



Australian Government
Department of Immigration
and Border Protection



Australian
BORDER FORCE

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Written Opening Statement
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We would like to thank the Chair and Committee for the opportunity to provide and table a written opening statement.

THE DEPARTMENT

Now nearly two years on from integration, the Department of Immigration and Border Protection (the Department)—including our operational arm, the Australian Border Force (ABF)—has fully embarked on its ongoing journey to capture the advantages of a modern and evolving global environment and manage the increasing threats it presents to the Australian border. We are transforming the way we work—not only technologically, but also through the end-to-end redesign of our core processes, services and systems. The Department is undertaking comprehensive reform to ensure our immigration and border protection arrangements are fit-for-purpose to support Australia's interests in the 21st century.

Budget—ongoing challenges and priorities

The Department continues to perform in an environment characterised by continued growth in volumes and the increasing sophistication of transnational criminals who attempt to circumvent our border controls. In the period from 2013–14 to 2015–16, and out to 2019–2020:

- visa applications increased by 15 per cent and will increase by a further 16 per cent
- traveller numbers increased by 11 per cent and will increase by a further 20 per cent
- the volume of in-bound goods increased by 14 per cent and will increase by a further 26 per cent.

Our Department also continues to deal with the legacy of 50,000 non-citizens who came to Australia illegally by boat. We are managing this cohort onshore and supporting the Governments of Nauru and Papua New Guinea (PNG) with those being processed offshore. Funding in the 2017–18 Budget will adjust processing officer numbers in the Department and the Immigration Assessment Authority to ensure the prompt resolution of the Illegal Maritime Arrival legacy caseload. The Department is committed to resolving the legacy caseload in Australia and overseas and we welcome progress on the United States (US) resettlement arrangement. The closure of Manus Regional Processing Centre (RPC) on 31 October 2017 is another important step towards resolving the regional processing caseload.

In alignment with the Government's imperative for Budget repair, these challenges are being met within the context of a reducing departmental resource base. Staffing levels will reduce by 570 in 2017–18 from a peak in 2013–14. Departmental funding for 2017–18 will decrease by \$165 million from 2015–16 levels. Over the budget year and the three years of the forward estimates, the Department will face the challenge of delivering on close to \$1 billion in efficiencies, cost reductions and productivity measures. This budget year, the Department will collect over \$22 billion in revenue on behalf of the Government and this is forecast to grow in line with expected increases in volumes—contributing to the Australian economy.

The Department manages a careful balance between containing costs, managing risks to Australia's border and maintaining appropriate service delivery standards that help make Australia competitive in attracting travellers and trade to our country. Our transformation mandate provides us with the opportunity to re-focus where our core business is to ensure we most effectively facilitate trade, travel and migration for Australia's economic and social benefit, while contributing to the safety of our community.

Among these changes are:

- visa reform initiatives, such as replacing the Subclass 457 visa to provide incentives for businesses to employ Australian workers first
- the expansion of the Community Support Programme and increasing the 2017–18 Humanitarian Programme to support Australia's continued role as a global leader in assisting refugees
- the strengthening of citizenship requirements to ensure Australian citizenship is a respected and valued privilege.

In the face of a challenging operating environment we are increasingly relying on automation and improved intelligence to achieve the necessary efficiencies and productivity gains, enabling us to do more with less. This includes the use of automated clearance technology at airports, encouraging greater online visa application take-up and improving our ability to target those who wish to do our country harm through enhanced intelligence and identity capabilities.

Enterprise Agreement

Arbitration proceedings to settle terms and conditions of a Workplace Determination for the Department's employees are continuing. It has been seven months since the arbitration process was initiated by the termination of Protected Industrial Action in October 2016 and our staff continue to await an outcome. The Department remains fully engaged with the process and timetable set out by the Fair Work Commission (FWC). Consistent with Orders made by the FWC on 21 December 2016, the Department filed its evidence on time on 17 March 2017. The Community and Public Service Union (CPSU) requested two extensions to its original filing date of 1 May, and is now required to file its evidence in two parts—on 22 May 2017 and 2 June 2017. As this would allow the Department only three weeks to reply after receiving all of CPSU's evidence, the matter is listed for a telephone mention shortly after CPSU evidence is filed on 2 June. At this time, the Department will advise whether we need more time to finalise reply evidence. The extensions sought by CPSU could necessitate further changes to the schedule.

New headquarters

The Department has attended two hearings of the Public Works Committee (PWC) on the new headquarters project. The proposed accommodation solution will meet specific security, specialist equipment and facility requirements to support the Department—including the ABF—in conducting our significant operational, law enforcement and intelligence activities. We will continue to engage with the PWC in good faith ahead of their report.

Modernising for the future—automation, technology, intelligence

Among the Department's priorities this year has been the enhancement of our intelligence capabilities to enable broad-ranging, intelligence-informed threat identification and automated risk profiling in support of the ABF's operational activities. These capabilities are being extended across the border continuum to enhance threat identification and automated risk profiling in the visa domain, moving us further towards a border system that assesses threats posed by individual visa applicants and travellers as a part of the initial assessment process.

The Government's commitment of nearly \$60 million over four years to significantly enhance the Department's biometrics capability at the border will see us invest in new collection, processing, matching and data sharing capabilities to ensure the integrity of our visa and migration programmes; enhance existing border automation measures; and further improve the efficiency and speed of border processing

for legitimate travellers. The Department's current biometrics system has grown from handling just over 3000 biometric transactions per year in 2007 to more than 150,000 biometric transactions per month in 2017. Further significant increases in volume are anticipated over the next five years. Over the next few years, we will implement new capabilities enabling all visa applicants to use digitised, automated processes and enhanced client self-service options. This will expand biometric collection to all permanent and temporary visa applicants, regardless of visa type, including Electronic Travel Authority applicants. Underpinning the integrity of these services, a modern, integrated biometric capability will process, analyse, and match the biometric information for all visa and citizenship applicants. This capability will be a key national asset, integrated into the Department's digital channels, our risk and decision support systems, and other biometric capabilities nationally and internationally. It will also be integrated into our expanding SmartGates programme at international airports and form a key component of our sea traveller processing improvements, helping to flag individuals who present risks and speeding up the passage of legitimate travellers through touchless entry/exit supported by advanced biometrics systems.

OPERATION SOVEREIGN BORDERS

Operation Sovereign Borders (OSB) has substantially reduced the number of illegal maritime ventures attempting to reach Australia. It has now been more than 1000 days since the last successful people smuggling venture¹ and over three years since the last known death at sea as a result of people smuggling. Since OSB commenced,² 30 people smuggling ventures—with over 765 potential illegal immigrants—have been safely returned to their country of departure. Australia will continue to work closely with international partners to prevent vulnerable people from being duped by people smugglers and risking their lives on illegal boat ventures. Settlement in Australia will never be an option for anyone who attempts to travel to Australia illegally by boat. We remain resolute in our efforts to stamp out people smuggling across the region and we thank our counterparts for their continued commitment.

VISA AND IMMIGRATION PROGRAMME

Migration is vital to Australia's economic growth and prosperity. In recognition that the existing programme was not meeting Australia's labour market and economic needs, the Department is replacing the Subclass 457 visa with a new, Temporary Skill Shortage visa to better target genuine skills shortages and help train Australians to fill gaps in the workforce. From March 2018, businesses nominating an overseas skilled worker for a temporary or permanent employer sponsored visa will contribute to the training of Australians by paying a Skilling Australians Fund (SAF) levy to the Department. The SAF will be administered by the Department of Education and Training and will jointly fund—with the states and territories—apprenticeships and traineeships for occupations in high demand that currently rely on skilled migration, or have future growth potential, including in regional Australia. These reforms recognise the value of foreign workers to the nation, but ensure migrants are supplementing and not replacing Australian workers. Complementary reforms to Australia's permanent employer sponsored skilled migration programmes—including the recalibration of the underpinning occupations lists—will ensure the quality and integrity of our skilled migration programmes. The Department will engage a wide range of stakeholders across the community, including businesses and industry, to help them understand how they are affected by these reforms. Additionally, a new Temporary Sponsored Parent visa will allow parents of Australians to stay in Australia for up to five years, opening up a new pathway for aged parents to spend time with their families and recognising the valuable social and cultural benefits parents and grandparents can provide to the community.

The Department has a critical responsibility to the community in our management of Australian citizenship—to ensure those who wish to join the Australian community are committed to upholding the standards of behaviour expected in our society. The Government has committed to a package of reforms to strengthen Australian citizenship, including the requirement to demonstrate integration into the Australian community, a stand-alone English test and changes to the citizenship test to introduce new questions on the Australian

¹ 27 July 2014.

² 18 September 2013.

values of respect, equality and freedom. These measures will ensure citizenship continues to be extended to those who are accepting of Australia's laws and institutions, and the Australian way of life.

HUMANITARIAN PROGRAMME

Australia continues to rank as one of the top resettlement countries each year and the Department remains committed to a strong Humanitarian Programme focussed on assisting vulnerable people overseas to enter the country under a planned, orderly process. In 2017–18, our Humanitarian Programme intake will increase to 16,250 places—up from 13,750 places in 2016–17 and representing the largest annual Humanitarian Programme intake in more than 30 years. The increased cohort includes 1000 places under the Community Support Programme. This expanded programme enables communities and businesses, as well as families and individuals, to sponsor humanitarian visa applications and support new arrivals in their settlement journey. Greater community and business engagement in refugee resettlement will benefit not only refugees, but also the broader Australian community by contributing to social cohesion and economic participation. The Humanitarian Programme will further increase to 18,750 places in 2018–19.

In September 2015, Australia committed to resettling an additional 12,000 people displaced by conflicts in Syria and Iraq—over and above the annual Humanitarian Programme intake for Syrians and Iraqis. All 12,000 additional places have now been granted visas and, as at 15 May 2017, over 11,500 people had arrived in Australia. Priority for the 12,000 additional places was given to persecuted minorities, women, children and families displaced by the conflicts in Syria and Iraq with the least prospect of safe return to their home. New arrivals have received a warm welcome from their local communities and are receiving settlement services helping them to learn English and get the support they need to actively participate in all facets of Australian society, including employment. In addition to this targeted programme, more than 10,000 visas have been issued to people displaced by conflict in Syria and Iraq through the annual Humanitarian Programme over the last two years.

OPERATIONS—INVESTIGATIONS, ENFORCEMENT AND COMPLIANCE

On 15 May, the Department stood up a new division—Enforcement Command—within the ABF. The Enforcement Command's multidisciplinary and cross-skilled workforce harnesses the ABF's specialist investigative and enforcement capabilities to target serious and organised crime, serious and deliberate non-compliance, and systemic vulnerabilities that threaten the integrity of Australia's trade and migration systems. The new division will actively seek opportunities to collaborate with partner law enforcement agencies to address shared threats and priorities. The establishment of the Enforcement Command is an important step towards achieving a clear command, control and coordination model, aligned with the *ABF 2020* strategy.

Illicit drugs

In recent months, the ABF has made significant detections of both cocaine and methamphetamine:

- On 24 February 2017, five men were arrested and charged following a joint agency operation in Sydney and Guangdong Province, in the People's Republic of China. The operation resulted in the seizure of more than 100 kilograms of crystal methamphetamine. The estimated street value of the seizure is \$101 million.
- On 27 February 2017, seven men and a woman were charged for their alleged involvement in the importation of 540 kilograms of methamphetamine into Sydney. The drugs were detected in a sea cargo consignment that arrived from the US. The total street value of the drugs is approximately \$324 million.
- On 28 February and 1 March 2017, two people were arrested based on multiple importations of ephedrine from China. The ABF alleges the syndicate is responsible for importing in excess of 300 kilograms of ephedrine, with a potential street value of \$240 million—the largest ephedrine seizure since the ABF was stood up in 2015.
- On 24 March 2017, three men were charged following the seizure of approximately 300 kilograms of methamphetamine in Melbourne in a joint investigation by the ABF and Australian Federal Police (AFP). A seizure of this size has an estimated street value of \$300 million.

- On 22 April 2017, three men associated with an outlaw motorcycle gang (OMCG) were charged following a major multi-agency operation resulting in the seizure of approximately 119 kilograms of crystal methamphetamine with an estimated street value of \$119 million. This operation involved the combined forces of the ABF, AFP, South Australia Police and Victoria Police.

Illicit tobacco

The Tobacco Strike Team (TST) has continued to disrupt imports of illicit tobacco by organised crime syndicates and those attempting to evade import duties. Since it began operation in October 2015, the TST has seized in excess of 40 tonnes of smuggled tobacco and 105 million smuggled cigarettes; issued penalties worth \$4.2 million; and, working with the AFP, restrained over \$7.5 million in proceeds of crime.

Visa exploitation

Taskforce Cadena targets and disrupts the organisers of illegal work, visa fraud and the exploitation of foreign workers and continues to confront systemic visa exploitation. The ABF, with the support of the Western Australia Police, the AFP and the Fair Work Ombudsman, conducted an operation on 1 March 2017 targeting labour hire intermediaries and employers suspected of exploiting foreign workers. The operation located 27 unlawful non-citizens and 23 non-citizens working in breach of their visa conditions. Since being established, the Taskforce has completed 14 operations across multiple states and industry types, and executed 41 warrants. Three briefs of evidence have been submitted to the Commonwealth Director of Public Prosecutions (CDPP) for consideration and a further brief of evidence is being compiled for submission to the CDPP in the near future. While some of these matters are ongoing, offences include the referral or employment of unlawful non-citizens, the concealment or harbouring of non-citizens, and visa holders being in breach of visa conditions.

Immigration compliance

The Department—including the ABF—is committed to ensuring the integrity of Australia’s migration and visa programmes. To this end, we are engaged in regular operations around the country, targeting individuals who have overstayed their visa and companies who are either employing non-citizens who do not have work rights, or those engaged in worker exploitation across a wide range of industries. This financial year, as at 30 April 2017, we have:

- located more than 13,150 unlawful non-citizens, including more than 1778 locations of illegal workers. Of these unlawful non-citizen locations, 76 per cent voluntarily approached the Department to resolve their immigration status
- made 3144 non-voluntary locations as a result of field operations or by the police³
- issued 328 illegal worker warning notices to employers for employing unlawful non-citizens or non-citizens in breach of their visa conditions and
- cancelled more than 47,000 visas for a variety of reasons.⁴

Character cancellations

Since legislative changes in December 2014, and up to 30 April 2017, 2598 non-citizens have had their visas cancelled (including consequential cancellations) and 995 have been refused a visa under the character provisions of section 501 of the *Migration Act 1958* (the Act). Non-citizens from New Zealand, United Kingdom and Vietnam comprise the top three nationalities of non-citizens who have had their visas cancelled under section 501 of the Act. The Department continues to work with law enforcement and other agencies to identify and, where appropriate, cancel visas for non-citizens engaging in gang violence or

³ Some non-citizens may have been located more than once in any given programme year. Each location event is counted.

⁴ Figures include onshore and offshore cancellations & s501F(3) consequential cancellations. A visa may be recorded as cancelled more than once: An example of a visa being recorded as cancelled more than once is if the visa is cancelled, and the cancellation is subsequently revoked or set aside, and then the visa is cancelled again. A cancellation may be revoked or set aside for a number of reasons, including further legal proceedings, and administrative or jurisdictional errors, etc. Duplicates may also exist.

other criminal activity, particularly targeting OMCGs. Since the legislative changes and as at 30 April 2017, 147 OMCG members, associates or those involved in organised crime cases have had visas cancelled or refused.

Customs compliance

The Department uses an intelligence-informed, evidence-based approach to manage trade compliance risks associated with regulated and prohibited goods, revenue evasion and cargo integrity, allowing the ABF to better focus and target its resources on those who seek to circumvent Australia's border controls. This financial year, as at 30 April, the ABF has:

- conducted more than 15,500 customs cargo control and compliance checks
- assessed more than 96,000 targeted import and export declarations pre-clearance (an increase of more than 14 per cent on the same period last year)
- issued 207 infringement notices (a decrease of more than seven per cent on the same period last year)
- and recovered more than \$37 million in duty, Luxury Car Tax or Wine Equalisation Tax, and more than \$35 million in GST through compliance activities.

We will continue to work closely with industry to encourage and enable voluntary compliance through a wide range of guidance materials, education, engagement channels and services for industry and Compliance Advisory Groups.

Asbestos

We have continued our increased operational focus to deter and detect goods suspected of containing asbestos from entering our border; however, it is important to note that there has not been a proportionate increase in the overall number of positive detections. In the 22 months to 30 April 2017⁵, the ABF targeted 8433 shipments, resulting in 729 tests and 53 detections of asbestos-contaminated goods. This is compared with the previous 22 months⁶ in which 396 shipments were targeted, resulting in 29 tests and 15 detections. The ABF uses intelligence systems that currently have 48 different asbestos risk profiles, and alerts that identify and target high-risk shipments, goods, countries of origin, suppliers and importers of concern. The Department also engages with industry to help importers and organisations in the supply chain prevent the importation of asbestos-containing materials and educate them on the requirements for demonstrating that goods do not contain any asbestos. This includes engaging with offshore industry members who may export asbestos-containing materials to Australia to educate them on our asbestos ban.

Counter Terrorism and National Security

The ABF's Counter Terrorism Unit (CTU) teams enhance our ability to handle inbound and outbound national security risks by proactively identifying and intervening with persons of national security interest. CTU teams have conducted more than 201,000 assessments and more than 12,000 patrols this financial year, as at 7 May 2017. This has resulted in over 800 positive outcomes, including the detection of over \$7 million in undeclared excess currency. Some cases dealt with by CTU teams have resulted in the suspension or cancellation of passports or the imposition of infringement notices, whilst some are the subject of ongoing intelligence and law enforcement investigation and interest.

Maritime

Illegal foreign fishing remains an ongoing threat to our resources and environment. Between February and May 2017, the ABF apprehended six foreign fishing vessels that were illegally fishing in Australian waters. This enforcement activity resulted in the catch being confiscated, vessels destroyed, and crews prosecuted. The ABF has also achieved considerable success in the maritime domain with the disruption of border-controlled drugs. In February 2017, the ABF—in a joint operation with New South Wales Police and the AFP—conducted an on-water interception and boarding which resulted in Australia's largest ever haul

⁵ 1 July 2015 to 30 April 2017.

⁶ 1 September 2013 to 30 June 2015.

of cocaine, valued at \$312 million and weighing 1422 kilograms. Successful implementation of OSB has created the opportunity for Maritime Border Command to respond more effectively to other civil maritime security threats.

TRADE AND TRAVELLER FACILITATION

Over 34 million travellers crossed the border at Australia's international airports from July 2016 to April 2017. Traveller numbers have increased by 11 per cent over the last three financial years and this growth is expected to continue into the future. New technologies such as the automated clearance systems—SmartGates—assist in efficiently managing these numbers and provide a more streamlined experience for travellers. Around 60 per cent of travellers currently choose to clear immigration using SmartGates. We expect this number will reach 90 per cent by 2020. The Department is procuring a new automated border control solution for international arrivals as part of our programme to streamline border processing and strengthen border integrity. The Request for Tender for the supply and implementation of a new solution is currently under evaluation, and installation at all airports is anticipated by mid-2019. We are also progressing trials for 'contactless' clearance at Canberra Airport. The contactless process will biometrically identify and clear travellers without the need to present a passport, significantly reducing processing times. Should the trials prove successful, this approach will be incorporated into current and future automated border clearance systems.

In the trade sphere, the success of Australian Trusted Trader continues. There are now 23 fully accredited Australian Trusted Traders. Following feedback from industry, we have progressed legislative changes to streamline the accreditation process for interested Australian businesses, which will come into effect on 1 July 2017. We also continue to make progress towards Mutual Recognition Arrangements (MRAs) with key trading partners. Departmental officers have recently met with delegates from Canada, China, the Republic of Korea and Singapore to further MRA negotiations. The Department maintains strong relationships with industry and continues to look for opportunities to create and reform border clearance processes that provide benefits to both industry and Government agencies alike.

THIRD COUNTRY RESETTLEMENT AND REGIONAL PROCESSING

Resettlement arrangement

The resettlement arrangement with the US Government is progressing well. Processing times remain dependent on the US Government and will likely vary from case to case; however, the US is moving quickly in its processing of cases in Nauru and Manus—noting the average processing time under the US Refugee Admissions Programme is 18–24 months and this arrangement was announced just six months ago. Teams from the State Department and the Department of Homeland Security have already made multiple visits to the RPCs. Pre-screening interviews with more than 900 refugees and second stage interviews with more than 260 refugees have occurred, and health screening began in Nauru on 17 May. It is anticipated the US will make the first decisions leading to resettlement later this year. This progress has been made possible due to close cooperation and collaboration between the Department and US authorities.

Violence on Manus Island on Good Friday

The Department is aware the Royal PNG Constabulary and the PNG Defence Force are undertaking inquiries into an incident that took place at the Manus Regional Processing Centre on 14 April 2017. The incident was resolved quickly and there were no serious injuries; the Department will not comment further while the matter is under investigation.

Update on progress of Manus RPC closure

PNG, with Australia's support, will close the Manus RPC on 31 October 2017, not June 2017 as recently speculated. Closure of the RPC will mark a clear turning point in the Regional Resettlement Arrangement between the Governments of PNG and Australia. After 31 October 2017, Australia will not have an ongoing role in regional processing arrangements in PNG. Arrangements are being put in place to ensure PNG has sufficient support to manage refugees and non-refugees. In the lead up to 31 October, PNG will undertake a number of actions to move residents out of the centre and progress RPC demolition. This action will

commence with Foxtrot compound, which will be closed by 30 June. In cooperation with the Government of Nauru, Australia will retain an enduring regional processing capacity in Nauru.

EXTERNAL SCRUTINY REPORTS

The Department welcomes recent reports by external scrutiny bodies including the Australian National Audit Office (ANAO) and the Commonwealth Ombudsman. The Department's Chief Audit Executive has undertaken a comprehensive examination of the findings in these reports to ensure that each agreed matter is being appropriately addressed.

Further to our statement last Estimates on recent ANAO reports on the RPCs in Nauru and PNG, the Department has since implemented a number of enhancements. To date, we have:

- implemented Chief Finance Officer and Chief Audit Executive sign-off on procurements of the highest value and high risk to ensure that these decisions have rigorous independent oversight
- introduced a Policy and Procedure Control Register, providing staff with a single searchable point of access to policies and procedures, and direct access to delegations and authorisations
- developed a comprehensive Contract Management Framework for all detention services contracts, which aligns with the ANAO Better Practice Guide to Developing and Managing Contracts
- upgraded the records management system (TRIM) and rolled-out a mandatory supporting online training package.

The Department has also undertaken significant improvements in relation to *The ABF's Use of Statutory Powers* audit, including a comprehensive review of s251 warrant powers resulting in 14 recommendations that will be implemented by the second quarter of 2017, including updating procedures, clarifying accountabilities and responsibilities and strengthening quality assurance. We are rolling out s251 warrant delegate training and, as at 15 May 2017, three blocks of theoretical and practical training have been delivered to 65 officers. In relation to the ANAO cross-agency cybersecurity audit, the Department is working towards achieving full compliance with Australian Signals Directorate requirements for application whitelisting by July 2018 through a number of inflight projects.

We are also reviewing conformance with key legislation and policies, along with assessing internal controls and administrative procedures, as part of good governance arrangements. The Department's Chief Audit Executive will oversee the progress of actions on the ANAO audits and report directly to us, the Minister and the Department's Audit Committee on a quarterly basis.

LOOKING AHEAD

The Department has embarked on an ongoing reform journey to ensure we maintain Australia's reputation as a welcoming and generous nation—one that is internationally trusted, respected and competitive. We need to transform the way we do business so that we can continue to maintain Australia's competitiveness while managing the ever-increasing volumes of travellers and goods at the border in the context of an evolving threat environment and the pressures of fiscal constraint. To this end, we are continuing to undertake comprehensive reform to streamline the movement of legitimate travellers; we are investing in technology, intelligence and biometrics to prevent those seeking to exploit or illegally circumvent our border controls from entering Australia; and we are improving the movement of legitimate goods across the border and focussing our efforts on finding illicit goods. Our work across the Department's remit plays a manifestly important role in supporting Australia's prosperity by growing the nation's economy, promoting a socially cohesive and sustainable society and protecting the Australian community.

ENDS