapidly changing threats.

Search and rescue and maritime safety

- 1.145 There are significant synergies to be obtained from reuniting the Coastwatch function with both search and rescue and maritime safety.
- 1.146 At the hearing on the 30th of January 2001 Mr Cox asked the General Manager of AusSAR:
- Do you run a control room similar to the National Surveillance Centre that Coastwatch runs for the purposes of search and rescue?
- 1.147 To which Ms Barrell responded:
- Yes we do. We have a rescue coordination centre which does coordinate all search and rescue activity in the Australian region for vessels and for aircraft.

1.148 Mr Cox asked:

Does it have other functions?

1.149 To which Ms Barrell replied:

It runs the ship reporting system as well. It is also a 24-hour reporting point for any maritime incident—pollution reporting, incidents at sea and those sorts of activities.

1.150 Mr Cox asked:

On a theoretical basis, is there any reason why that and Coastwatch should not be amalgamated?

1.151 Ms Barrell replied:

On a theoretical basis, probably not.

1.152 The Chief Executive of the Australian Maritime Safety Authority, Mr Davidson, provided the following historical information:

In the 1980s, the sea safety and Coastwatch functions were combined under the Department of Transport. At that stage the aviation search and rescue function was not part of that centre and the then Department of Aviation ran five aviation search and rescue centres around Australia. We assumed responsibility for aviation search and rescue about 1996-97 and we combined the three aviation SAR centres into the single centre that we operate. In practical terms, the skill groups and the groups of people we have operating in that area would be a stand-alone entity. The experience of the eighties was that within that centre, which was then called the Sea Safety Centre, they had the fisheries group, the coastwatch group and marine rescue coordination.

1.153 Mr Cox asked:

The aviation SAR centre covers aircraft lost on the land area as well as the coastal area?

1.154 To which Mr Davidson replied:

Yes ... It covers the entire aviation SAR area, which includes all land within that.

1.155 Mr Cox asked:

Has Defence got its own search and rescue operation for aviation?

1.156 To which Air Vice Marshall Houston replied:

A few years ago we did a joint investigation into the best search and rescue arrangements that we could have for military and civilian functions. In fact, I worked very closely with Rowena (Barrell) on that. Out of that came a rationalisation of the search and rescue functions and they are now handled entirely by AMSA.

1.157 This occurred in 1997.

1.158 Mr Cox asked:

What sorts of vessel monitoring systems do Search and Rescue use?

1.159 To which Ms Barrell replied:

In Australia we have the Australian ship reporting system. This enables the larger commercial vessels arriving or departing the Australian search and rescue region or going between Australian ports to report to us their position on a 24-hour basis. We also cooperate with the Queensland Department of Transport with the reef reporting system, known as REEFREP. That is a joint initiative of AMSA and the Queensland Department of Transport. We have those two ship reporting systems. They actually work together. The vessels will participate potentially in AUSREP and then, when they move into the Great Barrier Reef, they will report to REEFREP. They will report back to AUSREP if they leave the reef area.

1.160 Mr Cox asked whether there were other AMSA functions that could theoretically be run in conjunction with a coastguard operation. The Chief Executive replied:

Yes. The US Coast Guard runs port state control functions. The Canadian one does not; that is done by the Department of Transport. The UK MCA also does port state control functions. There are different formulae that are applied around the world. The commonalities between AMSA and a lot of the extant coastguard models are pretty close in terms of coverage, that is, in search and rescue and other activities. The US Coast Guard go well beyond that because they do interdiction for illegal operations. They do customs type work and a range of other functions and, of course, everyone has drawn the parallels in terms of the relative costs, and I think that will stand.

1.161 The Chief Executive of AMSA provided some commentary on the costs of paramilitary maritime organisations:

Our observation is that, in straight-out cost terms, any of the paramilitary organisations tend to have a preference for dedicated platforms and vehicles. They tend to make them specialist to the particular function that they are undertaking, so if it is a SAR function the vehicle is prepared directly and only for SAR activities. In terms of their operation, they tend to be much more costly than we are.

Comment

1.162 There would be a number of benefits from re-amalgamating the Coastwatch function with search and rescue and maritime safety. It has the potential to provide a number of important synergies:

- a combined operations centre (possibly with only a single control room, producing significant savings);
- direct access for the coastwatch function to the vessel monitoring systems (VMS) currently used by the department of Transport;
- the aviation search and rescue function would provide a significant body of expertise for starting to deal with the UAM issue; and
- there would be savings in administration from reducing the number of entities.

1.163 As the Australian Coast Guard would continue to use charter aircraft for surveillance and search and rescue, there need be no impetus for the costly proliferation of dedicated platforms for different tasks seen with paramilitary organisations in other countries.

Comparisons with cost of the US Coast Guard

1.164 At the hearing on the 30th of January 2001 Defence provided information on the size and cost of running the US Coast Guard. Mr Behm, Head of the Strategy and Ministerial Services Division, told the Committee:

... the Coast Guard in the United States does spend a bit over \$US4 billion a year. It has a large number of personnel at something just over 40,000 people ... They have 12 ships similar to our FFGs, of which we have six. They have 31 medium endurance cutters, 85 patrol boats and 1,000 other boats. They have three polar icebreakers and 30 C130 aircraft, which is a few more than we have. They have 23 falcon jets, which is 23 more than we have, and

140 other aircraft. I suspect that is 140 more other aircraft than we have. I just mention that because we are dealing with comparable demands. The United States is a continent which is comparably the size of Australia, but Australia has a population of 20 million people and a GDP somewhat less than the state of California. I just think that issue about costs is a fundamental issue that we have to bear in mind in Australia. Defence spends about \$12 billion. We are talking about a continental coastguard arrangement which is about half the size of our national defence spend. That is a very significant issue.

Comment

- 1.165 Cost comparisons between Labor's Australian Coast Guard proposal and the US Coast Guard are totally spurious. The Australian Coast Guard would draw together in one organisation the management and control of the principal surveillance and response assets. Where these are currently provided under contract they would continue to be provided under contract.
- 1.166 The most significant resource issue is the transfer of the replacement of the Fremantle class patrol boats from Navy to the Australian Coast Guard, which offers the opportunity to either save money or increase availability.
- 1.167 The threats, in terms of drug interdiction and illegal immigration, with which the US Coast Guard must contend are of an order of magnitude many times greater than Australia can ever expect to face. And the US Coast Guard must deal with those threats in an environment of crowded sea lanes and the most heavily trafficked skies in the world.
- 1.168 Australia's situation is the opposite. Presently we face a comparatively low level of threat – though significant in terms of the cost to deal with it relative to the small size of our population. The remote environment in which that low level threat is projected toward Australia means that the focus is on achieving cost effective surveillance and closely matching an effective response to those threats.
- 1.169 The principal financial objective in implementing Labor's policy for an Australian Coast Guard, is to achieve an improvement in the performance of the various surveillance, interdiction, maritime safety, and search and rescue functions within the existing level of resources.

Recommendations

1.170 We recommend:

Recommendation 1

1.171 **The establishment of an Australian Coast Guard bringing together the financial, personnel and physical resources that already exist across various Commonwealth agencies and are applied to maritime policing functions, air-sea search and rescue, and maritime safety.**

Recommendation 2

1.172 **The Australian Coast Guard be established under an Act of Parliament and located within the Justice portfolio.**

Recommendation 3

1.173 **The Act authorise the Australian Coast Guard to undertake combat duty when placed under ADF command during time of war or declared emergency.**

Recommendation 4

1.174 **That processes be developed for assessing across portfolios civil threats arising in Australia's maritime environs. The priority for dealing with those threats should be explicit and in a form capable of being reviewed and approved at Ministerial level.**

Recommendation 5

1.175 **That the Australian Coast Guard be given responsibility for coordinating the assessment of risks associated with unauthorised aircraft movements and the development of a response to any identified threat.**

David Cox MP
Vice Chairman
8 August 2001

Senator John Hogg