



Speech

The Hon Brendan O'Connor

Minister for Home Affairs
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May I begin by acknowledging the traditional owners of the land we meet on – and pay my respects to their elders, both past and present.

I acknowledge the contribution of the Premier of New South Wales Nathan Rees and other significant speakers and guests including John Lawler, CEO of the Australian Crime Commission.

Thank you also to the organisers of this conference for giving me the opportunity to outline the Australian Government's approach and plans in relation to border control, and the strategies and effort behind our recent actions in border protection management. I will also outline some evidence and indicators of the stance and impact of our border control policies.

I will outline the strategic elements which underpin the Rudd Government's approach to border control. Our approach is co-ordinated, sensible and effective and is serving the country well.

Five key threats or risks are the focus of the Government's actions. They are the threat of terrorism, people smuggling, the smuggling of illicit goods, particularly drugs, bio-security risks, and illegal foreign fishing.

Significant improvements to Australia's border control strategy in the last year derive from the Prime Minister's December 2008 *National Security Statement*. The Prime Minister said then that "the arrangements the government has inherited involve a wide range of government agencies but lack unified control and direction, and a single point of accountability" (*Hansard*, December 4 2008, pages 12555-12556).

Following the Prime Minister's Statement, border control and law enforcement agencies were directed by the Government to improve national coordination and cooperation and establish a cohesive forum to provide operational priority setting for all agencies involved in the effort. Significantly, energy security and the impacts of climate change were also brought within the national security policy analysis process.

For border control and law enforcement agencies, this Statement directed a new, whole-of-government response to border control management – the first key element in the Rudd Government's approach.

The Australian Customs Service was renamed the Australian Customs and Border Protection Service to reflect the improved arrangements and to lead the new approach.

The Customs and Border Protection Command (within the Customs Service) was given the responsibility to lead the whole-of-government effort to combat maritime people smuggling.

The number of maritime arrivals to Australia is relatively small compared to other first world nations. Against this backdrop we know that the world refugee population is increasing, and with it we are seeing people risking their lives to come to Australia by boat, paying people smugglers to organise the means to bring them here.

The *UNHCR 2008 Global Trends Report* shows that there were 42 million forcibly displaced people worldwide at the end of 2008, which included 15.2 million refugees. The report also shows that asylum claims increased worldwide by a staggering 28%

in 2008. Europe remains the primary destination for asylum seekers with 333,000 claims for asylum registered in 2008. France had the highest number of registrations at 35,400 followed by the United Kingdom 30,500. In comparison 4,750 people sought asylum in Australia in the same period.

With Customs and Border Protection Command taking the lead, a single agency now provides oversight for intelligence and investigation tasking; international engagement to disrupt and prevent people smuggling, as well as maritime surveillance and response activities.

Customs and Border Protection Command has created a central hub, including officers from Customs and Border Protection Service, the Australian Federal Police, Defence and the Department of Immigration and Citizenship to collect, analyse and report on maritime people smuggling intelligence. The analysis and reports produced by this group support decision making, as well as supporting tactical efforts against criminal syndicates and specific people smuggling ventures en route to Australia.

This central hub is also working closely with the AFP's People Smuggling Strike Team, which has been strengthened with additional resources by the Government's \$10.7 million investment, providing it with more investigators and intelligence officers.

Turning to the threat of terrorism, Australian border management has faced many challenges since the catastrophic events of September 2001 in the United States. We have seen repeated acts of terrorism affecting Australians, including Bali and recently in Jakarta. Faced with these threats, border protection agencies have taken on a more significant national security role in recent years, with a greater focus on counter-terrorism and counter-proliferation. They have been working increasingly in partnership with the intelligence community in national security areas, which have not traditionally overlapped. These partnerships provide for more effective joint intelligence operations and intelligence-led responses that assist us to pursue and dismantle terrorist networks.

A **second** element underlying our strategic approach is to realistically appraise the challenges we face and the limitations and constraints of our situation in the context of our position in the world. What follows are strong and realistic responses both to the threats that we face and to the perpetrators of terrorism, people smuggling and organised crime.

As Sun Tzu wrote in The Art of War, *“If you know both yourself and your enemy, you can win a hundred battles without a single loss”*.

As a Nation our prosperity is largely reliant on gains from international trade, and we recognise the economic and social benefits of travel to and from Australia. So our aim in border security is to control threats but not to close or clog our border access points which would risk these benefits.

The scale and challenge of what our Customs and Border Protection Service is dealing with here is enormous. For example, between now and 2020 the total number of passengers entering Australia is expected to rise from around 12 million to 20 million per year, with similar numbers departing. Cargo movements are also expected to increase by almost double over the same period.

We need to balance our response to border security with the need to continue to promote international trade and travel. To do this we will have to continue to work closely with our international trading partners and with industry.

We recognise that the majority of travellers and goods that arrive present a low risk and we are committed to a risk based approach. This means that people and goods assessed as high risk are paid more attention than those assessed as low risk. This allows border agencies to focus their resources and their efforts where they will have the greatest returns.

This is the Australian situation. Our borders and territorial waters are massive, our resources finite and our lifestyle and freedoms are attractive. The characteristics of Australia’s border, provides a challenging environment to border agencies when it comes to stopping people smuggling.

Australia's size and diversity means border management encompasses activities in extreme natural environments from the Northern tropics to the Southern Ocean. There are limited windows of opportunity for intervention at the physical border to prevent illegal movements. It's clear also that people smugglers trying to reach the border are adaptable and increasingly sophisticated.

Therefore, our border protection agencies work together across a number of environments, and not just at the border or in our territorial waters. The geographic location of the work of these agencies is broadly the following:

- Within Australia – to provide and enforce the legal and operational framework that allows movement in and out of Australia;
- At the border – to identify and prevent risks at the physical entry and exit points in order to prevent people involved in criminal activity from entering Australia, or leaving to a destination where they might escape apprehension;
- In the maritime zone and territorial waters – to identify irregular arrivals or crime through surveillance and prevent risks en route to, Australia; and
- Overseas – to work in countries where people smuggling, illicit trade or terrorism originates to identify and stop the risks from entering Australia and, where possible, to secure detection and apprehension of those who are potential perpetrators.

The Government has increased resources and strengthened the ability of the way law enforcement and border protection agencies disrupt and prevent people smuggling activities in source, transit and departure countries. Last year's Federal Budget allocated an extra \$654 million for these efforts. As a result resources were significantly increased for Customs and Border Protection Command presence in Jakarta, Kuala Lumpur and Colombo. The Australian Federal Police has also been funded for more officers to support the Indonesian National Police and establish a new liaison post in Sri Lanka.

Our strengthened offshore approach is working. In the last 12 months there have been 81 disruptions of people smuggling ventures in Indonesia, resulting in the

detention of 1,237 foreign nationals by Indonesian authorities, and the arrest of 19 people smuggling organisers.

This offshore strategy has stopped a significant number of boats from departing for Australia. This is the important work that is being undertaken by the Australian Federal Police. The Indonesian National Police Chief recently approved the establishment of a taskforce funded by the Australian Government to combat people smuggling within Indonesia. The taskforce will comprise of 145 local officers trained by the Australian Federal Police and located in 12 key areas, providing a central point for AFP operations. This will support the work that the AFP is undertaking in relation to investigations and extradition requests, importantly taking the battle offshore.

Last year's Budget investment is also targeted to boost Australia's surveillance and interception capabilities to minimise the risk of people smugglers reaching the mainland. The measures include enhanced aerial surveillance- adding two aircraft to the surveillance fleet and, enhanced maritime surveillance, making available a well-equipped patrol vessel capable of transporting large numbers of irregular migrants in humane conditions with access to medical support.

Under Australian and international law, a vessel cannot be intercepted by Australia for people smuggling before it reaches the contiguous zone. Boats are usually detected before they reach the contiguous zone and kept under surveillance until they are interdicted and the passengers transported to Christmas Island for processing.

Border Protection Command is out there 24 hours day making sure that boats do not reach the mainland. Over 4,000 vessels are tracked each day in and around Australia and potential suspect vessels are identified.

A **third** element of our approach is to understand what tactics will be employed and put ourselves in the position of the opponent. In other words, know your enemy. As the Japanese swordfighter and philosopher Miyamoto Musashi wrote in his Book of Five Rings, "You win battles by knowing the enemy's timing, and using a timing

which the enemy does not expect". Whether our opponents are terrorists, or smugglers of people or goods, or money launderers, or fishery thieves, the same principle applies. The immediate implications for border protection are far reaching.

For example, think about the impact of border control itself on the activity we are seeking to control. Detection and punishment of particular methods of people smuggling or the drug trade or money laundering creates incentives to substitute and to innovate. Transnational organised criminals will continue to adapt with new and emerging technologies, which provide opportunities to increase the sophistication of organised criminal offending. They will continue to be dynamic and move into markets and places where profits are to be made and where they perceive risks to their operations to be lower. Over the coming years, transnational organised crime groups will seek to increasingly engage in the illicit cross border trade of intellectual property rights, counterfeit goods and hazardous waste.

All of these activities pose major concerns for Australians. In the face of this we will need to improve existing intelligence and information sharing arrangements and make the best use of the information that we already collect. We will have to work together, both within Australia and with our regional counterparts, to provide a cohesive response to existing and emerging forms of organised crime. In addition we must be alive to the possibility that resource and supply constraints will cause food and energy shortages, resulting in changes to patterns of trade, and to patterns of movement of displaced people, and we must prepare for this.

A **fourth** and final strategic element is to realistically acknowledge the uncertainty and be well prepared to re-calibrate strategies as risks emerge. Winston Churchill said "when I look back on all these worries, I remember the story of the old man who said on his deathbed that he had had a lot of trouble in his life, most of which had never happened".

Now this is sometimes misinterpreted as a lament, as a gripe about wasted time, but of course it is no such thing. Churchill worried about a German invasion of mainland Britain. That it did not ultimately happen did not render it a worthless concern or something that he and Britain did not need to be well prepared to combat. In the

same way, sensible border protection policy attends to the possibility of events which are genuinely unpredictable but which we need to be prepared for. To quote Churchill again, “let our advance worrying become advance thinking and planning”.

So what we have done is to build a border protection management system with sufficient flexibility so that resources and policies can be quickly switched to accommodate the changes in threats and the new strategies employed. There is a particular requirement to think carefully through the consequences of low probability – yet high impact events, and to design a border protection system which is reasonably robust to those events. The events that we cannot predict, but are equally likely to shape the future of border management may include:

- A well coordinated and executed terrorist attack such as the recent Jakarta hotel bombings;
- A catastrophic environmental event, such as the boxing day tsunami in 2004 or Hurricane Katrina in the United States in 2005; or
- The emergence of a pandemic such as the Severe Acute Respiratory Syndrome or SARS, or the more recent H1N1 2009 or Swine Flu.

In addition, uncertain considerations mean that the system should have capacity built into it. In relation to people smuggling, the previous Government planned for this when it spent more than \$400 million building the substantial detention facilities at Christmas Island. The Government is responding to the current flow of irregular boat arrivals. Australia’s detention facilities on Christmas Island have significant capacity, and we ready to respond as issues emerge.

Conclusion

These four elements of the Government’s approach to border protection – to marshal resources in a co-ordinated whole-of-government response to border management; to know thyself; to know our enemy; and to accept uncertainty but be well prepared to respond – directly inform the design of our border control regime.

Our overarching objective, the challenge for border management agencies, is to pursue border protection management which is intelligently designed, flexibly organized, makes best use of resources, and is sufficiently resourced. The Government is committed to ensuring that border management agencies are able to meet this challenge.

Thank you