

## **The expectations of Coastwatch**

### **Introduction**

- 2.1 The increase in the number of 'boat people' arriving in Australia in recent years and the potential for increased illegal fishing activities in Australia's southern ocean waters has renewed public interest in the coastwatch function. The Committee believes there is value in examining the public expectation of Coastwatch to see, for example, whether this matches the expectations of government or, indeed, the actual performance of Coastwatch.
- 2.2 A key source of information about Coastwatch is the Customs annual report. It is by way of the annual report that Coastwatch accounts for the resources it receives from the public purse. The document provides information about performance measured against the targets identified in the Customs portfolio budget statements and portfolio additional estimates statements.
- 2.3 The public perceptions of Coastwatch's performance will also be influenced by government media releases and media reporting. This reporting of Coastwatch activities, achievements and failures will

subsequently impact on the expectations placed on Coastwatch by both the public and the government.

## Public expectations

- 2.4 The Committee received 16 submissions from individuals and non-government bodies. The inquiry also benefited from the report of the Community Consultation Team<sup>1</sup> which canvassed public response to the *Defence Review 2000* discussion paper.<sup>2</sup>
- 2.5 Several submissions from the public did not provide comments about the expectations of Coastwatch per se, but instead called for the establishment of an Australian coastguard. For the purpose of this discussion, the roles envisaged for an Australian coastguard are combined with those identified for Coastwatch in submissions which did not support a coastguard.
- 2.6 The expectations for Coastwatch or a coastguard organisation included:
- providing a maritime police force and air-sea rescue service providing ‘adequate protection against smugglers, illegal immigrants and any potential foe’—a ‘maritime perimeter protector force’;<sup>3</sup>
  - apprehending illegal fishing vessels in Australian mainland and antarctic waters;<sup>4</sup>
  - preventing disease entering Australia through illegal landings along the coast, and involving people living in remote sections of coastline in monitoring and providing search and rescue information;<sup>5</sup> and
  - environment protection, marine legislation enforcement, navigation aids maintenance, vessel traffic services, hydrography and oceanography, boating education and safety.<sup>6</sup>

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1 Department of Defence, *Australian Perspectives on Defence: Report of the Community Consultation Team*, September 2000.

2 Defence, *Defence Review 2000—Our Future Defence Force, A public Discussion Paper*, June 2000.

3 Mr William Watson, *Submission No. 6*, Volume 1, p. S29.

4 Mr G O’Gorman, *Submission No. 3*, Volume 1, p. S5.

5 The Country Women’s Association of Western Australia (Inc), *Submission No. 15*, Volume 1, pp. S91–2.

6 The Company of Master Mariners of Australia Ltd, Western Australian Branch, *Submission No. 29*, Volume 2, pp. S284–5.

- 2.7 To this list could be added responsibility for detecting and responding to unauthorised air movements (UAMs) sometimes referred to as 'black flights'. A discussion of whether it is appropriate for Coastwatch to assume this responsibility is in Chapter 6.
- 2.8 The report of the Community Consultation Team noted in several places the concerns of those living in the north and west of Australia that the coastal surveillance capability was inadequate, especially in regard to illegal immigration, drug smuggling, attacks on information systems and terrorism.<sup>7</sup>
- 2.9 This view was reflected in a comment from Mr William Watson who advocates the creation of an Australian coastguard:

A country with a coastline of 37,000 kms needs adequate protection against smugglers, illegal immigrants and any potential foe. That protection has been lacking throughout Australia's history, as evidenced recently by the influx of 'boat people' which I believe Coastwatch and the Navy are hard-pressed to stem.<sup>8</sup>

- 2.10 At the Committee's final public hearing, the agencies appearing were asked for their comments about the public's and government's expectation of Coastwatch. Mr Lionel Woodward, CEO Customs, responded:

... 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. ... 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 ... but also [with] other agencies, including AQIS, the Maritime Safety Authority, AFMA, DIMA and law enforcement agencies.<sup>9</sup>

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7 Defence, *Australian Perspectives on Defence: Report of the Community Consultation Team*, September 2000, pp. 7, 8, 11.

8 Mr William Watson, *Submission No. 6*, Volume 1, p. S29.

9 Customs, *Transcript, 30 January 2001*, p. 250.

- 2.11 The Committee notes the difference between the public's expectation of the coastwatch/coastguard function and Mr Woodward's understanding of that expectation—the public justifiably is interested in **outcomes**, whereas the CEO of Customs justifiably (for accountability reasons) is interested in the **process** of achieving outcomes.
- 2.12 The Committee therefore agrees with the comment provided by Defence that the public has a poor understanding of Coastwatch's role.<sup>10</sup> This is because many of the outcomes expected by the public, listed above, are outcomes attributable to Coastwatch's clients. As Mr Andrew Metcalfe, Deputy Secretary, DIMA, said in relation to the recent influx of boat people from the Middle East:

... what Coastwatch is about is finding the boats to make sure that their arrival can be managed properly. It is not about stopping them.<sup>11</sup>

### Informing the public

- 2.13 The Committee was told that Coastwatch does not have a charter,<sup>12</sup> and during the inquiry was not provided with material designed to inform the public about Coastwatch's role. For members of the public who have access to the Customs annual report, for example via the internet, there is a two sentence description of 'Output 3' which is the coastwatch function:

This output covers the provision of air and marine based civil 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.<sup>13</sup>

- 2.14 The Committee considers this does not provide an adequate description of Coastwatch's role or give adequate information to the public.
- 2.15 However, the Committee is pleased to note that its inquiry has resulted in information about Coastwatch, in the form of part of the Customs submission, being posted on Customs web site.<sup>14</sup> The Committee considers this a good preliminary step to informing the public more widely about Coastwatch.

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10 Defence, *Submission No. 28*, Volume 2, p. S274.

11 DIMA, *Transcript*, 30 January 2001, p. 310.

12 Customs, *Transcript*, 30 January 2001, p. 307.

13 Customs, *Annual Report 1999–2000*, p. 50.

14 <http://www.customs.gov.au/protect/coast1.htm>

- 2.16 Indeed, the Director General Coastwatch, Rear Admiral Russell Shalders, has acknowledged the 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’. Rear Admiral Shalders also advised the Committee that an information campaign was in fact planned but presently was at the formative stage.<sup>15</sup> However, Mr Woodward cautioned that a publicity campaign would have to be seen in the context of the broader protection of Australia’s borders.<sup>16</sup>
- 2.17 The Committee believes that while Mr Woodward may be correct regarding the context in which Coastwatch operates, any public information campaign about Coastwatch should focus on Coastwatch itself and how it assists its client agencies achieve their outcomes—for it is those outcomes which are the focus of public concerns.
- 2.18 The Committee also believes that a carefully designed publicity campaign could also act as a deterrent. Potential law breakers could be made aware of the likelihood of being detected by Coastwatch surveillance platforms, subsequently monitored, and eventually apprehended by Australia’s law enforcement agencies.<sup>17</sup>

#### **Recommendation 1**

- 2.19 **Coastwatch should undertake a comprehensive campaign to inform the public of its role in protecting Australia’s borders. The campaign should be focused on the effectiveness of Coastwatch and how Coastwatch contributes to the outcomes of its client agencies.**

#### **Recommendation 2**

- 2.20 **Customs should use public relations or media liaison officers to manage and promote media reporting of Coastwatch activities.**

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15 Customs, *Transcript, 30 January 2001*, p. 254.

16 Customs, *Transcript, 30 January 2001*, p. 255.

17 *Transcript, 30 January 2001*, pp. 254–5.

## Government expectations

- 2.21 A problem faced by the Committee in gaining an understanding of the Government's expectations of Coastwatch is that Coastwatch does not have its own legislation. Such legislation would clearly set out its powers and activities. Customs advised, however, that specific legislation was unnecessary for Coastwatch to manage its surveillance activities and coordinate responses to suspect incursions.<sup>18</sup>
- 2.22 In addition, it was revealed at the Committee's final public hearing that Coastwatch also does not have a charter setting out the role expected of it by government.<sup>19</sup> However, the Committee understands that in 1988 when Coastwatch was established the Cabinet submission contained details about how Coastwatch was to operate.<sup>20</sup> The Committee has sought a copy of the Cabinet submission as it would have provided a background to the creation of Coastwatch and the role envisaged for it by the then government.
- 2.23 Unfortunately, the Cabinet submission has not been released to the Committee.<sup>21</sup> In responding to the Committee's request the Secretary to the Department of Prime Minister and Cabinet, Mr Max Moore-Wilton, advised there was considerable amount of information about the establishment of Coastwatch, including the Hudson review which had largely been accepted by the then Government and ministerial statements on the subject.<sup>22</sup>
- 2.24 In the absence of a formal charter for Coastwatch and the unavailability of information contained within the 1988 Cabinet submission, the Committee decided to review the expectations articulated in the Hudson Report and government media releases announcing the creation of Coastwatch.

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18 Customs, *Submission No. 25*, Volume 1, p. S248.

19 Customs, *Transcript, 30 January 2001*, p. 307.

20 Cabinet Submission No. 5838, *Response to Hudson Report 'Northern Approaches'*.

21 Cabinet documents are by convention strictly confidential, and under the Archives Act are not publicly available for 30 years. However, the release of documents within that period is not unprecedented. In 1992 the then Joint Committee of Public Accounts sought and was granted the release of a 1977 Cabinet Minute as part of its inquiry into the Midford Paramount Case. The Minute is reproduced in *JCPA Report 325, The Midford Paramount Case and Related Matters*, AGPS, Canberra 1992, pp. 525–62.

22 Mr Max Moore-Wilton, Secretary to the Department of Prime Minister and Cabinet, *Correspondence*, 1 November 2000.

## The Hudson Report's expectations

- 2.25 In proposing changes to the coastwatch function, the Hudson Report recommended combining the administration of aerial surveillance with the ship reporting and sea search and rescue function of the then Federal Sea Safety and Surveillance Centre. The head of the proposed agency was to be responsible directly to an appropriate Minister for the following:
- the direction and co-ordination of civil coastal and off-shore surveillance operations, and the management of the surveillance program budget;
  - the development of joint intelligence with respect to breaches of Australian law and sovereignty occurring through maritime or aerial incursions of Australia's coastline or in relevant off-shore areas;
  - the assessment of the adequacy of response to any breaches of Australian law;
  - the preparation of developmental plans for improving surveillance and incorporating new technology as appropriate;
  - the development of a centralised data-bank of information relevant to the off-shore areas and coastal hinterland of northern Australia; and
  - functions associated with the work of the Federal Sea Safety Centre.<sup>23</sup>
- 2.26 The Hudson Report did not advocate the new agency being placed within the AFP, Customs or Defence because the 'operator of the service would naturally tend to give it the special slant characterised by the perceived priorities of the home department.'<sup>24</sup>
- 2.27 The Committee considers that Mr Hudson's expectations of the agency he proposed are significantly different from the activities of the Coastwatch agency that was created in 1988. Therefore the expectations described in Mr Hudson's report do not necessarily reflect the then Government's expectations.
- 2.28 As an example of this mismatch of expectations, the Hudson Report suggested the new agency be responsible for developing joint intelligence regarding aerial incursions of Australia's coastline and develop a database regarding off-shore areas and coastal hinterland of northern Australia. Thus Hudson's Coastwatch would have taken responsibility for the UAM issue in northern Australia.

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23 DoTC, *Northern Approaches, A report on the Administration of Civil Coastal Surveillance in Northern Australia*, Hugh Hudson, AGPS, April 1988, Recommendation 3, pp. 58–9.

24 DoTC, *Northern Approaches*, p. 27.

2.29 In contrast, the Auditor-General's report concluded there had been no studies by Coastwatch or its key clients into the extent of the number of UAMs, and concluded it was unclear which agency was responsible.<sup>25</sup> The Committee has considered which agency should be responsible for UAM incursions when the issue is discussed in Chapter 6.

### Public statements announcing Coastwatch's creation

2.30 The Committee has examined the 1988 media release announcing the establishment of Coastwatch by the then Minister for Science, Customs and Small Business, the Hon Barry Jones MP, and the response to a question upon notice by the Minister's representative in the Senate, Senator the Hon John Button. Information from these documents indicate the following:

- Coastwatch would be within Customs because of operational economies of scale and improved co-ordination and direction;
- existing staff and equipment would be combined and collocated with Customs resources;
- liaison arrangements would be formalised between the new agency and organisations primarily concerned with Australia's civil surveillance effort;
- Customs resources would be used to 'forge broad links with Federal, State and local government authorities and the community at large, particularly in remote areas';
- there would be at least 10 000 hours of aerial surveillance per annum with appropriate levels of defence support;
- the arrangements would greatly facilitate an enhanced surveillance and response effort, particularly against drug trafficking;<sup>26</sup>
- funds for aerial surveillance would be core-funded to Customs, and other agencies would not be required to contribute costs on a user-pays formula (as had applied previously); and
- the different requirements of client agencies would be dealt with through a system of regional and national liaison committees chaired by Customs.<sup>27</sup>

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25 Auditor-General, *Audit Report No. 38, 1999-2000*, p. 60.

26 Hon Barry Jones, Minister for Science, Customs and Small Business, *Coastal Surveillance to Customs*, Media Release, 12 July 1988.



- 2.31 In summary, the then Government's publicly expressed expectations of Coastwatch can be described as:
- liaising with other surveillance organisations;
  - forging links with other jurisdictions and the public;
  - conducting 10 000 hours of aerial surveillance, supplemented by defence support; and
  - responding to client needs through a system of liaison committees.

### The Committee's conclusion

- 2.32 The Committee considers that the information in the public domain provided by the Government at the time Coastwatch was created does not provide adequate information about the expectations of Coastwatch.
- 2.33 The two sentence description provided in the Customs 1999–2000 annual report,<sup>28</sup> and information in the Customs submission to this inquiry posted on the internet are also, in the Committee's opinion, inadequate.
- 2.34 A key restriction on Coastwatch, not contained within the public documents produced before this inquiry commenced, is that as a service provider Coastwatch 'does not determine threat areas, nor does it determine clients' surveillance interests'.<sup>29</sup> In brief, as the Director General Coastwatch said, 'we do not task for ourselves'.<sup>30</sup>
- 2.35 The Committee considers in fact the best information about the Government's expectation is that provided by Mr Woodward during the Committee's final public hearing.<sup>31</sup> However, this cannot be regarded as a substitute for a clear official statement of the agency's objectives.

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27 Senator the Hon John Button, Minister representing the Minister for Science, Customs and Small Business, *Answer to Question on Notice No. 498, Coastal Surveillance*, Senate Hansard October 1988, p. 1635.

28 Page 50 of the Customs annual report describes Coastwatch under Output 3 as providing 'air and marine based civil 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.'

29 Customs, *Submission No. 25*, Volume 1, p. S197.

30 Customs, *Transcript, 30 January 2001*, pp. 296, 309.

31 Customs, *Transcript, 30 January 2001*, p. 307.

## What should be the Government's expectations?

- 2.36 During the inquiry the Committee has obtained evidence from a wide variety of sources including Coastwatch's clients, its contractors, members of the public, and non-government organisations. As well, the Committee undertook a tour of Coastwatch's northern Australia area of operations.
- 2.37 The Committee believes it should comment briefly about what the expectations of Coastwatch should be.
- 2.38 The Committee considers expectations should fall within three main areas:
- to respond to client tasks by operating efficiently and effectively in gathering, analysing and disseminating intelligence to its client agencies, and taking appropriate actions as directed, through:
    - ⇒ the innovative use of the assets available to it (air and marine craft and other technologies);
    - ⇒ its processes for tasking its aerial and marine assets;
    - ⇒ using its communications systems and equipment; and
    - ⇒ using and developing its human resources;
  - to provide efficient and effective coordination with its clients and external service and information providers, including with:
    - ⇒ its key client agencies;
    - ⇒ client agencies from other jurisdictions, such as state government agencies;
    - ⇒ its external service providers, such as its external contractors and Defence;
    - ⇒ the public and non-government agencies; and
    - ⇒ foreign government agencies;
  - to be transparent and accountable to the Parliament and the public, and provide leadership and integrity, through:
    - ⇒ its internal reporting by:
      - determining meaningful performance indicators;
      - collecting meaningful performance information; and
      - using appropriate risk management processes; and
    - ⇒ its external reporting by:
      - providing meaningful performance measures in its Portfolio Budget Statements;

- providing clear explanations for its revisions in its Portfolio Additional Estimates Statements; and
  - reporting its achievements against its performance measures in its annual report;
  - creatively using other avenues to provide information to the Parliament and the public.
- 2.39 The Committee also believes that Coastwatch's area of operations needs to be defined because of the debate concerning whether Coastwatch should be responsible for addressing the issue of unauthorised air movements. The Committee's views on this matter are contained within Chapter 6.

### Recommendation 3

- 2.40 **The Government should provide Coastwatch with a charter outlining the Government's expectations. This information should be made publicly available.**
- 2.41 Coastwatch's charter will be in effect a mission statement for the agency. It will therefore provide the basis for its objectives and performance measures.<sup>32</sup> This is developed further in the next chapter when the Committee considers performance measuring and reporting.

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32 R S Kaplan and D P Norlan, *Translating Strategy into Action—The Balanced Scorecard*, Harvard Business School Press, 1996, pp. 9–10.

