

Protecting Australia's Borders

By MICHAEL OUTRAM APM, Commissioner and Comptroller General of Customs – Australian Border Force

In the winter of 2018, soon after I was appointed Commissioner of the Australian Border Force (ABF), I outlined in this magazine my vision for modernising Australia's customs and border functions.

Back then we were relatively new to the Home Affairs portfolio and our complex, 10-year customs and border modernisation journey was just beginning. Almost two years on, record numbers of people and goods continue to cross our borders, matched by an increasingly complex international travel and trade environment.

With more than 44 million air travellers traversing our border in the 2018-19 financial year alone — that's almost double Australia's population — facilitating passenger movements with world class technology is more important than ever.

Likewise, with strong trade growth resulting in ABF officers processing 53 million air cargo and 2.3 million sea cargo containers in the same period, a secure and efficient trading environment is an essential part of our nation's economy and international competitiveness.

Australia's two-way trade is now worth close to \$800 billion and edging towards \$1 trillion over the coming years. More than 53,000 Australian businesses export their goods to the world, while one in five jobs in our economy involves trade-related activities.

Along with rising numbers of people and trade, we detected more than 19 tonnes of illicit drugs at the border in the 2018-19 financial year – about 14 tonnes more than in 2015-16.

The ABF must be a reliable filter – one which facilitates beneficial travel and trade flows crucial to our nation's economic prosperity, while also identifying and intercepting security

threats. In this day and age, it is impractical and financially unfeasible to manage the border by simply putting additional officers into our operational front line.

That's why, in line with the Prime Minister's intention to improve service delivery while cutting red tape and bureaucracy, we are working towards improving all aspects of our business while making our services more convenient, seamless and digital.

We cannot do this alone. Partnership is at the core of our customs and border modernisation agenda. We are actively developing and building on our partnerships with Australian Government agencies, foreign governments, industry and business, to respond to shared challenges and harness our collective capabilities for the benefit of all.

One example of inter-country cooperation is our work with the New Zealand Customs Service, to trial a digital secure trade lane. For business, the lane reduces administration and customs checks, allowing our respective government agencies to obtain trade information faster. As such we are better able to monitor higher-risk, trans-Tasman cargo.

Bolstering revenue collecting opportunities, upgrading our underlying IT platforms and infrastructure, leveraging technologies like blockchain and continuing to expand our thriving programs such as the Australian Trusted Trade program, are additional priorities.

There are now more than 600 businesses and service providers accredited as Australian Trusted Traders, with many more progressing towards accreditation. Benefits include priority treatment of goods at the borders of countries where Australia has a Mutual Recognition Arrangement (MRA). These countries now include Canada, the People's Republic of China, Hong Kong,

Japan, New Zealand, Korea, Singapore, Taiwan and India. Negotiations to establish MRAs are also being progressed with the United States of America and Thailand. We also hope to establish agreements with Malaysia and Indonesia.

Reforms for Australia's food manufacturing sector announced by the Australian Government's Deregulation Taskforce in late 2019 include a new online export documents system. By reducing barriers to investment through cutting red tape and paper shuffling, it will be easier for sole traders and micro businesses to take their growth to the next level.

Our work on supply chain integrity has identified vulnerabilities that we are working on to shore up in partnership with intelligence and law enforcement agencies. Among other integrity and enforcement measures, the ABF is considering how Artificial Intelligence techniques could support improved identification of illicit goods and individuals of concern.

Border Watch will continue to be our primary reporting mechanism for industry and the community to report suspicious border, customs and immigration related activity. I encourage readers of this publication to remain vigilant, and continue to work with us anonymously if you prefer.

A public version of the ABF's Border Permits Review, a whole-of-government review into border permits and associated licences, will be available on our website in coming months. Findings are currently being considered by the Australian Government, and include opportunities to reduce government intervention, remove barriers for international trade, and simplify processes related to prohibited and licenced goods.

Ongoing innovation and improvements

to the way we manage the border is underwritten by our commitment to achieving excellent operational results.

The ABF led Illicit Tobacco Taskforce (ITTF) is working closely with international partners and law enforcement agencies operating across the border continuum, to crack down on the illicit importation of tobacco.

On 26 December last year, the ABF, with the assistance of Singapore Customs, seized around one million illicit cigarettes with an estimated evaded duty of \$1 million, from air cargo in Sydney. The seizure followed advice from the Korean Customs Service.

On 27 December, the ITTF was alerted by another overseas partner agency to a shipment arriving into Melbourne that contained 9.8 million cigarettes fraudulently declared as dough mixers, cake fridges and freezers. The estimated duty evasion was nearly \$9 million.

A third large sea cargo shipment arrived in Melbourne from Hong Kong in early January that contained more than 1.5 tonnes of rough-cut tobacco concealed in tabletops. Information from authorities in Hong Kong helped make the detection possible.

In addition to these successes, Operation CABESTRO was initiated by the ABF in July last year to investigate individuals and groups suspected of defrauding the Australian Government of potentially hundreds of millions of dollars, through claiming false duty drawbacks on imported alcohol.

On 11 December last year, the operation saw about 200 officers execute search



Paul Zalai with ABF Commissioner Michael Outram APM

warrants on 15 properties across Sydney and Melbourne, seizing 800,000 bottles of alcohol, luxury watches, cars and \$1 million in cash.

The ABF will continue to focus on identifying serious revenue evasion that, left unchecked, risks Australia's economic performance and increases the community's exposure to harmful goods. We take black economy activities seriously because they have serious consequences for us and all of you.

Avoiding customs duties gives those who do the wrong thing an unfair competitive advantage over legitimate businesses. Smuggling counterfeit goods can also have serious health and safety risks for our community. Almost all counterfeit electronic goods that we have detected, for example, have subsequently been found to not contain heat retardants or other essential safety features to prevent fires and electrocution.

It is our mission to keep building a prosperous, secure and united Australia.

In the wake of the outbreak of the Novel Coronavirus in China, on 1 February, Australia implemented a whole of Government response to mitigate the risk posed to the health and safety of the Australian community by this global health emergency. The ABF was swift to implement enhanced border control measures to minimise the risk of the virus spreading to Australia, while concurrently facilitating the safe return to Australia of vulnerable Australian citizens isolated in China's Hubei Province. We continue to work with industry to manage risks and minimise the impact of the Novel Coronavirus on Australia's commercial interests.

In an ever more complex and challenging operating environment, I remain confident that together with new and existing partners, we will continue to support the Australian Government's agenda to improve service delivery, reduce red tape, and maintain a border continuum that is simultaneously facilitative, secure, and resilient to global shocks.

Customs Advisory Board providing industry perspectives on customs and border modernisation (ABF Media Release 27 Feb 2020)

Industry leaders will give their perspectives on how to improve the Australian Customs System through the establishment of the Customs Advisory Board (the Board)

The Board, whose ten members were selected from across Australian industry, will provide advice to the Australian Border Force (ABF) Commissioner as the ABF takes forward customs and border modernisation.

"By creating a board of industry leaders with significant expertise in trade and travel, and seeking their advice, the ABF will be well placed to undertake our modernisation agenda and support

Australia's continued economic prosperity while keeping Australia safe", Commissioner Outram said.

"This forum demonstrates the commitment of Australia's private sector leaders to improving Australia's trade and travel systems."

Commissioner Outram will chair the Board, which consists of the below representatives:

- Mr Geoff Culbert, Chief Executive Officer, Sydney Airport
- Mr Shayne Elliott, Chief Executive Officer, ANZ

- Dr Stephanie Fahey, Chief Executive Officer, Austrade
- The Hon Mr Mike Gallacher, Chief Executive Officer, Ports Australia
- Mr Joel Katz, Managing Director, Cruise Lines International Association
- Mr Tino La Spina, Chief Executive Officer International, Qantas
- Mrs Dianne Tipping, Chair, Export Council of Australia
- Ms Jennifer Westacott, AO, Chief Executive, Business Council of Australia
- Mr Richard White, Chief Executive Officer and Founder, WiseTech Global
- Mr Paul Zalai, Director, Freight and Trade Alliance

