

**Error!**

October 2000

Mr John Carter  
Sectional Committee Secretary  
Joint Committee of Public Accounts and Audit  
Parliament House  
Canberra ACT 2600

Dear Mr Carter

**Inquiry into Coastwatch**

I refer to your letter of 21 September concerning an inspection tour of Coastwatch operations in Northern Australia.

As requested, please find attached a short paper on the law enforcement issues in the Torres Strait, especially in regard to Coastwatch operation.

Yours sincerely

Peter Jones  
Director  
Policy Group

## Law Enforcement Issues in the Torres Strait

This Briefing Paper provides an overview in relation to cross border crime in the Torres Strait and focuses on the following four points:

1. *the movement of drugs both within and across the Torres Strait from Papua New Guinea;*
2. *insights into how the illicit importation of drugs entering from PNG is financed;*
3. *the nature and amount of goods illegally leaving Australia across the Strait; and*
4. *any practical measures which might be put in place to address the problem.*

### BACKGROUND

Coastwatch has two fixed wing aircraft based on Horn Island and two helicopters based on Thursday Island.

The Coastwatch fixed wing aircraft, Britten Norman Islanders (BN-2Bs), conduct visual surveillance of the Torres Strait and adjacent areas on behalf of all Coastwatch clients with interests in these areas, including Australian Customs Service (ACS), AFP, Australian Quarantine and Inspection Service, Australian Fisheries Management Authority and Department of Immigration and Multicultural Affairs. These aircraft are not fitted with surveillance radar and have limited night visual surveillance capability.

The helicopters are a Bell Longranger and a Bell 412EP. The Longranger provides limited surveillance capacity plus logistical transport support for client agencies. While the Bell 412 is not fitted with a surveillance radar, it has a limited electronic surveillance capability using the fitted weather radar and is equipped with Forward Looking Infra Red (FLIR) and High Definition Television (HDTV). In addition, the rear cockpit is configured for Night Vision Goggles. This equipment combines to make the helicopter a capable visual surveillance platform both day and night. In situations requiring a response, the Bell 412EP provides an effective response platform, capable of deploying 24 hours per day in all weathers. The Bell 412EP is on a continuous 45 minute alert status.

Where it becomes necessary to provide an electronic surveillance capability to satisfy a client tasking requirement, Coastwatch tasks aircraft normally based in Cairns or Darwin to the Torres Strait.

Under the Memorandum of Understanding between the AFP and ACS the tasking of Coastwatch resources for joint operations is undertaken by ACS Border. As a client of Coastwatch, the AFP is able to task Coastwatch resources for response or investigative purposes related to cross border crime.

The primary role of the AFP Team based on Thursday Island is to gather tactical and strategic intelligence in relation to cross border criminal activity. The Coastwatch helicopters provide an important means of transport for the AFP Team so that they can visit remote islands in the Torres Strait to gather intelligence and conduct investigations.

## **RESPONSE**

### *The movement of drugs both within and across the Torres Strait from Papua New Guinea*

There is evidence of ongoing, structured small-scale importations of cannabis from PNG to Northern Australia.

Cannabis is grown in the highlands of Papua New Guinea (PNG) and in the vicinity of the PNG/West Papua, Indonesia border. It is our understanding that the majority of cannabis grown in PNG is for domestic consumption. Methods of transportation from place of cultivation to coastal Western Province, PNG include regional airlines, coastal shipping, dinghy and on foot.

Daru Island, Western Province, PNG is located near the mouth of the Fly River and has a population of approximately 22,000 people. Daru is the provincial capital and administrative and trading centre for Western Province. Intelligence indicates that Daru is the transshipment point for the majority of the cannabis that is imported into Australia through the Torres Strait. Cannabis is transported by fiberglass banana boat and aluminium dinghy from Daru to islands in the Torres Strait and to the tip of Cape York Peninsula.

Australian registered trawlers and light aircraft are also involved in the transportation of cannabis across the Torres Strait. Cannabis is transported from Daru to coastal villages such as Old Mawatta, Mabaduan and Sigabaduru where it is stockpiled in preparation for exportation to Australia. Cannabis is also transported direct from Buji and Sigabaduru villages to Boigu Island and Saibai Island.

The two main gateways into Australia are Saibai Island and Yam Island. However importations into Australia occur from Boigu Island in the west to Murray Island in the east. The four distribution hubs are Saibai Island, Yam Island, Badu Island and Thursday Island. Methods of transportation within the Torres Strait and northern peninsula area include regional and charter airlines, commercial coastal shipping, inter-island barge, trawler and dinghy.

The travel time by banana boat or dinghy from Sigabaduru village to Saibai Island is 15 minutes subject to factors such as sea state, dinghy load and horsepower rating of the outboard motor. The travel time from Daru to Saibai Island is two and a half hours. The travel time from Daru to Yam Island is four hours. The travel time from Daru to Seisia, Cape York Peninsula is eight hours. Therefore, an importation of cannabis from PNG to the Australian mainland can easily be achieved 'under cover of darkness'. From Seisia the cannabis is transported by aircraft or four wheel drive vehicle to southern markets.

In April 1995 the pilot of a light aircraft and his passenger were arrested at Horn Island airport and they were subsequently charged with importing 55.0 kilograms of cannabis. They had taken possession of the cannabis at Mt Hagen, PNG and had flown direct to Bamaga airport, Cape York Peninsula.

The following scenario provides insight into one modus operandi utilized by those involved in cross border crime:

A PNG national in Daru is recruited to deliver between one and 30.0 kilograms of cannabis to an Australian on a remote island in the Torres Strait. The courier departs Daru at 8.00 pm in a banana boat and arrives at Tudu Island about 11.30 pm. The courier meets the Australian at the rendezvous point and the exchange takes place. The courier is handed the cash or another commodity of exchange. The Australian is handed the cannabis. The courier then departs Tudu Island and returns to Daru arriving about 3.30 am. After the departure of the courier the Australian buries the cannabis and then returns to Yam Island arriving about 1.00 am. Small craft movements such as this in the vicinity of Yam Island and Tudu Island do not arouse suspicion due to the fact that the behaviour is consistent with dugong hunting and fishing. During the following two or three days the principal and Australian dinghy driver employ counter-surveillance measures to ensure that Police, Customs and the Royal Australian Navy are not operating in the area. The dinghy driver then returns to Tudu Island at night and retrieves the cannabis. The dinghy driver returns to Yam Island and delivers the cannabis to the principal. Even if the dinghy was seen returning to Yam Island it would not be subject to Customs, Quarantine or Immigration scrutiny.

From a distribution hub such as Yam Island the cannabis is transported to Thursday Island by dinghy and/or transported to Cairns secreted amongst consigned sea cargo.

Other rendezvous points for similar scenarios include Cap Island, Gabba Island, Dalrymple Island and Moon Passage in the Warrior Reef.

It is not possible to quantify the amount of cannabis destined for the Torres Strait market and how much is transported to southern markets.

#### *Insights into how the illicit importation of drugs entering from PNG is financed*

Criminal groups operating in the Torres Strait use a combination of methods to finance drug importations. The methods by which cannabis importations are financed fit into the following four categories:

- Syndicates

The proceeds of a previous cannabis importation are used to finance subsequent importations. The proceeds of other criminal activity such as ‘Sly Grogging’, which is the unlicensed sale of alcohol, are used to finance cannabis importations.

- Exchange

For a small monetary outlay, sort after commodities are purchased specifically to exchange for cannabis. Examples follow:

- An air rifle valued at \$165.00 was exchanged for 3.0 kilograms cannabis with a street value of \$24,000.00;
- A shotgun was exchanged for 4.0 kilograms of cannabis;
- A .303 rifle was exchanged for 2.0 kilograms of cannabis;
- A 3030 Winchester rifle and a .22 rifle were exchanged for 2.0 kilograms of cannabis;

- Two (2) .303 rifles with magazines and ammunition plus \$700.00 were exchanged for 10.0 kilograms of cannabis;
  - A second hand 40 hp Mariner outboard was exchanged for 1.0 kilogram of cannabis;
  - Two cartons of beer and \$6,000.00 were exchanged for 3.0 kilograms of cannabis; and
  - A crossbow was exchanged for an unknown quantity of cannabis.
- Drug Trafficking  
Individuals in the Torres Strait engage in cannabis trafficking at 'street level' to fund their next importation.
  - Stolen Property  
Munitions, dinghies, outboards and fuel are keenly sought commodities in Western Province PNG. Property stolen in Cairns and the Torres Strait have been exchanged for cannabis in PNG.

*The nature and amount of goods illegally leaving Australia across the Strait*

Intelligence indicates that individuals and syndicates are involved in the importation of cannabis into Australia from PNG. Small amounts of cannabis is exchanged for cash, firearms, ammunition, fuel, outboard motors, dinghies, pornographic videos, methylated spirits, alcohol and food. Intelligence shows that relatively small quantities of munitions and methylated spirits are exchanged for cannabis. Generally single firearms are exported however caches ranging from five to seven firearms have been seized or reported. The types of firearms exported include handguns, rifles of various calibers, SKS and SKK semi-automatic carbines and shotguns. Methods of importation and exportation can be described as ad hoc, opportunistic and unsophisticated never the less they are effective.

It is not possible to quantify the volume and value of goods being used as barter items for cannabis.

*Any practical measures which might be put in place to address the problem*

Intelligence indicates that those involved in cross border crime believe that Coastwatch aircraft cannot operate at night. This is not correct. The Bell 412 helicopter is IFR rated and is presently engaged in night operations in the Torres Strait. Electronic surveillance equipped Dash 8 aircraft are presently performing tasks in other parts of our continent but have been employed in a similar night operations trial in this area.

An alternative solution would be the installation of a Suricate coastal surveillance radar (microwave) or high frequency ground wave radar on a strategically located island. Both systems are capable of detecting and tracking small craft and either system could augment the Coastwatch surveillance flying program.

Under the National Illicit Drugs Strategy, the AFP has been provided with funds under the Law Enforcement Cooperation Program in relation to Asia and the Pacific

Region. This Program has funded a number of projects in relation to the PNG/Torres Strait area including:

- A study tour by the Daru Drug Squad to Thursday Island;
- Purchase of equipment for the Daru Drug Squad; and
- Funding of the attendance of the AFP's Resident Agent to attend the annual Cross Border Crime Conference.

## **CONCLUSION**

Coastwatch provides a vitally important role in the Torres Strait in relation to the detection of drug importations, people smuggling and firearms exportations.

The perception that Coastwatch aircraft cannot operate at night has encouraged those involved in cross border crime to carry out their illegal activities during hours of darkness.

Coastwatch night surveillance of the Torres Strait would deter some criminal activity and provide law enforcement agencies with valuable tactical intelligence necessary to identify small craft movement patterns.

Carefully planned and coordinated night operations involving the Dash 8, Bell 412 helicopter, ACS National Marine Unit vessels and multiagency response teams could identify potential targets and then covertly insert teams onto remote islands for the interdiction phase.