

SENATE STANDING COMMITTEE ON LEGAL AND CONSTITUTIONAL AFFAIRS
AUSTRALIAN CUSTOMS AND BORDER PROTECTION SERVICE

Question No. 78

Senator Colbeck asked the following question at the hearing on 12 February 2013:

A recent report has highlighted the fact that Australia's national security priorities are being placed at risk due to budget reductions in law enforcement, specifically in border protection.

Provide details of the inspection component of the customs and border budget for the last 5 financial years.

Provide details of the implementation of the new 'risk-based intelligence-lead' approach to Border Protection.

Is it true that this plan will reduce inspections of air cargo by 76% and sea cargo by 24%?

What testing, review and assessment of this new approach has been undertaken?

What were the results?

Is it true that the new system leaves Australia's border protection particularly vulnerable to terrorist organizations and international crime syndicates?

Is there data to support the reduction of illegal important of illicit substances under the new approach?

The comparison of border protection budget patterns between Australia and New Zealand, United States, European Union and Canada show that Australia is the only country to have reduced its budget allocation.

Does this not make Australia a target for terrorists and crime organizations?

Has the Department considered the immediate and long-term consequences of these cuts to Australia's national security and the general welfare and well being of Australia's population?

The answer to the honourable senator's question is as follows:

Details of the inspection component of the Australian Customs and Border Protection Service's budget from 2009-10 to 2012-13 are provided in the table below. .

Inspection Component of Customs and Border Protection Budget 2009-10 to 2012-13

Direct Cost – Outcome 1	2009-10	2010-11	2011-12	2012-13
Program 1.2: Trade Facilitation	\$'000	\$'000	\$'000	\$'000
Inspection and examination of Mail, Sea and Air Cargo	80,726*	79,356*	81,351*	79,685*

* Costs are direct program delivery costs and do not include corporate overhead allocations

Costs for the inspection of mail, sea and air cargo includes examination and inspection of cargo goods, targeted inspections, container examination and other x-ray facilities, classification of weapons and clearance of personal effects.

In 2009-10 Customs and Border Protection implemented a Budget and Resource Management Framework which allowed a more detailed reporting of costs associated with Cargo inspection and other functions. Prior to implementation of this system, costs were not recorded with the same level of detail and as such figures for 2008-09 are not available. However, as a guide, the cost figure for 2008-09 would have been similar to that for 2009-10 but with the addition of the two savings measures, (approximately \$12.35m) which were implemented as part of the 2009-10 Commonwealth Budget in relation to risk based cargo inspections for both air, (\$4.182m) and sea(\$8.168m) cargo inspections.

It is impossible and ineffective, both financially and logistically, to physically inspect every passenger or consignment that crosses the border. Customs and Border Protection applies an intelligence-led, risk based model to the management of Australia's border in close collaboration with other government and law enforcement agencies. This involves using advanced analytical techniques and tools to focus on high-risk people, goods and environments by collecting data from an extensive range of sources, conducting comprehensive analyses and generating informed judgements to direct and shape our operational, investment and resourcing decisions.

All air and sea cargo coming into Australia is electronically risk-assessed and 100 per cent of consignments identified as high risk are physically examined. This approach enables resources to be used more effectively by intercepting cargo and passengers that are of the highest risk to Australia.

The below table details the number of inspections and detections from 2007-08 to 2011-12.

	Inspections		Detections		Weight of Drugs and Precursors (kg)*	
	Air ¹	Sea ²	Air ¹	Sea ²	Air ¹	Sea ²
2007-08	6,186,207	138,209	870 ^e	787 ^e	309	1,824
2008-09	6,150,914	134,544	1,495 ^e	780 ^e	350	4,777
2009-10	1,492,762	101,822	1,557 ^e	757 ^e	285	255
2010-11	1,528,590	101,889	1,892 [#]	821 [#]	548	3,182
2011-12	1,513,678	102,247	2,124 [#]	879 [#]	926	1,092

¹ Measured in twenty-foot equivalent units

² Measured in consignments

≡ Detections'2007-2010 refers to all EXAMs categories, e.g. Drugs, Firearms, Other Weapons, Prohibited Items, Revenue, Intellectual Property Rights infringements, Wildlife and Currency, excluding 'Quarantine'. Quarantine is a referral of suspected quarantine material to AQIS that may or nor may not lead to a seizure

Drug detections data is provided by Intelligence and Targeting from DrugLan. Firearms detections data is provided by Intelligence and Targeting. For the purposes of statistical reporting, 'conventional' firearms operate by means of an explosive charge and discharge shot, bullets, or some other projectile. Whole firearms in this category include handguns, rifles, shotguns and machine guns

* Weight of drugs and precursors (kg) is at 7 February 2013 and includes seizures for Cannabis, Cocaine, Heroin, MDMA, ATS and Precursors

A study released by the World Bank in 2010 (*The World Bank Trade Logistics in the Global Economy 2010 study*) reported that the majority of Australia's international trading partners inspect approximately 2 to 3 per cent of imported sea cargo, while in 2011-12 Customs and Border Protection inspected approximately 8 per cent of air cargo and 4 per cent of sea cargo imports.

Despite financial constraints across all of Government, detection results provide good evidence of Customs and Border Protection's continued ability to effectively detect harmful goods and people entering Australia. The number of detections has increased over the years as the intelligence-led risk-based approach has been refined.