

AUSTRALIAN
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SUMMIT

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The role of the Australian Customs Service in national security results from our broader role at the border and the extensive powers, expertise and technology we bring to bear in performing that role.

The following DVD will give you an understanding of that broader role and how we go about performing it.

[Show DVD]

Through our presence in the passenger, cargo, maritime and coastal surveillance environments, as illustrated in the DVD, Customs has an integral role to play in national security issues.

As is the case for Customs generally, our role in counter terrorism and security issues is often one of complementing the role of other agencies, where we contribute our particular powers and expertise at the border.

To illustrate, this capacity and potential contribution was highlighted in a US government assessment of the events in the prelude to 9/11, which noted "*In the winter of 1999-2000 ... questioning by an especially alert Customs inspector led to the arrest of an Al Qaeda terrorist whose apparent mission was to bomb Los Angeles International Airport.*" (9/11 Commission Report, p82).

As I will discuss shortly, we have moved to support our staff in being similarly alert.

Another feature consistent with our broader approaches is that our border protection activities include counter terrorism capacity building in countries in our region from which people and goods depart for Australia and elsewhere.

The Airport and Passengers Environment

A key factor in managing risk at airports is the limited time available as passengers transit through the terminal. As such Customs employs a layered approach to managing risk.

This involves a combination of pre-arrival screening of passengers, questioning and observation of passengers at the immigration line and in the baggage hall and reviews by detector dogs leading to targeted baggage examination using x-ray and trace technology as appropriate.

As noted, prior to passengers' arrival in Australia we have details of the passengers on each flight as well as a range of their reservation and itinerary data.

This enables us to identify people of interest to law enforcement and security agencies and organise appropriate action prior to their arrival.

This is supported by the work we have done with law enforcement and security agencies to develop indicators that may give rise to suspicion of criminal or terrorist associations. These are constantly reviewed drawing on international experience.

Our operations at international airports are enhanced by an extensive and expanding CCTV coverage that helps in both identifying and tracking persons of interest.

We have also been funded by the Government to work with other operators of CCTV's at airports to develop the capacity to link and store offsite recorded footage – a facility that would be invaluable in responding to any terrorist incident at an airport.

We also bring our border expertise to the steps taken by the Government to provide a more visible presence at airports to both deter and respond to criminal and potential terrorist activity.

We have significantly increased our airside border patrols at Sydney, Melbourne, Brisbane, Adelaide, Perth, Darwin and Cairns airports and Customs officers are part of the new Joint Airport Investigation Teams at Sydney, Melbourne, Brisbane, Adelaide and Perth airports.

The Cargo Environment

As in the passengers environment, advance cargo information is provided prior to arrival at Australian ports. This enables us to target selected cargo for further scrutiny on arrival.

Our inspection capacity has been greatly enhanced by the introduction in recent years of whole container x-ray equipment operated through our Container Examination Facilities as at major ports.

Depending on such factors as the level of intelligence available and the results of the container x-rays, containers may be unpacked and subject to physical examination, pallet x-ray or examination by specialist chemical, radiological and nuclear material detection equipment.

Incoming international mail and air express items are subject to x-ray checks.

The Maritime Environment

Once again, through the provision of advanced vessel and crew arrival information all commercial vessels are risk assessed, with crew and any passengers pre-screened as in the airport environment.

Currently around 80% of arriving vessels are boarded at the first point of entry. We maintain a specialist capability for complete ship searches which is deployed as appropriate.

Coastal Surveillance and Response

The Border Protection Command operates to ensure that the respective Defence and Customs aerial surveillance and sea-going capabilities are co-ordinated seamlessly to address maritime threats such as illegal foreign fishing, people smuggling or potential terrorist threats.

A particular focus is on protection of Australia's offshore oil and gas facilities, with surveillance flights and Australian Customs' vessels and

navy patrol boats providing a planned visible presence to protect our offshore energy infrastructure.

Regional Capacity Building

A significant component of the Government's Regional Counter Terrorism Initiative is to provide assistance to regional countries to strengthen their ability to apply border controls, especially in the key Sulu and Celebes Seas area.

The initiative aims to improve intelligence collection by regional border control authorities, and increase the monitoring of terrorist-related movements between Indonesia, Malaysia, the southern Philippines and Thailand at key ports in the Sulu and Celebes seas area, and originating departure ports in the broader Archipelago.

Customs is achieving this through four key approaches - building on our relationships with Customs and other border control agencies in Southeast Asia; identifying opportunities for joint cooperation within the border agencies of Malaysia, Indonesia, and the Philippines; coordinating the development and delivery of capacity building activities to meet these identified needs; and working cooperatively with partner agencies - Australian and overseas.

We have undertaken training surveys into precursor awareness and ship search in Malaysia and Philippines and have assessed high risk ports in Sabah Malaysia prior to introduction of x-ray and drug and explosives detection technology. Recently, Customs chaired in Manila an Inter Agency Border Strengthening Workshop which included the Department of Immigration and Multicultural Affairs and the Department of Transport

and Regional Services to assist Philippines agencies to identify areas of cooperation and further development.

Future Challenges and Opportunities

Perhaps the greatest challenge we face in our border protection role is our capacity to respond to the reality that those seeking to breach our borders will be responsive to our interventions.

Continually reviewing and adapting our capabilities at the border is an imperative.

Intelligence is key to that and our capability here is the subject of review by Booz, Allen Hamilton.

The development of the Australian Maritime Identification System within the Border Protection Command will provide a critical tool in the monitoring and surveillance of Australia's Maritime domain for vessels that could be involved in terrorism, people smuggling, illicit drugs, bio-security threats, environmental breaches and illegal fishing.

Under the umbrella of the Department of Transport and Regional Services responsibility for transport security Customs is engaged in a series of trials of detection technology to screen export cargo on passenger planes for explosives.

New legislative measures will strengthen the response to terrorism.

For example, under the *Anti-Terrorism (No 2) Act 2005* Customs will administer a new requirement for the reporting of cross-border transfers

of Bearer Negotiable Instruments – such as traveller's cheques – in addition to the existing currency reporting requirements. This implements one of the nine special recommendations of the Financial Action Task Force (FATF) to counter terrorist financing and the Bearer Negotiable Instruments regime will ensure AUSTRAC has the opportunity to monitor funds other than cash moving in and out of the country.

Similarly, existing controls over the importation of explosives are to be strengthened. Under these Customs will soon be called upon to enforce the requirements for plastic explosives to be marked, which would see Customs examine, detain, relocate and store non-marked plastic explosives. Marked explosives would only be delivered when the appropriate permission has been issued.

We continue to explore developments in detection and other technology to support us in performing our role. For example this financial year we will be undertaking trials of drive through radiation portals for cargo examinations, leveraging off the US experience in this field.

Increasingly the focus of Customs organisations around the world is moving to end-to-end supply chain management rather than management at the border.

Consistent with this we are actively exploring the development of what is termed an Authorised Economic Operator program. Very broadly, an Authorised Economic Operator is an importer or exporter who has verifiably secure systems in place from packing to unpacking such that

the contents of a sea container can be confirmed with reasonable confidence.

For Customs it results in greater confidence in goods moving through the supply chain of the operator. For the operator there is the confidence that their goods would continue to move in the face of a major security incident involving international trade. Critical to this is international recognition of each country's program. I have already been in touch with my counterpart in New Zealand to ensure we develop our respective programs in a way that provide mutual recognition for trade by Authorised Economic Operators between our two countries.

This last point brings me to our final challenge.

Detection and preventative measures are essential. However ensuring that we find ways to do that without unreasonably compromising the community's reasonable expectations about ease of travel and trade is equally critical. To do otherwise is to pass control of our way of life to those who seek to compromise it.