

Report on the visit of the Joint Committee on the Australian Commission for Law Enforcement Integrity to New Zealand and Vanuatu, December 2019

Introduction

- 1.1 The Parliamentary Joint Committee on the Australian Commission for Law Enforcement Integrity (committee) undertook a delegation visit to New Zealand and Vanuatu on 9–13 December 2019, primarily in support of its inquiry into the integrity of Australia's border arrangements.¹ This inquiry is examining the nature and extent of corruption risks in the context of Australia's seaport and airport borders and the ability of law enforcement and other agencies to prevent and address them.
- 1.2 The committee also used the delegation as an opportunity to understand integrity frameworks more broadly in the two countries, and how individual initiatives or aspects of those frameworks might be relevant for Australia.

Aims and objectives

- 1.3 Evidence received during the course of the inquiry from 2015 to 2019 focused on emerging challenges for anti-corruption, law enforcement and border agencies, including:
 - the increasingly transnational nature of organised crime and the links between organised crime and corruption;
 - how changes in information and communications technology (ICT) are increasing corruption vulnerability in Australia's complex border operations;
 - the tension between managing increasing volumes of legitimate movements across Australia's borders with the need to disrupt criminal activities; and
 - corruption in biosecurity and visa processing, which requires anti-corruption agencies to reach out to international counterparts.
- 1.4 However, the committee has received limited evidence in relation to inquiry term of reference (e): 'the nature and effectiveness of integrity measures, models and legislation adopted by other jurisdictions'.²
- 1.5 The delegation was undertaken to enable the committee to consider anti-corruption measures used by border agencies in nearby jurisdictions with which Australia has a close association, as partners in addressing transnational

¹ Parliamentary Joint Committee on Law Enforcement Integrity, [Integrity of Australia's border arrangements](#).

² Integrity of Australia's border arrangements, *Terms of Reference*.

crime and corruption, and as providers of advice and assistance. This is of particular importance as the Australian Commission for Law Enforcement Integrity has reported that a number of its investigations now involve international operations.

- 1.6 The committee wished to seek further information on the operation of law enforcement oversight bodies in both New Zealand and Vanuatu. New Zealand is perceived to be relatively free of corruption, and has been ranked at or near first place in Transparency International's Corruption Perception Index; however, in its annual reviews of New Zealand's Serious Fraud Office (SFO), the Parliamentary Justice Committee, which has oversight of the SFO, reported that the office had experienced an increase in bribery and corruption investigations, and an overall increase in workload, attributed to a changing operating environment including immigration, complex cross-border investigations and changes in the use of ICT.³
- 1.7 Australia has had a direct law enforcement relationship with Vanuatu for a number of years. The Australian Federal Police is deployed to deliver capacity development and other assistance to the Vanuatu Police, working on joint operations relating to organised crime, in particular drug trafficking. Australia also provides support through United Nations agencies for Vanuatu's actions to bring into effect its commitments under the United Nations Convention against Corruption. In 2014, the Vanuatu government committed to developing a national anti-corruption policy and in 2018, Vanuatu was accepted as a member of Interpol, which facilitates international asset recovery and provides operational support for member countries undertaking investigations that cover more than one jurisdiction.
- 1.8 The Australian government, through funding provided to multilateral agencies, provides support for transparency and anti-corruption activities in the Pacific region, including funding for the United Nations Pacific Regional Anti-Corruption (UN-PRAC) Project, which commenced in 2012 and will conclude in 2020. Vanuatu has benefitted from assistance through UN-PRAC in strengthening its integrity system.
- 1.9 In addition, the committee sought to review the outcomes of both New Zealand and Vanuatu moves to simplify the management of border operations through implementation of 'single window' international trade systems. 'Single window' systems:
 - improve the efficiency of border movements;
 - strengthen security systems by enabling more effective and streamlined communication between jurisdictions; and
 - assist in preventing corruption.

³ New Zealand House of Representatives, Justice Committee, [2017/18 Annual review of the Serious Fraud Office](#) and [2018/19 Annual review of the Serious Fraud Office](#).

Members

1.10 The delegation chair was Senator Catryna Bilyk and delegates were Mr Pat Conaghan MP, Mr Andrew Laming MP and Mr Tony Zappia MP.

Acknowledgements

1.11 The committee would like to thank all agencies, organisations and individuals who gave generously of their time and expertise. The committee would particularly like to thank the Government of Vanuatu for welcoming the delegation and making officers of various departments available to brief the delegation regarding the important work being undertaken to strengthen the integrity arrangements of border-related agencies. This reflects similar work being undertaken in Australia.

1.12 The committee further thanks the officers from the New Zealand Department of Internal Affairs and House of Representatives for their assistance. The committee extends its gratitude to Ms Cathy McWilliam of the Australian High Commission of Vanuatu for her diligence and flexible approach to the meeting program to ensure the delegates were able to maximise opportunities to meet with local experts. Ms McWilliam's on the ground knowledge of local networks was invaluable to the delegates.

New Zealand: 9–11 December

1.13 Australia has a close relationship with New Zealand on bilateral trade and security, as well as a close partnership in addressing development and security issues in the broader South Pacific region. This is reflected in the Australia Division within the Ministry of Foreign Affairs and Trade (MFAT), which is the only division in MFAT that covers one country, emphasising the significance of the trans-Tasman relationship. The MFAT Australia Division predominantly covers political, security and foreign policy issues.

1.14 In New Zealand the delegation met with the following:

- Ministry of Foreign Affairs and Trade
- New Zealand Police: Gang Intelligence Unit and the National Organised Crime Group
- Hon. Iain Lees-Galloway, Minister for Immigration
- Hon. Jenny Salesa, Minister of Customs
- Chief Ombudsman
- Rt. Hon Trevor Mallard, Speaker of the House of Representatives
- Members of the Governance and Administration Select Committee and the Justice Select Committee
- Serious Fraud Office
- Ports of Auckland
- Aviation Security Service (AVSEC)

- 1.15 The key findings from the New Zealand meetings are outlined below by theme.

Regional Security

- 1.16 Australia and New Zealand are impacted by weaknesses in regional trading partners' capacity to maintain the integrity of border-related agencies. Australia and New Zealand have undertaken a range of measures to improve this, including secondments, but more work is needed. The Pacific Step-Up program is one example of this work to improve regional security and economic stability, and includes supporting nations on public institutional integrity issues.⁴ The program represents a deepening of previous engagement with Pacific nations. Currently, aid programs in the Pacific region are focused on increasing transparent and accountable government. This work can be challenging, as there is a general risk that donor nations might be seen as interfering in the domestic politics of another nation when trying to address corruption issues in partnership programs. New Zealand agencies told the delegation they try to counteract this by building an understanding of the need for transparency in the local communities they work in.
- 1.17 Regional security in the Pacific has also been impacted by an increase in transnational serious and organised crime (TSOC) in the region in recent years. New Zealand's work with smaller Pacific nations involves building trust and sharing information on drug trafficking. Reflecting this, a memorandum of understanding (MOU) was recently signed between the Oceania Customs Organisation, the Pacific Immigration Development Community and the Pacific Islands Chiefs of Police regarding information sharing of immigration issues that impact TSOC.

Crime and policing

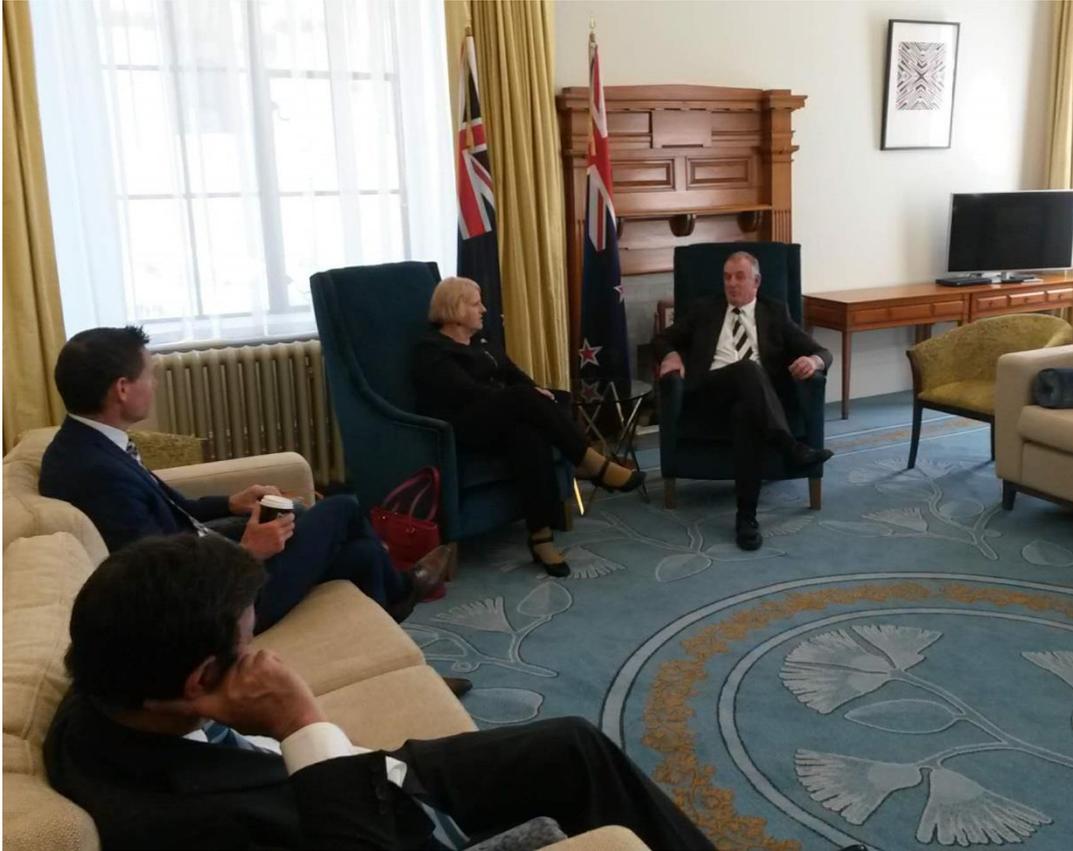
- 1.18 At a number of meetings it was asserted that the increasing incidents of organised motorcycle gang (OMCG) activity, both in number and seriousness of the type of offence, was largely attributable to Australia's criminal deportee program. The delegation heard that while Australian criminal deportees make up only around 1 per cent of the OMCG population, they cause much more than 1 per cent of OMCG crime. The Cook Islands have recently implemented a policy that patched gang members will not be allowed to return, and have been turning people away on planes.
- 1.19 However, there was some acknowledgement that the approach was effective from Australia's perspective and may be reasonable in some circumstances. It

⁴ The Pacific Step-up is one of Australia's highest foreign policy priorities, and was first announced at the Pacific Island Forum Leaders' Meeting in September 2016 as a 'step-change' in the way Australia would engage in the Pacific region. See : www.dfat.gov.au/geo/pacific/engagement/Pages/stepping-up-australias-pacific-engagement.

was also acknowledged that some increases in transnational and serious organised crime (TSOC) could be attributed to general globalisation trends. Regardless of causality, New Zealand policing responses to TSOC often look to Australian expertise.

- 1.20 The delegation heard that the New Zealand Police gang intelligence unit was a multi-agency unit with 12 member agencies, operating under a MOU that allows them to share information more easily through a hub and spoke model. Although the unit is only four years old, it has already tracked significant growth in organised gang membership from around 3000–4000 members, to approximately 7000 gang members as of late 2019, with external influences bringing in new skills, knowledge and expertise that has increased the seriousness of the criminal behaviour of organised gangs. These external influences are not just Australian, with gang members travelling to the northern hemisphere to gain expertise. The multi-agency unit approaches gang activity by addressing the reasons behind criminal behaviour and family impacts, and has found this a more useful approach than a traditional law and order approach.
- 1.21 The delegation also heard about the modernisation of criminal practice by OMCGs, who are now using social media for branding, with an increase in using encrypted phones and other technology that is often developed by criminal technology groups for the purpose of being sold to others to use in criminal activity.
- 1.22 The increase in gang numbers and activity has led to increased efforts by OMCGs to infiltrate policing agencies. For example, a known gang member's daughter recently attempted to join the police. New Zealand Police now have pre-employment drug and alcohol testing and all police employment goes through an enhanced assessment to test for any gang affiliation. In addition, specialist policing squads are subject to random drug and affiliation tests throughout their employment period.
- 1.23 New Zealand Police have recently developed anti-corruption training, particularly targeting younger police who may feel vulnerable to influence from people trying to use personal connections, such as through church networks, to create relationships that can be later used for corruption. New Zealand Police also undertake tracking of police officers cash transactions and spending habits, and agreed there is a need for increased corruption prevention and detection training.

Image 1: Delegation meeting with the Speaker of the New Zealand House of Representatives, Rt Hon Trevor Mallard MP



Integrity and corruption

1.24 The delegation met with the Serious Fraud Office (SFO), a relatively small government agency based on the United Kingdom SFO, with approximately 50 staff, 36 of whom are investigation or prosecution staff. Their mandated role under the Serious Fraud Act is to detect, investigate and prosecute serious fraud including corruption. The SFO advised they generally undertake around 10 prosecutions and 20 investigations at a time. The SFO has MOUs with agencies, such as New Zealand Police, to direct some corruption cases back to agencies for investigation where appropriate. One issue raised was that the SFO does not have the power to prevent people from revealing they have made a complaint. By comparison some Australian jurisdictions have such powers, to ensure all appropriate privacy for people against whom a complaint has been made and no findings yet determined. The SFO outlined the majority of corruption or fraud cases involve government departments, with examples cited of accepting payments, using information gathered in professional work to establish project management work, taking money from foreign patients to enable domestic access to health services and 'kickbacks' for road projects.

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- 1.25 The work of the SFO is made more difficult by the relatively small population of New Zealand, which can often result in interpersonal relationships impacting agencies' internal investigations of corruption.
 - 1.26 The SFO advised they would like to see their role expanded to include prevention and detection, similar to the role of the Australian Commission on Law Enforcement Integrity.
 - 1.27 The SFO has also worked in an advisory capacity in the Pacific, in training and capacity building for investigation and prosecutions. The SFO reported significant challenges in this work, particularly from a sovereignty perspective, as some foreign agencies wished the SFO to move from a training role to undertake actual investigations and prosecutions on their behalf. Other challenges included different cultural attitudes to corruption, hierarchy, protection of relationships and how differing concepts of time make it more difficult to establish timelines of events. The SFO noted that there have been significant improvements within the Pacific region in terms of local capacity to detect, investigate and prosecute corruption, due to significant input from Australia and New Zealand governments.
 - 1.28 The SFO noted however, that there are differing views within Pacific nations on the appropriateness of New Zealand agencies being involved in these domestic issues.
 - 1.29 The delegation met with New Zealand's Ombudsman, who noted that while he had a role in receiving and providing guidance on protected disclosures, the focus of his work in that and other areas is maladministration rather than fraud or corruption. Serious fraud or corruption issues are dealt with by the SFO or the Police who have the sophisticated forensic capabilities required in this space.
 - 1.30 Additional integrity measures include an integrity committee chaired by the Assistant Commissioner of Police. The committee assesses information sourced from, for example, agency self-notifications, external reporting and Crime stoppers (an independent charity that allows people to pass on information about crime), and determines whether the matter should be conducted as an internal investigation or referred to New Zealand Police.
 - 1.31 In relation to corruption, the delegation heard from multiple sources there is a limited understanding of corruption and integrity issues in New Zealand, in part resulting from New Zealand's low rates of reported corruption compared to other countries, but also exacerbated by a belief that corruption is not evident in New Zealand public institutions. While trust in government and public institutions runs high, this belief appears to result in a lack of in-depth integrity monitoring. The committee was advised that in New Zealand people often don't recognise an issue as corruption and there was sometimes a cultural view that making a notification was disloyal.

Customs and ports

- 1.32 New Zealand agencies informed the delegation that their work in capacity-building in the Pacific region has included customs issues. This work has included building the leadership capacity of middle-tier managers in partnership Pacific nations. Other programs have included bringing entry-level officers from nations such as Samoa and Tonga to New Zealand to provide on-the-job training in customs detection.
- 1.33 The delegation inspected both sea and air port services and in particular discussed the measures put in place in those services to ensure the ongoing integrity of staff.

Auckland Port

- 1.34 The delegation heard how the automation of ports has allowed for increased surveillance and security of both cargo and personnel. Auckland Port uses 'Locata' which is military-level technology that can track the location of containers with accuracy to 2 centimetres. The port handles over 1 million containers per year with 27 000 truck movements per month. A vehicle booking system is used to provide a truck timeslot in advance. Character recognition technology allows for screening of truck numbers and cross referencing to container loads to ensure the correct containers are allocated, and records all movements of cargo.
- 1.35 Cargo screening is determined by customs, which will send a stop order to the port authority to set aside containers for screening by customs.
- 1.36 Port employees are vetted by customs and police, as well as being subject to random drug and alcohol tests. The level of the vetting process depends on what part of the ports a person is proposed to have access to, which is limited by their security pass. Police and customs run regular gate-access checks to ensure only the authorised person uses the security pass. The port operator does have an e-learning corruption prevention module, but it is not compulsory to do this training. Staff are given information on the requirement to report issues such as OMCG members seeking to make contact and influence staff.

Airports

- 1.37 In relation to staff integrity, New Zealand intelligence service screening and criminal history checks are conducted upon employment and again every three to five years, in addition to regular operational processes between airport security services and New Zealand Police, to match potential airport security pass holders and individuals who are of interest to New Zealand. There is additional random drug and alcohol testing of staff in sensitive positions. The delegation heard that four people have been removed from customs courses as security checks indicated suspected links to OMCGs. An example of additional daily security was cited, where Auckland airport validates all entries at

security points and undertakes random checks on pass photos to ensure the access card is being used by the authorised card holder.

- 1.38 New Zealand airports inspections of passenger and freight cargo is mostly focused on looking for explosives, with a greater emphasis on outbound security. All international courier items were treated as unknown items, as they do not come from an established secure supply chain. Thus all such items are screened before being allowed onto an international passenger flight. It was noted that New Zealand Post are a regulated air cargo agent and therefore have their own security and integrity processes. Where aviation security discover a prohibited item such as a firearm, it is handed to New Zealand Post who then have obligation to refer to New Zealand police or another relevant agency to ensure it's a legitimate export.

Vanuatu

- 1.39 The delegation met with a wide range of organisations and individuals, including the following:

- Members of the Parliamentary Committee on Social Policy and Parliamentary Committee on Institutions
- Australian High Commission
- Ministry of Internal Affairs
- Immigration and Passport Services
- Justice and Community Services
- Department of Customs and Inland Revenue, including Single Window Project office
- Ombudsman
- Mr Arnold Loughman, Attorney General
- Public Prosecutor
- Financial Intelligence Unit
- Vanuatu Police: Professional Standards Unit
- Police Services Commission
- National Anti-corruption committee
- Civil society groups

Passports and tax havens

- 1.40 The delegation was told of a scheme, whereby Ni-Vanuatu passports could be issued to people without residency requirements on payment of a fee of around \$US 150 000, with 40 per cent of fees payable to the agent. There are allegations of financial agreements between agents and some individual politicians. More than 5000 passports have been sold in the past five years, with only around one in ten people who purchase a passport coming to Vanuatu.

- 1.41 The passports are attractive as Ni-Vanuatu passport holders are eligible for visa waivers to European Union nations. However, due to the number of passports being sold to Chinese nationals, Europe may remove the visa waiver as it was intended only to prioritise Ni-Vanuatans. This would cause a significant economic problem for Vanuatu because this passport program represents 30 per cent of Government revenue and 10 per cent of GDP.⁵ There are potential flow-on risks, should the government of Vanuatu seek to replace this income with other foreign income streams with similar sovereignty impacts.
- 1.42 A key security concern with the passport program is the limited capacity to conduct character tests due to the lack of information China provides on its citizens. The Chinese Government itself has concerns with the program as it allows for free movement of Chinese criminals as well as greater untraceable movement of capital.
- 1.43 The sale of passports is not compatible with the broader global movement against tax havens and the movement of illicit capital. Measures by the Australian Federal Police (AFP) have made it less attractive for Australians to use Vanuatu as a tax haven, but there are still locals who facilitate tax minimisation. Some recent changes to the legislative framework in Vanuatu have been made with the assistance of Australia, but the Government of Vanuatu has run out of funds to implement those changes.

Corruption

- 1.44 A key driver of the anti-corruption stance is to ensure that the limited resources of the nation are directed to government priorities. Vanuatu has faced challenges in addressing systemic corruption issues. While there has been some legislative and policy changes, the implementation of investigating and prosecuting individual cases of corruption has not been as successful. For example, the parliamentary leadership code is robust but not necessarily enforced.
- 1.45 The size of the jurisdiction can impact the effectiveness of anticorruption work, due to the inevitable increase in the chances of close working and social relationships that arise in small populations.
- 1.46 A key concern is that much of the anti-corruption capabilities are embedded in individuals not systems. Much of the anti-corruption focus is on recruitment, to ensure that appropriate people are hired for sensitive positions, with limited oversight after that. Another concern is the continuing creep towards joining investigation and prosecution powers in the one individual or agency. This can

⁵ For more information see www.bbc.com/news/business-49958628 and <https://www.imidaily.com/asia-pacific/vanuatu-has-reportedly-issued-4000-passports-under-cip-but-imf-estimates-72-drop-in-2019/>.

create a system similar to that in Fiji, which allows for greater misuse of such powers against political rivals. At the time of writing, there was a feasibility study being undertaken by the public prosecutor to determine which agency should have lead responsibility for anti-corruption work. Furthermore, an identified lack of expertise in intelligence gathering means that anti-corruption work remains largely reactive when corruption is exposed.

- 1.47 The Justice and Community Directorate has been instrumental in driving the anti-corruption work, pushing to establish a National Anti-corruption Framework. It has been identified that the key challenge is to make government take the issue seriously.
- 1.48 Civil society plays an important part in increasing awareness of corruption issues and putting pressure on government to address the issues appropriately. Advocacy organisations believe a key part of their role is to confront and expose corruption. Recent policy changes to improve access to information has been very beneficial to this process, but there are gaps in procedure and the application of this right.
- 1.49 Civil society groups see increasing the participation of women in civil society and government as an important part of improving an anti-corruption culture, but there are many challenges to this approach. There have only been five women parliamentarians, and the size of electoral boundaries makes it more difficult for women to be elected.

Image 2: NGO Roundtable



Policing and prosecution

- 1.50 The Vanuatu police force is relatively small, with limited resources and officers. While the salary is good by local standards, which aids workforce retention, it is still low. Because many police are from island areas with subsistence farming, when they are away from home on low wages they can struggle financially, which may be a risk factor for corruption.
- 1.51 The Vanuatu police force has a professional standards unit (PSU) but no police integrity unit. The PSU was expanded in 2014 after increased complaints to the then Police Commissioner. The role of the PSU is to investigate integrity issues within the police force and paramilitary. The PSU has powers to investigate and compel people to give interviews. When investigating a higher-rank officer, the PSU officer is either delegated higher powers or the investigation is seconded to an officer of appropriate rank.

Image 3: Delegation meeting with Vanuatu Police Force's Professional Standards Unit



- 1.52 Although there is a professional standards prosecutor, a criminal conviction is often not enough to be dismissed from the police force. A lot of police matters become politicised, including in the courts and by prosecutors. A key approach to reduce corruption in the police is to find local champions and support them to drive change locally. Investigating complaints about police has numerous challenges, from cultural issues to a lack of resources, funding and capabilities. Most professional standards complaints are for minor matters and result in discipline. Major cases are investigated and, where evidence allows, a criminal conviction is sought.

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- 1.53 The delegation was told that cultural attitudes can contribute to police corruption, but with changes to police training, such as including integrity awareness training, the impact is being reduced in the new recruits coming through into the police force. Commanders of police stations are also now required to do re-training which includes the integrity training modules, part developed by the Australian Federal Police.
- 1.54 The Police Services Commission provides a check and balance within the Vanuatu police system as it has, among other tasks, oversight of senior police appointments.
- 1.55 The Prosecutor's office has ten staff, and estimates that 80 per cent of their work is domestic violence cases. Because the jurisdiction is small, for cases involving a judicial officer an overseas judge is brought in. This was done for a recent case regarding a proposed judicial pay rise. The court of appeal involves an overseas judge, which rotates between Australia and New Zealand. Vanuatu does not have a facility to house or detain people on immigration matters, but is currently planning to build a centre.
- 1.56 The delegation heard that allegations have been raised regarding political interference in prosecuting parliamentarians. In recent years there was a case whereby the then Deputy Prime Minister offered bribes to support a motion of no confidence and then later arranged pardons from the then President. These matters resulted in charges of conspiracy and custodial sentences of between three to four years, for 13 members of Parliament.
- 1.57 There have been recent commissions of inquiry conducted by the Prosecutor's office, such as the investigation of corruption within the national airline carrier, Air Vanuatu. The Prosecutor's office receives support from the New Zealand Serious Fraud Office, which has been helpful in investigating corruption matters.
- 1.58 The Prosecutor outlined to the delegation that as his office has developed expertise in conducting investigations, the police often sought the assistance of the prosecutor's staff to investigate cases. These requests have had to be refused to ensure appropriate independence of prosecutions and police. There is also difficulty arising from the lack of an Evidence Act, but the lack of staff and resources means there is no opportunity to draft a proposed law. Likewise there are many updates required to the Penal Code, but inadequate time or resources to undertake this work.

Image 4: Delegation members with the Public Prosecutor, Mr Josaia Naigulevu



Parliament

- 1.59 The delegation was advised that Parliament of Vanuatu is unable to provide the same level of oversight as available in larger nations, primarily due to the lack of support and resources available to individual parliamentarians. A key risk of corruption is the framework where parliamentarians are given an allocation of public funds to spend in their electorate, but limited guidance or oversight of how those funds should be spent. This may result in a proportion of the funds being diverted away from public benefit projects and programs.
- 1.60 A parliamentary committee structure exists, similar to that of Australia and New Zealand, but the committee work is unfunded. There are no staff or advisors to carry out this work and this largely renders parliamentarians with no capacity to seek and take into account the views of experts or the general community, even should they be willing to do so. The review and integrity functions of Ni-Vanuatu parliamentarians are stymied by this lack of funding for staff such as advisers and researchers. The delegation heard claims that many committee appointments are made as favours, and some members collect sitting fees without attending meetings. The current Prime Minister is attempting to increase the effectiveness of the committee system.

Image 5: Delegation members with the Vanuatu Prime Minister, Charlot Salwai



Customs and ports

- 1.61 Borders in Vanuatu are porous, as a result of being a nation of many islands with close cultural and trading links to neighbouring nations. Challenges in securing maritime boundaries are the greatest security threat to Vanuatu. There is a vast body of water to police and a need to build the right capabilities to do this work along with improved infrastructure such as new boats. To support the policing of local waters, the delegation heard there is a need to increase community awareness of how to report things they have witnessed, such as possible unauthorised shipping. Part of this is ensuring people have confidence that local authorities are working with government and to encourage a culture shift towards reporting. Australian and New Zealand agencies work collaboratively with Vanuatu to increase the surveillance of borders and local waters, but there remain significant gaps and a perception that donated equipment is not being utilised to its full capabilities. While Vanuatu receives development aid from other nations, Australia provides both money and hands-on capability development over time, which the delegation was told is greatly appreciated by Vanuatu.
- 1.62 The key threats from porous maritime borders are drugs and human trafficking, often with a final destination of Australia. Air borders are also porous, with limited oversight and screening of smaller, island-hopping planes. The key concern among Pacific nations is the increased TSOC-related movements of low cost drugs and alcohol transiting through the region.
- 1.63 Another concern related to border security is the issue of smaller vessels which travel within the region without registering their movements. A recent tightening of sea borders in New Caledonia has resulted in more boats

travelling through Tongan and Ni-Vanuatu waters. The border focus is on fisheries rather than other maritime threats. The vessel management system from Honiara only reports on registered boats. There is a project underway to organise a multi-agency visit to a maritime border command in Canberra so they can see how Australia identifies and manages border-related threats.

- 1.64 The Department of Customs and Inland Revenue (Customs) has gone through major reforms in the past ten years, with investment in automation and a move to phase out cultural practices such as providing gifts to expedite the release of goods. Customs has developed an integrity improvement strategy which includes integrity workshops for staff. The driver for this work is a goal of increasing customs revenue through reduced profit bleed. Currently, Customs has a 33 per cent budget surplus, attributed to this approach. Another proposal to improve integrity is to outsource the discretionary powers of the Director General, to ensure all decisions are made without influence.
- 1.65 Customs has been modernising and improving their operations. The agency recently took over immigration passenger functions and have implemented better screening measures and are working on improving biosecurity processes, focusing on the way information is received, processed and shared. Customs is working to improve coordination between partner agencies, such as establishing a ports working group and will likely be the lead agency as they have more sophisticated integrity and processing mechanisms than other agencies. Customs is also pressing for the development of a national security strategy, with a border security strategy as a subsidiary of the broader approach.
- 1.66 Money laundering is a concern, with a large amount originating from Australia. The delegation heard there is a limited understanding in the local community as to why this should be reported or addressed and local banks are not providing appropriate assistance to tackle the issue. Another issue of concern is the amount of cash persons are allowed to bring into Vanuatu. This used to be \$50 000 vatu, shortly to be reduced to \$20 000 with a goal of reducing this amount to nil. The cause is largely attributed to a lack of understanding that people can access via local banks any monies earned and deposited into an overseas bank account.

Image 6: Delegation meeting with Customs officers



Single window trade system

- 1.67 Customs and Inland Revenue briefed the delegation members on the Single Window Trade System implementation project (the project).⁶ Australia is a donor to this project, which was recommended as a priority by the World Trade Organisation. The implementation in Vanuatu is the first of its kind in the region.
- 1.68 Prior to the project, there were integrity risks through a lack of automation leading to duplication of documents, lack of centralised information and many different points of payment, often by cash.
- 1.69 The project is driven by a dedicated working group which is overseen by a trade facilitation steering committee reporting to a parliamentary group including the Prime Minister. The project is not only for customs issues, but has been extended to include airlines, shipping agents and banks, with a biosecurity module to be included soon.
- 1.70 An air passenger module which is used by 120 nations has been incorporated. The project team wanted to avoid different systems, so they integrated the passenger module into the single window project. This module includes scans

⁶ Single window trade is a customs system which amalgamates various trade and regulatory systems to allow international traders to submit regulatory documents at a single location or entity, such as customs declarations, import/export permit applications, trading invoices or certificates of origin. The goal is to reduce inefficiencies and boost time and cost savings for international traders.

of payments for visas, passports and images of passengers, and can also attach scans of other documents such as tickets. It provides advance passenger information and includes a system of alerts which can also be sent to police for advance warning of expected arrivals. Previously, immigration was handled by a passenger list being emailed through to immigration officers. The advantages of the new system is a more effective border control system, instant statistics and better tracking of cash declared at the border, which was a significant area of integrity risk under the previous system.

Delegation program

Monday 9 December 2019

New Zealand, Wellington / Te Whanganui-a-Tara

- Meeting with Ministry of Foreign Affairs and Trade/ Mānatu Aorere
- Lunch and site visit: Zealandia/ Te Māra a Tāne
- Meeting with National Organised Crime Group and Gang Intelligence Centre, Police
- National Headquarters / Nga Pirihimana O Aotearoa
- Meeting with Hon Ian Lees-Galloway, Minister of Immigration
- Meeting with Hon Jenny Salesa, Minister of Customs
- Meeting with Australian High Commission staff

Tuesday 10 December 2019

New Zealand, Wellington / Te Whanganui-a-Tara

- Meeting with the Speaker of the New Zealand House of Representatives, Rt Hon Trevor Mallard MP
- VIP Tour of Parliament
- Working lunch with Members of the New Zealand Parliament from the Justice and Governance and Administration Select Committees, hosted by Hon Meka Whaitiri, Chair, Justice Select Committee
- Introduction to the House and Observation of Question Time
- Meeting with the New Zealand Ombudsman, Peter Boshier, Chief Ombudsman and Eleanor Tuck, Manager International Development and Engagement.
- Tour of Weta Workshop

Wednesday 11 December 2019

New Zealand, Auckland / Tāmaki Makaurau

- Meeting with Serious Fraud Office
- Site visit to Ports of Auckland
- Private Tour of Auckland War Museum
- Meeting with NZ Aviation Security Service

Thursday 12 December 2019

Vanuatu, Port Vila

- Briefing with the Australian High Commissioner, H.E. Ms Jenny Da Rin; Deputy Head of Mission Susan Ryle; Defence Attaché Kylie Turnbull; AFP Officer Glyn Lewis; Counsellor (Development) Clinton Pobke; First Secretary (Political) Charlie Jebb; First Secretary (Development) Cathy McWilliam.
- Meeting with Director General, Ministry of Internal Affairs, Ms Cherol Ala.
- Meeting with Director of Customs and Inland Revenue, Mr Harold Tarosa; Single Window Project Manager Stanley Trief; Managers Customs, Border and Biosecurity.
- Lunch with Attorney General Mr Arnold Kiel Loughman and Director, Vanuatu Financial Intelligence Unit, Mr Floyd Ray Mera.
- Visit to the National Parliament of the Vanuatu to observe Parliament (the delegation's presence announced by the Speaker of Parliament). Shared break with members of Parliament, met with Prime Minister Salwai and Foreign Minister Regenvanu.
- Dinner with members of the Parliamentary Committee on Social Policy (including Chair, Silas Bule, MP) and Parliamentary Committee on Institutions (including Chair, Jacob Mata, MP) and Uri Warawara, MP and Tom Nouam Iouniwan, MP.

Friday 13 December 2019

Vanuatu, Port Vila

- Meeting with the Public Prosecutor, Mr Josaia Naigulevu.
- Meeting with Angus Beveridge, AFP Adviser to Police Training College and Professional Standards Unit.
- Meeting with Superintendent Glen Mahina; Deputy Superintendent Kami Toa of the Vanuatu Police Force's Professional Standards Unit (PSU) and Director of Police Training College Peter Maru.
- Meeting with Chairman of the Police Service Commission, Mr Willie Vira and Secretary of the Police Service Commission, Job Boe.
- Meeting with Director-General of Justice and Community Services, Ms Dorosday Kenneth-Watson, Chairman of the National Anti-Corruption Committee, Mr John Ezra, and Director, Right to Information Unit Mr Harold Obed.
- Meeting with Australian Defence Attaché, Kylie Turnbull and Maritime Security Adviser, Neil Davenport.
- Roundtable with civil society members: Vanuatu Associations of NGOs (VANGO) Vice-Chairwoman, Ms Shirley Abraham; Wan Smol Bag theatre group Artistic Director, Peter Walker; Vanuatu Women's Centre Founder Marilyn Tahia and Assistant Legal Officer Margaret Tekak; Campaign for

Justice Team Coordinator, Hannah Tamata and Investigator, George Twomy; Balance of Power Country Manager (former Transparency International), Mr Wilson Toa.

Senator Catrina Bilyk

Delegation Chair

_____/_____/2020