



COMMONWEALTH OF AUSTRALIA

# Official Committee Hansard

JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT

**Reference: Coastwatch**

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## JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT

Tuesday, 30 January 2001

**Members:** Mr Charles (*Chairman*), Mr Cox (*Vice-Chairman*), Senators Coonan, Crowley, Gibson, Hogg, Murray and Watson and Mr Andrews, Mr Georgiou, Ms Gillard, Mr Lindsay, Mr St Clair, Mr Somlyay, Mr Tanner and Mr Kelvin Thomson

**Senators and members in attendance:** Senators Gibson, Hogg and Watson and Mr Charles and Mr Cox

### **Terms of reference for the inquiry:**

To inquire into and report on:

- the role and expectations (both public and government) of Coastwatch;
- the relationship of Coastwatch, as 'service provider', and its client agencies, as 'service purchasers';
- the effectiveness of Coastwatch's allocation of resources to its tasks;
- new technologies which might improve the performance of Coastwatch;
- the adequacy of existing or proposed legislation which underpins Coastwatch's functions;
- whether an Australian Coastguard should be created to take over Coastwatch's functions; and
- any other issues raised by *Audit Report 38, 1999–2000, Coastwatch—Australian Customs Service*.



**Participants**

**BARRELL, Ms Rowena, General Manager, AusSAR, Australian Maritime Safety Authority**

**BEHM, Mr Allan John, Head, Strategy and Ministerial Services Division, Department of Defence**

**BIDDINGTON, Group Captain Brett, Director Battlespace Management (Aerospace) DBM (Aero), Royal Australian Air Force**

**CAHILL, Mr John Anthony, National Manager, Border Management, Australian Quarantine and Inspection Service**

**CASAGRANDE, Group Captain Enrico Ermanno, Director Operations and International Law, Department of Defence**

**CRANE, Commodore Russell Harry, Director General Intelligence, Surveillance, Reconnaissance and Electronic Warfare, Australian Defence Headquarters, Department of Defence**

**DAVIDSON, Mr Clive, Chief Executive, Australian Maritime Safety Authority**

**DOMACHENZ, Mr Philip, Senior Project Officer, Marine Protected Areas, Environment Australia**

**HANSEN, Mr Jonathan Christopher, Performance Analyst, Performance Audit Services Group, Australian National Audit Office**

**HOUSTON, Air Vice Marshal Angus Grant, Head Strategic Command, Department of Defence**

**HUGHES, Mr Andrew Charles, Acting General Manager National Operations, Australian Federal Police**

**KAY, Dr David Graham, Assistant Secretary, Marine Conservation Branch, Environment Australia**

**McPHEE, Mr Ian, Deputy Auditor-General, Australian National Audit Office**

**MEERE, Mr Frank McFarlane, Managing Director, Australian Fisheries Management Authority**

**METCALFE, Mr Andrew, Deputy Secretary, Department of Immigration and Multicultural Affairs**

**MILLS, Mr Greg, Director, Unauthorised Arrivals, Department of Immigration and Multicultural Affairs**

**MOFFITT, Commodore Rowan Carlisle, Director General Navy Capability, Performance and Plans, Royal Australian Navy**

**MOORE, Lieutenant Cameron Alastair Tamminga, Legal Officer, Directorate of Operations and International Law, Department of Defence**

**MURPHY, Mr Robert Alan, Manager, Border Surveillance Programs, Australian Quarantine and Inspection Service**

**PALMER, Mr Michael John, Commissioner, Australian Federal Police**

**RIXON, Commander Leslie Vaughn Henry, Staff Officer Grade One, Current Operations, Headquarters Northern Command, Department of Defence**

**ROHAN, Mr Geoffrey Vincent, General Manager Operations, Australian Fisheries Management Authority**

**SHALDERS, Rear Admiral Russell Edward, Director General, Coastwatch**

**SILVERSTONE, Brigadier Mike, Commander Northern Command, Headquarters Northern Command, Department of Defence**

**STONE, Mr Rodney John, Director, Coastwatch Operations, Australian Customs Service**

**VENSLOVAS, Mr Peter Ernest, Senior Manager Compliance, Australian Fisheries Management Authority**

**WARD, Dr Bruce Donald, Chief, Surveillance Systems Division, Department of Defence**

**WHITE, Mr Peter Frank, Executive Director, Performance Audit Services Group, Australian National Audit Office**

**WOODWARD, Mr Lionel Barrie, Chief Executive Officer, Australian Customs Service**

**Committee met at 10.05 a.m.**

**CHAIRMAN**—The Joint Committee of Public Accounts and Audit will now resume taking evidence as provided for by the Public Accounts and Audit Committee Act 1951 for its review of Coastwatch. I declare open this roundtable forum of the Joint Committee of Public Accounts and Audit review of Coastwatch. The JCPAA has received over 50 submissions and conducted public hearings on this matter in Canberra, Melbourne and Brisbane. In addition, the committee has inspected Coastwatch, Customs and Defence facilities in Broome, Darwin and Thursday Island. I welcome everyone here today to the fifth and final public hearing for this review of Coastwatch.

Today's roundtable forum bring together Customs, Coastwatch and other Commonwealth agencies that are directly or indirectly involved in Coastwatch operations. It is the aim of this forum to provide an opportunity for the committee to discuss with the agencies any issues which have arisen from the evidence received by the committee during the inquiry. The committee has identified five key issues for today's discussions, and they are as follows: expectations of Coastwatch, Coastwatch's relations with its clients, Coastwatch's use of resources, intelligence gathering/regional issues, and looking to the future. To help structure the forum I will introduce each discussion issue as we progress through the day.

Before swearing in the witnesses I refer members of the media who may be present at this hearing to a committee statement about the broadcasting of proceedings. In particular, I draw the media's attention to the need to fairly and accurately report the proceedings of the committee. Copies of the statement are available from the secretariat staff present at this hearing.

I would also once, and only once, like to remind participants about the procedure and conduct of the forum. All witnesses will have the opportunity to raise issues and seek comment from other witnesses at the forum. However, in these instances the committee prefers that witnesses should direct their questions through the committee chairman. This will ensure that the events constitute formal proceedings of the parliament and therefore attract parliamentary privilege.

Witnesses should, to assist other participants and Hansard, identify themselves and the organisation they represent whenever they make a comment. Statements and comments by witnesses should, as far as possible, be brief and succinct so that all issues can be covered in the time available. I prefer sentences, rather than paragraphs. No more than three representatives from each agency should be at the witness table at any one time. As the topics under discussion change, other representatives may replace those at the table as appropriate. Please note the number of places are limited and sometimes there may be only one space for some agencies.

I welcome witnesses to the roundtable forum. Happy third millennium and good luck being here for the next one! Thank you for coming. We have talked to all or most of you before in the course of this inquiry—which, I have to say, has been very exhaustive and complete. We have been able to cover an extraordinary degree of detail—two visits to the National Surveillance Centre and a week-long trip across the whole Top End were particularly helpful to the committee.

## Expectations of Coastwatch

**CHAIRMAN**—In our view, this topic covers the public's expectations, the government's expectations and, in fact, the expectations of client agencies as to what we will accomplish. How would you like to proceed? We have a little less than an hour to cover this subject. Would it be helpful if each group—particularly the client agencies—told us briefly about their expectations of Coastwatch as a review? Does that make sense?

**Senator WATSON**—Mr Chairman, perhaps the agencies could also tell us whether they have any subsequent issues that are relevant to the committee.

**CHAIRMAN**—Absolutely. Do we consider Defence to be a client agency of Coastwatch?

**Air Vice Marshal HOUSTON**—I would think that we are more a provider of resources and assistance.

**CHAIRMAN**—While that is true, is it not also true that, if Coastwatch, through their leased assets, discovered information that Defence should know about, it would feed both ways?

**Air Vice Marshal HOUSTON**—Absolutely, we have a very good relationship with Coastwatch, and of course information flows both ways. I guess that is a function of the fact that, when Coastwatch are operating, we are the beneficiary of the information they gain in the same way that, when we operate, we provide the information to them. It is a very good two-way relationship.

**CHAIRMAN**—How about Customs?

**Mr WOODWARD**—Perhaps we can wrap up the first two points: the public's expectation of Coastwatch and the government's expectation of Coastwatch. In large part they mirror each other but there may be some divergences. I will quickly skip through some headings: there is an expectation that Coastwatch should be effective in the context of Australian geography; that our costs would be reasonably contained; that what we do is properly coordinated; that risk management principles would apply—and this is probably a greater expectation on the part of government than of the community; that conflicting priorities be able to be sorted out; that we should run as a professional service; and that there should be close relationships with Commonwealth, state and civil agencies. We must recognise the priorities and sensitivities of the government of the day. We must work closely with not only Defence—as Air Vice Marshal Houston has just said—but also other agencies, including AQIS, the Maritime Safety Authority, AFMA, DIMA and law enforcement agencies. As I say, there can be balances but they are the major headings that come to my mind when talking about the expectations of both.

**CHAIRMAN**—Thank you. AFP?

**Mr PALMER**—I would echo the comments that Mr Woodward made under—from our point of view—the two broad headings of availability and capacity. Clearly, geographic effectiveness is important to us in terms of the unpredictability of the market we deal with. Certainly, close coordination between ourselves and Coastwatch and an increase in mutual understanding, in terms of what they can deliver for us and what it is that we need from them, is critically



important. Otherwise, the comments that Mr Woodward has made embrace those that we would see as important.

**CHAIRMAN**—Thank you. Fisheries?

**Mr MEERE**—Likewise, I would echo the previous speakers' comments. We believe we are being well served in terms of surveillance arrangements. There are areas of response that obviously are limited due to the limited nature of the resources available but, clearly, planning over those resources and the need to be able to meet our requirements as a client in that regard is important to us. That goes to the point of availability and capacity, which was just made by the previous speaker.

In terms of general perceptions, there is a view in the public that all foreign fishing activities in the zone are being dealt with. Clearly, as the committee would know from our evidence previously, this is not the case. So, in terms of public perception, there are issues related to the system and how it is operating.

**CHAIRMAN**—Thank you. Maritime Safety?

**Mr DAVIDSON**—From our perspective, our principal use of the area is in search and rescue. We regard the Coastwatch assets as being a very valuable commodity as part of the available resources that we have, despite the fact that, overall, our utilisation is relatively low—about 5.6 per cent of hours is tasked to Coastwatch. They are a very valuable input into marine pollution detection and monitoring and in general surveillance activities in that area. Of course, they also monitor other marine issues in maritime safety, which we believe is well served. We have an agreement with Customs which covers all those matters and that has proved to be a very useful document and is working well.

**CHAIRMAN**—Audit?

**Mr McPHEE**—We sought to set out what we saw as the role and objectives of Coastwatch in the report at pages 32 to 35. The main message, from our perspective, was that certainly the effectiveness of Coastwatch depends very much on the effectiveness of its relationships with client agencies and, of course, also its performance. Of all agencies, Coastwatch has a very demanding task in terms of just managing those relationships.

**CHAIRMAN**—Quarantine?

**Mr CAHILL**—The expectations that AQIS has of Coastwatch is that they help us perform our mission and, in particular, manage the quarantine risks presented by the arrival of persons and vessels—in particular, the risks presented in northern Australia, especially through the Torres Strait. As I have indicated in evidence to the committee previously, we believe Coastwatch does that very well now. We are quite happy with the relationship that exists.

**CHAIRMAN**—Immigration?

**Mr METCALFE**—I would also echo many of the comments that have been made here by other agencies. Like some other agencies, our formal relationship with Coastwatch and our

expectations of their performance and, indeed, their expectations of our performance are now set out in a service level agreement signed late last year. Primarily, we expect that Coastwatch will maintain its very strong relationship with the department to assist in the location of suspect illegal entrant vessels. That is a relationship that involves some surveillance planning, based on available intelligence and past incursion patterns and other evaluations of threats or expectations that may emerge. At the tactical level, we have expectations that, in response to intelligence that may be received about expected or likely incursions, there would be appropriate deployment and location of the vessel. We achieve this consultation both through regular informal contact and more formal contacts, such as a bimonthly operations meeting.

Primarily, in relation to illegal immigrants—or unauthorised arrivals, to use the term of art—there is a very strong expectation from both the government and the Australian people that there should not be undetected unauthorised arrivals. As we have said in our previous submissions, we are very conscious of the amount of sea to the north, east and west of Australia and that a strong and effective coastal surveillance can only operate on the basis of strong intelligence flow and strong information flow. I think it is noteworthy that there is an outstanding success in locating suspect illegal entrant vessels in recent times.

We have further expectations of Coastwatch and, again, these are being met. When a suspect illegal entrant vessel is located, Coastwatch has a role in both advising the department that it is there and consulting the department in terms of the possible response, and that is in the context of DIMA's overall responsibility as the agency responsible for managing unlawful entry to Australia of persons from overseas. Certainly, there is strong consultation in relation to the deployment of available assets. Those may include Coastwatch, Customs or Australian Defence Force assets to intercept, board or shadow the vessel in question.

In the event that the vessel enters the Australian jurisdiction and the passengers, therefore, become liable for detention under the Migration Act, Coastwatch, of course, where required, tasks assets to convey those persons to mainland Australia. As the committee I am sure is aware, there has been a particular focus in recent times on arrivals around Ashmore Reef and new arrangements to ferry people in from the reef have been put in place. There is also a funding stream, as the committee is aware, and we obviously have expectations that the assets that are part of that funding scheme will be deployed and directed towards the agreed tasking. In summary, there is a comprehensive relationship, both formal and informal, and I think the proof is in the pudding that those arrangements are working very well.

**CHAIRMAN**—Environment?

**Dr KAY**—I am not sure I have anything to add to what has already been said. Our expectations are that we will be provided with the sort of information from surveillance that allows us to fulfil our role in administering environment legislation, that Coastwatch will be capable of providing us with the logistic support we need to get patrols and researchers out to remote national nature reserves and marine parks and that there will be, when the occasion requires it, some response capacity. I think our view is that our expectations have generally been well met. There is capacity to improve effectiveness in some areas, but there is no measure of real dissatisfaction.

**CHAIRMAN**—Thank you for that. I must admit it is about what I expected. Let us try something a little different. If this were a boardroom of BHP—there are a few too many people here, but can you imagine that—and every director sat around and reported total satisfaction with all of the operations of BHP—and that is essentially what most of you said—you know that is not true. You know Coastwatch is not perfect; you know the provider-client relationship is not perfect and is not all settled. You know that while you have standard tasking it gets interrupted whenever there is a situation and that distracts from the program that was decided months or weeks or hours ago. You know that nothing is perfect and you know that there are those in the community who want a dedicated, paramilitary coastguard, and yet everybody said this was wonderful. If we are going to get anything out of today we have to be honest with each other and say what we think can be fixed. Otherwise we might as well have not bothered conducting the inquiry and we can put out a one-page report which says, ‘Coastwatch is terrific.’ One of the things that does interest me very seriously—and I think Mr Woodward said it—is that the government’s expectations were the same as the public’s expectations. You said something like that?

**Mr WOODWARD**—I said that in a few areas there would be differences. I instanced that by risk management where I think the government might accept more risks than the community is prepared to.

**CHAIRMAN**—Mr Woodward, quite frankly—and I would like anybody’s comment on this, because I am not sure about the rest of the committee’s views; I have talked to some other members and I think the views I hold are probably similarly held—the community really does not really know what Coastwatch does.

**Senator HOGG**—That is right.

**CHAIRMAN**—Do any of my colleagues disagree with that? The community does not know what Coastwatch does nor how it does it. To give you the best example that really floored me—and I did not learn this until Thursday Island actually—we have a memorandum of understanding with Papua New Guinea and with China, and if we find illegal immigrants in Australian territory that came from Papua New Guinea or from China they go back. I and my colleagues get letters from constituents all the time saying, ‘Send them back. Why don’t you send them back?’ In fact, we do with those from Papua New Guinea and China, but we do not get very many from there, do we? You know why? Because we have a memorandum of understanding and the crooks know that. But we do not have one with Indonesia, so the traffic is out of the Middle East to Malaysia to Indonesia to Ashmore Reef, 95 per cent, 96 per cent, 97 per cent of the time. Finding them is easy because they want to be found. What do we do about telling the public, firstly, how Coastwatch works, which is really quite complex, and what it does for the public? Has anybody got any answers for that?

**Senator HOGG**—Whilst I was listening to the comments being made around the table I wrote two things: firstly, the issue of the public perception. Has there been any formal study done to work out what actually is the public perception? I think that most of what we have heard in this inquiry has been anecdotal. I think that there is a gap between the public perception of what Coastwatch is and how it operates and what it actually does. And secondly, a formal education process, that is, letting the public actually know the style of organisation that does

exist. I think that this inquiry indicates to me that that seems to be lacking. They are the two perceptions I have.

**Rear Adm. SHALDERS**—On the first question that Senator Hogg raised, while it was not a formal study the community consultation study that Defence did prior to the defence white paper did reflect the fact that the public does not have a good understanding of what Coastwatch does. That was reported by the community consultation team and perhaps Defence might like to comment further on that.

Secondly, in regard to an education campaign, we have recognised that we need to get out and educate the public and tell them what we do and how we do it and the good results that we achieve, which you have heard about from the representatives here this morning. So we do have a plan in train for a properly managed public information campaign to achieve exactly what Senator Hogg has just suggested. That campaign is in a formative stage at this point. It keys back to the community consultation team report, which indicated that the public does not have a good understanding of what we do. Perhaps Defence might like to comment further on that.

**Senator HOGG**—But that was not part of the Coastwatch process; that was part of the defence white paper process. It is really quite a shame that you have to go down that path to find out what people think about Coastwatch.

**CHAIRMAN**—I do not think that any of my colleagues here understood how Coastwatch operated before we started this inquiry. Did any of you fully understand?

**Mr COX**—No.

**CHAIRMAN**—And you are an ex-bureaucrat and you did not, and I certainly did not, and neither did Senator Watson nor Senator Hogg. We do not represent the public. We do represent the public but—

**Senator HOGG**—Excuse me. I was just about to challenge that!

**Senator GIBSON**—Some of us do.

**Senator HOGG**—The House of Representatives members might decide to—

**CHAIRMAN**—We represent the public in this place but we are not necessarily representative of all of the public.

**Senator WATSON**—Following up these last comments and what Rear Admiral Shalders said, I would like a view on whether a higher public relations profile would also contribute to a more effective deterrent—that is, in addition to the public relations campaign of people knowing what they do. If criminals and other people who are going to break the law had a better awareness of the probability of getting caught then I think the whole image of Coastwatch would improve immensely. There is a lot of emphasis on the one or two that get through but perhaps we should turn it around and speak about Coastwatch's successes, and to do that wouldn't you have to beef up your public relations profile? What is the best way to do it?

**Senator GIBSON**—Let me just add, even though we have been to hearings here in Canberra, in particular, you took us up north, Admiral Shalders, for a week and the two surprises that hit me were, firstly, the one the chairman mentioned, about our agreements with countries to the north and not to our west which we did not know anything about—amazing, but we did not. Secondly, I certainly had no idea about the level of sophistication of the surveillance which is actually in place. If those two messages could be got through somehow to the Australian community—and my suggestion would be doing trips like we did with key journalist teams, both for TV and for magazines—that would go a long way to getting an effective message through about what you are actually doing.

**Rear Adm. SHALDERS**—We have recognised everything that has been said and certainly, Senator Watson, the deterrent aspect is something that I think does work—perhaps not so much in the illegal immigration area, and Commissioner Palmer might comment on the narcotics trade. We do publicise wherever we can, and with our clients, when we have a success because of the deterrent factor that can come in. But, yes, we have recognised that we need to spread our message a little better. Since the opening of the Coastwatch National Surveillance Centre we have had over 1,000 visitors whom we have tried to expose to the way we do business and the sophistication of what we do. We have also had a limited program of talking to community groups around Australia. I have presented probably 15 or 20 of those talks to various interest groups, and we need to continue to do that regionally and in the capital cities. I guess all I can say is that we recognise there is a gap and we are attempting to do something about it.

**Senator WATSON**—Even with television? For example, 15-second grabs of a Dash 8 diving down or a boarding party from one of the frigates—a little 15-second ‘keeping Australian shores safe’ sort of thing?

**Mr WOODWARD**—Mr Chairman, may I make one quick point on this? I know your focus is on Coastwatch and I accept the points—

**CHAIRMAN**—That is what the inquiry is about.

**Mr WOODWARD**—There is a relationship between public information in relation to Coastwatch and public information in relation to the other tiers of civil defence—if I can describe it like that. We have a Customs Watch activity and front-line activity in relation to commercial enterprises. But I do not think that I could responsibly deal only with the Coastwatch publicity angle without saying that is part of a broader protection of Australian borders which includes better informing the community generally for when Coastwatch fails, and inevitably from time to time it is going to fail.

**CHAIRMAN**—I have a couple of questions—and Fisheries might like to deal with one of them—in terms of public and government perceptions. I think the government has an expectation that we will stop the poachers of Patagonian toothfish in the southern seas, and I suspect that the public really just does not care because they do not know what Patagonian toothfish are and they could not care less about them. Some small number of well-informed environmentalists might but I would say that in general the public does not care. Do you have a comment on that?

**Mr MEERE**—I have had a mixed reaction. There are people who have come up to us and been very supportive of the role that the Defence Force and Fisheries played in the apprehensions that took place in the Southern Ocean. I think there is a general expectation in the community that we will protect our resources. Under the Law of the Sea we are custodians of those resources for the world more generally and we get access and use of those resources.

In terms of your earlier comment on deterrence, I am not sure whether in the fisheries arena that is all that strong, particularly in relation to the Indonesian illegal fishing activities. We have had fisheries officers go over to Indonesia and explain the implications of fishing in our zone and fishing outside the MOU box, et cetera. I am not sure that we have any tangible data to present to the committee as to whether that has had any impact. My guess is that it has not. What you are dealing with there are the economic imperatives of people who are struggling to make some money, who have very overfished resources, and who see this as ‘the grass being greener on the other side of the fence’.

**CHAIRMAN**—The other issue where there is probably not some public understanding, and where this committee now has a reasonable understanding, having been briefed, is the issue of air flights into and out of Australia that are unidentified. We know that at the moment there is no way known that anyone could give us any assurance, other than some statistical evidence regarding illegal immigrants and a couple of sample runs out of Darwin and one brief one out of Broome that looked at how many unauthorised flights there were. If we tried to give the public an assurance that there are not all kinds of little aircraft coming in and out of Australia we would be hard-pressed to do that. Is that true?

**Air Vice Marshal HOUSTON**—That is a long and ongoing issue. I think it is true to say that we do not have complete coverage of the whole northern coastline of Australia in terms of radar coverage and therefore there are flights that could come in without our knowledge. However, in the vicinity of the major centres such as Darwin where we have radars, we would be able to track any illegal aircraft, or aircraft that have not declared what their intention is, and we would be able to identify them. Perhaps I could ask Northern Command to comment on that. They are doing some work on those sorts of aspects at the moment and perhaps I should ask them to comment.

**Brig. SILVERSTONE**—We have already provided to this committee a copy of our confidential report through Defence which discussed the study that we have been conducting over the last 18 months or so. I would remind the committee that that report was caveated as the data could be regarded neither as complete nor necessarily wholly accurate. We need to acknowledge that the level of activity does remain unclear.

However, the report’s analysis of 10 years of the data we had available indicated that from our findings only about four possible flights could be identified as potential illegal cross-border flights. That, over a considerable period, is quite a reduced number. But we recognise, as I said, that the data is neither complete nor necessarily accurate. We are continuing to seek to gather data on this necessarily because, as Air Vice Marshal Houston indicated, the radar coverage is incomplete. Indeed, given the amount of resources we have available, our capacity to focus solely on that activity is limited.

Having said that, I note that there are two aspects to this surveillance and response. With regard to surveillance, the concern with UAMs has caused us to highlight, both within NORCOM's activities and in our relationships with air traffic control and the JORN organisation, the importance of noting and reporting potential UAMs. Also, we focused in the last 12 months or so on a number of activities to attempt to validate some of the data that we do have in terms of the deployment of regional force surveillance units in the Kimberley, which had a particular focus on trying to identify any threat. NORCOM also conducts a series of activities and exercises each year, known primarily as the Northern Shield exercises. In the Northern Shield 2000, we focused to a degree on UAM activity, and this has resulted in the start of a process of refining SOPs for coordinating the response to UAMs. This is still in its developmental process. However, we would see that, given the relatively infrequent reporting of UAMs, Defence's response in the first instance would be to support forensic investigation of who, what, where and when rather than attempt to intercept aircraft at this time.

**Mr COX**—I just want to get back to some of the public expectations that I think are not being met. The first one is the one that the chairman mentioned earlier, that the public would like to see suspected unlawful non-citizens sent back. Can Immigration tell us precisely what is being done to develop treaty arrangements with Indonesia and other countries that they may embark from to put those sorts of arrangements in place?

**Mr METCALFE**—I am glad you asked that question, because there were a number of comments made by the chair and a couple of other members which touched on the issue of illegal immigration. It is important in this context to separate out the role of Coastwatch and the wider role and wider issues for the Australian government. There is a very strong public expectation that there should not be unauthorised boat arrivals coming to Australia without being detected. We saw in 1999 a number of boats come to Australia and land on the east coast without being detected because they were a different phenomenon from what we had seen before then. Fortunately, we do not appear to be seeing them at the moment. That was a criminal activity largely organised by Chinese criminals to try and covertly smuggle people into Australia, almost using drug-like techniques of mother ships and bringing people in to meld into the Australian community. The challenge in relation to that type of operation is similar to the challenge that is faced by Coastwatch in relation to other covert activity where a seemingly innocent vessel is in fact being used for a different purpose.

The issue that we are seeing at the moment, and that we have seen in the last year or so, is one of people who in fact want to be found or who are quite happy to be found because they are largely a population of refugees, or potential refugees, who are coming to Australia and for whom Australia has treaty obligations. I will come to your specific question in a minute in relation to what we are doing about treaty arrangements. But, as I said earlier, our experience of being able to detect that type of operation of the vessels coming largely from Indonesia and coming largely to Ashmore Reef or to Christmas Island is good. We have good information sources now and both Immigration and the AFP have been able to work very effectively with counterparts in Indonesia. We usually have good information about when a boat may be leaving. Indeed, there is a fair bit of activity, as much as we can possibly achieve, to try and prevent that boat from departing.

In recent times there has been publicity about numbers of people from the Middle East demonstrating outside the UN office in Jakarta because they have been prevented from

travelling to Australia and also wanting some sort of solution to their situation. The chairman earlier mentioned the MOU with New Guinea and the PRC. I will deal with those and then come on to your question. The MOU with New Guinea has been in place for some time. Essentially, it provides for information and operational exchange. It provides for the return of third-party nationals to the other jurisdiction if they arrive without authority. That MOU, of course, has to be read subject to our obligations under the Migration Act which flow from the refugees convention. If someone is prima facie assessed as being a refugee, or potentially a refugee, Australia has an international obligation not to refoule that person and send them back to a place where they may be in risk of persecution. That MOU has to be read in the context of that broader obligation.

The MOU with the People's Republic of China has been in place since January 1995 and has proved to be a peculiarly and particularly effective piece of legislation. You may recall that in late 1994 we had a very large increase in boat arrivals of a particular group of people—so-called ethnic Chinese Vietnamese. They were a cohort of about 280,000 people of Chinese ethnicity who had been living in Vietnam for generations and were displaced as a result of the 1978 Sino-Vietnamese border conflict. China granted refugee status to these 280,000 people back in the late 1970s. China is a signatory to the refugee convention. That group have shown themselves to be particularly interested in foreign travel. Large numbers have illegally travelled to Hong Kong and Japan.

In the space of about a month or two in late 1994 about 1,000 people came on small boats to Australia. The key feature about that group is that they already had been granted refugee status by China and were in no threat of persecution in China. They were refugees from Vietnam. Their resettlement in China had been done under UN auspices. I am told about \$US1 billion of international aid funding had gone into their resettlement. That MOU was specifically designed to support legislation that had been passed by the government in 1994 that indicated that, if a person has a safe third country that they have come from, they can be returned to that safe third country. That does not work against our requirements under the refugee convention that we not refoule the refugee. We are not sending a person back to be persecuted in their home country. We are sending them back to somewhere safe. That legislation was passed in September 1994 and was particularly effective in relation to the Sino-Vietnamese group. We had some very quick and effective negotiations with the PRC and that group were repatriated quite quickly. That MOU is an example of what can be done if there is international cooperation and it worked in concert with broader obligations under the refugee convention.

The specific issue you raised is that at the moment we are facing large numbers of unauthorised arrivals coming primarily from the Middle East and South Asia, being originally from Iraq, Iran, Palestine, Afghanistan and Pakistan. A different set of issues are raised there. There are real issues for us in terms of identifying the people. The people smugglers uniformly tell them to not cooperate with us in terms of identity. Travel documents are destroyed. There has been a lot of work done in developing liaison and other arrangements with countries such as Jordan, Iran and Pakistan, the countries of first asylum where these people may have been living for many years. This is to try and develop better ways of identifying people including linguistic testing and that sort of thing.

The minister has travelled to the Middle East on a number of occasions, the most recent in January. He has had ongoing discussions with governments in the Middle East about the very

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issue that you raised of whether it is possible to develop MOUs and treaties allowing return to people to where they have come from. This was one of the key areas that were explored in the government's unauthorised arrivals report which came from a number of department heads and head of the Defence Force to the government last year.

The short answer is that this is a very difficult issue. Countries like Pakistan are hosting a refugee population of around three million people. Around three million people or so displaced Iraqis are living in countries such as Iran, Jordan, Turkey and elsewhere. Those countries quite legitimately point to the fact that they face enormous difficulties in dealing with refugee populations. They certainly are prepared to work with us in attempting to shut down people smuggling rings, but the key issue that remains for us is obtaining the return of people to places of safety. We do not have any breakthroughs happening at the moment but I can assure you that it is a very high priority. I can also say that it is a very complex and difficult issue.

**Mr COX**—Do we have active negotiations going with Indonesia?

**Mr METCALFE**—There have been discussions with Indonesia. Indonesia also makes the very valid point that simply returning people to Indonesia may not, of itself, solve the problem. There needs to be a comprehensive solution in place. We have managed to achieve that to a—

**CHAIRMAN**—What do you mean by that? Do you mean they will be shifted back to another country?

**Mr METCALFE**—If you send them back to Indonesia and nothing is done with them, if they have the wherewithal they will be in the hands of a people smuggler again within a week and back in Australia. The issue needs to find some longer term solutions. One of the key issues—

**Mr COX**—Not if you keep shipping them back. Eventually they are going to discover that this is not a particularly effective way of obtaining refugee status.

**Mr METCALFE**—The people concerned are not Indonesian nationals. Therefore, Indonesia's obligation to take people back will only come about if Indonesia can be satisfied that they will not be left holding the problem. I think it is fair to say that Indonesia has a substantial memory of the issues it faced when there was an exodus of Vietnamese from Vietnam in the late 1970s and early 1980s. At one stage, Indonesia had about 20,000 Vietnamese nationals living on an island called Galang in northern Indonesia. That required a comprehensive international solution, known as the comprehensive plan of action, to deal with the overall issues associated with the movement of people from primarily North Vietnam. It was affecting Hong Kong, the Philippines, Malaysia—a number of countries.

Indonesia is quite properly wary of creating a situation where it is left holding a problem with no international solution in place. As I indicated earlier, there has been substantial cooperation with Indonesian authorities to locate and disrupt the operations of people smugglers. There are a large number of vessels that otherwise would have left that probably have been prevented from leaving because of cooperation primarily between the AFP and their Indonesian counterparts.

All of that creates an atmosphere where Australia becomes more difficult to come to and where the people smugglers and their clients may look elsewhere in terms of destination. That needs to be also seen in the context of moves by the government about a year ago to try and make Australia a relatively less attractive destination in terms of access to citizenship, permanent residence, sponsorship rights and those sorts of issues. That has evoked some community debate in Australia.

The comprehensive solution that is required involves a situation, ultimately, at the root of why people are motivated to leave countries like Iran or Pakistan where they may have been living for many years. You immediately get caught up in a much bigger set of global politics. Australia has indicated to countries like Iran and Pakistan that we are ready to assist with targeted aid contributions. We are ready to assist in work on prosecution and law enforcement issues. I think it is fair to say that Australia has been more active and focused on this issue than pretty well any other country around the world. There have been substantial discussions with the UNHCR and with North Americans and Europeans to try and find ways of attacking this problem at the root. In the meantime, we keep trying to find ways to disrupt the people smugglers. We have had some success. There has been a reduction in the numbers of arrivals compared to that huge number we saw at the end of 1999.

The one factor that is now present that has not been present in the past is the criminality of what is now occurring. Some people are making a lot of money out of this. It is not small, plucky bands of people ganging together; it is international criminals making vast profits. They will send people where it appears easiest and whatever. So there is another dimension that needs to be worked through.

**Mr COX**—Can you take that question on notice and give us a comprehensive response on what the government is actually doing to get an MOU with Indonesia and to effect a comprehensive approach with other countries to deal with the problem?

**Mr METCALFE**—Yes, certainly.

**Mr COX**—The next thing is the penalties. When we were at Willie Creek on our inspection, there was a crew of four that had come in that morning and were being detained there waiting for health checks and things before they would be put through the prison system. We were told that people smuggling has a penalty of 20 years, that these people—they were low down operatives—could expect a penalty of about four years jail. Their families would have already been paid about \$US400 for them to undertake the trip, and they did it knowing full well that they would probably get four years jail.

**CHAIRMAN**—Two, with remission.

**Mr COX**—The chairman reminds me it is two, with remission. It is worth while.

**Mr METCALFE**—To anticipate your question, we can give you a list. I think we have records of convictions that have been recorded against people smugglers in recent times. The penalties were increased back in about August 1999 to the current 20 years if it is a serious crime involving the importation of five people or more. I think it is 10 years maximum for a lesser number. I think it is a real issue as to whether or not the courts are in fact imposing

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penalties along the lines that the parliament expected. That is something that the minister has shown a very keen interest in, quite properly, in terms of the role of the courts. That is an issue that we continue to monitor closely.

**Mr COX**—Be that as it may, when you are dealing with a population that is so poor that it is worth \$US400 for a family member to go to jail, and that is a calculated and deliberate act because they know they are going to be caught, then our penalty system is not effective. I know it is not easy. We were told that people were paying \$8,000 or \$10,000 to people smugglers individually, so the returns on a cargo of 100-odd suspected unlawful non-citizens are very high. They could easily afford to pay those people a lot more. In fact, if the punishments were greater and the expectation was that the jail sentences would be longer, then those families would in that market demand a higher price and probably get it, and it may continue to be a completely ineffective penalty regime in terms of a deterrent.

**Mr METCALFE**—That is right. I suppose there are two ultimate causes that add to that problem. The first is the overall standard of living and per capita income in those remote parts of Indonesia, where that sum of money is a very attractive amount of money. The second is the criminality that I mentioned before. We are now dealing with people who are much more sophisticated in the way they do things, and our response accordingly has become more sophisticated. No-one is saying that there is not a lot of work still to do.

**CHAIRMAN**—Can we take a brief break. I think we got off the track a little bit. I can blame myself because I raised this issue in the context of public expectations and public understanding of what Coastwatch does and what it accomplishes. After the break we will start to talk about Coastwatch's relationship with its clients. Since you are all happy, that will only take about 30 seconds!

**Proceedings suspended from 11.00 a.m. to 11.16 a.m.**

**Coastwatch's relations with its clients**

**CHAIRMAN**—The committee will now examine the relationships Coastwatch has with its clients. In particular, the committee is interested to find out which client agencies have finalised memoranda of understanding or service level agreements with Coastwatch. The issue of whether Customs is too close to Coastwatch should also be examined and the possible alternatives discussed. The performance of Coastwatch's advisory committees and cost attribution of Coastwatch operations to clients were two areas that the ANAO made recommendations on, and these issues should also be addressed. Let us do this by default: which agencies still do not have a memorandum of understanding?

**Rear Adm. SHALDERS**—Perhaps, Mr Chairman, I could give an overview of which arrangements we have.

**CHAIRMAN**—Go ahead, Admiral.

**Rear Adm. SHALDERS**—At the moment, we have complete and current service level agreements or memorandums of understanding with six agencies. They are AMSA, DIMA, the Australian Federal Police, AFMA, the Great Barrier Reef Marine Park Authority and AQIS. Three of those six are subject to review. They are longstanding MOUs or SLAs which we are

updating. We have four other MOUs in progress. They are with Environment Australia, the Department of Foreign Affairs and Trade, the border division of Customs and the Queensland Department of Transport. So six complete and four ongoing.

**CHAIRMAN**—My understanding, Mr Woodward, from going back and reading submissions is that, since Coastwatch is a subagency of Customs, Customs does not believe that an MOU with Coastwatch is appropriate. Would you like to talk about that?

**Mr WOODWARD**—As the admiral has said, work is under way in relation to the preparation of memoranda of understanding between the relevant part of Customs, which is our border division, and Coastwatch. I think I am obliged to complete that work. There will be possibly some advantages that will flow out of it. But the point that I was making when we discussed this issue previously is that at the end of the day there is one person, not two, accountable for what happens in Customs. There is a very close interface between what happens in Customs and Coastwatch and, on the other hand, Coastwatch—that is, me. So, while we will proceed down that track, I think I am obliged to do it, I am not sure it will lead to massive benefits or clarity of understanding on my part.

**CHAIRMAN**—From our work, I can tell you that some of the client agencies and some of the public sector think that the relationship between Coastwatch and Customs is a bit too close and that a division would be more appropriate. They are not necessarily saying that Customs or Coastwatch should go back to the Department of Transport and Regional Services but that that relationship is too close and that a more defined memorandum of understanding—where Customs is truly a client of Coastwatch, just like all the other clients—would be more appropriate. Do you have a comment?

**Mr WOODWARD**—I would accept the broad thrust of what you are saying, but there will always be a fairly fine dividing line operationally between the work of Coastwatch and the work of Customs. At previous hearings, I have mentioned what happens during an operation. I am talking about a tactical operation like a drug operation and not an illegal entry operation. You might have covert surveillance on the part of Coastwatch, which is working hand in hand with Customs vessels, with Federal Police assets and, on some occasions, with state police assets. The way in which it works on the ground in those important situations depends very much on how it unfolds in the space of a couple of days. At best you can have a division of responsibilities at a fairly general level, but when you get to the operational level it becomes very much harder. One of the difficulties we have is defining the point at which Coastwatch cuts out, because it is a surveillance organisation, and the Customs response capability picks up. There are broad definitions now that indicate what happens, and we do in fact have agreements with the Federal Police and state police agencies in this area as well. But at best they can be fairly general.

**CHAIRMAN**—Is it also thought that we would be better off with a dedicated paramilitary organisation?

**Mr WOODWARD**—Can I ask whether you are asking whether there should be a statutory agency? What is this agency that you are suggesting?

**CHAIRMAN**—Any agency. You are talking about a relationship between Customs and Coastwatch, which evidently crosses boundary lines and is not able to be totally definitive. That is to say that the director—

**Mr COX**—We are just speculating on the difficulty of a public servant answering a question on policy.

**CHAIRMAN**—Yes, I understand. I have posed a question which it is probably impossible to answer. I accept that, but you led me into it. You say these lines are so fuzzy that they are hard to define. What would help the committee not to come to the conclusion that we ought to define lines more distinctly?

**Mr WOODWARD**—I note that you are not asking me whether there should be a coastguard. That is why I asked whether you were asking me whether there should be a statutory agency.

**CHAIRMAN**—No, I did not ask that because I know what your answer is.

**Mr WOODWARD**—I will not answer the first one, but I am prepared to give an answer to the second one if that is your question, and the answer is: a statutory agency. That is my view. If you are not interested in that either, then I will not answer either question.

**CHAIRMAN**—No, you have lost me. Try again.

**Mr WOODWARD**—There are some who would say, taking your lead, that Coastwatch is too close to Customs. Frankly, I do not agree with that assessment. They would go on to say that, without going to the point of having a separate Coastguard, there would be an advantage in extracting Coastwatch from Customs and setting it up as a statutory agency. If that is your question, I can make some observations on that.

**CHAIRMAN**—I would be interested in your views.

**Mr WOODWARD**—They are views only in terms of headings of things that I think would need to be considered. It is certainly this government's view—and I think it was emerging as the view of the last government—that there should be no presumption of additional statutory authorities unless it is absolutely necessary. That is one point that would need to be dealt with. We would need to weigh up the advantages over the existing arrangements—something which I think has emerged already. What is the advantage of taking a dramatic step to set up a separate statutory agency and what would the costs be of setting up a statutory agency? Indeed, what are the implications of setting up a statutory agency when you are trying to mark out in far clearer terms the relationship between Coastwatch, Customs, AFP and all the other agencies? It is much easier to do it informally than when you set up a separate statutory agency.

If independence from Customs were a driving issue—and that was the first question you asked—which minister would such a statutory agency report to? Would it report to the Minister for Justice and Customs or some other minister? It is a live administrative issue that would cause the government to think very carefully. Which agency would the Coastwatch agency look to in the event of funding shortfalls? At the moment, if Coastwatch gets into financial difficulties, Russ comes to me and we talk. In all probability we work on the assumption that

the Department of Finance and Administration will not help us, so we find a way through it. It is a practical issue. Who would it go to? It would go to the Department of Finance and Administration and would probably get the same answer that we have got on many occasions.

Who would be accountable in the event of failures? If you had a separate statutory agency with a series of others tasking it and something went wrong, who would have to front this committee or the parliament? Would it be the head of that agency? If it were a quarantine failure, would it be the head of quarantine or the commissioner of police? Which minister would then have to front them if they were in different ministries? I believe it is unlikely that a statutory agency would be able to develop closer links than Customs does now with the array of agencies. In Customs I have very good relationships with others, and I do not believe the head of a statutory agency would be able to develop better relationships than I have. But that is a judgment for others to make.

How would you manage it? Would it be a CEO? Would it be a board of directors? Then how would you handle the accountability between a CEO, maybe a board of directors and the minister? Who would accept responsibility when things went wrong? I know who will accept responsibility if things go right. There is also staffing. What would the pool be from which you would select the people to actually run that organisation if it were an entirely separate organisation? They are just a few things that went through my mind, and in my mind all of them say, 'Why would you do it?'

**CHAIRMAN**—You have asked lots of questions. You said you had some views on the subject, and all you have done is ask me questions.

**Mr WOODWARD**—I was giving a listing of issues to be considered and certainly some questions. But implicit in all of that was that I do not think it is a good idea.

**CHAIRMAN**—Are there others around this table who have views on this topic? Don't be bashful!

**Mr PALMER**—Could I make a couple of comments which I think are relevant to these considerations? Obviously we come from an investigative focus. Our role is that of investigation and our focus is on the organised groups who are in charge of, as entrepreneurs, if you like, organising either illicit drug trafficking or people smuggling and not simply on the movement of the commodity or the commodities themselves. Those investigations, of course, tend very frequently to be long term. They run for many months and, often not infrequently, for years. Many of the successes that we have enjoyed in the last 12 to 18 months commenced with kernels of intelligence we received 18 months or two years before that. They are long-term investigations and they involve a lot of investigative capacity onshore, offshore and internationally in terms of intelligence gathering, which includes, not infrequently, telephone intercepts, the use of listening devices and so forth. It often includes those devices being used overseas. Coastwatch's role with us obviously is to assist us in the interdiction phase, whether it be in regard to drugs or people smuggling. Their high level of understanding in terms of our evidentiary needs and how best they can serve those, of course, is an important part of that equation.

With regard to the question of a coastguard approach, one of my very strong beliefs is that the one thing you must avoid doing in any changes that are made, and in any arrangements that are put in place, is to divide the investigative function. This is a very strong point in our arrangements at the moment—and I pick up the point very properly made that clearly there are improvements we could all make and things we would like to see achieved—but it is very important to make sure that, whilst the boundaries of organisations should really be seen as essentially borders of administrative convenience, and they are very much whole silos that allow us to coordinate across organisations, within that core organisational focus there is a clear, sensible grouping of functions. It is our responsibility to investigate it and somebody else's responsibility to surveille, or whatever the case might be. Very many of the things that we involve coastguard in are part of a larger operation that involves onshore, within Australia and often outside, telephone intercepts and listening devices, and ground surveillance often by our own people for weeks and sometimes months that lead to the evidence that leads to fairly strong suspicion of a particular boat coming in at a particular time in a particular region. That is the information that is fed to Coastwatch that allows them to become part of that overall exercise.

My unqualified experience in looking at arrangements in countries where there are coastguard type arrangements that are, in that sense, called by different names—and I look particularly at the United States and the United Kingdom—is that I would gain no comfort at all from those arrangements. Those arrangements have caused a division through the investigative focus and it has caused competition between investigative agencies in a very counterproductive way. I can say, from conversations with my United Kingdom counterparts, that from a law enforcement perspective they would give their right arm to have arrangements similar to those which exist in Australia because there is a competition for intelligence and for investigative supremacy, if you like, that is absolutely counterproductive. I think that is a very strong consideration that needs to be taken very carefully into account in any changes that are made to the present arrangements.

**CHAIRMAN**—Does ANAO have a view?

**Mr McPHEE**—Perhaps it is important to note that the task force set up by the Prime Minister actually reaffirmed the importance of Coastwatch's independent profile within the ACS. It seems to me that is the question the committee is obviously trying to grapple with: whether that has been achieved and whether there are different models for implementing that. On the basis of the evidence here today, it seems to me that certainly the client groups seem fairly happy that there is a level of independence and I have certainly not heard any evidence to the contrary. As Mr Woodward said, there is a range of tests you need to go through to determine whether you move away from an agency structure to a statutory body. Often one of the compelling reasons is to establish a board which allows you to bring on a range of different skills to govern the direction of a particular statutory body. In this case, again, Coastwatch has established a governance arrangement involving its key client groups to ensure that they do get that sort of perspective within the Coastwatch organisation. There are couple of hurdles that have to be overcome. Certainly on the basis of the evidence today, there does not seem to be a major problem in this area. But of course other agencies might have a different view; I just have not heard them.

**Mr METCALFE**—Could I make a couple of brief comments? Like a number of other agencies here, DIMA has a relationship with ACS in terms of Customs responsibilities and with ACS in terms of Coastwatch. One particular issue for us is that it is useful to be able to deal

with the one organisation in relation to areas of responsibility that can move through a continuum from one issue to another. Just in the example of unauthorised arrivals, we have the relationship that I described before with Coastwatch both in relation to surveillance—locating vessels—and in relation to operational tasking of their own assets, Customs assets or Defence assets to go and respond to the particular issue.

Customs has a responsibility in terms of having a presence at Ashmore Reef. The Australian Customs vessel *Wauri* is at the reef and is able to represent the needs of a number of client agencies in relation to whatever issues may emerge from the unauthorised arrival. Customs also provides the *Samson Explorer* vessel that is used to bring people in from the reef. That tasking is through Coastwatch, but Customs has that maritime capability. DIMA, AFP and Customs are party to an MOU that deals with the situation we all try to avoid, which is an undetected illegal arrival. It is important for there to be strong operational links between who is responsible when a vessel actually comes to the beach. There may be AFP investigation issues such as drug importation and/or quarantine issues. They certainly relate to issues in relation to people. Of course, Customs is a major service provider to DIMA in relation to the routine arrivals of millions of people every year at airports.

We have a variety of liaison mechanisms with Coastwatch at both the formal and the informal level. We have a variety of liaison arrangements with Customs—both formal and informal. Importantly, there is a very strong relationship at the head of agency level between the secretary of DIMA and the chief executive of Customs which allows us to deal with these issues that flow through the continuum. The challenge that is there for anyone who suggests that these arrangements need to be changed in some way is firstly to say, ‘What is wrong? What is not being achieved that you want to achieve?’ and secondly to see whether any different model would bring in a new set of relationships and agendas and whether even more liaison with more people is productive or counterproductive.

**CHAIRMAN**—Admiral, when did the National Surveillance Centre start operations?

**Rear Adm. SHALDERS**—In the current facility we started on 26 January last year. Prior to that point we had an operations room which had much the same function but with slightly less technology. The new centre started on 26 January last year.

**CHAIRMAN**—Could each of the agencies tell us what difference that has made in terms of coordination, cooperation and tasking?

**Rear Adm. SHALDERS**—If I could kick that one off: the big difference, apart from the technology and the ability we now have to process information better, in the new surveillance centre is the intelligence capability—the analytical capability that we now bring to bear. If I could put that on the table I am sure some of the agencies might comment on how that analytical ability or capability has improved the way we do business.

**CHAIRMAN**—They might put that together with the issue, because it could run conjointly. On the issue of tactical versus strategic tasking, some of you—that is, Environment and Fisheries—sometimes feel you take a back seat because, in terms of strategic tasking, you have been guaranteed so many hours worth of surveillance and then suddenly an unexpected boat shows up or an aircraft full of people or a threat arrives and you go off and chase this thing for



days or weeks, stretching all the personnel and assets so that the strategic work is not being done anymore. I understand that those tacticals take up about 20 per cent of the time. On the combination of the new ability of the National Surveillance Centre and strategic tasking, could each of you tell us what you think the improvements have been and whether there are more improvements we could make?

**Mr METCALFE**—Again, speaking from an immigration viewpoint, I will jump in first.

**CHAIRMAN**—Everybody is embarrassed.

**Mr METCALFE**—I think there has always been a good operational capability in Coastwatch. That was there before the surveillance centre was put in place and that has continued with the surveillance centre. The real benefit that we have got from the surveillance centre is in the way that we deal with intelligence and information. In relation to our particular issue, as a result of a significantly expanded focus on the problem, there is a lot of information now becoming available through a large number of agencies. Some of them are here at this table.

The ability to convert that information and intelligence into a useable product and to then make tasking decisions—flight patterns and that sort of thing—is strengthened considerably as a result of the establishment of the surveillance centre. We in DIMA have expanded our capability in this area in the last 18 months and our people work very closely with the analysts in the centre. I think that is part of the reason that we are getting a much better focus and we are not seeing those undetected arrivals that we have seen in the past.

**CHAIRMAN**—Does Environment have a view?

**Dr KAY**—I do not think from our perspective there has been a significant change. There has been a change in the nature of the activity largely as a consequence of the arrivals at Ashmore, and our interest in Ashmore has clearly taken a backseat to things that have eventuated in the last 18 months or so. Apart from the changed nature of the activity, I do not think, in terms of our interaction with Coastwatch, the new centre has made a significant difference.

**CHAIRMAN**—Do you have a problem with the fact that you sit around the table at one point in time and have an agreement with Coastwatch that they are going to spend so many hours looking at your issues and then they wind up playing cops and robbers?

**Dr KAY**—Occasionally we have that sort of issue, and we made those points when we presented evidence to the committee previously, but I do not think from our perspective that is a critical issue. Normally our tasking gets done eventually and it is not time critical in the way that some of the tactical response issues are time critical.

**CHAIRMAN**—Fisheries?

**Mr MEERE**—As in the case of Environment, we have not seen a marked change in terms of our needs, but I would preface that by saying that we have already felt that we were being well catered for in terms of the strategic planning arrangements under the operations and planning advisory committee and the planning advisory subcommittee. We also recognise—and I think I

made this point to the committee last time we appeared—that clearly other higher priority activities will take precedence over fisheries matters if they are around and being dealt with. I think that is a case in point over the last 12 to 18 months.

We recognise that Coastwatch tries to meet our tactical requirements, but obviously that is dependent on availability of assets, and I will come back to that. But the question of being able to improve our response needs really comes back to what is available and whether it is appropriate. I am happy to elaborate on that when we get to that later on.

**CHAIRMAN**—How about Safety?

**Mr DAVIDSON**—We do not actually have any strategic tasking for Coastwatch and consequently our utilisation is almost exclusively tactical. That comes at very short notice and with little warning, and we have found that the relationship has improved dramatically since we concluded our MOU in 1999. It is pertinent to mention that our MOU is with Customs and schedule C of that MOU is the Coastwatch relationship. That of itself reflects the level of priority we attach to the relationship that we have as AMSA with Customs in general. Nonetheless, the capability of the system that Coastwatch now possesses is a very valuable asset to us.

**Mr HUGHES**—The AFP have enjoyed a good relationship with Coastwatch over a number of years, and our submission reflects that. But I think the question about the improvements we have noticed since the new National Surveillance Centre has come online can be addressed at three levels. You have mentioned the tactical and strategic levels; I would also add the operational level. At the operational level, the centre's technology has been particularly valuable in terms of being able to track vessels of interest with very sophisticated means. At a tactical level, our analysts meet with analysts from the centre fortnightly and even weekly if necessary, if the operational needs dictate, and they discuss the tactical arrangements that are necessary.

At the strategic level, a senior representative, the coordinator of our national operations monitoring centre, meets with OPAC, the Coastwatch Operations and Program Advisory Committee. We also have senior officers that meet in the regional committees, the ROPACs. It is on those three levels that we are utilising the greater technological capacity and analytical capacity that the centre provides. The analysts employed there are part of a network of criminal analysts in Commonwealth law enforcement, and they provide a unique insight into specialist areas that our analysts are perhaps not qualified to provide advice on—for example, how vessels might move in particular circumstances, what the ETA may be at rendezvous point and advice on prevailing weather conditions and how they would impact on a sailing vessel closing in on the Australian coast. It is invaluable in that regard.

**CHAIRMAN**—We will go to Defence.

**Air Vice Marshal HOUSTON**—Mr Chairman, with your concurrence I would like to start and then I will get a couple of other people to speak. I will talk about the strategic level initially. I think one of the very big things we have noticed is the improvement in the intelligence arrangements. Coastwatch are now really integrated into the Defence intelligence arrangements. They are getting all the relevant intelligence they need from us in a most effective way. As a consequence of that, and with the increased analytical capability of the National Surveillance

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Centre, I think they are able to be much more aware of what is out there. Their situational awareness is much better than I recall from years ago. As a consequence of that, we are getting much more effective tasking whenever a requirement comes up.

If we go down to the operational level, there is a very effective relationship between Coastwatch and Headquarters Australian Theatre in Sydney. Headquarters Australian Theatre is a fairly recent initiative in terms of defence. It came into being operationally in 1997, and we have a very good relationship whereby operations can be planned and mounted very effectively between the two organisations. I would like to ask the commander of Norcom, Brigadier Silverstone, to give an overview of how things are going down at the tactical level.

**Brig. SILVERSTONE**—I would like to make three points. First of all, with the development of the capacity in Coastwatch, we have seen a parallel development in sets of procedures that enable us to quite speedily respond to circumstances in terms of concurrent consultations. For example, in response to the sighting of a fishing vessel, one of our patrol boats will deploy, perhaps with a fisheries inspector on board. They will board that vessel and, depending on the evidence available, make a recommendation for the apprehension of that fishing vessel. The chain requires the passage of that information back through Coastwatch, consultation with AFMA and concurrence with the recommendation for apprehension. Then we go ahead and apprehend the fishing vessel. Those links and that chain of communication and concurrence occur very quickly. I think that is certainly an important step forward.

Secondly, the use of technology and the development of the various capacities enable very regular formal and informal consultation between NORCOM and Coastwatch. That is seen weekly through VTC that is conducted between our two organisations. Coastwatch information systems are located within the operations room at NORCOM so that Coastwatch officers who attend our daily briefings can also conduct their operations from within the organisation at NORCOM itself.

The final area I would like to touch on is the issue of interoperability in terms of communications. It is an ongoing problem within single service military organisations and triservice military organisations, let alone then working across government to other agencies. It is an issue that we are constantly working with. The issue that requires further development is our capacity to encrypt our communications so that we can communicate relatively securely between the various platforms. It is a project that we are continuing to work on in cooperation with Coastwatch. At the present time we have access to commercially available encryption devices, and we are looking at more appropriate and more secure means. That is a project that we are working on at the present time.

**CHAIRMAN**—I think the last one was AQIS.

**Mr CAHILL**—In terms of the establishment of the National Surveillance Centre, I do not believe there is any visible difference in the operations of that centre compared with the arrangements that existed previously. That is essentially for reasons already outlined by Mr Metcalfe. It is not to say that there have not been improvements but, in terms of the nature of AQIS operations, they are not as visible to us as they might be to other agencies.

Does interruption to strategic taskings occur? The answer to that is: yes, from time to time it does and that is unavoidable. We are able to work around those difficulties with Coastwatch and, in cases where we are using Navy assets, with the Navy. So that does not present any insurmountable difficulties for us.

**Mr COX**—Going to the issue of whether there should be a separate agency, who has control over the Bay class vessels? Is it Customs or is it Coastwatch?

**Mr WOODWARD**—Customs.

**Mr COX**—Who has control over the patrol boats?

**Air Vice Marshal HOUSTON**—The patrol boats are under the operational control of the commander at NORCOM when they are operating up in northern Australia, but they can be assigned to Coastwatch specific missions. It works very well.

**Rear Adm. SHALDERS**—I would like to add a point regarding strategic and tactical tasking. By nature of the way they do their business, our aircraft are multitasked. So, while they might be moved to a tactical task, they do not stop doing the things that they do for other agencies. So, by way of example, with the increased threat in the north-west of Australia against suspected illegal entry vessels, yes, we are patrolling out there and our focus is keenly on the illegal immigration issue. Our aircraft concurrently are reporting sightings for fisheries, and they are reporting pollution and so on. The point I am trying to make is that, just because an asset is detailed to a tactical operation, it does not stop doing the strategic reporting once it is on that tactical operation.

**CHAIRMAN**—With the greatest respect, if a vessel entered Australian territorial waters—or even north of the 200-mile line to the west of the continent—and headed down to Torres Strait, then ended up in the islands and then disappeared and headed to Queensland, you could be tied up tasking your assets because you suspect that vessel has a big haul of heroin, cocaine, pills or whatever on board. You could wind up using every asset you have and all your man-hours, and you would run out of the ability to look at much of anything if it lasted for a very long time.

**Rear Adm. SHALDERS**—That is true, we would be stretched. The committee has heard evidence about some examples of that. The point I am trying to make here is that, whilst we are tracking that drug boat, we would also be reporting to other agencies other things that we are seeing. The committee will recall that on one of the flights we took we were tracking an illegal entry vessel and coordinating a response to it but at the same time the aircraft was reporting the fishing vessels that were operating in that area. We can do more than one thing at a time.

**CHAIRMAN**—I accept that, but if you are holed up in one operational area with all your assets chasing one tactical issue, you will have no assets left in that area.

**Rear Adm. SHALDERS**—That comes back of course to the risk management approach that we try to adopt. We have to deal with the highest threat and then deal with the others as we are able with the resources that we have. Ultimately I suppose it is Mr Woodward's and my responsibility to make sure that we can cover the threats as they appear.

**Mr COX**—What proportion of the Bay class patrol boats use is strictly Customs and what proportion falls within the tasking of Coastwatch?

**Mr WOODWARD**—I am not sure I can answer that; the admiral might have an answer. We must remember that it is evolving: the last three have not been on station for all that length of time. I would like to wrap up a point that was implicit in your earlier question. Let us say that there is intelligence in relation to the arrival of a vessel at Ashmore. That intelligence would come in through the enhanced capability of the National Surveillance Centre—a capability that did not exist before. We have access of a kind—which many other countries would want—to defence and other intelligence sources.

It is Coastwatch's responsibility, in consultation with Immigration, to get assets into the area—be they Navy vessels or available customs vessels—to attempt to detect and detain that vessel before it arrives at Ashmore. Coastwatch then has responsibility for coordinating, using Navy vessels, Customs Bay class vessels or the *Samson Explorer*, the effort to get those people back from Ashmore. I do not think there would be any difference if there were a major change in arrangements: someone would have to coordinate it. You have a pool of vessels out there and I do not believe the arrangements would be any different from what they are now.

**Mr COX**—But at the moment you have a pool of Customs vessels under your control.

**Mr WOODWARD**—And a pool of available Navy vessels.

**Mr COX**—Those vessels are doing a whole range of things for all the agencies around this table; they are not essentially Customs boats doing a Customs task and being used occasionally by the other agencies for another purpose?

**Mr WOODWARD**—All their work is related to Customs' responsibilities to protect the border—its statutory responsibilities—plus an array of other work including migration, drugs or whatever.

**Air Vice Marshal HOUSTON**—I would draw a comparison with Defence. We have a supreme operational commander: Commander Australian Theatre, Air Vice Marshal Treloar. He has absolutely no assets assigned—in other words, he owns no assets. It is only when a crisis comes up or a situation develops and we assess the situation that the assets required to complete the task are assigned to him. In many respects, Coastwatch does its business in very much the same way as we do our business in Defence. Ownership of assets is not really important; what is important is that the capabilities that are presented are prepared properly so that if you need them you can respond appropriately in an effective way.

**Mr COX**—Is the overwhelming majority of the work of patrol boats effectively tasked by Coastwatch?

**Air Vice Marshal HOUSTON**—The majority of it is, yes. For those patrol boats that are up in Northern Australia, yes.

**Mr COX**—What are the major military roles of the patrol boats?

**Air Vice Marshal HOUSTON**—Essentially what we get great benefit from is the fact that our young naval people get tremendous operational experience that prepares them very well for the challenges of a future naval career in larger vessels. Perhaps I can get Commodore Moffitt to give you more evidence on that if you wish to pursue it further.

**Mr COX**—I presume we are talking officers here, aren't we?

**Air Vice Marshal HOUSTON**—No, I think the entire crews. The work that they do is operational, and any form of operational work in the military is good experience. You do not have to go war fighting to get benefit from it. And, of course, because it is not a war fighting environment it provides a good transition to the more demanding war fighting roles that have to be performed later. Perhaps I could ask the commodore to just continue that theme, if you wish.

**Cdre MOFFITT**—Mr Cox, I sense there are a couple of issues that you are canvassing there, one of which is the military role of the patrol boats. There is a military role for the patrol boats and that is why they reside within defence today. 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 multithreat complex warfare type environment. They are not equipped or capable to do so, but they do have a fundamentally military role. The role is simple and it is fairly restricted. It is a coastal or littoral type of activity; it is not multidimensional. It does not take a great level of war fighting skill to achieve, nor does it take a great complexity of equipment to achieve. It requires some fairly basic and fairly simple, specific types of equipment and a reasonable skill level in what could be considered fundamental mariner skills. Coincidentally, all of those attributes that reside within the Fremantle class patrol boat and predecessor patrol boats make them ideally suited to the sort of role in which they are employed for Coastwatch. So, by completing the tasks that they do for Coastwatch, they are actually enhancing their skills and abilities and developing the military capacity for which they are resident in Defence. That is one issue and that relates to the military role.

The issue that Air Vice Marshal Houston touched on in relation to the vessels providing a very useful training ground to us for our people goes, I guess, to two particular parts. One is the environment in which they operate. The north of Australia, from a strategic point of view, is the sea-air gap over which any potential threat to Australia must, of necessity, pass. So having a range of people and assets up there not only gaining experience and developing knowledge and understanding of the environment but also learning how to survive and operate successfully in it is very useful to the defence forces, be they air, land or sea. In our case, we are talking obviously about the patrol boats. That is one side of the issue.

Developing the corporate experience level is an important part of Australia's environment, which is also, I would say, a unique part and a very challenging part from many points of view. That goes to the second part—that is, the development of people. 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 of scenario. So they develop quite quickly in their basic mariner skills and then can springboard from there to the larger ships to learn the 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.

**Mr COX**—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?

**Air Vice Marshal HOUSTON**—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 would have.

**CHAIRMAN**—Is it cheaper to train people on a Fremantle or an Anzac? I know it is a dumb question.

**Air Vice Marshal HOUSTON**—I think that the Fremantles provide a very cost-effective way of preparing our people for the Anzacs. It is less costly to make a mistake on a patrol boat than on an Anzac frigate. The experience gained in situations where things are fairly demanding provides good experience for operating the Anzacs. Finally, our people with experience on Fremantles, who are operating the Anzacs, are able to do it in a much safer and a much more effective way.

**CHAIRMAN**—Thank you for that.

**Rear Adm. SHALDERS**—I would like to answer a couple of questions that I think Mr Cox asked a moment ago. Eighty per cent of the Fremantle 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 seagoing effort. In terms of the National Marine Unit and the Bay class vessels, as Mr Woodward has said they have only recently come online so I cannot give you 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 the 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 Fremantles.

**Mr COX**—Mr Woodward, are there any things that you, as the 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?

**Mr WOODWARD**—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, 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.

**Mr COX**—We have a department of finance to keep a check. We are only a small country to keep a check on.

**Mr WOODWARD**—There is a Treasury in the United States too.

**Mr COX**—They are not as—

**Senator HOGG**—miserable.

**Mr COX**—There is a very different set of budget procedures in the United States. Budgets are put together by Congress, not by the executive of government, so there is a big difference.

**Mr WOODWARD**—I guess I am drawing a distinction between a theoretical model, which I think you are talking about, and what happens in practice. I have been involved in public administration in Australia for 40 years. My instincts tell me that what has happened in the US would develop in Australia, not just in relation to Customs but perhaps in other agencies, including perhaps the Defence ministry.

**CHAIRMAN**—You have spent 40 years in the Public Service and you are only 50. That is amazing.

**Rear Adm. SHALDERS**—At the risk of correcting my boss—which perhaps I should not do—

**Mr WOODWARD**—But he is shifting soon so it is all right.

**Rear Adm. SHALDERS**—The figure quoted by Mr Woodward for the US Coast Guard is actually \$US4 billion per annum.

**CHAIRMAN**—We have sort of worked that out already, but thank you for giving it for *Hansard*.

#### **Coastwatch's use of resources (including human resources)**

**Air Vice Marshal HOUSTON**—We have some views on the coastguard proposal. Do you want to speak about it now?



**CHAIRMAN**—Yes, we might as well. We have already moved to the next topic of Coastwatch's use of resources. We moved there without even trying, so go ahead.

**Air Vice Marshal HOUSTON**—I would like Mr Allan Behm to address that, with your concurrence.

**Mr BEHM**—Our submission did touch upon the issue of whether or not a coastguard should be created and we have recorded some views there. Let me start by saying that it is always the business of the government to decide how to allocate resources. If government were to decide that it needed a coastguard, and wanted to set one up, then we would work to ensure that that happened. But, in addition to the considerations that Mr Woodward, Commissioner Palmer and Mr Metcalfe put to you earlier, there are a couple of points that I would make based on both the experience of the Department of Defence and some particular interests that we have.

I would start by noting, as Mr Woodward did—although he was five orders of magnitude out—that 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 under 40,000 people. A footnote to our paper just gives you an indication of what kinds of assets they have. 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 here 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.

The second point that I think is very important for us to register is that at least four of the agencies in this room work cooperative arrangements in other fields as well as coastguard. In areas such as counter-terrorism, Immigration, the AFP, Customs and Defence—plus a host of others—have learnt a lot over the last 20 years or so about how you actually do cooperate and coordinate rather than have a single point of overarching control. For us the issue really is not one of control but of how we get the best use of the national asset, whatever it is. Certainly, the experience that we have had in areas such as counter-terrorism and emergency management have demonstrated that within the Commonwealth we are extremely good at coordination. We understand how coordination works. We understand each other's roles. We understand particularly what each agency brings to the coordination arrangement and we know very well how to allocate responsibilities to the right agency at the right time. Are there mistakes? Yes, there are—and there are in any system. The Coast Guard makes mistakes in the United States and we make mistakes here. It is fair to say that the economy that we bring to much of this sort of activity within the Commonwealth is leading edge. It is certainly world class. Those of us who have had the privilege of seeing how other nations handle some of these sorts of things can say that to you, Mr Chairman, and to your committee with a very high level of confidence.

The last point from a Defence point of view is the one Commodore Moffitt made to you. The asset that is represented by the patrol boats is a critical asset for the Royal Australian Navy, all the way from the induction of junior staff through to the most senior command of Navy. To get to the top, you have got to start somewhere. As Commodore Moffitt said, for many of our most experienced naval officers the initial operational experience that they get through the patrol boats is integral to the expertise that the Navy brings to much higher levels of operational expertise. For those sorts of reasons, as we said in our submission, Defence does have a number of reservations about just how smart it would be to go down the path of the establishment of a freestanding coastguard. I mentioned that in the last meeting that Defence attended but, for the sake of the discussion this morning with all the agencies here, I thought it was worth just repeating some of that.

**CHAIRMAN**—With respect, you said it much more eloquently than previously—or at least my memory tells me that. We threw it into the inquiry in the terms of reference because it is on the public agenda, so why ignore it? It is not going to go away, so you may as well address it up front. It is not a threat to you, nor is it a demand of the current Commonwealth government or any politics or anything else. It is an issue that has been hanging around Australia for a long time. It is better that we address it in this forum. The parliamentary committee has a view and we will express it in our report rather than just pretend it will go away.

**Mr BEHM**—We know that the issue of the coastguard is alive and well out in the community. As was remarked earlier, it was picked up as part of the defence white paper community consultation. Perhaps some part of the solution at least does lie in bringing to the public some understanding of precisely what services like Coastwatch do and how they do it. You mentioned that earlier. It is something that many of us are a bit reluctant to do because it costs money to do it. It takes time to do it and all of us are pretty much focused on the resource bases from which we operate.

Nonetheless, the committee might want to consider some relationship between the issues for the coastguard when it is being pushed through a lack of knowledge of what happens and how it actually works. There is the issue of risk management, for example. Successive governments—I have been around this business for 29 years, although not as long as some others, Lionel—have weighed up the risks associated with all sorts of threats to Australia, whether it is illegal immigration or AQIS and quarantine risks and so on. They look at the costs of managing those risks absolutely. Again, successive governments have made prudential judgments as to how much it is worth investing in having a much higher level of capability against a much lower probability of circumstances occurring. Black flights is another example of that. So I think it is probably important that the committee takes those factors into account in reaching its conclusions about some of these issues.

**CHAIRMAN**—Thank you.

**Mr COX**—We generally find, do we not, that civilian solutions to non-defence problems are a lot cheaper than Defence solutions to non-defence problems? We do not fly Orions around, we fly Dash 8s. We would not put large military vessels into an interdiction role for type 1 Indonesian fishing vessels.

**Air Vice Marshal HOUSTON**—Starting with the example of the P3 that you raised, a P3 is a very expensive asset. It is optimised for surveillance in a war-fighting environment and it has anti-submarine warfare capabilities. Consequently, an asset like that is probably being misemployed to a certain extent if it is sent out to look for people who are fishing illegally. That is why we much prefer the arrangements that we have in place at the moment: Coastwatch contracts aircraft that are optimised for the role of finding wooden fishing boats. They have the equipment to perform that role and nothing additional to that because they do not need it. So, in that sense, you are right.

Coming back to the patrol boats, in wartime, patrol boats perform a role that is very similar to what they do now. Commodore Moffitt gave you a very good illustration of their wartime role. I contend that, although there is an additional cost involved with using military assets and military personnel, if you look at the greater picture—the fact is that we must have these assets available for wartime—you will see that we are coming up with the most cost-effective set of arrangements. Although you could probably replace it with a cheaper civilian option, if you factor in the fact that you must have these capabilities available for wartime, I think you will see that we have a very economical solution. I think that is why it works so well.

**Mr COX**—You are presently drawing up specifications for replacing the *Fremantle*. Are those vessels likely to be larger? When we boarded *Fremantle* in Darwin, we were shown how the deck space was inadequate to cope with a large number of suspected unlawful non-citizens. We were told that it occasionally required two patrol boats to deal with the situation when, for example, 120-odd people on board an ice boat decided that the easiest way of ensuring that they entered Australia was to scuttle the vessel, or a boat was unseaworthy and its passengers had to be taken on board the Navy vessels. With that in mind, are we looking at bigger patrol boats this time?

**Air Vice Marshal HOUSTON**—Yes. However, as you can see, I am an airman and I think you would much prefer a naval officer to answer that very detailed naval question. I will ask Commodore Moffitt to respond.

**Cdre MOFFITT**—To answer your question, Mr Cox, yes, we are. 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 the 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.

**CHAIRMAN**—You would not find a Bay class a satisfactory substitute for a mil spec vessel, would you?

**Cdre MOFFITT**—There are two issues there. One is mil spec and the other is Bay class. The vessels that we are seeking to replace, the Fremantle class boats, will not be in totality mil spec vessels.

**CHAIRMAN**—I understood that.

**Cdre MOFFITT**—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. That is one issue. The other issue is the Bay class. If the Bay class met the functional specification as we have written it, then that is the answer. Our belief is that the Bay class would not meet the functional specification because it would not meet the sea keeping requirements that we have specified. We are seeking a vessel which can operate and function in a much rougher set of circumstances continuously than was specified in the case of the Bay class. We are actually looking at two. There are similarities between the roles but we are looking at different areas of doing it.

**CHAIRMAN**—We gathered that as we examined the two vessels side by side.

**Mr COX**—Is there anything in those specs that you would be including for military purposes which would detract from the new patrol boat's function in its Coastwatch role?

**Cdre MOFFITT**—Not that I can think of. We are specifying armament, for example. The armament fundamentally goes to the vessel's military role, not its support to Coastwatch type role. Off the top of my head, I cannot think of anything that we are specifying in that vessel which would be contrary or counterproductive in the Coastwatch role.

**Mr COX**—It will have enough space to pick up 100 or so SUNCs? It will have sufficient crew on it to provide steaming parties and things like that and to do all of the things that the Bay class would have difficulty doing?

**Cdre MOFFITT**—It will certainly have sufficient crew to deal with the routine sorts of activities that the Fremantles confront today. There might be some minor variation from the Fremantle class crewing arrangements with the new vessels but we are waiting to see what it is that industry offers us in that sense. Certainly our belief from the studies that we have undertaken is that you cannot reduce the crew of the Fremantles terribly much and continue to do the job that we ask them to do. On the issue of being able to carry SUNCs, there is provision in the specification for the carriage over short-term periods of additional people, but not 100. Putting 100 people on a vessel of this nature at any time is not necessarily easy. Under the circumstances that you are suggesting with SUNCs it is much more difficult. 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 you originally specified.

**Mr COX**—They are carrying pretty austere circumstances at the moment on the Fremantles, aren't they?

**Cdre MOFFITT**—I would suggest very austere circumstances.

**Mr WOODWARD**—I want to make one additional point in relation to the carriage of SUNCs on patrol boats. It is for that reason that the government took a decision to lease the *Samson Explorer*, which we can use to carry up to 150 people. I think it has had 13 trips already on the traditional run. Whether we will get continued funding for that will be for the government to decide in a year or two. There are other mechanisms that are used to enable people to be transported and to enable the patrol boats and our vessels to do the job they are designed to do.

**Senator GIBSON**—I would like to thank Allan Behm for making two major points about, firstly, resource constraints, coastguard versus Coastwatch and the US comparison—that needs to be understood by the wider community—and, secondly, coordination. It seems to me that, from our experience in dealing with this inquiry, it is quite obvious that the coordination is really well done between all the various agencies through Coastwatch now.

**Mr ROHAN**—I would like to make a comment that picks up some of the issues that have been mentioned. It is perhaps most pertinent at this time. AFMA is a civil agency which does not have control of assets. We are relatively small in terms of our budgets and the influence that we have with some of the corporate giants, I guess, that control the assets that we depend upon. We depend on the supply of those assets both in terms of surveillance and as a platform from which we conduct investigations et cetera of vessels suspected of illegally fishing within the Australian fishing zone. That requires vessels which are capable of the task, crews which are up to the task, being able to ensure that vessels which are illegally fishing are stopped and can be boarded, that we can get fisheries officers on board where it is appropriate in a secure manner to collect evidence to conduct investigations and, if necessary, steam these vessels back to a mainland port. This has caused us to see some emerging gaps in the current model. Whilst we believe the model meets most of our requirements and it has done so in the past, it has been predicated on a basis of the existing assets—the Fremantle class patrol boats primarily and, I think, with the coming on stream of the Bay class customs vessels.

However, we had a real wake-up call in the mid-1990s when Defence was looking at alternative vessels including, I think, offshore patrol combatants, which raises the question of what sorts of vessels would be available to do our work after the phasing out of the Fremantle class patrol boats. I think it is true to say that our perception of the assets available to Coastwatch to use is largely driven by the needs of the agencies that control those vessels. Defence will generally choose vessels which are most suitable for defence purposes; Customs, I think, will choose vessels most suitable for Customs purposes. It does not necessarily result in an integrated approach in terms of what the requirements are for all agencies in the longer term. I would like to put that in perspective, however. We have been consulted fully by Customs and Defence in terms of their decisions to bring on stream the Bay class vessels and the replacements for the Fremantles, which we well appreciate, but it is still within the general parameters of a certain size of vessel with certain capabilities. What we see in certain areas is, for example, that those strategies are based largely on existing and past threats which emanate generally from the north. More recently, we have had to deal with threats to national assets—we are talking specifically about fisheries matters in the Southern Ocean—where patrols have been mounted in very remote areas where the conditions are extreme.

The current range of vessels available is not necessarily suitable or is not necessarily available in the time frame that would be required to mount a successful operation. We have

covered that for the time being with a civil patrol arrangement which is contracted out using contract civil crews. I am reluctant to point out within a public forum the limitations of those sorts of patrols, but I think it is almost generally known. Certainly from some of the feedback we get from some of the contact of others with illegal vessels in foreign ports, they are aware of our limitations. Let me just say that we see it as important that these vessels have an apprehension capability, but they are not necessarily armed and the crew are not necessarily armed or trained, in current circumstances, to do that. That is a major issue for us in terms of delivering effective compliance in a fisheries environment.

We have welcomed the move that Customs, for example, has made to increase the capability of their personnel involved in the Bay class vessel patrols, but our preference is that, if we are to have an alternative to limited and highly expensive defence assets, there is still a gap in terms of civil capability and there is room for that to be increased. We are not going to say who should provide that service; only that there is a gap and we would like to point that out in terms of inviting the agencies that are largely represented around this table to step into and fill that gap. As such we are not necessarily suggesting that any one particular model is better than the other. We perhaps envisage that an enhanced capability on what is currently available is possibly appropriate for meeting our needs. That includes meeting the needs of the Southern Ocean patrol requirement beyond the completion of that budget allocation beyond 30 June 2003.

**Senator GIBSON**—Refresh my memory on how much you are spending now per annum on patrols in the Southern Ocean.

**Mr ROHAN**—In round terms, \$4 million per annum for Southern Ocean patrols.

**Senator GIBSON**—My memory was from a previous hearing that the value of the catch in the areas of concern was of the order of \$20 million or something.

**Mr ROHAN**—That is correct.

**Mr COX**—You have a fairly healthy respect for the sorts of threats that your officers might face when they are doing enforcement duties, haven't you?

**Mr ROHAN**—We are talking about asking vessels to pull over and accept a fisheries officer where the consequences may well be loss of vessel catch and fishing gear. That can no doubt drive people to quite extreme measures. The personnel whom we place on vessels, on platforms, are specialist fisheries officers—I might come back to that point. They are generally state based fisheries officers where the states are reimbursed for undertaking Commonwealth work. They operate under OH&S parameters, which do not permit them to go on to a foreign fishing vessel unless it is adequately secured. In short that means that they are basically accompanied by officers who are armed and can ensure their protection.

**CHAIRMAN**—You have recently received agreement to at least have side arms on the Bay class officers. Are you also asking for machine guns?

**Mr ROHAN**—We would suggest that, if the Bay class vessels are going to be able to apprehend foreign fishing vessels—and the sorts of vessels they are likely to come across will be bigger than the Bay class vessels—it helps to have some coercive stopping power.

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**Senator HOGG**—I think I was right.

**CHAIRMAN**—My colleague down here says you might be asking for Exocet. We do not particularly want to discuss the Southern Ocean issue. You have provided us with evidence on that issue in camera and made suggestions to us, and we will consider that, but I do not think this is the proper forum to go into that in any measured detail, Mr Rohan.

**Mr COX**—Is it true, southern fisheries aside, that in the past Defence have fired into the steering gear of fleeing illegal fishing vessels that would not stop? Is that not right?

**Air Vice Marshal HOUSTON**—We are turning now to Northern Australia, where vessels have disappeared and we tried to stop them and they would not stop. Yes, that has happened and, essentially, we are always very reluctant to use any sort of firepower directly at the vessel. In fact, in order to use lethal force against a vessel, we would have to go to the minister. When we are dealing with illegal fishermen, I think there is an issue of proportionality here. We need to come up with a sensible response. So, in general, we will do everything we can to stop them, but we are reluctant to use lethal force, for obvious reasons.

**Mr COX**—You have used weapons in the past in a non-lethal manner.

**Air Vice Marshal HOUSTON**—We use the weapons: we fire warning shots, and that is fine. But I think it is a fairly big call to start using lethal force against somebody who you have discovered is carrying out illegal fishing in the Australian fishing zone. I think it requires a fairly considered decision before using lethal force, and I cannot recall an instance where we have actually done that.

**Rear Adm. SHALDERS**—Can I just perhaps put that in context. Last financial year there were 79 fishing vessels dealt with through our collective efforts. I cannot recall one of those incidents where force was used against us. I am not saying it has not happened, but it is a very rare occurrence. This financial year, to date, there have been 65 foreign fishing vessels dealt with. I can say unequivocally that there has been no force needed to deal with that number of vessels, so it is a very rare occurrence. We need to be prepared for it, certainly, but it does not happen perhaps as often as maybe was represented in the last five minutes or so.

**Mr COX**—But it has happened?

**Rear Adm. SHALDERS**—It has happened, certainly, and we need to be prepared for it and we are prepared for it. But it is not a routine regular occurrence.

**Senator HOGG**—How many got away? You told us how many were dealt with. How many got away that were not dealt with?

**Rear Adm. SHALDERS**—In terms of a sighting, vessels that were unable to be apprehended?

**Senator HOGG**—Yes, where there was a chase, a pursuit and we could not catch them. I am interested in how we are dealing with those that we should be dealing with but cannot deal with

because we do not have either the facilities or the capability to intercept them or to stop their progress in some way.

**Rear Adm. SHALDERS**—There are perhaps two issues there. We make a number of sightings that sometimes we cannot deal with because we do not have assets in place. For example, this last weekend we detected four fishing vessels inside the line north of Arnhem Land. We were unable to respond to that sighting because we did not have a surface asset available to respond. So those sorts of instances do occur. In terms of the situation where we are on the scene and unable to apprehend—again, I am dredging my memory—we have had a couple of instances where pursuit has been established. The vessel has failed to heed warnings or even warning shots and has disappeared. I can recall perhaps two or three of those instances in the last five years. Defence may have some more detail on that sort of instance.

**Senator HOGG**—If you could give us some sort of idea of the numbers, it would be helpful so that we have a balance as to whether it is a major problem or not.

**Rear Adm. SHALDERS**—We can provide that on notice.

**Senator HOGG**—Yes, I expect that.

**CHAIRMAN**—There was a reduction the year before last to last year in terms of the number of apprehensions. Has there been reduced illegal fishing activity as a result of some overt action by Coastwatch, the agencies or others, or have we failed to detect them?

**Rear Adm. SHALDERS**—In fact, there has been an increase, rather than a reduction. The figures that I have, which I think are coincident with AFMA's figures, show that, in 1998-99, 50 vessels were apprehended; in 1999-2000, 79 vessels were both apprehended and dealt with—and I will explain the difference in a moment—and in this financial year to date we have had 65.

**CHAIRMAN**—You were talking about financial years?

**Rear Adm. SHALDERS**—Yes.

**CHAIRMAN**—Sorry.

**Rear Adm. SHALDERS**—On the distinction I draw between 'apprehended' and 'dealt with', since December 1999 AFMA have had a provision in place enabling us to conduct an administrative seizure of gear and catch, and then release the boat. So the 'dealt with' figure combines both apprehensions and administrative seizure. But the figures so far to date this year suggest that we are going to break last year's total. I have some more on that.

**CHAIRMAN**—Would Fisheries like to tell us—do you have any idea why there is increased activity? Is our advertising poor? Are they not getting the message or are we not dealing with them harshly enough? Or are we just getting better at finding them?

**Mr ROHAN**—Two main categories of vessels are involved here. One is largely small Indonesian type craft.



**CHAIRMAN**—Type 1? We are quite conversant with all this.

**Mr ROHAN**—Types 1, 2 and 3, in fact, and the first two categories—types 1 and 2—being sail powered vessels are, I guess, by far the large majority of vessels. In terms of numbers, the incursions do vary according, probably, to economic circumstances in their home regions, the relative attractiveness of Australian resources and, I guess, market movements and the sorts of products they take. All of those are principally outside our control, so we are largely dealing with the effect of those issues. Within that first category is the type 3, which are vessels with ice boat capability and even some with freezer. But I think we can expect to see some more of these larger ice boats, which are motorised vessels, as the investment in that kind of activity increases and the preparedness to take risks increases. It is perhaps a more difficult one to deal with in terms of the size of the asset at risk if it is apprehended.

The second main category is large vessels—long-liners, principally, which come across the border in northern waters and long-liners in the more remote southern waters. These are large vessels, and we only encounter in the order of three or four per annum. That number can vary, but I could not put down a rationale as to why we would get more or less of those in any one year. I think we have quite an effective deterrent, in fact, against such vessels because of our strong laws and our generally good surveillance in picking them up, certainly in northern waters.

**Mr MEERE**—Chairman, can I just make two more points in relation to the discussion we had earlier about force et cetera? The first thing was that the discussion shifted very quickly to the use of lethal force; we are not advocating the use of lethal force. Clearly, with the apprehensions that take place in the north when a patrol boat is involved, the vessels involved know it is a patrol boat, know that the crewmembers are armed and know that there is an armament on the front of the vessel. That in itself is a deterrent in terms of generally coercing people to do the right thing.

The second point is that I note your desire not to discuss Southern Ocean. I accept that, but I would make the point that Southern Ocean is just not southern remote ocean. I think last time we appeared before the committee I alerted the committee to an incident some 18 months ago in relation to the South Tasman Rise, where we had vessels from South Africa and Belize fishing. In the end, it was through diplomatic channels that we were able to move those vessels on. But clearly, from our perspective, a capability to be able to have dealt with those vessels would have been highly desirable. From a stock perspective, we do not have exact estimates of what happened in those two to three weeks that those vessels fished there, but they took very large quantities. They were factory trawler vessels of 90-plus metres in length. They took very large quantities of orange roughy, which is a long-lived species that we are trying to manage with the New Zealanders.

The third point, which I think is very important in terms of this general discussion of assets and availability of assets, is that Australia has signed on to the UN Fish Stock Agreement. When that comes into force, we will be required to monitor and to deal with our nationals who fish on the high seas. That will require a capability of some sort. I am not saying that we have to have vessels that can go all around the world but, clearly, where we are in regional agreements both in the Pacific and the Indian oceans, we need to be able to make sure that our nationals do the right things in terms of those regional agreements.

**CHAIRMAN**—I have one last question on this, and then we will adjourn for lunch unless my colleagues have something that they particularly want to do. The question relates to Environment Australia. Environment Australia commented in transcript on 8 September that it received only faxed information from Coastwatch. This relates to audit recommendation No. 4 that Coastwatch process post-flight reports, videos and all that stuff in a user-friendly manner in order to allow everybody to use the system. What I would like to know from Environment Australia or anybody is: is that reporting by a fax only typical of feedback to clients, and has there been any improvement?

**Dr KAY**—Perhaps, Mr Chairman, as you address the question to Environment Australia, I can respond first. I am not sure there has been an improvement, but it is one of the things we want to take up with Coastwatch in finalising the memorandum of understanding or service level agreement. As a quick check, between giving the last evidence and coming along today we accumulated something in the order of half a metre's depth of faxed post-flight reports during the past calendar year. I think that is not an efficient way for us to do business. It may be the simplest for Coastwatch to get the information out. For us to go through all those and try to sort something out that is relevant to us is not an efficient use of our time. I am still of the view that we may be able to gain efficiencies.

**Rear Adm. SHALDERS**—I guess I would ask the question on that comment: was the information that you needed available in that half metre of paper? I am sure it was there. I accept that it is difficult to extract, and we are doing something about that. We have a project in train called the Coastwatch Command Support System. One of the features of that system will be provision to clients of the data that we generate in the form that they will find most useful.

For example, the Great Barrier Reef Marine Park Authority have expressed a desire to see a graphic representation of where our aircraft flew and what it saw. The Coastwatch Command Support System (CWCSS) will provide to the Great Barrier Reef Marine Park Authority what they want at the press of a button. So the data is captured by the system and then distributed to the client in the form that they would find most useful.

In the case of Defence, we will be incorporating a formatted message output which Defence will then turn around inside their systems so that our data then gets displayed on their systems through the use of this formatted message, and so on around the client base. Our aim is to provide service to the clients, and we will do that through a much better quicker, smarter automated system when this Coastwatch Command Support System is delivered later this year.

**Senator HOGG**—I have one further question on this issue of resources. I understood that before it was said that when there were difficulties with funding within Coastwatch they came to you for some assistance in resourcing their needs. How often does that happen, and could you give us examples of why it might happen?

**Mr WOODWARD**—There is a range of circumstances. Frankly, I do not want to go into the detail that you are looking for. I have one proposition before me at the moment where the admiral has raised with me the question of funding of an initiative that is being taken in the Coastwatch area which I regard as being important from a national border perspective and I will be finding the funds from the Customs vote to enable that to be done. But it is issue that I do not want to go into before the committee.

**Senator HOGG**—Is there a reason for that? I am just trying to find out whether it is a problem with the Coastwatch budget that they have got to come to you to seek this ‘supplementation’.

**Mr WOODWARD**—It is source of funding—we have discussed this at previous meetings—and it is a little more complex in relation to Coastwatch than it is in some other parts of Customs. The government took a decision that an array of funding would be provided to the department of immigration, so a whole slab of funds was appropriated to Immigration and then there are agreements that are worked out between us and Immigration whereby we have to satisfy Immigration’s requirements and we get funds. That is one slab but it is not the totality. There are other funds that come through the normal appropriation processes, which are directed to me as head of Customs, and we work out our requirements within Customs. There is nothing in that arrangement that is unusual. Coastwatch, as the task force and the government decision indicated, is a division of Customs. There are a number of divisions of Customs. The complexity is that, in this particular division, there are two sources of funds and that makes it much harder.

**CHAIRMAN**—Thank you very much.

**Proceedings suspended from 12.57 p.m. to 2.02 p.m.**

**CHAIRMAN**—I will recommence this roundtable. This morning was quite valuable to the committee, and we thank you for that. We will continue this afternoon for as long as people have positive contributions to make to the inquiry and for as long as my colleagues have questions to ask. But we will close at 4 o’clock absolutely or I will turn into a pumpkin!

There is one thing that we might do first just to make sure that we do not miss doing it. Mr McPhee and colleagues, you have made a number of recommendations. I do not have the audit report in front of me. Would you like to tell the committee your view of how Coastwatch has responded to those recommendations, where you think they are at and where you have any disagreements?

**Mr WHITE**—As you know, we completed the audit in April last year. At the time, we were very happy with the way that our recommendations were replied to; they were agreed to, some in principle. We have not been back there to do an audit obviously, so I guess I am basing my comments on some of the comments you have probably seen as a committee in terms of the responses that Coastwatch has provided. From my point of view, it looks like they are tracking well in implementing the recommendations.

**CHAIRMAN**—Coastwatch?

**Rear Adm. SHALDERS**—Yes, we agreed with all 15 recommendations made by the ANAO, three with qualifications. All of those recommendations have been worked on in the ensuing period and we are implementing those that we are able to.

**CHAIRMAN**—Do you want to talk about the qualifications at all?

**Rear Adm. SHALDERS**—No, because the qualifications do not really stop us implementing some of the things. The way that we might do some things has been slightly changed from what

was recommended by the ANAO—for example, performance reporting. The specific recommendation made was that we adopt a balanced scorecard approach to performance reporting. Our qualification was, yes, we are looking at different ways of measuring our performance and reporting it but that balanced scorecard was just one methodology and we would like to look at other means of doing that—which we are doing. So it is those sorts of things that we qualify.

**CHAIRMAN**—When do you expect that to be finalised?

**Rear Adm. SHALDERS**—The entire report?

**CHAIRMAN**—The issue you just addressed.

**Rear Adm. SHALDERS**—We are still not convinced that the balanced scorecard is the best way to do that. We have recently commissioned a study, in conjunction with the Defence Science and Technology Organisation, looking at measures of effectiveness: how do we best measure and report; how well or badly we might do surveillance? That is the basic task there. That has defence implications as well and we are working with Defence to try and develop that measure of effectiveness. So that particular issue is under active study between us and DSTO to try and come up with the best means of measuring and reporting performance.

**Mr WHITE**—The concern we raised—and Coastwatch is not alone in this—relates to the quality and usefulness of the performance indicators they are using. That was our concern and they have accepted our recommendation to look at it rather than just leave it there. Given the complexity of what Coastwatch has to report against, the diverse range of clients and the difficulty of developing effective performance indicators, we did discuss and recommend that they consider a balanced scorecard approach. We thought it had some benefits, but I would not say we are going to die in a ditch over whether they implement it or not. The main point was that they sit down and look at their performance measurement system and at the information going to parliament and the public with a view to improving it. We saw the one with the balanced scorecard as more of a longer-term recommendation.

**Senator HOGG**—Admiral, I think I heard you say that you implemented the recommendations that you were able to. Were there some that you were unable to implement and, if so, why and what were they?

**Rear Adm. SHALDERS**—No, none of them are unable to be implemented. It may take longer with some than with others to fully put in place the recommendations made by the ANAO.

**CHAIRMAN**—One of the things that concerns this committee from time to time—remember, we are supposed to be the parliament's eyes and ears as a watchdog of public accountability—is that ANAO will make recommendations which are accepted by the Public Service and we will make procedural, rather than policy, recommendations that are accepted by the Public Service, but then if you go back five years later you find that, while they were accepted, they never really got implemented, or certainly not in a manner which was intended. Do you intend to go back and have a look?

**Mr WHITE**—I would say yes, it is highly likely that we do. We do have a program of follow-up audits. Coastwatch performs a fairly significant, highly visible function. It would be up to the Auditor-General but, in my view, it is highly likely we would be back there within the next five years.

**Mr McPHEE**—Certainly, Chairman, in the light of any report by your committee and any recommendations you may wish to make, we would also pick that up in a follow-up activity. The fact that the committee has decided to have an inquiry into it would actually put it on a higher priority list in our work planning in the forward years.

**CHAIRMAN**—One of the things we are starting to think about, Mr McPhee—and this is also for the benefit of the rest of you—is that perhaps we should put in place, and you might think about putting in place, procedures for some degree of automatic feedback that recommendations that have been accepted have been implemented. It would save us asking stupid questions like that during inquiries and having to get everybody around the table again.

**Mr McPHEE**—There is a follow-up system on recommendations, as you are aware, Mr Chairman. But we can certainly look at it and perhaps speak to the committee at a suitable time about whether those processes could be improved further.

### **Intelligence gathering/regional issues**

**CHAIRMAN**—Good intelligence was identified during the Prime Minister's task force as being essential to Coastwatch performance. The committee will examine the quality of information being provided by clients to Coastwatch, the cooperation with states and international jurisdictions, and the involvement of the public in assisting Coastwatch operations. The committee is also interested in regional issues affecting Torres Strait, the Kimberley region of Western Australia, the Southern Ocean and the Great Barrier Reef. I have a general question that any of you can answer—do not be bashful; everybody made very useful comments this morning. Can the information flow to Coastwatch be improved and, if so, how? Environment has asked for better feedback from Coastwatch: do you have any ideas about how to improve the information flow to them?

**Dr KAY**—The simple answer is no, Mr Chairman.

**CHAIRMAN**—Can you think of any way to get from your sources to Coastwatch information that would be of use not only to client agencies but to fellow agencies—your siblings?

**Dr KAY**—Not at this stage. I would be interested to hear what Coastwatch thinks about the information that we provide to them. But, in the main, they are providing a service to us in terms of surveillance and we make decisions on the basis of the information provided. I am not sure that Coastwatch would be terribly interested in much of the other information that we are provided with by the general public about wildlife sightings and things of that ilk. I am not sure that you necessarily need to plot the tracks of whales migrating up and down the east coast. It is of interest to the environment department, but I am not sure that that interest is shared by many others.

**CHAIRMAN**—If you have a tanker leaking oil, the chances of your hearing about it from the public are probably as good as your hearing about it from Coastwatch. Is that not true—if I remember your report correctly?

**Dr KAY**—I am looking at my colleague from the Maritime Safety Authority, which has responsibility for tankers leaking oil. I would have thought that the tanker would be the first to report any incident through the ship reporting network.

**Mr DAVIDSON**—We certainly get information from the public and from sources other than Coastwatch in relation to sightings of, say, pollution on beaches and other similar reportable events that may stem from shipping or other areas. We would generally pass that information to Coastwatch when we receive it to see whether they have information regarding any sightings that they have made. As to instances involving pilots who operate through the Great Barrier Reef and who sight ships that appear to be involved in illegal entry activities and so on, those procedures have been tightened up and we have mechanisms in place to report them across directly. Indeed, we will pass pretty promptly to Coastwatch any sources of information that we get that seem pertinent to any other interested players. As to any improvements in that area, the truth is that we are looking for continuous improvements as circumstances arise and as the environment changes.

The big issues at the moment relate to illegal immigration. In the past we have had spates of Vietnamese boat people and so forth, and each of those have generated their own kinds of information sources and there has been adaptation by interested parties who have had access to that material. I think the system has proven that it adapts very rapidly. The cooperative operation has been very impressive, in my view. We are certainly happy with the current arrangements but, of course, we would like to see continuous improvement.

**CHAIRMAN**—I recall from our discussions on Thursday Island that suggestions had been made about using people networks in respect of drugs, guns, fishing and other illegal activities in the Torres Strait and that those networks have not been totally established or accepted. There are, as I recall, issues surrounding the use of VMS data associated with commercial shipping vessels, which is automatically collected but not available to Coastwatch because of so-called sensitivity, and other information which might be available from civilian organisations and that could give Coastwatch a better handle on pleasure vessels and commercial vessels in operation through the whole of the north end. Would having that information in hand allow them to make a much quicker assessment of what the risks might be and where the aquaculture farms are?

**Rear Adm. SHALDERS**—One of the issues you have just touched on is of great interest to us—that is, vessel monitoring system data. A number of the fishing fleets around Australia have vessel monitoring systems which provide positional locations, as well as other information. We would like access to as many of those systems as we are able to access for our purposes. Essentially, that purpose is that, if we know where the good guys are, it makes the search for the bad guys that much simpler. We are in the process of negotiating with a number of agencies that have that data. Perhaps the best example I can give you is the Queensland Department of Transport, which runs a similar system called REEFREP—a ship reporting system—that operates in the Great Barrier Reef. We currently have access to that data in a fairly manpower intensive form through AMSA. We would like to get electronic connectivity to that data so that we can use it to build our picture. In a similar way, we would like access—if we can negotiate

it—to vessel monitoring systems that are used by various agencies around Australia for the same purpose.

**CHAIRMAN**—The question was: are there ways in which information flows be improved? Certainly there would be a number of them there.

**Rear Adm. SHALDERS**—The provision of VMS type data to us electronically would be one way of improving information provided to us. If I could just take a more general tack to your question: one of the issues highlighted in every review or report or study done into Coastwatch—certainly over the last 12 years—has been the need for clients to support the tasking requirements they levy upon us with good, solid intelligence and information to allow us to task appropriately. Every single report has made that recommendation. Until the Prime Minister's task force released its report in June 1999, we were unable to give effect to that recommendation. The Prime Minister's task force gave us the resources we needed to give effect to that recommendation. The end result of that is that the analysis unit now resides with the National Surveillance Centre. The committee has heard several times that intelligence is the key to us doing our business properly. So we need as good quality information as can be provided to us from our clients in order to serve their needs. Whether that is intelligence or information of another sort, we need it as often and in as timely a fashion as they can give it to us because, ultimately, that will affect how well we are able to provide the service back to them.

To come back to VMS, which is where we started, connection to vessel monitoring systems would be a very useful way of providing the data to us to allow us to do a better job for our clients.

**Mr COX**—There is some resistance from some of the fishing authorities to providing it for commercial reasons, isn't there?

**Rear Adm. SHALDERS**—I will defer to AFMA, if I may, on that question, Mr Cox.

**Mr MEERE**—There is no resistance from the authority. We do operate under legislation passed by the parliament and the legislation does not automatically provide for that data to be passed on to Coastwatch. We have to use the data for the purpose that we collect it, and it is collected for fisheries management purposes—not for coastal surveillance or foreign fishing apprehension or whatever. So there is a legislative issue there that we have to address. There is also the question of confidentiality of data, and there is some resistance—or some sensitivity rather than resistance—from the commercial fishing industry. I think that is partly because they do not understand the nature of how the data might be used and how the confidentiality would be maintained. I have offered to help in negotiations with the commercial fishing industry to try and address that.

**Mr COX**—Would a productive recommendation for us be some legislative amendment which would give you the authority to pass the information to Coastwatch?

**Mr MEERE**—That would certainly help us in the process, yes. Just to clarify your question, in terms of AFMA's position, we are happy to supply that data if we can, subject to confidentiality and legislative requirements. Of course, there is a cost involved as well.

**Mr COX**—How much?

**Mr MEERE**—The cost would depend on Coastwatch's requirements. Obviously, for fisheries management purposes, we poll the vessels at certain intervals and we poll for our own compliance requirements. If Coastwatch wanted to poll much more frequently, there would obviously be the cost of each poll through the satellite to the vessel and the data returning. There are implications—they are not huge, but there are implications—for our costs of operations and there are direct costs involved in actually polling the vessels as well.

**Mr COX**—Do any of the state fishing authorities run separate systems?

**Mr MEERE**—They do and, of course, not all Commonwealth vessels have VMS and not all state vessels have VMS. Certainly, in terms of our major fishery—which is the Northern Prawn Fishery which runs all the way across the north of Australia—the 130-odd boats in that fishery all have VMS on them so obviously from that perspective, in terms of Commonwealth boats, that would be a benefit. Queensland has VMS. I do not think the Northern Territory is running any VMS at all and Western Australia has VMS, but I do not think it is on all vessels either. It is patchy; you could not say that you would pick up every licensed fishing vessel between state and Commonwealth jurisdictions, but it would certainly help.

**Mr COX**—So another recommendation would be for the government to initiate negotiations with the states to get access to theirs?

**Mr MEERE**—I suppose so. I do not know what the states' impediments are. I think theirs would be similar to ours. I suspect they would be the same issues. They would be confidentiality of data in terms of the commercial sensitivity side and they would be the question of whether the legislation which has implemented the VMS enables them to pass on that data. If they are, then obviously that may assist.

**CHAIRMAN**—How about implanting microchips?

**Mr ROHAN**—If I could just add a point as well, the states—sorry I have dropped the thread—

**Senator HOGG**—I can help you out. I will just ask a quick question. Is there an international VMS that we can tap into?

**Mr MEERE**—No, there is not and that is part of the problem. There are different requirements depending on different systems around the world. There are different service providers. We use the Inmarsat-C system, but there are different satellite arrangements. Argos, which is a French company, I think, also provides VMS services but with different standards, different protocols, and a different level of sensitivity and confidentiality.

**Senator HOGG**—What about our neighbours? Do any of them use a similar system and is there some sort of need for us to explore them using a system similar to ours and getting some compatibility with their systems?



**Mr MEERE**—In the fishing area, New Zealand's system and ours are compatible. In fact, we have had vessels which have been operating, both Australian and New Zealand vessels, reporting to both countries. So we have both been tracking those vessels in real time. In the South Pacific, all the vessels that operate in the Forum Fisheries Agency (FFA) countries—that is, all the South Pacific Island countries—have a common standard which is compatible with Australia's for all those vessels. So there is some compatibility. Papua New Guinea would be subject to the FFA requirements. Indonesia does not have, to my knowledge, a vessel monitoring system at the moment. It would be a huge task for them, given the nature of their fleet, to install one.

**Senator HOGG**—But it eliminates the good guys and allows you to concentrate on those that are suspect. That is the advantage in the system, isn't it?

**Mr MEERE**—In terms of the Coastwatch requirements, yes.

**CHAIRMAN**—Admiral, isn't it true that we have, in addition to the conflict up the top, regular commercial vessels operating in Australian waters all the time—pilot boats and tankers and freighters, et cetera. They operate all the time and know intuitively what belongs there and what doesn't. Is there any way we can put in place, even through the Torres Straits, an island watch type of information service that would be of assistance, that would allow us in a risk management sense to look at what appears to be dodgy rather than going out and looking at everything?

**Rear Adm. SHALDERS**—Yes, you are quite right, Mr Chairman. Customs has a very successful program called Customs Watch which the service actually spends a lot of resources on in terms of educating the wider community about what is normal and what is abnormal. We encourage people to report things that are out of the ordinary, and they do. We operate a free phone number which works from the National Surveillance Centre and we get very many calls on that number alerting us to things that are out of the ordinary.

Customs also operates another program called Frontline, which the CEO mentioned this morning, which is where we enlist industry to assist us in the border protection role that we have. In terms of many of the vessels that operate around Australia, we can and do make use of their knowledge of their local operating area. By way of example, we are in discussion with the Great Barrier Reef marine pilots who work that area routinely to see if we can sign them up to a Frontline agreement so that they will routinely and regularly—more regularly than they do at the moment—report to us if and when they see anything out of the ordinary. There are mechanisms available and we are trying to get more people to report to us through those mechanisms.

**CHAIRMAN**—The first topic we addressed this morning was expectations, and one of the biggest expectations is: what does the public expect and what does the public ultimately know about how Coastwatch operates? Wouldn't you think that it would be highly helpful to your image in the broader community if the community saw that there were pilot boats and tugboats, container ships and tankers and people running around on islands, helping to feed information into a big, high intelligence organisation called Coastwatch that is guarding our security? Wouldn't that make a nice picture story?

**Rear Adm. SHALDERS**—It would make a nice picture story but it would also assist us in doing our job. Perhaps I could defer to NORCOM who might want to talk about the Regional Force Surveillance Units and how we employ those units in exactly the role you have just described. We have had some significant successes recently by coordinating their activities with what we are trying to do. The instance I am thinking about—and I will defer to NORCOM—is a recent patrol in the Torres Strait. Perhaps, Mike, would you like to pick up that point?

**Brig. SILVERSTONE**—Certainly. We have three regional force surveillance units across North Australia: the Pilbara regiment in Western Australia; Norforce, which looks after the Kimberleys in the Northern Territory region; and the 51 Far North Queensland regiment, which is located in the Cape York area in North Queensland. They rely on people who live in the local areas exploiting their local knowledge in terms of observing and reporting information. Regional force surveillance units are reserve units and rely on periodic training as opposed to full-time training for their personnel. Under that structure we have two types of activities. One is the deployment of regional force surveillance unit patrols and the other is what is called the civil reporting network, which is the establishment of a network of personnel who are not in the Army Reserve but who report information as it becomes available and is of concern to them.

Recently we conducted a number of activities, including the deployment of a patrol into the Torres Strait, to attempt to verify the level of watercraft usage in a passage across the border in the vicinity of the Torres Strait. In the deployment of that patrol, they did not actually see anything, which may mean there was nothing there to be seen or there could be a number of other conclusions you could draw. The important thing about that deployment was that it enabled us to test the procedures for the preparation and deployment of that patrol and its interaction with a range of agencies, and it tested the capacity for the communications networks that we need to put in place to support the patrol. Even though they saw nothing in terms of many surveillance operations—this may typically be the result you get, it actually was a very useful and practical exercise in starting to build up our knowledge of the normal patterns that we see in that area. The employment of the regional force surveillance unit is a step that NORCOM have been working increasingly hard on over the last few years, and we are looking to more fully integrate their patrol activities within the overall surveillance plan for North Australia.

**Mr COX**—What sorts of vessel monitoring systems do Search and Rescue use?

**Ms BARRELL**—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-hourly 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.

**Mr COX**—Do you run a control room similar to the National Surveillance Centre that Coastwatch runs for the purposes of search and rescue?

**Ms BARRELL**—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.

**Mr COX**—Does it have any other functions?

**Ms BARRELL**—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.

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

**Ms BARRELL**—On a theoretical basis, probably not.

**CHAIRMAN**—Is that what you are recommending?

**Mr DAVIDSON**—Just an observation, I think. In the 1980s, the sea safety and Coastwatch functions were combined under the then 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.

**Mr COX**—The aviation SAR centre covers aircraft lost on the land area as well as the coastal area?

**Mr DAVIDSON**—Yes.

**Mr COX**—Which is a distinction.

**Mr DAVIDSON**—It covers the entire aviation SAR area, which includes all land within that.

**Mr COX**—What was the reason for splitting the two functions in the eighties? Was it a bureaucratic convenience?

**Mr DAVIDSON**—My best recollection is that it was a combination of recommendations of an inquiry conducted by Hudson which was looking into incursions by Indonesian trochus shell fishermen who were coming into the country. The real problem was they were landing on northern beaches and mangrove swamp areas and they had on board chickens and goodness knows what else, so it was largely a quarantine issue. Subsequent to that there was a letting of a tender in relation to the coastal surveillance contract that also contributed to the function being set up as an independent agency within Customs.

**CHAIRMAN**—Didn't you tell us this morning that you only get about five per cent of your information from Coastwatch?

**Mr DAVIDSON**—Of our total tasking of aviation capability in the last 12 months, about 5.6 per cent of hours were used on Coastwatch aircraft. We principally will go to commercial aircraft, helicopters and such like as a first stop, mainly because of the area of operation. Coastwatch are tasked principally in areas where search and rescue events do not seem to occur because of the nature of where pleasure craft and so forth operate.

**CHAIRMAN**—Are you aware of how the US Coast Guard operates?

**Mr DAVIDSON**—Yes, we are.

**CHAIRMAN**—Do you see any advantages to having search and rescue as a dedicated task within that portfolio, together with all the assets, if you can believe some of the novels?

**Mr DAVIDSON**—The short answer is no. We do deal with the US Coast Guard, the Canadian Coast Guard, the Japanese Coast Guard—as they have now titled themselves—and other international agencies, because AMSA has many similar responsibilities, not only in search and rescue but in our ship safety regulation function. 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. Case for case, we operate, have operated and contract for a lighthouse tender vessel that services buoys, carries a LARC, is quite a capable vehicle for doing what it does and is crewed by 14 crew, while a comparable vessel operated by the US Coast Guard would carry 50; by the Canadians, 38 or thereabouts; and by the UK, 40 to 50.

We operated the Omega navigation system until it was closed down in 1996, I think, or thereabouts. It predated the GPS navigation system. We operated that 24 hours a day, 365 days a year. It was the gold standard for time; it was logistics coordinator. In Australia we had eight people running that. The next best centre was Norway with 12, the Japanese with about 280 and the Argentinians with 190. The US Coast Guard was not ever clear just how many were there, but it was in the hundreds. Yes, I think our view pretty firmly is—and I think it was mentioned earlier—that Australia can stand very proud of the way we do it.

**CHAIRMAN**—Your data sounds rather impressive.

**Mr COX**—So there are more AMSA type functions that could theoretically be run in conjunction with a coastguard operation in terms of maritime navigational aids?

**Mr DAVIDSON**—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.

**Mr COX**—Has Defence got its own search and rescue operation for aviation?

**Air Vice Marshal HOUSTON**—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 on that. Out of that came a rationalisation of the search and rescue functions and they are now handled entirely by AMSA.

**Mr COX**—What year was that?

**Air Vice Marshal HOUSTON**—We did that in 1997.

**Mr COX**—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 that you did not have the resources and you had not got into a 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?

**Rear Adm. SHALDERS**—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 almost an 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 sort of vessels and what sort 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 too resource intensive, I think.

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

**Rear Adm. SHALDERS**—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.

**Brig. SILVERSTONE**—For about eight months now NORCOM have undertaken the practice of gathering the 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.

**Mr COX**—It just strikes me that, if you are managing risks, then if you can identify which boats are frequent illegal fishers you can target them and probably have a greater effect on the amount of illegal fishing than if you are picking them up randomly.

**Rear Adm. SHALDERS**—I agree, but it is a big 'if', isn't it? If you could do that, yes, but it is difficult to do that unless you can actually board the vessels. Again, it is a matter of resources to be able to board every one of those foreign fishing vessels.

**Mr COX**—Is your gut feeling that we do not actually have enough platforms out in that part of the world?

**Rear Adm. SHALDERS**—It would be a foolish Director-General, Coastwatch, that said he had enough assets.

**Senator HOGG**—There's another recommendation.

**CHAIRMAN**—Just stop right there!

**Rear Adm. SHALDERS**—To try and put some meat on the bones of that comment, I believe we do a pretty fair job and that generally we do have enough assets to satisfy our clients' requirements. I think the statistics speak for themselves, and we have just heard from the clients today that they are comfortable with the service that we provide. For example, last calendar year there was just one vessel that we missed bringing illegal arrivals to Australia. That is one vessel out of a total of 70, I think—I will check that figure in a moment—but a very high strike rate for that particular client. A high strike rate for fisheries, I would say. You can never have enough assets, given the geography that we are confronted with; but, given the assets that we do have access to, I believe we do a pretty fair job.

**Mr COX**—What of intelligence about what is happening in the southern part of Australia that Coastwatch does not fly over? Obviously the Federal Police and Customs occasionally get information about drug smuggling and things like that. In terms of what we know and do not know about illegal landings and AFMA's concern about illegal fishing in the southern waters where we do not have response assets, what are Coastwatch's strengths in terms of its intelligence for knowing what is going on there.

**Rear Adm. SHALDERS**—I will answer the question but I will preface it if I may. We put assets where our clients require them to be, whether they are surveillance or response assets. Client requirements for surveillance or response in the southern parts of Australia are far less than what they are in the northern parts. We do not task for ourselves; we task on behalf of our

clients. It is a threat reduction or risk management process we go through. If we do not need to be there we can best use the asset somewhere else and we put it somewhere else. To answer your specific question: we enjoy a level of access to Defence intelligence which provides a lot of support for the southern parts of Australia. We enjoy routine access to that intelligence. It has been very useful in terms of some of the activities we have been involved in in the Southern Ocean area.

**Mr COX**—We can do a certain amount of it by satellite?

**Rear Adm. SHALDERS**—We have access to satellite based information.

**Mr COX**—I have heard a few stories—and there have been some documented cases. For example, there was one case recently of a boat that embarked for Australia and then did not arrive because it sank. How many instances have there been where we know that a boat has embarked for Australia and has not got here?

**Rear Adm. SHALDERS**—I will start the answer to the question and then I am sure Mr Metcalfe would probably want to add to it. I can think of only one occasion in the last 18 months. Some people perished from that boat that arrived at Christmas Island. Fifteen people perished as a result of the boat sinking. Recent media reports that boats may have sunk have not been substantiated. We have looked for the vessels or any debris and have not found any evidence of boats having sunk. Mr Ruddock did hold a press conference prior to Christmas on that issue. Subsequently the boats that I believe he was talking about did arrive. He retracted his initial statement that the people may have drowned. Mr Metcalfe might have something to add to that.

**Mr METCALFE**—I think it is difficult. I can take on notice to see if I can add some precision. There have certainly been a couple of instances of drownings that we do know have occurred. I can think of three—two in relation to boats that actually did arrive but where a passenger fell off and drowned while coming ashore—and the incident that Rear Admiral Shalders mentioned in relation to the 15 Sri Lankan nationals who drowned during a transfer process essentially. The operation that occurred off Christmas Island was when two vessels came across with the intention of the crew of the second vessel getting back onto the first and then sailing home to freedom. The passengers concerned were then left to find their own way on to Christmas Island a few miles south and something went tragically wrong in that situation.

We have had a number of reports, which are difficult to confirm, of vessels having left Indonesia and not having arrived in Australia. Before Christmas there were reports from our sources in Indonesia—which tended to be corroborated by people within detention centres saying that they expected friends or family to be arriving—of vessels that had left but not arrived. In that instance, I think the vessels arrived eventually, but they took a lot longer to get here than normal. Interestingly, the department received telephone calls from families in Australia who were also reporting concerns that people had left and not arrived.

I recall—my memory fails me as to the precise details; I will take the matter on notice—an incident either last year or the year before involving a report of a large number of people having left Indonesia and not having arrived subsequently. There is no indication of further information to corroborate whether those people left, whether they drowned or quite what happened to that

particular vessel. So there is some circumstantial evidence about a couple of incidents. Some people were certainly well overdue and we know of at least three occasions, I think, when drownings occurred.

**Mr COX**—Do you routinely debrief the people who arrive?

**Mr METCALFE**—We do.

**Mr COX**—Have you heard any tales of various felonies that occurred on board refugee boats?

**Mr METCALFE**—I will check to see whether we have any more details because I have not briefed myself on that point in preparing for today's hearing. I am aware of one allegation that, as I recall, was never able to be proven about a very serious incident that occurred on board a vessel. However, interviews of the people concerned—I think the police came and conducted some investigations in relation to the matter—ultimately could not establish whether what was alleged to have occurred did occur.

**Mr COX**—What was alleged to have occurred?

**Mr METCALFE**—The allegation stemmed from the fact that, after the vessel arrived, two or three items of baggage did not appear to belong to anyone. The allegation was then made that there had been a murder and that bodies had been dumped overboard. However, as I said, ultimately the only information was the baggage that no-one appeared to own. I can check on the facts of that case—which occurred sometime ago—and, if I can provide any other information, I will certainly do so.

**Mr COX**—Assuming that the alleged murder occurred before the boat reached our territorial waters, under whose law would the crime be dealt with?

**Mr METCALFE**—Others in the room may have better knowledge of that area. Assuming it occurred in international waters, I am not familiar with the relevant criminal law. Perhaps my colleagues from the Federal Police or the Navy are better versed in that.

**CHAIRMAN**—We will have Defence instead.

**Air Vice Marshal HOUSTON**—I have present an expert on international law. I will ask Group Captain Rick Casagrande to come forward to answer your question.

**Group Capt. CASAGRANDE**—Jurisdiction normally follows the flag of the vessel. Of course, many of these sorts of vessels are not registered and there is perhaps some uncertainty about their jurisdiction. Jurisdiction would generally flow from where the vessel emanated but, of course, jurisdiction can also flow from the nationality of the individuals involved. If they were Australian citizens, we could extend jurisdiction to them, but if they were not you would look to the ship's flag and the individuals' nationality.



**Mr COX**—The last one I want to pursue in this area is the seaworthiness of the boats that are now bringing people out. We have been through a period when they were coming out on quite substantial commercial type vessels which were obviously fairly seaworthy and tended to attest to the substance of the people smugglers. More recently, a lot of people have been coming out on ice boats and ships of that kind. Are they genuinely using seaworthy vessels or are they using the cheapest, unseaworthy vessels they can get their hands on, since they are effectively disposable?

**Rear Adm. SHALDERS**—It does vary of course. We have had everything from very rickety small type 3 Indonesian fishing vessels through to inter-island ferries. As a general comment, the vessels of the Middle Eastern people coming to the north-west in the last 18 months were not seaworthy. In the majority of cases, certainly recently, we have been unable to either escort or tow those vessels back to safe haven. So, as a general comment, they are not seaworthy vessels.

**Mr COX**—So, as one item of discouragement, it would probably be worth advising the people in the source countries that if they embark upon one of these processes they face the prospect of being subject to some felony at sea, being equipped with an unseaworthy vessel which may sink and are taking substantial personal risks.

**Rear Adm. SHALDERS**—I think DIMA has started getting that message through, certainly to transit countries. Mr Metcalfe might like to comment on that.

**Mr METCALFE**—I can only confirm that that is the case. There has been, and continues to be, an information campaign to try to point out to people the futility of their voyage and the risks that they may well face. There have been drownings and suggestions of much larger numbers of people drowning. Who knows what happens on board the vessels? We certainly do know of some people undergoing some very scary experiences. I am certainly aware of reports of a group of people who made the passage from Malaysia to Indonesia by boat and who very nearly drowned en route to Australia. They turned on the organiser as a result of their experience. One of the things that the department has done and the minister did during his overseas work on this issue has been to try to make it clear to people that this is an extremely hazardous undertaking and that there are legal and proper avenues for people who are refugees to pursue if they are looking for resettlement in third countries. UNHCR operates programs to deal with those issues. The messages that you have described are things that we are aware of and, to the extent that we are able, we provide that information to people. On the whole, we are dealing with a group of people who are very determined. They are looking for an outcome, which is possibly an outcome that many of us sympathise with: they are looking for a better life. While we certainly do not approve of the way that they go about doing it, going the way of giving information to try to dissuade people from undertaking a hazardous voyage may or may not be effective. At the end of the day, people weigh up their chances and many of them take a risk.

**Mr COX**—Seaworthiness is a more serious and obvious risk to somebody than the prospect of being bitten by a sea snake or eaten by a shark, I would have thought.

**Mr METCALFE**—The information campaign has focused on seaworthiness. It has focused on a whole range of issues, including the fact that people have been taken by sharks. The

information campaign is designed to try to present the reality of the fact that it is a very hazardous occupation. Increasingly, the information is that the people smugglers are trading people more or less as commodities, that there is the selling of a group to another people smuggler to pass them down the line and that there are bits of profits taken from people all the way through the process. At the end of the day, whether some desperate and determined people are prepared to listen to those messages or simply take a risk is a moot point.

**Rear Adm. SHALDERS**—Mr Chairman, can I just correct something I said a moment ago and also answer a question that Senator Hogg posed before lunch. The first point is that in the last calendar year there were 50 SIEVs—I think I said 70. Of the 50, we got 49 of them in the last calendar year. In response to the question that Senator Hogg asked before lunch with regard to hot pursuits, vessels that have got away from us, in the last five years two such vessels have been intercepted but have then absconded. That is two out of the 500 that we have apprehended in the last five years.

Just to pick up on a point we were discussing a moment ago about the ANAO outcomes and how we are progressing those, I direct the committee's attention to enclosure 2 to the Customs Service submission which responded to the ANAO and provided commentary on the ANAO recommendations. There is some more detail in that submission.

**CHAIRMAN**—Thank you. We have a brief question for Fisheries. There was evidently a recent incident where a Falkland Islands based fishing boat was detected fishing around Heard and McDonald Islands. Can you tell us the outcome of that?

**Mr MEERE**—The vessel was detected by our legally licensed Australian operator, who had on board an observer from AFMA. Photos and other details were taken. The vessel departed the area fairly quickly. It had covered up its details and so on in an attempt to avoid detection. Through various sources, we were able to track the identity of the vessel, which it turned out was licensed in the Falklands. We dealt with Falkland Islands and British authorities on the matter. The owners of the vessel and the skipper were fined quite considerable fines. Their authority to work in CCAMLR waters, which are sub-Antarctic waters, has been cancelled. So there was a very successful outcome from what was a chance happening, if you like, in relation to the vessel.

**CHAIRMAN**—Do you have good relationships with other countries in terms of intelligence gathering?

**Mr MEERE**—Yes, I think they are fairly good. We have a particular relationship with the French in terms of Heard and McDonald Islands because of the Iles Kerguelen, which are in French territorial waters, and we have a maritime boundary there. We have actually worked with the French authorities down there. That has worked well. We have a good relationship with New Zealand particularly and work well with the New Zealand authorities. We also have a range of activities with South Africa and so on. In terms of Southern Ocean states, we have very good activities. We also have good relations in the Pacific with the foreign fisheries countries, as I mentioned earlier.

**CHAIRMAN**—If we were to make a comment in our report that, post the PM's taskforce, the involvement of the military and intelligence gathering has become increasingly apparent, would there be anybody here who would take exception to that? No? Thank you.

### **Looking to the future**

**CHAIRMAN**—The final session looks at the future for Coastwatch. The committee is interested to find if any changes are needed to the present Coastwatch and, in addition, to flag possible future needs for a Coastwatch operation. Important issues include an improved communications system, extended surveillance covers and new technologies. It also might be valuable to consider possible future threats to Australia's border integrity and whether the present Coastwatch structure is able to meet those threats.

This is a pretty big topic, and we have seen lots of futuristic gear, I can tell you. We have seen some fantastic phased array radar, wave skip radar and very high powered communications systems. We are very familiar with the progress and the theoretical efficiencies of JORN. We know what Jindalee has been able to do. We are expecting to have four AEW&C aircraft by 2006, and that will help to fill up some holes out there. We have also had presentations to us on sound sensor systems, floating buoys and drones.

Admiral, we assume that you and your client agencies get bombarded by companies wishing to divest themselves of assets for your money, or ours, whichever the case may be. Would anybody around the table like to tell us the kinds of things they think would be most advantageous from their viewpoint as we look to the future in terms of technological capability?

**Rear Adm. SHALDERS**—I will start, if I may, just by saying that I think technology offers us a cheaper and more efficient way in many cases to do what we currently do with our current technology. There are all sorts of technology either with us now or not very far away that will allow us to do our job better, faster and more cost effectively in the near future. We in Coastwatch, acting on behalf of our clients, need to be aware of all that technology, so that we can deliver them the better service using that technology. Some of those technologies are again encompassed in the submission that the Customs Service made to the inquiry. Some of those things we have been actually trialling since we made that submission. For example, the inverse synthetic aperture radar which, at the time of our submission, we were hoping to trial, we now actually have fitted to one of the aircraft and we are conducting a trial on that particular enhancement to the radar fitted in the Dash 8.

Some of the other more esoteric technologies we are looking at so that we are informed customers if further down the track those things become available to us and we can afford some of those things. You are correct in saying that many suppliers or purveyors of technology come to us and offer us their wares. We always listen because we do need to be an informed customer to know what is out there if we can take advantage of some of these things that are happening.

**CHAIRMAN**—When do you expect the kind of results—you may not make them public; you may want to keep them confidential—that could inform this committee of the Telecom trial or the phased array radar trial in the Torres Strait?

**Rear Adm. SHALDERS**—I will defer to Defence in a moment, but actually the high frequency surface wave radar trial is being conducted or was conducted in Bathurst Island just north of Darwin.

**CHAIRMAN**—That is right. It was the surface wave radar trial.

**Rear Adm. SHALDERS**—Yes, the surface wave radar trial. We did do a structured trial with the assistance of DSTO, who are currently writing the trial report. That trial was conducted in October and November last year, and we hope to have the full results in about April. Dr Ward from DSTO may have some more details on how the trial report is going.

**Dr WARD**—I have two comments. Firstly, in looking at new technologies you need to do two things: you need to characterise the performance of the sensor and you need to have a good operational concept for understanding how you are going to deploy that sensor in conjunction with all the other assets you already have or which you might be prepared to play. It is dangerous to proceed without doing both those steps thoroughly. In the case of the surface wave radar trials, an operational evaluation was conducted in late November. My staff are currently doing a systematic analysis of that. We have to give Commodore Crane and Defence Trials Directorate a report at the end of March. So March-April will be the timeframe for the characterisation of that.

**CHAIRMAN**—My understanding from discussions in the Torres Strait—on Thursday Island—was that if we wanted to site two or three of those through the islands which might pick up a very high percentage of any illegal activity, or at least pinpoint it, it might be very difficult because of native title issues.

**Dr WARD**—That was certainly an issue. The Bathurst Island deployment was initially proposed to be located in Torres Strait, and Telstra ran into difficulties locating it there for those sorts of reasons. Whether that would be a difficulty in the longer term—if it were a government owned asset versus—

**CHAIRMAN**—That is the question I am asking.

**Dr WARD**—That is a policy question. Basically it is a question of getting access to the land. It is not a technology question.

**Rear Adm. SHALDERS**—I can add to that. Customs has recently upgraded our ultra high frequency communications system in the Torres Strait. We did encounter some complications in terms of access to various islands and land, but we were able to negotiate our way through those complications—native title or otherwise. That new communications network is up and running very effectively in the Torres Strait, with effect from about mid last year.

**Cdre CRANE**—I would like to follow up on the surface wave radar question. I think it is important that, when addressing the surveillance issue, we look at not just a single solution. We need to look at a layered defence type of system that would range from overhead, that is, in-space activities, through the range of high altitude, mid-level altitude, ground and some of those you have mentioned today. It is a total system that we need to look to rather than a single technological solution. The issue with the surface wave HF radar is understanding what part of

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that system that particular technology might be able to resolve, if indeed it can resolve any of it. That was the reason for the trial. We will look at the results when they come out in April, and look at the hard figures that the trial will give us, and do some analysis and make some assessments as to whether in fact it is going to lend itself to increasing our capabilities and thereby increasing our ability to be able to inform Coastwatch.

**CHAIRMAN**—This committee would not disagree with you. There is no simple, single technological solution to all your problems. We understand that JORN will make a difference, but it will make a difference largely in the air and when atmospheric conditions are conducive for it to operate properly. That is not necessarily 24 hours a day, 100 per cent coverage, nor will it cover all the vessels on the seas. Even though it has capabilities down to perhaps X number of feet, it may not perform at that capability level. But if you add JORN to AEW&C with phased array radar running up there, as long as they are flying, and then maybe you put a few sonar buoys around and a bit of surface wave radar here and there, in addition to the Dash 8s, the Islanders and the Bell helicopters and all that stuff, you might come a lot closer to nearly 100 per cent pick-up rate.

**Cdre CRANE**—Absolutely. That is the thinking. It is really a system rather than a single solution. It is needed to contribute to that layered defence system, that layered surveillance system. Each part has its own bit to play, and JORN certainly will add to that.

**CHAIRMAN**—Has DSTO or Customs or Defence paid any attention to the drones?

**Dr WARD**—In the middle of this year, the Global Hawk unmanned air vehicle will be coming to Australia for a trial, flying from California to Edinburgh and then doing a series of trials here in the May and June time frame. It flies at 65,000 feet and has an endurance of up to 48 hours so it can fly to a station at a remote distance. It will be doing some initial trials off Adelaide. It will then go to a military exercise and then do other trials on the Torres Strait and Darwin regions, which are ground truthed. We are in the process of evaluating what that technology does. Australia has paid for some sensor modifications to that suite. The basic aircraft sensor suite was designed for operation over land areas and we have actually upgraded the sensor suite to be more focused on maritime surveillance, which is obviously of key interest to us.

**CHAIRMAN**—What is the sensor type?

**Dr WARD**—It has got two sensors. It has got a synthetic aperture radar and we have actually put in an ISAR inverse sense synthetic aperture mode the same as a Coastwatch aircraft. It has also got an electro-optical sensor. You need the combinations of those sensors, as Commodore Crane was saying. As well as a combination of different platforms, you need a combination of sensors because the synthetic aperture radar is good for detecting targets but not particularly good for identifying them. So the idea is to use the synthetic aperture radar for a large volume search, find the targets, and then use the electro-optical system to identify them.

I might also say that the Global Hawk, in its current configuration, is not well suited to a surveillance mission. It is really a reconnaissance tool where you work out days in advance where you want to go, and you go and fly and look at the points you want to do. If we want to use it in an Australian mission for surveillance, then quite substantial modifications to its whole

method of operation will be required, and that is what part of this trial is about: understanding all the things that we need to know to operate that sort of platform in our environment.

**CHAIRMAN**—What kind of radar will the AEW&C carry?

**Dr WARD**—The AEW&C has got a L-based phased array radar.

**CHAIRMAN**—That is what I thought, but we keep ignoring phased array radar. I thought that was scheduled for those things anyway. What else can we expect Coastwatch to do in the next decade that it is not doing now for its clients?

**Mr COX**—Let us assume 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 to do it.

**CHAIRMAN**—Is this a hypothetical?

**Mr COX**—Of course it is hypothetical because conveniently we are unable to determine that 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 on 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?

**Air Vice Marshal HOUSTON**—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 purely 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, a 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. We do not think it is an extensive problem at the moment. The aircraft that are coming in are usually light aircraft. We do not have hordes of people coming in. It is probably better to risk manage that than to deploy expensive defence assets like fighter aircraft and, perhaps, if we had the AEW&C, those sorts of assets to deal with that problem. But if we have got a major problem in the future we probably would have a suitable solution for dealing with it. 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 into place. I am confident that, 10 years from now, if we had that scenario you paint, we would be able to come up with some sort of response which would address the specific problem that you raise.

**Dr WARD**—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 of the 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.

**Mr COX**—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?

**Dr WARD**—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 US 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 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.

**Rear Adm. SHALDERS**—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 Center 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.

**Mr COX**—What do you use to do the interceptions?

**CHAIRMAN**—FA18s.

**Rear Adm. SHALDERS**—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 US military aircraft to intercept, through the joint interagency task force arrangements on the east and west coasts. There is a system there. It does work and it has had pretty significant success against the sort of threat you have postulated.

**Mr COX**—What we do here, though, given our distances—

**CHAIRMAN**—Hire Tom Clancy.

**Senator HOGG**—Outsource it to Defence.

**Rear Adm. SHALDERS**—You could give the Australian Customs Service similar assets.

**Mr COX**—Mr Woodward is getting excited. This is not going back to Defence; this might even be better.

**Rear Adm. SHALDERS**—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.

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

**Rear Adm. SHALDERS**—If it were to be 50 a year?

**Mr COX**—Yes.

**Rear Adm. SHALDERS**—It is not right now?

**Mr COX**—I am not suggesting that, but if it turned out that that was the level of threat, has Norforce now got the mobility and the assets to get around and land at the dirt airstrips and round the people up?

**Rear Adm. SHALDERS**—It is probably a Defence response, I think.

**Air Vice Marshal HOUSTON**—Mr Cox, I would say straightaway that you are again postulating a different sort of picture in the future from what we have right now. If that were a problem for government—and it would be a decision for government—we could probably assign more response assets to the Commander of NORCOM so that he is better postured to respond to that changed situation. But perhaps I should ask him to give you an idea of what he can do right now against the sort of threat you are concerned about. Commander of NORCOM, do you have anything else to add?



**Brig. SILVERSTONE**—We have been focusing on surveillance and identifying the threat; then the next issue is the 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 to have in place, not least of which are the interagency 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 as 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.

**Mr WOODWARD**—Mr Cox has been talking about issues which might arise, or are likely to arise, in the future, not issues which are currently with us.

**CHAIRMAN**—We are talking about the future.

**Mr WOODWARD**—I guess I perceive it to be a longer term horizon. 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.

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

**Mr WOODWARD**—I will leave that to Defence.

**Brig. SILVERSTONE**—It really depends on a whole set of inter-agency activities.

**Air Vice Marshal HOUSTON**—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.

**CHAIRMAN**—Does Coastwatch have a charter, Mr Woodward? Could we have a copy, please?

**Mr WOODWARD**—I thought we had provided you with information on what Coastwatch’s role is. It is outlined in fairly brief form in our annual report and in other documentation relating to Coastwatch.

**CHAIRMAN**—Is this the entirety of the charter? Under the heading ‘Coastal and offshore surveillance and response’ it states:

This output covers the provision of air and marine based civilian surveillance and response services to a number of government agencies. The aim is to detect, report and respond to potential or actual non-compliance with relevant laws in coastal and offshore regions.

Is that the charter? If so, I would have thought it certainly encompassed unidentified air movements.

**Mr WOODWARD**—I think the words ‘coastal’ and ‘surveillance’ are in that charter. When you were talking about aircraft movements well beyond—

**CHAIRMAN**—It says:

This output covers the provision of air and marine based civilian surveillance and response services to a number of government agencies. The aim is to detect, report and respond to potential or actual non-compliance with relevant laws in coastal and offshore regions.

**Mr WOODWARD**—That is right—coastal and offshore.

**CHAIRMAN**—No, coastal and offshore regions. It says that includes ‘air and marine’.

**Mr WOODWARD**—Yes, but the point that I again reinforce is that it is coastal and offshore. The examples that I thought Mr Cox was raising dealt with detected incursions well beyond the coast, and I do not believe that any government has envisaged that we have a specific role in it. That was something that was discussed in the Auditor-General’s report, and I have seen no documentation which gives us that responsibility. We are certainly not equipped or resourced to do it.

**CHAIRMAN**—My understanding is that it has been speculated in the media recently that the government is considering merging the Commonwealth law enforcement agencies—that is, AFP, Customs and the NCA—into a Commonwealth FBI. Mr Woodward, if that happened—as a hypothetical, obviously—where would Coastwatch fit within the portfolio?

**Mr WOODWARD**—I think there is more than one hypothetical in that, Mr Chairman! I do not know where that came from.

**CHAIRMAN**—Channel 9.

**Mr WOODWARD**—I am not prepared to say it is a flight of fancy but I would go fairly close to it. It is news to me. It could well have been that ministers have had this item under discussion and they have reached some sort of conclusion. If they have, they have not told me—and I suspect they have not told Commissioner Palmer or the NCA; that was the other agency, was it?—I do not think it would be responsible of me to pass comments on what then might happen against a background of some hypothetical which I have no knowledge of.

**CHAIRMAN**—Why am I not surprised! Are there any further questions?

**Senator HOGG**—I have a general question which probably relates to now and also to the future. The focus of this inquiry has been specifically on what is coming into the country, whether it be people, drugs, contraband, quarantine issues or the fishing environment around the country, and I wonder what the role of Coastwatch is in terms of what might be going out of the country. Is there a role there? Does it play a role? And, if it only plays a minor role now, will it play a changing and more significant role in the future? Obviously everyone is worrying about what is coming in, but there are concerns also about what is going out. That might be in terms of contraband weapons, it might be fauna, it might be flora, and there might be transshipment of drugs and so on. Whilst not much has been said on this in the inquiry, can you give us some broad appreciation of the issue although it might not be a big issue?

**Rear Adm. SHALDERS**—Again it comes down to client requirements, of course—we do not task for ourselves—but if our clients require us to watch the export side as well as the import side, we do. We do do that routinely, in the Torres Strait particularly; and, as you have identified, for flora, fauna and weapons. The Federal Police are concerned with the latter; Queensland Parks and Wildlife Service are concerned with the former in the Torres Strait. We do not get a lot of client tasking on those issues, but we do get some, more often than not in the Torres Strait. If we were to get more tasking in those various areas, I think we could achieve the tasking by using the assets we currently have and employing them the way we currently do.

**Senator HOGG**—Is it a likely growth area in the future?

**Rear Adm. SHALDERS**—That is probably best addressed to the clients rather than to us. Perhaps there might be a comment on the arms side.

**Mr HUGHES**—I think we need to look at this in relation to the regional instability and be mindful that there is a growing market for illicit arms in our immediate region, so potentially we could see an increase in the export of arms using, for example, small vessels. But we have tasked Coastwatch resources in the past, where vessels are leaving Australia, and that has been for a wide range of reasons. One of the most notorious cases that springs to my mind immediately was the Gillespie children, who were taken by a member of the Malaysian royal family contrary to an Australian Family Court order. Coastwatch was involved in that exercise.

**Senator HOGG**—No other agencies want to make a comment? All right. My last question is probably a bit like ‘how long is a piece of string?’ If we are going to explain to the public at large that they are getting value for money from the Coastwatch service, what would be a simple way to do that without getting into a great deal of technicalities and a lot of hyperbole? What would be a reasonable and simple test so that they can sit back and say that this service is of value, given the diverse range of agencies that Coastwatch services and the difficulty in pulling all that together and bundling it up into a nice neat bundle that says: that is what we do, that is how effective we are? How do you do that?

**Rear Adm. SHALDERS**—I think it is probably hard to do that in a simple way just because of the diverse nature of the client base that we have. We can tell them, and we do tell them, how much money is allocated to the job we are given to do. The clients report to them on an annual report basis about what they achieve but it is quite hard to put it in a simple package because our successes are actually the successes of our clients. Do you see what I mean?

**Senator HOGG**—Yes.

**Rear Adm. SHALDERS**—So it is not a simple or easy task.

**Mr WOODWARD**—You have ended on where we started: public information. I am not sure whether the public at large knows that Coastwatch, including the services which we obtain free of charge from Defence, is a \$200 million dollar a year investment on the part of the community. I think we probably can catalogue that better than we have been able to. The Coastwatch activity in relation to illegal entrants, and major prohibited imports and drugs, is probably the best example of that. We could probably do the work that is done in the Torres Strait not just in relation to either of those two in a more coordinated way than we currently do it. Admiral Shalders is certainly right that this is a product not merely of Coastwatch; it is a product of the totality of the people who are around this table. The hard part is finding the way of getting all of that together.

**Senator HOGG**—You see at the end of the day it may well be well received by the various agencies or by government or whoever the informed readers are. The vast number of punters out there will not even know of its existence. So selling the message to them of the value of Coastwatch, whatever form it might be in, is a very challenging task indeed.

**Mr METCALFE**—I think one of the challenges to the question you have posed is possibly explained by what Coastwatch is not doing as well as by what Coastwatch is doing well. I have just come back from four weeks of holidays in Queensland, and a lot of my friends have been saying, ‘Why don’t you just stop those boats coming?’ The short answer is: what Coastwatch is about is finding the boats to make sure that their arrival can be managed properly. It is not about stopping them. The continuum of issues in source countries and transit countries with arrival and processing in Australia is bigger than Coastwatch. Coastwatch plays a very important role. I think we have said that we think it does a pretty good job but it is not the whole answer. It is part of a much more comprehensive set of issues that we have to deal with from our perspective.

**Mr COX**—I just wanted to check with Mr Metcalfe that he was going us details of the alleged murders and any other allegations about any other felonies or the motives that might have led to those murders.

**Mr METCALFE**—Yes, I said I would give the committee what I could. I think I also undertook to provide you with any firmer detail about allegations or suggestions that vessels have gone missing. I also indicated at the outset this morning that I would provide some information about a broader set of data about where we might be with relationships with other countries on all of the issues we have been discussing today.

**Mr COX**—Going back to our scenario of 50 illegal aircraft entries, if it was less than that but a substantial problem, would it be possible to put transponders of some description in civil aircraft that are operating in the north so that you could identify the good guys and deal with it with simpler technology?

**Air Vice Marshal HOUSTON**—Yes, I think that would be possible. Bruce could add to that.

**Dr WARD**—Yes, commercial aircraft run with transponders today by mandating the use of IFF—and in fact in the case of the Caribbean that is exactly what they do. They are faced with a situation where they have 4,000 flights in any one day and they are trying to sort out the one drug runner in the middle of those, and they use transponders. Of course, the drug runners will use squawk codes which try to deceive it, but there are ways of sorting through that and using the transponders, together with the characteristics of the aircraft, to filter out all the targets and concentrate only on that small number of suspects. So it is a matter of legislation and mandating the requirement.

**Mr COX**—So there are other solutions. The third thing that I did not get to this morning in the first session was that when we were talking about the penalties for people smuggling I did not get to talk about the penalties for illegal fishing. When we were at Willie Creek, we were told that at least one Indonesian had been there on 13 separate occasions, I think, which suggests that there might be a small problem with the disincentive structure in relation to our fisheries penalties. Can AFMA first of all give us some detail about how often individuals have been apprehended so that we can see whether there are a large number or a small number of people who are recidivists? Secondly, can you give us some information about the range of penalties that they face?

**Mr VENSLOVAS**—The penalties applicable under the fisheries legislation include fines up to \$550,000 and also forfeiture of vessel, catch and gear. But the fines that are sometimes handed out by the courts do not necessarily reflect what is available in terms of the maximum penalties. In terms of recidivists, we do have experiences when the occurrence of repeat offenders is quite high. However, it gets down to the deterrent effect our actions are having in those particular instances. It is possibly true to say that, with the amount of recidivism, certainly in some areas we are not having the desired level of deterrence that we would like to have there, but we are at the mercy of the courts in terms of the penalties that are handed down. From our perspective, the major form of deterrence comes from the confiscation of the vessel, catch and gear and the destruction of those vessels as a result of the forfeiture.

**Mr COX**—Can you give us a detailed response on notice on the number of recidivists and the penalties that they have been getting?

**Mr VENSLOVAS**—One point to add is that under the United Nations Convention on the Law of the Sea penalties involving imprisonment cannot be implemented under national laws. Article 73 dictates that penalties under national laws should not include imprisonment. However, there are occasions where recidivists are imprisoned because they have breached the conditions of previous bond arrangements that have been handed down for previous offences.

**CHAIRMAN**—Ladies and gentlemen, thank you very much. In the last 3½ years we have had three roundtables at the conclusion of inquiries. The first was into Internet commerce. That was a very successful roundtable where some new information came forward and interaction between various parties helped us to finalise our report. The second, on contract management in the APS, was an abysmal failure. We had heard it all before. Today's, I think, was highly useful. We have a much better understanding of how Coastwatch operates, what it does and what it does for the various agencies than we did when we began this inquiry and when we talked to most of you. Today has been extremely helpful. I am sure that our secretariat will join me in thanking you for your important and eloquent words today. Thank you again for coming.

Resolved (on motion by **Mr Cox**):

That this committee authorises publication, including publication on the parliamentary database, of the proof transcript of the evidence given before it at public hearing this day.

**Committee adjourned at 3.55 p.m.**