



Australian Government
Department of Immigration
and Border Protection



Australian
BORDER FORCE

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We would like to thank the Chair and Committee for the opportunity to provide, and table, a written opening statement. Additionally, we congratulate and welcome those Senators newly appointed to this Committee.

THE DEPARTMENT

Since the last senate estimates hearing in May, the integrated Department commemorated its first anniversary on 1 July 2016. Almost a full year into integration, we commissioned RAND Corporation to undertake an independent [analysis](#) of the effectiveness and efficiency of the integrated Department. RAND characterised the post-integration period as one in which the Department is focussed on building organisational capacity and the professional workforce required for a 21st century border-management organisation.

Our recently tabled [2015–16 Annual Report](#) speaks to the sheer magnitude of the volumes we are managing across Australia's border, which, over the years ahead, are predicted to increase. To promote Australia's prosperity and protection in this regard, as a Department, we have already begun making transformational change to our business model to work more efficiently and effectively.

Visa Risk Assessment capability and visa reform

Visa reform is essential to address the complexity of the current visa framework and modernise infrastructure and business practices for future growth. Through the enhanced threat assessment capabilities that stem from visa reform, we will be able to better target national security threats and criminal activities. Public confidence in our border targeting processes will, in turn, encourage greater cross-border trade and travel for Australia's economic benefit.

Intelligence

In June 2015, we commissioned an Integrated Intelligence review of the Department's intelligence capability, headed by David Irvine, former Director General of Australian Security Intelligence Organisation (ASIO). The review found that we needed to transform our intelligence capability to better identify potential threats across the border continuum. We have commenced this transformation with the intelligence programme integrated in one division. It is staffed by intelligence professionals with increasing access to more consolidated data which they interrogate with sophisticated analytical tools and techniques.

Workforce training and development

We are also professionalising our people capabilities so they have the specialist and technical skills required of a 21st century border agency. A broad based review of all our Executive Level positions is well progressed. Our centralised training function for the Border Force vocation, the Australian Border Force (ABF) College, is providing a range of advanced and specialist training to our staff in the areas of operational safety, investigations, immigration compliance, examination, search, and status resolution. There are also tailored courses for officers deploying to Australian immigration detention facilities and Regional Processing Centres (RPCs).

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We would like to touch on a number of specific matters.

OPERATION SOVEREIGN BORDERS

For more than three years now, Operation Sovereign Borders (OSB) has successfully countered maritime people smuggling and protected Australia's border. The remit of OSB has not changed—it will continue to perform its vital role. It has now been more than 800 days since the last successful people smuggling venture.¹ Since the commencement of turnbacks under OSB, there have also been no known deaths at sea.² The success of OSB clearly demonstrates that Australia's strong border protection policies have saved lives. Additionally, 29 people smuggling ventures—which contained over 740 potential illegal immigrants—have been safely returned to their country of departure. We have built strong relationships with our regional counterparts and there have been 435 arrests of people smugglers by foreign law enforcement partners.³

THIRD COUNTRY RESETTLEMENT AND REGIONAL PROCESSING

¹ 27 July 2014

² 19 December 2013

³ As at 30 September 2016

Australia is committed to an orderly, safe and well-managed system of migration, and has implemented strong border protection measures to achieve this outcome. Under regional processing arrangements, refugees on Nauru can settle in Nauru for up to ten years and volunteer to permanently resettle in Cambodia; while refugees in Papua New Guinea (PNG) can settle there permanently. The Department supports PNG, Nauru and Cambodia to deliver settlement programmes that help refugees to build new lives and integrate into their new communities. As announced by PNG Prime Minister O'Neill on 17 August 2016, PNG is committed to closing the Manus RPC. We are working closely with the Government of PNG to assist them in this endeavour to find appropriate, durable and permanent outcomes for those currently subject to regional processing.

Incidents and assaults

With regards to incidents in the RPCs on Manus and Nauru, the Department takes allegations of inappropriate conduct very seriously. Any allegations of illegal and inappropriate behaviour by service providers or departmental staff at RPCs are reported to the Department for investigation.

In terms of Nauru, law enforcement is the responsibility of the Government of Nauru (GoN), though the Department works closely with them to support safety and security measures. All alleged incidents within the RPC are reported, and where appropriate, referred to the Nauru Police Force (NPF) for investigation. The Department provides support to the GoN to assist with the investigation and appropriate action stemming from these incidents.

The Department has reviewed the 2107 reports published on 10 August 2016 and further 16 reports published on 19 September 2016 to ensure all of these matters have been reported appropriately by service providers, consistent with the policies and procedures covering such matters. We note:

- First, the Department believes the majority of these matters are historical in nature and have been previously reported in relation to the overall number of recorded incidents over time.
- Second, many of the incident reports reflect unconfirmed allegations or uncorroborated statements of claims.
- Third, the reports speak to the robustness of reporting procedures under which any alleged incident must be recorded, and where necessary, investigated. Departmental staff and contracted service providers diligently report all incidents as they occur, whether alleged or otherwise. This reporting includes minor incidents through to more serious allegations.

- Fourth, the Department currently has no evidence to suggest that service providers have under-reported or misreported incidents in Nauru.
- Fifth, residents of the RPC in Nauru (and Manus) are not detained. They may enter and exit the centres without seeking permission. ‘Open centre’ arrangements have been in place for some time.

Health and medical services

All transferees receive clinically indicated health care, broadly consistent with Australian public health standards. General practitioner, nursing and mental health care clinics are open at the Manus and Nauru RPCs seven days a week, including psychology, counselling and psychiatry services. Both RPCs have after-hours medical staffing to respond to any after-hours medical emergencies. These services are supplemented by visiting health practitioners, a tele-health service and medical transfers when required. International Health and Medical Services (IHMS), the Department’s contracted health services provider, also provides health care to refugees settled in the Nauru community at the Nauru Settlement Health Clinic, in line with Nauruan community standards. Refugees also access health services through the Republic of Nauru Hospital. Australia provides significant support to the GoN to provide welfare and health services to transferees and refugees. This includes \$11 million for the medical clinic at the RPC, \$26.5 million for upgrades at the Republic of Nauru Hospital, and \$2.7 million for the construction of a surgical facility. Since the Moss Review into allegations relating to conditions and circumstances at the Nauru RPC between July 2013 and October 2014, the Department has implemented 18 of the 19 recommendations and we continue to work with the GoN on these matters.

ANAO Report

The Australian National Audit Office’s (ANAO) report, *Offshore Processing Centres in Nauru and Papua New Guinea: Procurement of Garrison Support and Welfare Services*, highlights the Department’s complex operating environment. Delegates for this procurement were required to make decisions on complex matters within very short timeframes. When legislation was passed on 17 August 2012 enabling regional processing, the Department moved to establish the necessary operational requirements immediately. The first asylum seekers arrived in Nauru three weeks later (14 September 2012). The Department acknowledges that its decision-making processes in this complex and rapidly-evolving environment may not have been adequately documented. We accept the recommendations made in the ANAO report and have already taken steps to address areas of concern.

AUSTRALIAN IMMIGRATION DETENTION AND ASSURANCE

The Department is committed to treating all people in detention with respect, dignity and fairness. The resolution of a detainee's immigration status is the primary objective while they are in immigration detention. We provide detainees with appropriate food, medical, recreational and other support services, including mental health services, and we respect and cater for religious and cultural diversity. There are also appropriate and effective oversight and complaint mechanisms in place. The welfare of children continues to be a priority for the Department and we have been successful in reducing the number of children in detention. In May 2016, the Child Protection Panel delivered its final report to the Department. The Department has already taken steps to address a number of the panel's recommendations. This morning, the Department published on its website our Child Safeguarding Framework (CSF) which will guide and align the work of departmental staff and service providers who interact with children. The CSF represents our commitment to safeguarding children in the Department's care. Additionally, as a means to better inform the public and media discourse about the nature of Australian immigration detention, the Department also published this morning a new information site: *Immigration detention in Australia*. The webpages explain the reasons for immigration detention; the role of the Department, the ABF and service providers; the level of services provided; and details of oversight and assurance mechanisms which ensure that detainees are treated with fairness and dignity.

VISA INITIATIVES

On 1 July 2016, the Department introduced the simplified student visa framework (SSVF). It is designed to ensure Australia's Student visa programme remains internationally competitive while encouraging sustainable growth. The SSVF simplifies the visa application process for genuine students, reduces red tape for business, and bolsters immigration integrity. Moreover, to attract and retain the skilled, talented people Australia needs to drive innovation and economic growth, on 10 September, the Department implemented a new Entrepreneur visa and amended the points test for skilled migration. By the end of 2016, the Department will have implemented a number of new and innovative tourist visa products: first, a Lodgement in Simplified Chinese and second, a 10-year validity Visitor (Subclass 600) visa—which allows multiple entries and a three-month stay period. The visa will commence as a pilot in China for a fee of AUD \$1000.

HUMANITARIAN PROGRAMME

The 2015–16 Humanitarian Programme was fully delivered with a total of 17,555 visas granted (15,552 offshore visas and 2003 onshore visas). This represented Australia's largest offshore programme in more than 30 years. In 2015–16, there were 13,750 places in the Humanitarian Programme. The same number of places will be available for 2016–17. This will increase to 16,250 in 2017–18 and 18,750 in 2018–19. An ordered and increasing Humanitarian Programme

is the dividend of stemming people smuggling ventures and Illegal Maritime Arrival (IMA) flows. In the wake of the recent New York summits, Australia will maintain its Humanitarian Programme at 18,750 places from 2018–19 onwards, in addition to the 12,000 places committed for Syria and Iraq. In terms of the humanitarian intake from the conflicts in Syria and Iraq, between 1 July 2015 and 30 September 2016, 13,483 visas have been granted—including 7776 visas (over 64 per cent) towards the additional 12,000 places—and 9990 Syrians and Iraqis have arrived in Australia. The Department will take a number of programme years to complete the additional Syrian and Iraqi processing due to the comprehensive health, character, and security checks required.

PROTECTED INDUSTRIAL ACTION AND ENTERPRISE AGREEMENT NEGOTIATIONS

The Department concluded a further round of Enterprise Agreement negotiations on 28 September 2016. A new draft Enterprise Agreement has been developed and the Department will now be putting it to a ballot commencing 31 October 2016. For the majority of staff, this offer will deliver a pay increase of between 6.4 and 10.7 per cent through a combination of general pay rises and higher top-of-range salaries at most classification levels. Overall, the offer delivers an average of 6 per cent across the Department.

The Community and Public Sector Union (CPSU) issued the Department with three notices of continuing rolling stoppages from Monday 26 September through to Sunday 16 October 2016. After five consecutive days of Protected Industrial Action (PIA), the Department made an application to the Fair Work Commission (FWC) to suspend the action on the basis that it resulted in an unacceptable risk to the safety and security of the Australian community. The FWC noted that the evidence led to a compelling finding that PIA in the Department ‘has threatened, is threatening, or would threaten’ the population or part of it, and has terminated all PIA through an order issued on 5 October 2016. Termination of PIA is not the outcome the Department sought. Rather, the Department has remained committed to negotiating the best possible Enterprise Agreement within financial and policy settings with staff and bargaining representatives.

OPERATIONAL PERFORMANCE

We commend the men and women of the ABF for an excellent first year; one in which we can be proud of operational efforts which have contributed to Australia’s national security, economic prosperity and social cohesion. In 2015–16, the ABF played a key role in facilitating the movement of legitimate trade and travellers across our border, processing more than 40 million international air and sea travellers and 34 million imported air cargo consignments, and completing three million imported sea cargo reports. We also inspected more than 57 million

international mail items and collected more than \$17 billion in revenue. To manage these escalating volumes, we are embracing the latest technology and implementing new initiatives.

TRADE FACILITATION

Since the last estimates hearing, the twelve-month pilot period of Australian Trusted Trader (ATT) concluded. On 1 July 2016, the full programme opened to all Australian businesses that import, export or provide services that support traders in the international supply chain. ATT was officially launched in Melbourne on 19 August 2016, with the Government having provided \$69.9 million in funding over four years for its implementation. ATT promotes an entity-based compliance management process. Trusted Traders undergo a stringent accreditation process to ensure they can meet supply chain security standards. In essence, this creates two streams of trade: known, low risk-entities (Trusted Traders) and unknown or higher-risk entities. As such, the ABF can focus its attention on the higher risk entities and other beneficial border protection activities.

The Department will soon accredit over 340 Australian businesses that have expressed interest since 1 July. By 2020, ATT is expected to grow to more than 1000 Trusted Traders, covering 30 per cent of Australia's two-way trade volume and 50 per cent of Australia's two-way trade value. Over the next 10 years, ATT is forecast to deliver \$3.2 billion to the economy, which is strongly entwined with the negotiation of Mutual Recognition Arrangements (MRAs) and the increase in value of Australian exports that would follow. In July, Australia signed its first ATT MRA with New Zealand. This arrangement is anticipated to streamline up to 13 per cent (\$3 billion) of New Zealand imports and \$7.5 billion of Australian exports by 2020. Moreover, the Department has already exchanged letters of intent to negotiate MRAs with the Republic of Korea, China, Hong Kong, Singapore and Canada.

TRAVELLER FACILITATION

On 21 September, international flights into Canberra commenced. Australia's newest international passenger gateway's capabilities include the full range of enforcement technology, a Counter Terrorism Unit team, Departures SmartGates and newly deployed ABF officers to manage the regular international flights. For the first time in the history of international airport design in Australia, the Canberra terminal's operational areas have been co-designed by our Department and the Department of Agriculture and Water Resources (DAWR), resulting in infrastructure efficiencies. The design provides flexibility to test future innovations in traveller clearance.

The roll-out of Departures SmartGates has been successfully completed with 86 installed across Australia's international airports. As at 7 October 2016, more than 12.1 million travellers have

self-processed through Departures SmartGates. All travellers—irrespective of nationality and whether they hold an ePassport—are able to use the SmartGates. The technology strengthens capabilities to detect fraudulent travellers through facial biometrics, improves passenger facilitation given escalating traveller volumes, and frees-up ABF officers to focus on intervention and assessment activities.

INVESTIGATIONS, ENFORCEMENT AND COMPLIANCE

In its inaugural year, the ABF established itself as a crucial component of the whole-of-government law enforcement and Australian Intelligence Community architecture, particularly in the role it plays in securing Australia's border. Reflective of this role, we increased cooperation with state, federal and international law enforcement and national security counterparts, with ABF officers embedded in multiple joint agency operations and taskforces.

Maritime

Through Maritime Border Command—which sits within the ABF—we counter multiple civil maritime security threats within a 45.1 million square kilometre environment (12.4 per cent of the earth's oceans). In 2015–16, in our Exclusive Economic Zone (northern waters), we made more than 50 sightings of foreign fishing vessels; apprehended 20 illegal foreign fishing vessels, resulting in 192 foreign fishers being charged under Australian law; and surveilled more than 100 million NM² through aircraft coverage. Illegal, unregulated and unreported (IUU) fishing in the Southern Ocean has dropped to the lowest level since 1995 as a result of joint collaborative efforts involving the ABF.

Counter Terrorism Unit

Our established Counter Terrorism Unit (CTU) teams at Australia's international airports are part of the Australian Government's first line response to manage those seeking to return to Australia from conflict arenas—including suspected terrorists—and the last line of defence to detect and intercept people attempting to travel overseas to participate in foreign conflicts. Since their deployment, CTU teams have successfully intercepted a number of people of national security concern. Some cases have resulted in the imposition of infringement notices, while others are the subject of ongoing investigations. They have also prevented the travel of minors to conflict areas; and found evidence of movements (including attempted) of large sums of cash, images and material of an extremist nature. In 2015–16, CTU officers completed more than 13,000 patrols and almost 200,000 assessments and interventions.

Criminal investigations

Through the establishment of the ABF, the Department has significantly strengthened and professionalised its criminal investigative processes and capabilities. The ABF's specialist Investigations Division is led by a serving and seconded Australian Federal Police (AFP) Assistant Commissioner. In 2015–16, we made more than 18,000 detections of major drugs and precursors, more than 80 detections of tobacco in sea cargo (a duty evasion of \$40 million) and more than 1750 detections of undeclared firearms, parts and accessories. The ABF, including through the out-posting of 30 of its investigators to Joint Agency Organised Crime Taskforces nationally, has made a significant impact towards impeding Organised Criminal Groups (OCGs). The high profitability and user demand of the domestic illicit drug market continues to drive criminals and OCGs to import illicit drugs and precursors into Australia. Despite a decrease in methamphetamine detection in 2015–16, demand remains high. We continue to play a key role in supporting national efforts to reduce the prevalence of drug use within the Australian community, particularly methamphetamines.

To strengthen the enforcement response to illicit tobacco, the Government has provided \$7.7 million over two years to expand our Tobacco Strike Team (TST). This will improve intelligence-informed deterrence measures, increase investigations and disruption activities aimed at OCGs profiting from revenue evasion, and result in more prosecutions. Since it began operation in October 2015, this team has seized 22 tonnes of smuggled tobacco and 56 million smuggled cigarettes; issued penalties worth \$4.2 million; and, working with the AFP, restrained over \$6 million in proceeds of crime. We estimate that the TST has disrupted the activities of criminal organisations responsible for the smuggling of over \$100 million per year.

The establishment of Taskforce Cadena by the Department through the ABF and the Fair Work Ombudsman (FWO) is an example of the renewed focus on organised visa fraud and exploitation within the visa programmes at the systemic level. Since the Taskforce's commencement, 11 operations have been completed, resulting in the laying of four charges against suspected labour hire intermediaries and the detention of 95 unlawful non-citizens.

Immigration compliance

An effective immigration compliance and enforcement capability is required to prevent, deter and manage the small minority of individuals who either do not comply with their visa conditions, or pose certain risks. We manage people at the border and also implement awareness and monitoring campaigns to maximise voluntary compliance by individuals, sponsors and businesses with legislated obligations. In 2015–16, we made more than 15,000 locations of unlawful non-citizens (the majority being non-citizen, visa overstayers), including more than 1900

locations of illegal workers.⁴ Of these 15,000, more than 70 per cent voluntarily approached the Department to resolve their immigration status—a reflection of the successes of our early engagement and status resolution strategies. Our field operations and police referrals resulted in more than 3900 non-voluntary locations; we issued more than 400 illegal worker warning notices; and cancelled more than 60,000 visas for a variety of reasons. Since legislative changes in December 2014, and up to 30 June 2016, 1530 non-citizens have had their visas cancelled and 488 have been refused a visa under the character provisions at s501 of the *Migration Act*.

Customs compliance

Within the customs compliance space, we have also had positive performance. In 2015–16, the ABF: detected more than 790 travellers carrying undeclared currency, valued at more than \$17 million in total; cancelled more than 130 broker, depot and warehouse licences; scrutinised more than 102,000 import or export declarations ahead of the border; checked more than 26,000 consignments; and issued more than 260 infringement notices (with a total value of more than \$2 million) for varying offences under the *Customs Act*.

The Department assesses all inbound cargo against a number of risk factors and sources of intelligence to make a determination of its potential threat level. This includes consideration of the damage or harm that could occur to the public as well as to the economy. An informed judgement is made on the cargo to determine next steps, including possible further intervention. In the air cargo environment, we inspect about two million consignments (about 6 per cent of all). Of these two million inspections, we open (physically examine) about 80,000 (about 4 per cent). In the sea cargo environment we inspect approximately 100,000 containers⁵ (about 3 per cent of all). Of these 100,000 inspections, we open (physically examine) approximately 12,700 (about 13 per cent).⁶

Asbestos and effects of mandatory testing

The ABF has been significantly increasing its operational focus on goods that pose a risk of containing asbestos. Since 1 July 2015, and as at 30 September 2016, the ABF has targeted 3306 high risk shipments, resulting in 242 examinations and 18 detections of asbestos-contaminated goods. This is a significant increase from 2014–15 when there were 273 shipments targeted, resulting in 20 examinations and 10 detections. The ABF uses intelligence systems, which currently have 42 different asbestos risk profiles and alerts that identify and target high risk shipments, goods, countries of origin, suppliers and importers of concern. Moreover, to

⁴ Some non-citizens may have been located more than once in any given programme year. Each location event is counted.

⁵ The Department measures containers by the Twenty foot Equivalent Unit of measurement

⁶ These figures are best estimates only based on third party information which has reporting delays

complement our existing targeting and intervention approaches, we have implemented a six-month sampling programme. All goods selected as part of the programme will undergo mandatory testing for the presence of asbestos. Goods not at risk of containing asbestos are excluded (e.g. livestock).

If mandatory testing was imposed on all consignments, regardless of commodity, more than 1.7 million sea containers and 19.8 million air cargo consignments would be held for testing each year.⁷ To manage the associated sea cargo work load alone, the ABF would require over 6500 full-time officers per annum—more than the current ABF workforce. On average, sea cargo consignments are cleared 2.5 hours prior to arrival and air cargo consignments cleared 3.5 hours after arrival. If mandatory testing was imposed, consignments requiring asbestos testing could potentially take 7–14 days to clear and costs to importers for testing would run into the billions of dollars. The ABF will continue to adopt a risk-based and intelligence-informed approach to asbestos inspections to balance the dual imperatives of generating economic competitiveness through facilitative trade on the one hand, and community protection on the other.

LOOKING AHEAD

The Department—and within it, the ABF—are contending with unprecedented and escalating trade and traveller volumes as a result of a shifting global trend towards short-term visitation, temporary migration and fast moving goods. Over the next 12 months, we will continue to be challenged by an increasing operational tempo in this regard, including having to manage these flows with a reduced budget and staffing resources. Moreover, the threat environment is evolving rapidly and we will need to handle ongoing and emerging risks. Importantly, integration has set us on the right path, and we remain committed to building the capabilities required for a 21st century border-management agency. The Department we are building today is one with a view to Australia's future. We will continue to play a fundamental role in facilitating and leveraging off the opportunities of globalisation to promote Australia's economic and social prosperity, and at the same time, help protect the nation and the Australian community.

Thank you.

ENDS

⁷ Based on 2015 figures