Australian Government

Australian Customs and Border Protection Service

EXECUTIVE MINUTE

on
JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT
REPORT 435
Review of Auditor-General's Reports Nos. 33 (2011-12) to 1 (2012-13)

The purpose of this Executive Minute is to provide a response from the Australian Customs and Border Protection Service (Customs and Border Protection) to a recommendation made by the Joint Committee of Public Accounts and Audit (JCPAA) in Report 435.

Recommendation 10 of Report 435 related to Australian National Audit Office (ANAO) Audit Report No.50 2011-12 – Processing and Risk Assessing Incoming international Air Passengers, and required:

That, within six months of the tabling of this report, the Australian Customs and Border Protection Service provide the Committee with an update on its progress in developing and implementing a strategic plan for SmartGate. The response should include:

- *An overview of measures introduced as part of the plan to improve SmartGate clearance numbers;*

- *The latest figures on the number and percentage of eligible passengers clearing through SmartGate; and*

- *How the year to date figures compare with the presentation and clearance targets identified in the 2012-13 Portfolio Budget Statements.*

Response to the recommendation

Development of a strategic plan for SmartGate

An automated border processing strategy, which includes a strategy for SmartGate, has been developed by Customs and Border Protection. The strategy was presented at the May 2012 National Passenger Facilitation Committee meeting with key industry representatives including airlines, airport operators and tourism groups. It has also been discussed with key border agencies.

The key objectives of the strategy are to:
- improve the traveller experience and maximise the use of existing technology;
- streamline traveller processing and reduce ongoing costs; and
- ensure optimal positioning of for the agency for the future.

The strategy is currently being implemented.

Progress implementing the Strategy

Three key streams of activity were identified in the Automated Border Strategy.

Stream 1 - Strengthening the existing capabilities

This stream of activity is aimed at improving the technical platform and enhancing its performance. Key areas of focus are:
a. Automation of critical technical support functions that would otherwise impede and/or slowdown the expansion of SmartGate to other nationalities.
b. Improving the stability, performance and fail-over (business continuity) arrangements for SmartGate in light of the increasing reliance on the technology.
c. Evaluating the biometric matching settings used in SmartGate to balance the risk of a traveller getting through SmartGate who shouldn't, against high SmartGate failure (referral) rates for legitimate travellers.
d. Assessing new automated border clearance technologies to determine if a better solution is now available.

Progress to date

Work against each of the key areas is proceeding, and changes that will lead to improvements in performance, systems stability and referral rates are expected to be progressively introduced over the next 18 months.

The work in this stream updates critical elements of the technical platform and the border security functionality of SmartGate. All changes are therefore subject to extensive analysis, design and testing to ensure that there are no unexpected impacts on core border management activities. As a consequence, these types of activities require longer lead times to implement than many of the activities in the other streams.

Stream 2 - Increasing self-processing throughput/uptake rates

This stream of activity is aimed at increasing the number of eligible travellers successfully using SmartGate, and increasing the range of travellers who are eligible to use SmartGate. Key areas of focus are:

a. Implementation of additional SmartGate kiosks and gates to ensure that queues for use of SmartGate remain significantly smaller during peak periods than queues for manual processing.
b. Trialling the expansion of SmartGate to new nationalities.
c. Improving signage, wayfinding and queuing arrangements in airports so that eligible travellers are encouraged to use Smartgate, and are more likely to be successful.

Progress to date

The expansion of SmartGate in Melbourne Airport was completed on 27 November 2012 and included relocation of twelve of the existing kiosks and five existing gates, and the installation of an additional five gates. This doubled the total number of gates to ten.

Expansion of SmartGate in Sydney Airport Pier C was completed on 13 December 2012 and included an additional kiosk and an additional four gates. This brought the total number of gates to nine.
The additional kiosks and gates installed in Melbourne and Sydney prior to Christmas 2012 have led to increased SmartGate usage.

- Use in Melbourne has increased from 62.2% of eligible travellers in October 2012 to 71.3% in March 2013; and
- Use in Sydney has increased from 56.5% of eligible travellers in October 2012 to 62.8% in March 2013.

The expansion program remains on track to be completed by the end of the 2013-14 financial year, with an additional:
- 4 gates to be installed in Perth in August 2013;
- 7 gates to be installed in Sydney Pier B by the end of September 2013;
- 2 gates planned to be implemented in the Gold Coast in the 1st quarter of 2014; and
- 5 gates planned to be implemented in Brisbane by the end of June 2014.

The extension of SmartGate eligibility to additional nationalities is well progressed.

A trial commenced on 1 November 2012 which allows US Global Entry members to use Australia's SmartGate.

Customs and Border Protection is continuing to work with the Department of Immigration and Citizenship (DIAC) on opportunities to open up SmartGate access to other nationalities, with an immediate focus on opportunities for trials with UK and Singapore ePassport holders, and a longer term focus on other countries with large visitor numbers and high quality ePassports such as China. During her visit to China in early April 2013, Prime Minister Gillard announced that from 2015, Chinese ePassport holders arriving in Australia would be able to use SmartGate.

Customs and Border Protection is continuing to work with airport operators to improve signage and wayfinding that encourages eligible travellers to use SmartGate. The new approaches to signage and wayfinding implemented by the airport operators in Melbourne and Sydney in conjunction with the SmartGate expansion program have resulted in significant improvements in traveller flow through the airports, particularly in peak periods.

Customs and Border Protection is assessing options in conjunction with DIAC and the Australian Passport Office for processing children (under 16) through SmartGate.

Stream 3 - Extending functionality

This stream of activity is aimed at moving automated border processing beyond its current usage at the inwards primary line in major airports. Key areas of focus are:
  a. Development of a strategy to automate departures.
  b. Development of a strategy to automate incoming and outgoing passenger cards.
  c. Identification of technology options to deliver a mobile automated processing solution, and to minimise the footprint (space requirements) for the current technology.

Progress to date

On 9 February 2013, Prime Minister Gillard announced that Customs and Border Protection and the Department of Immigration and Citizenship (DIAC) would be conducting a two year $8 million trial of fast-track automated technology to streamline departures from Australian airports.

The feasibility study will:
- Test the range of available technical options in a laboratory;
- Identify and develop the most suitable business process to support an automated departures process; and
- Run a live trial in a chosen airport.

The project to deliver the automated departures feasibility trial has commenced and is a core component of the Customs and Border Protection Reform Program.
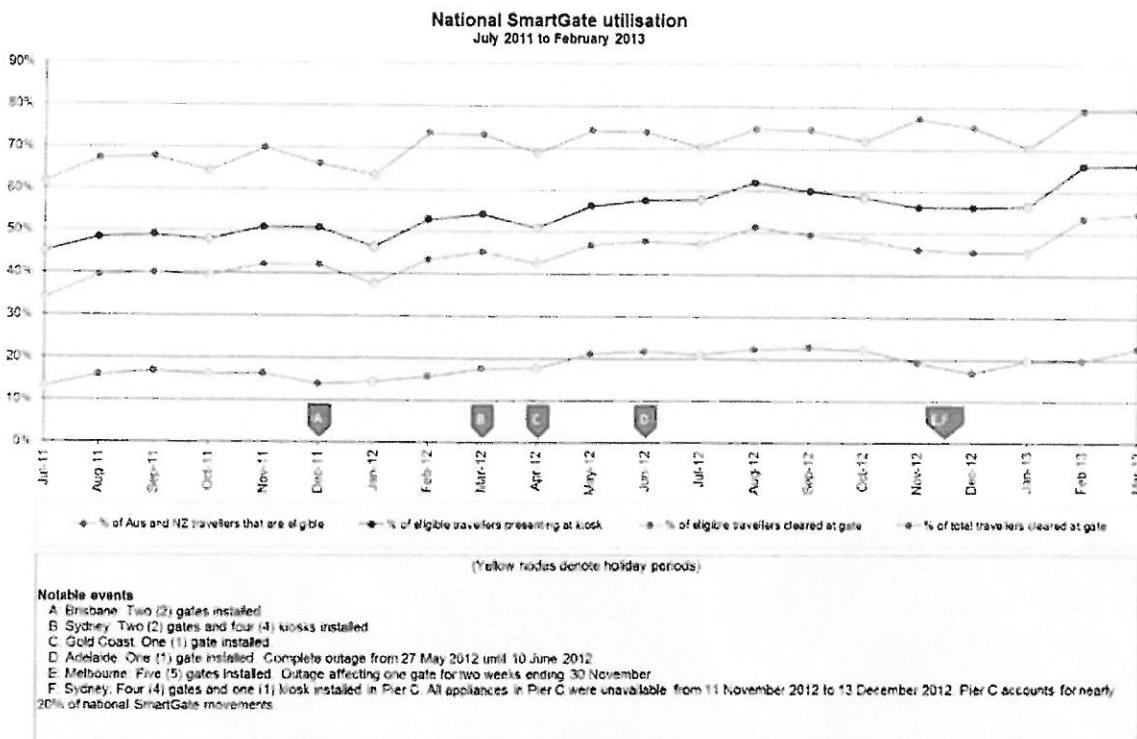
Options to automate the outgoing passenger card are being assessed as part of the feasibility trial.

An assessment to determine 'best fit' technology that resolves a range of business and technical issues is being undertaken.

SmartGate usage and clearance rates over time

SmartGate usage and clearance rates continue to improve. The two graphs below provide a view of the change in use of SmartGate by eligible travellers between July 2011 and March 2013 in both percentage and volumetric terms.

Graph 1 – Percentage of travellers using and clearing SmartGate

National SmartGate utilisation
July 2011 to February 2013

Legend: % of Aus and NZ travellers that are eligible · % of eligible travellers presenting at kiosk · % of eligible travellers cleared at gate · % of total travellers cleared at gate

(Yellow nodes denote holiday periods)

Notable events
A Brisbane: Two (2) gates installed
B Sydney: Two (2) gates and four (4) kiosks installed
C Gold Coast: One (1) gate installed
D Adelaide: One (1) gate installed. Complete outage from 27 May 2012 until 10 June 2012
E Melbourne: Five (5) gates installed. Outage affecting one gate for two weeks ending 30 November
F Sydney: Four (4) gates and one (1) kiosk installed in Pier C. All appliances in Pier C were unavailable from 11 November 2012 to 13 December 2012. Pier C accounts for nearly 20% of national SmartGate movements

Key points to note:

- The percentage of Australian and New Zealand travellers that are eligible to use SmartGate (green line) continues to climb as the completion date for the transition to ePassports draws closer.
- The PBS target of 65% of eligible Australian and New Zealand travellers presenting at a kiosk was achieved for the first time in February 2013.
- SmartGate usage rates (red line) continue to be impacted significantly during holiday periods (as denoted by yellow nodes in the graph above), as large numbers of families and groups travel over those periods.
  - Families travelling with children under 16 are encouraged to stay together to be processed by Customs and Border Protection Officers.
  - People travelling in groups will quite often have a range of ePassports and non ePassports. In these circumstances, the groups will stay together and be processed by a Customs and Border Protection officer.
- The implementation of additional SmartGate capacity in airports, in combination with improvements to traveller flow, way finding, signage and marshalling have led to significant improvements in year-on-year use of SmartGate.
- The results in November and December 2012 were impacted by implementation activity in Sydney and Melbourne that required some SmartGate equipment to be decommissioned for a period.

Graph 2 – Number of travellers using and clearing SmartGate

National SmartGate utilisation

(Yellow nodes denote holiday periods.)
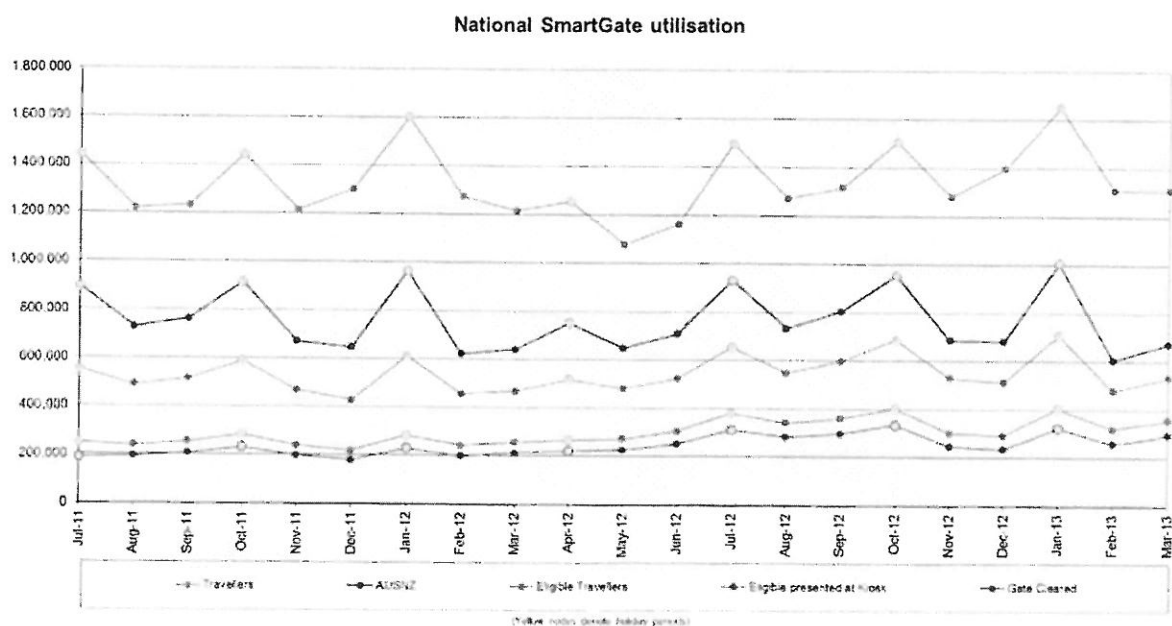
Key points to note:

- The seasonal flow of travellers through our international airports is evident in this graph.
- The gap between total Australian and New Zealand travellers (red line) and eligible travellers (blue line) continues to narrow as the completion date for the transition to ePassports draws closer.
- The gap between eligible travellers (blue line) and those presenting at a kiosk (orange line) continues to narrow as more eligible travellers choose to use SmartGate.
- The impact of holiday periods (as denoted by yellow nodes in the graph above) on SmartGate use that was discussed on the previous page is clear in this graph. Whilst SmartGate use (orange line) increases in these periods, large volumes of eligible travellers arriving at our borders during these periods are travelling with people who are ineligible to use SmartGate, and are processed together by a Customs and Border Protection officer.
- The use of SmartGate in November and December 2012 was impacted by implementation activity in Sydney and Melbourne that required some SmartGate equipment to be decommissioned for a period.
- The gap between eligible travellers presenting at a kiosk (orange line) and those successfully cleared at the gate (purple line) has remained relatively steady. The activities in Stream 1 of the Automated Border Management Strategy are expected to narrow this gap.

Performance against targets identified in the 2012-13 Portfolio Budget Statements

The five SmartGate related targets included in the 2012-13 Portfolio Budget Statements represent a dramatic increase on the actual performance during 2011-12.

Deliverable	2012-13 Budget Target	2011-12 Actual
Total number of eligible travellers who presented at a SmartGate kiosk	4.6m	3.1m
Total number of eligible travellers who successfully cleared SmartGate	3.7m	2.5m
Percentage of eligible travellers who presented at a SmartGate kiosk	65%	51%
Percentage of total arriving travellers who presented at a SmartGate kiosk	29%	16%
Percentage of eligible travellers who successfully cleared SmartGate	52%	41%

Total number of eligible travellers who presented at a SmartGate kiosk

The 2012-13 PBS target for eligible travellers presenting at a SmartGate kiosk is 4.6 million.

As at the end of March 2013, around 3.14 million eligible travellers had presented at a SmartGate kiosk.

The use of SmartGate in November and December 2012 was impacted by implementation activity in Sydney and Melbourne that required some SmartGate equipment to be decommissioned for a period.

Use of SmartGate has increased substantially following the implementation of the new kiosks and gates in Melbourne and Sydney. More than 353,000 eligible travellers presented at a kiosk in March 2013, up nearly 100,000 travellers over the same month the year before.

Total number of eligible travellers who successfully cleared SmartGate

The 2012-13 PBS target for eligible travellers successfully cleared through SmartGate is 3.7 million.

As at the end of March 2013, around 2.57 million eligible travellers successfully cleared SmartGate.

More than 292,000 successfully cleared SmartGate in March 2013, up more than 80,000 travellers over the same month the year before.

Percentage of eligible travellers who presented at a SmartGate kiosk

The 2012-13 PBS target for the percentage of eligible travellers who present at a SmartGate kiosk is 65%.

The 65% target was achieved for the first time in February 2013 (66.17%), and was achieved again in March 2013 (66.31%).

Percentage of total arriving travellers who presented at a SmartGate kiosk

The 2012-13 PBS target for the percentage of total arriving travellers who present at a SmartGate kiosk is 29%.

As at the end of March 2013, 25.4% of all travellers had presented at a SmartGate kiosk. This percentage is steadily increasing following the introduction of additional gates in Sydney and Melbourne.

Percentage of eligible travellers who successfully cleared SmartGate

The 2012-13 PBS target for eligible travellers successfully cleared through SmartGate is 52%.

The 52% target was achieved for the first time in February 2013 (53.60%), and was achieved again in March 2013 (54.78%).

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