

The Auditor-General
Audit Report No.6 2008–09
Performance Audit

Illegal, Unreported and Unregulated Fishing in the Southern Ocean

Australian Customs Service

© Commonwealth
of Australia 2008

ISSN 1036-7632

ISBN 0 642 81035 4

COPYRIGHT INFORMATION

This work is copyright. Apart from any use as permitted under the *Copyright Act 1968*, no part may be reproduced by any process without prior written permission from the Commonwealth.

Requests and inquiries concerning reproduction and rights should be addressed to the Commonwealth Copyright Administration,
Attorney-General's Department,
Robert Garran Offices,
National Circuit
Barton ACT 2600

<http://www.ag.gov.au/cca>



Canberra ACT
30 September 2008

Dear Mr President
Dear Mr Speaker

The Australian National Audit Office has undertaken a performance audit in the Australian Customs Service in accordance with the authority contained in the *Auditor-General Act 1997*. Pursuant to Senate Standing Order 166 relating to the presentation of documents when the Senate is not sitting, I present the report of this audit and the accompanying brochure. The report is titled *Illegal, Unreported and Unregulated Fishing in the Southern Ocean*.

Following its presentation and receipt, the report will be placed on the Australian National Audit Office's Homepage—<http://www.anao.gov.au>.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ian McPhee', is positioned above the printed name.

Ian McPhee
Auditor-General

The Honourable the President of the Senate
The Honourable the Speaker of the House of Representatives
Parliament House
Canberra ACT

AUDITING FOR AUSTRALIA

The Auditor-General is head of the Australian National Audit Office. The ANAO assists the Auditor-General to carry out his duties under the *Auditor-General Act 1997* to undertake performance audits and financial statement audits of Commonwealth public sector bodies and to provide independent reports and advice for the Parliament, the Government and the community. The aim is to improve Commonwealth public sector administration and accountability.

For further information contact:
The Publications Manager
Australian National Audit Office
GPO Box 707
Canberra ACT 2601

Telephone: (02) 6203 7505
Fax: (02) 6203 7519
Email: webmaster@anao.gov.au

ANAO audit reports and information about the ANAO are available at our internet address:

<http://www.anao.gov.au>

Audit Team

Tom Clarke
David Rowlands
Jon Hansen
Dianna Smith
Amanda Hall
Claire Dunstall

Contents

| | |
|--|-----------|
| Abbreviations and Glossary | 7 |
| Summary and Recommendations | 9 |
| Summary | 11 |
| Introduction | 11 |
| Audit scope and objective | 13 |
| Conclusion | 14 |
| Key findings by chapter | 15 |
| Recommendations | 19 |
| Agency response | 19 |
| Recommendations | 20 |
| Audit Findings and Conclusions | 23 |
| 1. Background and context | 25 |
| Background | 25 |
| Context | 30 |
| Audit objective and method | 35 |
| 2. Program Performance | 36 |
| Introduction | 36 |
| The SOMPR program: outcomes and outputs | 37 |
| Assessing and reporting performance | 39 |
| Customs' strategy for Southern Ocean patrols after 2009–10 | 46 |
| Financial management of the SOMPR program | 47 |
| Customs' approach to identifying, reporting and mitigating program risks | 48 |
| 3. Stakeholder Coordination | 51 |
| Introduction | 51 |
| SOMPR program coordination arrangements | 51 |
| International cooperative patrolling and surveillance | 57 |
| 4. Long-term planning for operations and resource management | 59 |
| Introduction | 59 |
| Long-term planning for operations | 59 |
| Human resource management | 61 |
| Management of physical resources | 66 |
| 5. Tasking processes and patrol operations | 70 |
| Introduction | 70 |
| Patrol planning | 70 |
| Southern Ocean patrol Standing Operating Procedures | 73 |
| Patrol reporting and performance assessment | 76 |

Appendices 81

| | | |
|--------------------------------------|--|----|
| Appendix 1: | Definition of Illegal, Unreported and Unregulated fishing | 83 |
| Appendix 2: | History of Southern Ocean patrolling | 85 |
| Appendix 3: | IUU vessels apprehended by Australian authorities since 1997 | 87 |
| Appendix 4: | Roles of key SOMPR program stakeholders..... | 88 |
| Appendix 5: | Potential performance measures to assess the performance of the SOMPR program | 90 |
| Index..... | | 92 |
| Series Titles..... | | 94 |
| Current Better Practice Guides | | 95 |

Tables

| | | |
|-----------|---|----|
| Table 1.1 | Southern Ocean patrol statistics: 1 July 2004–30 June 2007 | 30 |
| Table 2.1 | SOMPR program financial budget compared to actual financial results for period 1 July 2004 to 30 June 2007 | 47 |

Figures

| | | |
|------------|---|----|
| Figure 1.1 | Area of operations for SOMPR program patrols including the Australian EEZ and CCAMLR area | 26 |
| Figure 1.2 | The Oceanic Viking | 27 |
| Figure 1.3 | Operating conditions in the Southern Ocean | 32 |
| Figure 1.4 | Current administrative arrangements for the SOMPR program | 34 |
| Figure 2.1 | SOMPR program outcomes and outputs | 38 |
| Figure 2.2 | Customs' Outcome and Outputs Framework 2007–08 (abridged)..... | 39 |
| Figure 2.3 | SOMPR program: number of Southern Ocean and northern waters patrol days 2004–05 to 2006–07 | 41 |
| Figure 3.1 | Emergency medical evacuation using the Oceanic Viking..... | 55 |
| Figure 3.2 | Environmental checks on Heard Island..... | 56 |
| Figure 4.1 | Oceanic Viking tender | 65 |
| Figure 5.1 | Apprehension of an illegal foreign fishing vessel | 74 |
| Figure A 1 | Timeline of Southern Ocean patrols..... | 85 |

Abbreviations and Glossary

| | |
|---------|---|
| AAD | Australian Antarctic Division |
| AADPMU | Australian Antarctic Division Polar Medicine Unit |
| ADOs | Allocated Days Off |
| AFMA | Australian Fisheries Management Authority |
| AGD | Attorney-General's Department |
| BoM | Bureau of Meteorology |
| BPC | Border Protection Command |
| CCAMLR | Commission for the Conservation of Antarctic Marine Living Resources or Convention on the Conservation of Antarctic Marine Living Resources (<i>depending on context</i>) |
| Customs | Australian Customs Service |
| DAFF | Department of Agriculture, Fisheries and Forestry |
| Defence | Department of Defence |
| DFAT | Department of Foreign Affairs and Trade |
| EEZ | Exclusive Economic Zone(s) |
| EOCU | Enforcement Operations Coordination Unit |
| HIMI | Heard Island and McDonald Island |
| IUU | Illegal, Unreported and Unregulated |
| JMC | Joint Management Committee |
| LTSP | Long-Term Sailing Plan |
| MoU | Memorandum of Understanding |

| | |
|---------|---|
| MPRU | Maritime Patrol and Response Unit |
| OAG | Operational Advisory Group |
| POR | Post Operation Report |
| RHIB | Rigid-hulled inflatable boat |
| SOLAS | [United Nations] Safety of Life at Sea [Convention] |
| SOMPR | Southern Ocean Maritime Patrol and Response |
| SOPs | Standing Operating Procedures |
| Tasking | Tasking is the process of identifying and assigning targets or objectives to SOMPR program resources. |
| WAP | Work Area Plan |

Summary and Recommendations

Summary

Introduction

1. Since late 1997, the Australian Customs Service (Customs), the Department of Defence (Defence), and the Australian Fisheries Management Authority (AFMA) have been patrolling Australia's Southern Ocean Exclusive Economic Zones (EEZs) and apprehending fishing vessels operating there illegally. Following an incursion into Australia's extensive Southern Ocean EEZs¹ by an illegal fishing vessel in August 2003² the then Government announced a program to deter, detect, and apprehend vessels conducting illegal, unreported and unregulated (IUU) fishing in this zone. The program, the Southern Ocean Maritime Patrol and Response (SOMPR) program, has been administered by the Australian Customs Service (Customs) from 1 July 2004.
2. The Government allocated \$89.2 million over two years for this program. Most of this funding was to contract an armed vessel capable of year-round patrols in the challenging conditions of sub-Antarctic weather.³ The vessel is the *Oceanic Viking*.
3. In 2005–06 the Government extended the SOMPR program until 30 June 2010 at a total cost of \$181.3 million.⁴ Customs retained the *Oceanic Viking* as the vessel for Southern Ocean patrols.
4. In general terms, IUU vessels are those vessels detected undertaking:
 - 'illegal fishing'. This is fishing in national waters without the permission of a state or in contravention of its laws and regulations. It also refers to a vessel contravening a conservation measure of a

¹ Australia's Southern Ocean EEZs are approximately 880 000 square kilometres and includes: Heard Island; the McDonald Islands; and Macquarie Island. The incursion occurred within the Heard and McDonald Islands EEZs. These zones extend from the outer edge of the twelve nautical mile belt of coastal waters up to 200 nautical miles. Within an EEZ, Australia has sovereign rights for the purpose of exploring, exploiting, conserving and managing all natural resources of the waters superjacent to the seabed and of the seabed and its subsoil.

² The Australian civilian patrol vessel, the *Southern Supporter* detected the *Viarsa I* operating illegally in Australia's EEZs. Following an extended pursuit of the *Viarsa I* by Australian and South African vessels, it was apprehended in August 2003.

³ Weather conditions can include Force 12 gales and seas of more than 10 metres. The Government decided that the vessel required armament to help apprehend potentially hostile IUU vessels.

⁴ This funding comprises \$167.8 million for Customs and \$13.5 million for the Department of Agriculture, Fisheries and Forestry. This was additional to previous program funding, and was allocated for the four years from 2006–07 to 2009–10.

relevant Regional Fisheries Management Organisation of which the country that vessel is flagged to is a member;

- ‘unreported fishing’. This is fishing which has not been reported or has been misreported by fishing vessels; or
- ‘unregulated fishing’. This is fishing by vessels without nationality, under flags of states not party to regional fisheries management regimes, or in ways that contravene such regimes.⁵

5. The Government’s desired outcomes for the SOMPR program are the protection of:

- the Patagonian Toothfish fishery from IUU fishing in Australia’s EEZs surrounding Heard Island and McDonald Islands (known as ‘HIMI’);
- Australian Southern Ocean waters; and
- the fragile Southern Ocean environment.

6. Before the program began in July 2004, eight IUU vessels had been apprehended since 1997–98. The Government expected the frequency of incursions into Australia’s Southern Ocean EEZs to increase. However, since July 2004 there has been one IUU vessel sighted and apprehended in the Southern Ocean.⁶ This decline in apprehension activity within the Australian EEZ, together with the introduction of joint surveillance and patrol operations with France in the Southern Ocean, has allowed the Government to undertake other activities, including:

- environmental checks and weather buoy deployment on behalf of the Australian Antarctic Division and Bureau of Meteorology;
- deployments into Australia’s northern waters to increase the number of apprehensions of illegal foreign fishing vessels;⁷

⁵ Fallon, L., 2007, The role of state and non-state actors in Patagonian Toothfish management (*doctoral thesis*), University of Tasmania. The internationally accepted definition of IUU fishing is specified in Appendix 1 of this report.

⁶ The vessel apprehended (the *Taruman*) in July 2004 was found fishing illegally within the Macquarie Island EEZ. Since the introduction of the SOMPR program, no IUU vessels have been apprehended operating in the HIMI EEZ.

⁷ As a result of joint patrol coverage with France in the Southern Ocean, the SOMPR program can undertake two maritime patrols annually in Australia’s northern waters. The audit did not examine Customs’ performance in undertaking these northern waters patrols. However, it did examine the impact these patrols had on the provision of patrolling and apprehension services to the Southern Ocean.

- inspections of licensed Conservation of Antarctic Marine Living Resources (CAMLR)⁸ Convention vessels;
- detection and reporting of IUU fishing vessels operating on the high seas part of the Commission for the Conservation of Antarctic Marine Living Resources (CCAMLR) area;
- emergency medical evacuations carried out as part of Australia's international *Safety of Life at Sea* obligations; and
- ad hoc engagements for other Australian border protection and environmental purposes.⁹

7. These activities have changed, and continue to change, based on government requirements for the SOMPR program, cooperative patrolling arrangements between Australia and other countries in the Southern Ocean, and other international obligations.

Audit scope and objective

8. The objective of the audit was to assess whether Customs has implemented effective measures to control IUU fishing in the Southern Ocean. The audit examined Customs' management and coordination of enforcement operations in the Southern Ocean, with particular emphasis on:

- the approach to assessing and reporting SOMPR program performance, and whether outcomes are being met;
- coordination with other stakeholder agencies to meet program outcomes;
- the operational planning framework, management of human and physical resources and contract management; and
- the management of the deployment and operation of program maritime assets.

⁸ CCAMLR has 25 member nations. Fishing vessels flagged to those nations are required to comply with the CAMLR Convention. The Convention is used to manage fisheries taking into account the marine ecosystem.

⁹ For example, the *Oceanic Viking* was used for security purposes during the Asia-Pacific Economic Cooperation (APEC) forum in September 2007. The *Oceanic Viking* was also used to monitor the Japanese whaling fleet in early 2008.

Conclusion

9. To implement the SOMPR program, Customs procured and now operates a vessel capable of patrolling harsh sub-Antarctic waters. Customs has consistently exceeded its target of at least 200 sea days patrolling annually, and has performed that work within its budget.

10. Customs completed negotiations with France (which shares common Southern Ocean maritime boundaries with Australia) to patrol the Southern Ocean Patagonian Toothfish fisheries. This has improved patrolling effectiveness for both countries by reducing the likelihood that patrols in the Southern Ocean are duplicated, and increasing the number of patrols, and time spent patrolling, the Southern Ocean.

11. In the four years since the SOMPR program commenced, one IUU vessel has been sighted and apprehended in Australia's Southern Ocean EEZ. This low level of IUU activity indicates that one of the original desired outcomes of the SOMPR program—to protect Australia's Patagonian Toothfish fishery from IUU fishing—is being achieved.

12. In this light, Customs has successfully implemented measures to control IUU fishing in the Southern Ocean. However, with existing information it is difficult to determine the extent to which those measures have contributed to the decline in observed IUU activity. IUU activity is likely to be influenced by a range of factors that can vary over time, including patrolling by France, fish stocks, weather conditions and economic conditions (including fuel, equipment and fish prices).

13. Against this background, it is important that Customs continues to update its assessment of the threat of IUU fishing, taking these factors into account. This should enable Customs to understand better the influences on IUU activity and provide assurance that SOMPR program resources are used efficiently and effectively to mitigate those threats. To enable Customs to provide this assurance and to support policy decisions about the future shape of the program, it should:

- develop an approach which provides an assessment of the SOMPR program's performance and the extent to which the program's activities contribute to the intended outcomes; and
- develop a strategic plan for Southern Ocean patrolling, identifying patrolling options for government after the conclusion of the program on 30 June 2010.

14. To deliver the SOMPR program, Customs receives services and advice from other Australian Government agencies (such as the Australian Fisheries Management Authority). To date, Customs and other SOMPR stakeholders have coordinated their activities well. However, with the expiry of a formal agreement with a key stakeholder (the Australian Antarctic Division), it is opportune for all parties to agree and document their individual roles and responsibilities within the program.¹⁰ This would provide increased assurance that SOMPR program services continue to be coordinated effectively.

15. Customs leases the *Oceanic Viking* from a private firm. The measures Customs has introduced to manage the contract could be improved by specifying clearly the roles and responsibilities of Customs' Contract Manager.

Key findings by chapter

Program performance (Chapter 2)

16. In 2004–05 there were delays in commencing the SOMPR program. However, Customs met its commitment to government to patrol Australian waters for 200 days in that year.¹¹ Since 2004–05, Customs has delivered the SOMPR program within 3 per cent of the original program budget. Customs has also met its commitment to patrol Australian waters for a minimum of 200 days annually. Based on these results, Customs has, to date, delivered the activities required under the SOMPR program on time and on budget.

17. However, this information is insufficient to show the extent to which the SOMPR program has satisfied its intended outcomes. It is also not possible to determine whether, over time, program efficiency and effectiveness has improved or deteriorated.

18. Collecting and reporting on a wider range of performance information which covers key SOMPR program activities would provide an improved measure of program performance. This could include collecting and reporting information on the:

- number of suspected IUU vessels detected compared to the number of IUU vessels intercepted and apprehended; and

¹⁰ Customs and the Australian Antarctic Division advised as part of their responses to the audit, that they have recently signed a new Memorandum of Understanding (MoU) regarding the provision of services in the Southern Ocean.

¹¹ There were delays in commencing the program due to difficulties in recruiting and training operational staff in 2004–05. This resulted in a 17 per cent underspend on the program in that year.

- activities not directly related to the original decision to patrol Australia's Southern Ocean EEZ. To date these activities have included support for APEC and monitoring whaling activity in the Southern Ocean.

19. Customs has undertaken preliminary work with Defence and other agencies to re-assess the risks to Australia's borders, and the maritime capability required to mitigate these risks. It has not completed a strategy for Southern Ocean patrols beyond 2009–10. The ANAO considers it important that the development of a strategy, and the identification of potential assets to undertake patrolling after 30 June 2010, commences in a timely fashion.

Stakeholder coordination (Chapter 3)

20. The SOMPR program has a range of stakeholders comprising Australian Government agencies and other organisations. These stakeholders provide services which are essential to program delivery, including: medical support; advice on the Southern Ocean operating environment; quarantine issues; advice on international maritime law; intelligence gathering and analysis; and international diplomacy.

21. The Operational Advisory Group (OAG) is a forum that allows Australian Government agency stakeholders (OAG members) to provide strategic and operational guidance to Customs on: fisheries matters; domestic and international law; CCAMLR convention; Antarctic Treaty; and foreign affairs as they relate to the operation of the patrol program. Stakeholder advice, and an examination of the OAG minutes and briefing papers, showed that the OAG is an effective forum for member agencies to provide their views and for Customs to coordinate the program.

22. To coordinate SOMPR program activities well, not only must stakeholder agencies provide services to Customs¹² but SOMPR program operational information (such as intelligence gathered during Southern Ocean patrols) must also be distributed to OAG members. Although working arrangements between Customs and its OAG members are generally sound, they would be strengthened if roles, responsibilities and accountabilities for providing and retrieving operational information were clearly documented and agreed. That includes ensuring existing MoUs for the provision of SOMPR program services by stakeholders are up-to-date.

¹² For example, the Australian Antarctic Division provides a doctor for all SOMPR program patrols.

23. Another important stakeholder is the French Government. On 1 February 2005, a treaty formalising cooperative surveillance activities between Australia and France in their respective maritime zones entered into force.¹³ Since that time, Customs and Australian Fisheries Management Authority staff have participated in nine joint patrols on board French vessels, and French personnel have been on board eight Australian patrols. These arrangements have benefited Customs and SOMPR program operations.

Long-term planning for operations and management of resources (Chapter 4)

24. The Southern Ocean Long-Term Sailing Plan (LTSP) is a high-level project plan developed by Customs' Maritime Patrol and Response Unit (MPRU). The LTSP specifies when Customs' Southern Ocean patrols should occur. The ANAO found that MPRU's approach to developing the LTSP is sound, but could be enhanced by: documenting the approach to developing the LTSP; recording all the changes made to the LTSP; and recording key stakeholder comments relating to the LTSP.

25. MPRU is responsible for managing the activities of 135 operational staff known as 'Armed Boarding Officers'. These officers have specialist skills in conducting patrols in the Southern Ocean as well as Australia's northern waters. Given the harsh Southern Ocean environment, it is critical that all patrols are deployed with the required number of officers, that those officers are fit for duty, and that they carry appropriate qualifications and clearances. The ANAO found that MPRU obtains and monitors information to ensure that: each patrol is staffed adequately; Armed Boarding Officers receive adequate training; and Armed Boarding Officers are regularly assessed to ensure they are able to perform their roles effectively and safely.

26. Customs leases the *Oceanic Viking* from a private contractor. This lease is the major ongoing cost to the program. MPRU is responsible for the management of the lease including liaising with the contractor. While generally sound, the ANAO found that the approach MPRU uses to manage its contract would be improved if MPRU were to specify the roles and responsibilities of its contract manager, develop governance arrangements for

¹³ A complementary cooperative enforcement treaty—the *Agreement on Cooperative Enforcement of Fisheries Laws between the Government of Australia and the Government of the French Republic in Maritime Areas Adjacent to the French Southern and Antarctic Territories, Heard Island and the McDonald Islands*—was signed on 8 January 2008 but has not yet entered into force.

managing the contract and assign responsibilities for monitoring and reporting on identified risks to the lease.

Tasking processes and patrol operations (Chapter 5)

27. Undertaking Southern Ocean patrols efficiently, effectively and safely requires sound planning before the patrol, clearly defined patrol objectives, and adherence by operational staff to well-developed operating procedures while at sea. Customs' Enforcement Operations Coordination Unit (EOCU) is responsible for managing these aspects of Southern Oceans patrolling.

28. To assess Customs' management of Southern Ocean patrol operations, the ANAO examined the following aspects of EOCU's administration of the deployment and operations of the *Oceanic Viking*:

- individual patrol planning;
- overseeing the implementation of the Standing Operating Procedures (SOPs);¹⁴ and
- patrol reporting and performance assessment.

29. Individual patrol planning includes deciding where the *Oceanic Viking* will depart from, the sailing course it will take during patrols, and the tasks it will complete during patrols. The ANAO found that Customs' approach to planning patrols includes the following:

- an assessment by Customs of intelligence;
- comprehensive briefing for Customs officers, OAG members and *Oceanic Viking* staff; and
- the development of comprehensive Patrol Orders.¹⁵

30. The ANAO considers that the process to develop taskings is systematic, and the information contained in Patrol Orders is clear.

31. Although Customs produced well-documented SOPs at the commencement of the interim SOMPR program in 2004, it has not reviewed and updated these SOPs since May 2005. Customs would obtain increased

¹⁴ To help staff on the *Oceanic Viking* to carry out their taskings efficiently, effectively and safely, Customs developed detailed procedures. SOPs for the SOMPR program are instructions that guide the behaviour and conduct of Customs' Armed Boarding Officers and other *Oceanic Viking* staff when operating in the Southern Ocean. If SOPs are not followed by Armed Boarding Officers and other staff, there is an increased risk that taskings will not be completed safely and satisfactorily.

¹⁵ A Patrol Order is a broad operational plan for a patrol. It includes taskings, which are the targets and/or objectives for the patrol.

assurance that Armed Boarding Officers and other *Oceanic Viking* staff operate efficiently, effectively and safely in the Southern Ocean by reviewing their SOPs periodically in consultation with operational staff.

32. A sound Southern Ocean operational reporting regime is essential to: gather and report on IUU vessel sightings and apprehensions; inform program stakeholders of patrol events; and record the performance of the vessel and Armed Boarding Officers in undertaking patrols. EOCU has established a comprehensive regime to report on the activities and events that occur in the Southern Ocean. These reports range from detailed descriptions of events or activities, used to gather intelligence, through to broader assessments of patrols. However, the quality and detail of individual reports is inconsistent, and the reports do not always address the objectives for each patrol. The ANAO considers that this type of assessment is important not only to determine how well specific taskings are completed on each patrol, but also in assessing Customs' performance in fulfilling its program objectives.

Recommendations

33. The ANAO has made four recommendations aimed at strengthening Customs' assurance that the measures it has in place to control IUU fishing in the Southern Ocean are effective. Customs agreed with all of these recommendations.

Agency response

34. Customs welcomes the report on *Illegal, Unreported and Unregulated Fishing in the Southern Ocean*, which identifies that Customs has successfully implemented measures to control illegal, unreported and unregulated fishing in the Southern Ocean, coordinating activities well with other stakeholders and delivering activities on time and on budget.

35. Customs agrees with the report's four recommendations that provide useful guidance for Customs to enhance its performance in delivering the Southern Ocean Maritime Patrol and Response program.

Recommendations

Set out below are the ANAO's recommendations aimed at improving Customs' management of the Southern Ocean Maritime Patrol and Response program. Report references and abbreviated Customs' responses are included. More detailed responses are in the body of the report. The ANAO considers that Customs should give priority to Recommendations 1 and 2.

Recommendation

No.1

Para 2.25

To provide an improved measure of its performance in delivering the Southern Ocean Maritime Patrol and Response program, the ANAO recommends that Customs:

- clearly documents the outcomes and outputs that comprise the SOMPR program as the basis for assessing program performance;
- develops a wider range of performance information to assess its performance; and
- provides appropriate information to senior management, stakeholder agencies and the Parliament on whether program outputs are being produced and program outcomes are being satisfied

Customs response: *Agree.*

Recommendation

No.2

Para 2.34

To inform government decision making, the ANAO recommends that Customs, in consultation with other agencies, identifies options for patrolling the Southern Oceans after current program funding expires for possible consideration in the 2009–10 Budget context.

Customs response: *Agree.*

**Recommendation
No.3
Para 3.22**

To increase assurance that SOMPR program services are effectively coordinated, the ANAO recommends that Customs:

- agrees and documents with stakeholder agencies respective roles and responsibilities in the delivery of the program; and
- documents communication protocols with stakeholders on providing program operational data.

Customs response: *Agree.*

**Recommendation
No.4
Para 4.53**

To increase assurance that Customs is managing its contract for the *Oceanic Viking* efficiently and effectively, the ANAO recommends that it:

- specifies the role and responsibilities of its Contract Manager; and
- implements arrangements for the Joint Management Committee to regularly monitor and report on the lease of the *Oceanic Viking* in accordance with contract requirements.

Customs response: *Agree.*

Audit Findings and Conclusions

1. Background and context

Background

1.1 Protecting Australia's Southern Ocean waters is important to safeguard fisheries resources and the fragile Southern Ocean environment. This includes protecting Australia's Exclusive Economic Zones (EEZs) around Heard Island and McDonald Islands (HIMI) and Macquarie Island.¹⁶

1.2 Since late 1997, the Australian Customs Service (Customs), the Department of Defence (Defence), and the Australian Fisheries Management Authority (AFMA) have been patrolling Australia's Southern Ocean EEZs and apprehending fishing vessels operating there illegally. These agencies also undertake patrol and enforcement activity in the area of competence of the Commission for the Conservation of Antarctic Marine Living Resources (CCAMLR) zones.¹⁷

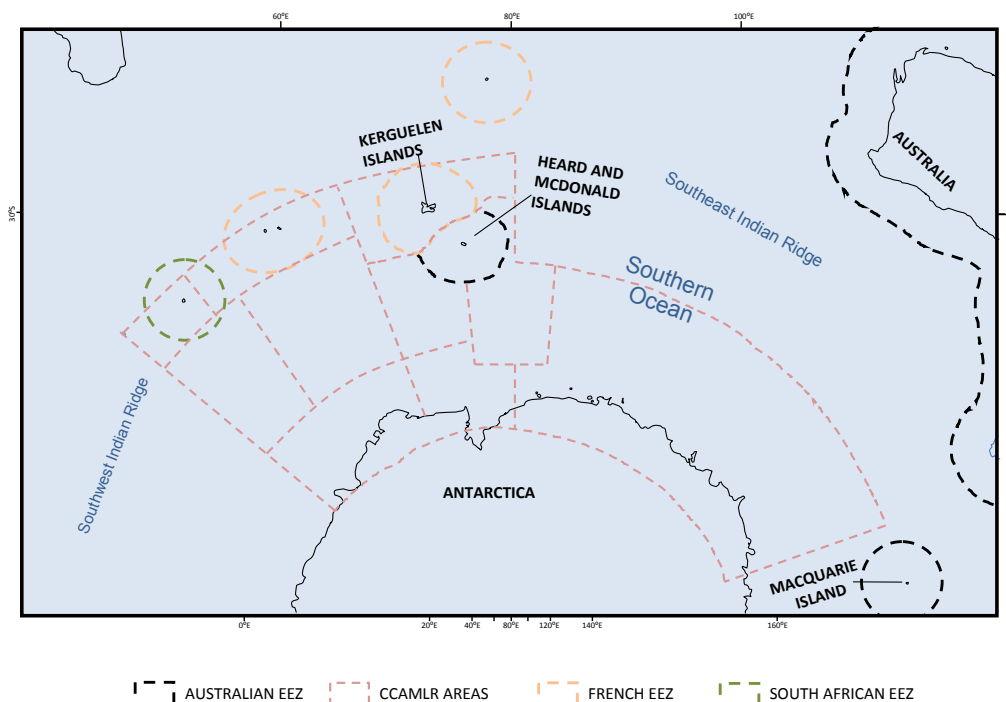
1.3 The Southern Ocean zones patrolled by Customs and other Australian Government agencies are shown in Figure 1.1.

¹⁶ Customs advised that it is not normally responsible for patrolling Macquarie Island EEZ waters. However Customs has, under the SOMPR program, intercepted and apprehended a vessel (the *Taruman*) engaged in illegal fishing in the Macquarie Island EEZ.

¹⁷ CCAMLR has 25 member states. The objective of the Convention is the conservation of Antarctic marine living resources, where conservation is defined as including rationale use (or fishing). The vessels of Member States (and of the 9 States which have acceded to the Convention) are required to adhere to the CAMLR Convention, and any convention measures adopted by the Commission.

Figure 1.1

Area of operations for SOMPR program patrols including the Australian EEZ and CCAMLR area



Source: Department of Defence and Australian Customs Service.

The Southern Ocean Maritime Patrol and Response program

1.4 Following an incursion into Australia's Southern Ocean EEZs by an Illegal, Unreported and Unregulated (IUU) fishing vessel in August 2003¹⁸, the then Government announced an \$89.2 million two-year Southern Ocean Maritime Patrol and Response (SOMPR) program to be administered by Customs from 1 July 2004.¹⁹ Most of the funding was to contract an armed vessel capable of year round patrols in sub-Antarctic weather. The vessel contracted by Customs was the *Oceanic Viking*.

¹⁸ The vessel *Viarsa I* was detected by an Australian civilian patrol vessel *Southern Supporter* in August 2003. The events leading to the establishment of the current Southern Ocean Maritime Patrol and Response program are described in more detail in Appendix 2.

¹⁹ Total funding of \$89.2 million included \$5 million allocated to the Department of Agriculture, Fisheries and Forestry, including AFMA.

1.5 As part of the 2005–06 Budget, the then Government extended the SOMPR program to 30 June 2010 at a total cost of \$181.3 million.²⁰ Customs retained the *Oceanic Viking* as the armed vessel.

Figure 1.2

The Oceanic Viking



The *Oceanic Viking* is the armed vessel used by Customs to patrol the Southern Oceans.

Source: Australian Customs Service.

SOMPR program outcomes

1.6 The initial outcomes of the SOMPR program were to protect:

- **the Patagonian Toothfish fishery around the HIMI EEZ from IUU fishing.** CCAMLR, AFMA and the Australian Antarctic Division (AAD) have determined that this fish species is vulnerable to overfishing, as it matures slowly and attracts a high market value. Illegal fishing threatens the sustainability of the legal Patagonian Toothfish fishery;

²⁰ This funding comprises \$167.8 million for Customs and \$13.5 million for the Department of Agriculture, Fisheries and Forestry. This is additional to previous program funding, being allocated to the four years from 2006–07 to 2009–10. Additional program costs of approximately \$300 000 over four years are likely to be incurred by the: Australian Antarctic Division; Department of Foreign Affairs Trade and Attorney-General's Department.

- **Australian Southern Ocean waters.**²¹ Before the program, Australia had limited capability to patrol its sovereign territory in the Southern Ocean.²² An ability to reach and patrol its Southern Ocean fisheries would help Australia to maintain sovereignty over and to protect the resources in its Southern Ocean EEZs; and
- **the fragile Southern Ocean environment.** The HIMI are Australian territories in the remote and ecologically fragile Southern Ocean sub-Antarctic region. These islands are the only unmodified examples of sub-Antarctic ecosystems, providing valuable breeding and feeding areas for many species of marine mammals and birds. Through its activities in Australia's EEZs, the program has a role in reducing threats to Australia's Southern Ocean maritime environment.

Outputs of the Southern Ocean Maritime Patrol and Response program

1.7 It was envisaged by government that the program outcomes would be achieved through Customs providing services that would deter, detect, and apprehend IUU fishing vessels in Australia's EEZs.²³ These services are the primary program outputs.

1.8 IUU vessels are those vessels detected undertaking:

- *illegal fishing*—fishing in national waters without the permission of a state or in contravention of a state's laws and regulations. It also refers to a vessel contravening a conservation measure of a relevant Regional Fisheries Management Organisation of which the country that vessel is flagged to is a member;
- *unreported fishing*—fishing which has not been reported or has been misreported by fishing vessels; or

²¹ Southern Ocean waters refers only to waters surrounding Australia's sub-Antarctic territories, and does not include the Australian Antarctic Territory.

²² Up to 2004, the Australian Government used Navy vessels for Southern Ocean detection and apprehension purposes. The ongoing use of Australian military vessels for this purpose was determined not to be suitable for the long-term.

²³ The SOMPR program has evolved from focusing only on IUU fishing in the Southern Ocean to include other activities requested by government (see Chapter 2).

- *unregulated fishing*—fishing by vessels without nationality, under flags of states not party to regional fisheries management regimes, or in ways that contravene such regimes.²⁴

1.9 In addition to deterrence, detection and apprehension of IUU vessels in the HIMI EEZ, other work is done as part of this program, including:

- joint surveillance and patrol operations with France;
- environmental checks and weather buoy deployment for the AAD and Bureau of Meteorology (BoM);
- deployments into Australia's northern waters to apprehend illegal foreign fishing vessels in those waters;
- inspections of licensed Conservation of Antarctic Marine Living Resources (CAMLR) Convention vessels;
- detection and reporting of IUU fishing vessels operating on the high seas part of the Commission for the Conservation of Antarctic Marine Living Resources (CCAMLR) area;
- emergency medical evacuations carried out as part of Australia's international *Safety of Life at Sea* obligations; and
- ad-hoc engagements for other Australian border protection and environmental purposes.

1.10 These activities continue to change, based on the Government's requirements, cooperative patrolling arrangements between Australia and other countries in the Southern Ocean, and other international obligations.

SOMPR program statistics

1.11 Between October 1997 and January 2004 (before the program commenced) there were eight IUU vessel apprehensions in the Southern Ocean by Australian authorities. Table 1.1 below provides a summary of IUU vessel sightings, boardings, apprehensions and other key statistics since the commencement of the program on 1 July 2004.

²⁴ Fallon, L., 2007, The role of state and non-state actors in Patagonian Toothfish management (*doctoral thesis*), University of Tasmania. The internationally accepted definition of IUU fishing is specified in Appendix 1.

Table 1.1**Southern Ocean patrol statistics: 1 July 2004–30 June 2007**

| Activity | Results |
|---|--|
| IUU vessel encounters for 2006–07: | |
| • sightings in the Australian EEZs | 0 |
| • apprehensions in the Australian EEZs | 0 |
| • boardings in the Southern Ocean | 1 |
| IUU vessel encounters for 2005–06: | |
| • sightings in the Australian EEZs | 1 |
| • apprehensions in the Australian EEZs | 1 |
| • boardings in the Southern Ocean | 1 |
| IUU vessel encounters for 2004–05: | |
| • sightings in the Australian EEZs | 0 |
| • apprehensions in the Australian EEZs | 0 |
| • boardings in the Southern Ocean | 0 |
| Average number of Southern Ocean patrols per year since the commencement of the SOMPR program | 5 |
| Number of French patrols with Customs and AFMA participation in 2006–07 | 6 |
| Average number of Southern Ocean Sea Days for 2005–06 and 2006–07 | 201 |
| Number of IUU vessel sightings in the Southern Ocean outside Australia's EEZs in 2005–06 | 30 |
| Other Southern Ocean activities completed in 2006–07 | <ul style="list-style-type: none"> • 5 emergency medical evacuations • Environmental checks for AAD • Buoy deployment for BoM |

Source: Australian Customs Service.

1.12 Since the commencement of the SOMPR program, no IUU vessels have been sighted or apprehended in the HIMI EEZ. One IUU vessel has been sighted and apprehended in other Australian Southern Ocean EEZs.²⁵

Context

Patrolling the Southern Ocean

1.13 Patrolling the Southern Ocean is difficult and potentially dangerous for the crew for the following reasons:

²⁵ Further information on the vessels apprehended prior to and following the introduction of the SOMPR program can be found in Appendix 3.

- **its remote location.** HIMI are approximately 4000 kilometres south west of Perth;
- **the total area to be patrolled.** The area to be patrolled around the HIMI and Macquarie Island is approximately 880 000 square kilometres.²⁶ The total area of CCAMLR areas in the Southern Ocean is approximately 36 million square kilometres;
- **severe weather conditions.** The HIMI and surrounding areas are subject to severe weather conditions, including Force 12 gales and seas of more than 10 metres. Average temperatures around HIMI are around minus two degrees Celsius in still air;
- **potentially hostile IUU vessels.** IUU vessels operating in the Southern Ocean are generally large, sophisticated, and of high value. If IUU vessels are apprehended and owners successfully prosecuted, the vessels can be forfeited and sold under Australian law. Illegal catches of fish can also be worth millions of dollars.²⁷ IUU vessels may, therefore, be hostile to SOMPR boarding parties; and
- **ecological sensitivity.** The patrol areas are ecologically sensitive and the HIMI region in particular is home to at-risk species, such as the Patagonian Toothfish, as well as a variety of seabirds. Patrols have to be vigilant to ensure their own activities do not adversely affect the environment they seek to protect.

1.14 To minimise the risk to the safety of the patrol crew and vessel, Customs has to ensure that staff are trained in areas such as: cold climate survival and safety at sea; use of force, including side-arms and deck-mounted weapons; and tactical boarding operations.

²⁶ Customs advised that they are not funded to undertake regular patrols in the Macquarie Island EEZ, however they detained one vessel in this zone (the *Taruman*) for fishing illegally.

²⁷ Information on the value of IUU vessels apprehended by Australian authorities can be found in Appendix 3.

Figure 1.3

Operating conditions in the Southern Ocean



Customs undertakes Southern Ocean patrolling in challenging weather conditions. This picture shows the *Oceanic Viking* patrolling in high sea state conditions.

Source: Australian Customs Service.

Administrative arrangements for the SOMPR program

1.15 Customs has primary responsibility for the administration of the SOMPR program. To operate effectively, the program also requires the involvement of key stakeholder agencies.

1.16 Figure 1.4 provides an overview of operating arrangements for the SOMPR program. This includes a description of the areas in Customs responsible for administering the program, as well as collating and analysing intelligence. Figure 1.4 also briefly describes the role of stakeholder agencies, involved in the delivery of the SOMPR program.²⁸

1.17 Three main groups are involved in SOMPR program delivery:

- **Customs.** The Maritime Patrol and Response Unit (MPRU) and the Enforcement Operations Coordination Unit (EOCU) are the two key Customs areas responsible for overall program administration and coordination. Border Protection Command (BPC) is responsible for providing intelligence to MPRU and EOCU to support operations;

²⁸ A full description of the roles and responsibilities of each of the stakeholders is found in Appendix 4.

- **the Operational Advisory Group (OAG).** This group of Australian Government agencies provides Customs with information to support the effective operation of the program. This includes policy advice, legal advice, and intelligence. AFMA and AAD also provide information and resources for Southern Ocean patrols; and
- **other stakeholders.** Australian HIMI EEZ licensed fishing operators, CCAMLR and other countries with sovereign interests in the Southern Ocean all have direct and indirect contact with Customs and are able to provide advice on the SOMPR program. A private firm leases the *Oceanic Viking* to Customs and provides the sailing crew and maintenance services for the vessel.

1.18 Although this audit examines all three areas of Customs responsible for the program, the main focus is on the MPRU and EOCU, which have primary administrative responsibility.

Figure 1.4

Current administrative arrangements for the SOMPR program



Program Stakeholders

Source: ANAO analysis of Customs information.

Audit objective and method

Audit objective

1.19 The objective of the audit was to assess whether Customs has implemented effective measures to control illegal, unreported and unregulated fishing in the Southern Ocean. The audit examined Customs' management and coordination of enforcement operations in the Southern Ocean, with particular emphasis on:

- assessing and reporting SOMPR program performance, and whether outcomes are being met (Chapter 2);
- coordination with other stakeholder agencies (Chapter 3);
- operational planning, management of human and physical resources and contract management (Chapter 4); and
- the management of the deployment and operation of program maritime assets (Chapter 5).

Audit method

1.20 The audit method comprised:

- review of relevant Customs' and other Australian Government agencies' documentation;
- interviews with Customs officers in Adelaide, Hobart and Canberra;
- interviews with key OAG stakeholders²⁹; and
- interviews with other stakeholders.³⁰

1.21 The audit was conducted in accordance with auditing standards at a cost of \$434 500.

²⁹ Interviews were conducted with representatives from the following OAG agencies: Australian Fisheries Management Authority, Australian Antarctic Division, Department of Foreign Affairs and Trade, and Department of Agriculture, Fisheries and Forestry.

³⁰ Interviews were conducted with staff from the following organisations: Commission for the Conservation of Antarctic Marine Living Resources, P&O Maritime Services Pty Ltd, Austral Fisheries Pty Ltd, Petuna Sealord Pty Ltd, and OAM Group.

2. Program Performance

This chapter discusses the outcomes and outputs of the Southern Ocean Maritime Patrol and Response program and examines Customs' approach to assessing its performance in delivering services to achieve these outcomes.

Introduction

2.1 When assessing the performance of any government program, the three key factors to be considered are that a program is delivered on time, on budget, and to government expectations.³¹ To provide assurance that these factors are assessed and reported adequately, the agencies responsible for the delivery of a particular program must:

- be clear about the desired outcomes of the program (government expectations about protection of fisheries, sovereignty and the environment) and the outputs to be delivered (dealing with IUU fishing vessels through patrolling with a competent marine vessel) in seeking to achieve those outcomes; and
- report meaningfully, regularly and accurately on their performance against the outcomes and outputs.

2.2 This chapter examines whether Customs, as the lead agency for the SOMPR program, is delivering services efficiently and effectively, its program outputs. It also examines how Customs assesses and reports the program's performance against its outcomes. Specifically, the ANAO examined:

- the outcomes and outputs of the program;
- Customs' approach to assessing and reporting on its performance in meeting SOMPR program objectives;
- Customs' strategy for Southern Ocean patrols post 2009–10;
- the financial management of the SOMPR program; and
- Customs' approach to identifying, reporting and mitigating program risks.

³¹ Australian National Audit Office and Department of the Prime Minister and Cabinet, *Implementation of Program and Policy Initiatives: Making Implementation Matter—Better Practice Guide*, October 2006; p.i.

The SOMPR program: outcomes and outputs

2.3 Australian Government policy for protection of its fisheries, Southern Ocean waters and environment in the Southern Ocean has evolved since the introduction of the SOMPR program in 2004. Since the original outcomes of protection of fisheries, sovereignty and the environment were specified (see paragraph 1.6), a number of factors have changed:

- **fewer IUU vessels have been sighted and apprehended in Australia's Southern Ocean EEZs.** Customs has identified and apprehended one IUU vessel in the Southern Ocean EEZs since the program commenced;
- **Australia and France have agreed to joint patrols of the Southern Ocean.** Joint patrols allow both governments to maximise surveillance of the Australian and French EEZs while minimising the duplication of patrolling, deterrence and apprehension activities;
- **SOMPR program assets are used for national security and environmental tasks.** The Government has broadened the SOMPR program. For example:
 - in September 2007, the *Oceanic Viking* was used for security during the Asia Pacific Economic Cooperation (APEC) forum in Sydney; and
 - in December 2007 and January 2008, the *Oceanic Viking* observed the Japanese whaling fleet in the Southern Ocean.
- **extensive illegal fishing in Australia's northern waters.** In 2006–07 Customs apprehended 216 illegal foreign fishing vessels in the northern waters, carrying 1398 illegal foreign fishers. The Government directed Customs to use the *Oceanic Viking* for two northern waters patrols annually. Since 2005–06, the *Oceanic Viking* has apprehended 10 illegal foreign fishing vessels during these patrols.

2.4 SOMPR program outcomes and outputs are not defined clearly in a single document. Taking account of the changes set out above, and a range of government policy documents, the ANAO has summarised them in Figure 2.1.

Figure 2.1

SOMPR program outcomes and outputs

SOMPR program outcomes

(the intended effects on the outside world)

Original outcomes (2004):

- Protection of the Patagonian Toothfish fishery around HIMI EEZ from IUU fishing
- Protection of Australia's Southern Ocean waters
- Protection of the fragile Southern Ocean environment

Additional implied outcomes (2007–08)

- Protection of Australia's northern waters
- Observation of whaling in the Southern Ocean
- Secure environment for APEC meeting



SOMPR program outputs

(Customs' activities designed to meet the above outcomes)

- To detect, deter and apprehend IUU fishing vessels in Australia's EEZ. This includes:
 - operating a marine vessel with a deck-mounted weapon in the Southern Ocean EEZs;
 - undertake marine patrols for a minimum of 200 sea days. This includes Southern Ocean patrols and two northern waters patrols annually.
- Delivery of other services in the Southern Ocean and northern waters as directed by the Government.

SOMPR services include: Southern Ocean patrols; northern waters patrols; joint operations with France; medical evacuations; environmental checks for the Australian Antarctic Division; buoy deployment for the Bureau of Meteorology; and ad hoc engagements for the Australian Government.

Source: ANAO.

Assessing and reporting performance

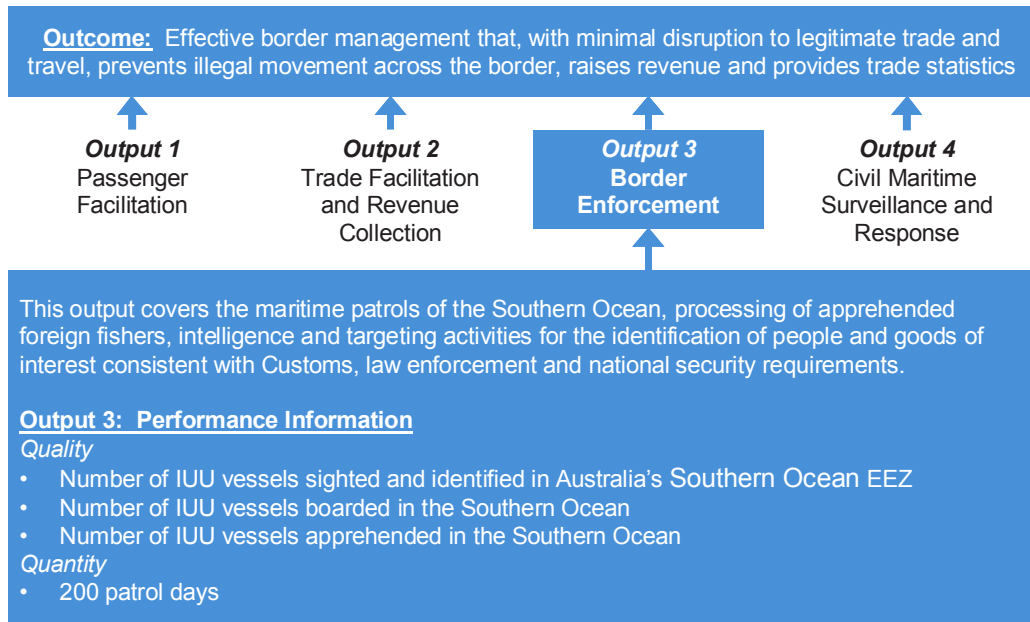
2.5 The range and changing nature of the activities Customs undertakes as part of the SOMPR program requires that Customs collects, analyses and reports on a wide range of performance information. To be meaningful, performance information should be: relevant; measurable; reliable and verifiable; comparable; and timely.

Customs' approach to reporting SOMPR program performance

2.6 Customs monitors and reports on its performance in managing the SOMPR program in accordance with its Outcomes and Outputs framework. An abridged Outcome and Outputs Framework is shown in Figure 2.2.

Figure 2.2

Customs' Outcome and Outputs Framework 2007–08 (abridged)



Source: ANAO summary of the Customs' Portfolio Budget Statements 2008–09.

Customs' 'quality' performance indicators

2.7 Figure 2.2 shows that Customs uses three performance indicators to assess and report on the quality of delivery of its SOMPR outputs. They are the only measures Customs systematically assesses and reports on internally and externally.

2.8 In terms of the criteria set out in paragraph 2.5 these indicators do not have the characteristics of meaningful performance information in that they:

- **have limited relevance** to a meaningful assessment of program performance because:
 - they are not measures of the ‘quality’ of SOMPR outputs. That is, they do not provide a measure of how well all SOMPR activities are completed; and
 - do not apply to all SOMPR program outputs. For example, the number of IUU vessels sighted, boarded and apprehended is not relevant to assessing the performance of security patrols, the surveillance of whaling activity, and other activities specified in Figure 2.1;
 - there has been little IUU activity in the Southern Ocean since the commencement of the SOMPR program. This means that these indicators would not register meaningful values.
 - even if meaningful values were registered, this information would not help distinguish between the intended deterrence and other explanations for this observed behaviour.
- **are not comparable to a performance target.** In its 2005–06 and 2006–07 Annual Reports, Customs notes it cannot reliably estimate performance targets for the number of IUU vessels in Australia’s Southern Ocean EEZs.³² Thus, although these indicators are measurable, they are not comparable to a target;
- **are not comparable over time.** Comparison of these performance indicators between reporting periods will not produce meaningful results. That is, without further information it is unclear how comparing a year with no sightings of IUU vessels (2004–05)³³, with a year in which there was a sighting (2005–06)³⁴, represents an improvement or a decline in performance.

³² Australian Customs Service, *Annual Report 2005–06*, pp. 61–2.

³³ Low numbers of IUU vessels in the Southern Ocean may indicate that the deterrence effect of the SOMPR program works well. However, other factors may affect the number of IUUs, such as French patrolling in the Southern Ocean; weather; and fish stock movements.

³⁴ High numbers of vessels sighted, boarded and apprehended successfully may also indicate that Customs is effectively meeting its objectives.

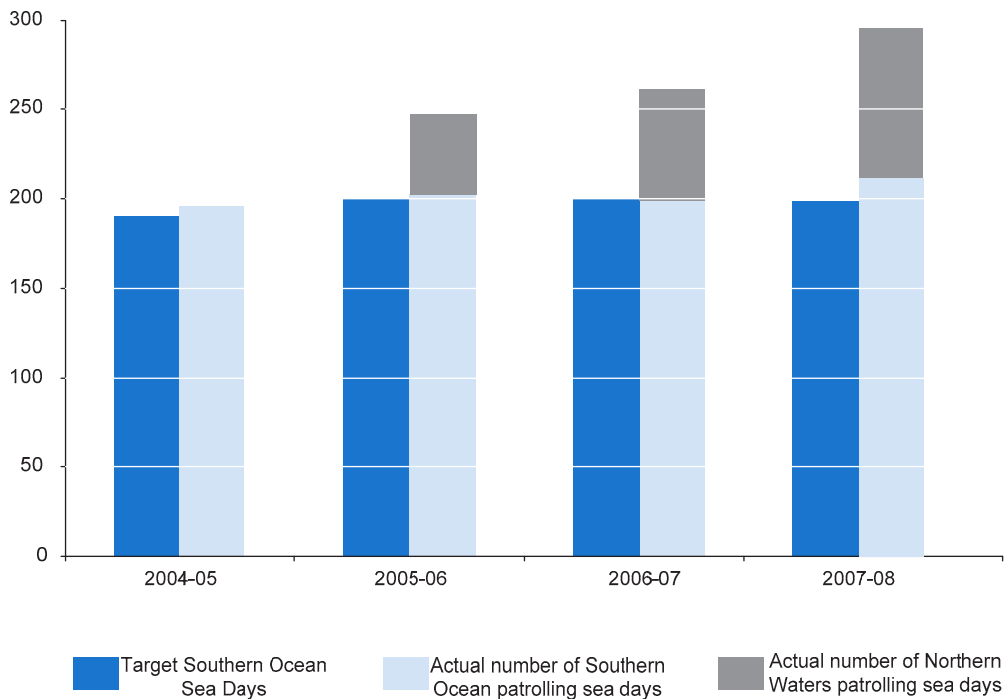
2.9 For these reasons the ANAO considers that the ‘quality’ performance indicators used by Customs do not form an adequate assessment of Customs’ provision of SOMPR program outputs and their contribution to program outcomes.

Customs’ quantity performance indicator

2.10 Customs uses the number of days spent by the *Oceanic Viking* patrolling in the Southern Ocean and northern waters as the sole ‘quantity’ performance measure for the SOMPR program. Customs performance against this performance indicator is shown in the figure below.

Figure 2.3

SOMPR program: number of Southern Ocean and northern waters patrol days 2004–05 to 2006–07



Source: ANAO analysis of Customs SOMPR program statistical information.

2.11 Figure 2.3 shows that, since the commencement of the SOMPR program, Customs has exceeded the target total number of patrol days.

2.12 The number of patrol days can be a meaningful performance indicator as part of a more complete performance assessment framework, and provided it is assessed consistently over time. Customs must assess and report the number of patrol days for contract monitoring purposes and to fulfil its

commitment to the Government.³⁵ However, by itself, this number is not a sufficient measure of program performance:

- **it does not provide a meaningful measure of how well Customs' SOMPR activities were performed.** That is, it does not reflect whether the objectives of patrols were achieved, or whether stakeholders were satisfied with the results of the patrol;
- **it is not always comparable between reporting periods.** In its 2006–07 Annual Report, Customs states that it achieved 262 Southern Ocean patrol days. This figure included 63 patrol days in Australia's northern waters. In its 2005–06 Annual Report, Customs stated that it patrolled for 203 patrol days in the Southern Ocean. This figure did not include northern waters patrolling undertaken in that year.

2.13 For 'patrol days' to be a meaningful performance indicator, it needs to be assessed and reported consistently, and to be considered in conjunction with other performance information as part of a more comprehensive performance assessment framework.

Reporting on program effectiveness in fulfilling desired outcomes

2.14 In June 2005, a Customs internal audit of the SOMPR program, concluded:

formal performance reporting has not been completed for the SOMPR program as a whole. ... Mechanisms for the evaluation or review of the quality and/or effectiveness of the project in meeting the Government's objective have not been consistently applied across the program.

2.15 The relevant areas of Customs responsible for addressing this finding stated that they would review and assess current reporting for the program. However, there is no evidence that any action was taken on this over the following two years.

2.16 During the course of the audit, Customs advised that a review begun in 2007 addressed the June 2005 internal audit report finding and assesses the effectiveness of the SOMPR program.

2.17 In late 2007, the OAG asked the BPC's Intelligence Unit to review the impact of the SOMPR program on IUU fishing in Australia's Southern Ocean EEZs. The nature of the SOMPR program means that Customs must work

³⁵ The contract for the *Oceanic Viking* is discussed in Chapter 4.

closely with stakeholder agencies to determine whether its activities are having a positive effect on the desired program outcomes. For example, the AAD, CCAMLR and AFMA undertake research on whether HIMI EEZ Patagonian Toothfish stocks are being protected adequately (an original outcome for the SOMPR program). This information can be useful in assessing whether patrolling the HIMI EEZ is worthwhile in terms of SOMPR outcomes.

2.18 Based on a wide range of information provided by Customs and other program stakeholders, the review concluded that the SOMPR program significantly reduced (and almost eliminated) IUU fishing in the HIMI EEZ. BPC also concluded that continued SOMPR program patrolling is required to deter future IUU fishing in Australia's Southern Ocean EEZs.³⁶

Border Protection Command's review of the SOMPR program helps determine whether the outcomes are being met

2.19 The ANAO considers that analysis of the type conducted for the BPC review could contribute to Customs' understanding of whether the outcomes of the SOMPR program³⁷ are being fulfilled. However, the report's finding that the SOMPR program had reduced IUU fishing in the HIMI EEZ is not convincingly supported by the research and analysis undertaken by Customs and its stakeholders. For example, the BPC report based its conclusions on the following major points:

- it notes that: *the subsequent decrease in IUU catch entering the market assisted in increasing the price of Toothfish and the return on investment made by legitimate operators and industry.* The data this statement was based on related only to the Japanese market (which accounts for 26 per cent of the total Toothfish market only). This data also showed that, between September 2005 and January 2007, Toothfish prices *decreased* significantly;
- it compares illegal IUU fishing activity from 2003 to 2006. However, the data collected in 2003 included all vessel activity (including legal Australian fishing vessels, and research vessels). The data collected in 2006 excluded legal fishing vessel and other non-IUU vessel data, making comparisons between 2003 and 2006 invalid; and
- it specifies that IUU Toothfish catch estimates for the Australia's Southern Ocean EEZ in 2005–06 was 100 tonnes. As discussed in

³⁶ The details of the BPC report are not publicly available and are not presented in this report.

³⁷ That is, the protection of the Patagonian Toothfish fishery around the HIMI EEZ.

Chapter 1, Customs has not sighted or apprehended a vessel operating in the HIMI EEZ since the commencement of the program on 1 July 2004. This implies that the BPC review overestimates the IUU catch.

2.20 Although the BPC's review represents the type of analysis that will help Customs to work out the impact SOMPR program is having on IUU fishing in the HIMI EEZ, more rigorous analytical work needs to be done to provide definitive conclusions. With improved analysis, the ANAO considers that future BPC reviews of this type produced by Customs and SOMPR stakeholders will help in assessing program effectiveness. These reviews will also help government to make informed decisions on the type and cost of Southern Ocean patrolling programs after 2009–10.

2.21 The ANAO considers that Customs will need to build on its existing work to:

- establish an effective framework for it to assess and report on performance. This includes identifying criteria to assess performance consistently over time (see paragraph 2.5);
- obtain a meaningful assessment of the 'quality' of its SOMPR program activities;
- assess its performance in delivering SOMPR program activities that are not related to Southern Ocean's patrolling; and
- prepare appropriate reports on program performance for program managers, stakeholder agencies and Parliament.

Conclusion on Customs' approach to assessing and reporting on SOMPR program performance

2.22 Establishing a robust and meaningful performance management framework presents a challenge for Customs given the wide range and changing nature of activities it undertakes as part of the SOMPR program. This has resulted in the outcomes and outputs of the program not being specified clearly in a single document. Documentation linking the outcomes and outputs to relevant SOMPR activities would provide a sound foundation to construct an improved performance assessment framework.

2.23 Based on Customs' SOMPR program performance information collected and reported to date, it is difficult for Customs to demonstrate the extent to which its management of the program has led to the program

outcomes being satisfied. Under current arrangements, it is also not possible to assess whether, over time, program performance has changed.

2.24 The ANAO considers that, to provide a more meaningful measure of SOMPR program performance, a wider range of performance information is required to reflect the full range of SOMPR activities undertaken by Customs (such as additional patrols in northern waters).³⁸ This performance information should be tailored to meet the needs of Customs management, stakeholder agencies and the Parliament, providing an appropriate level of assurance of whether program outputs are being produced and whether outcomes of the program are being satisfied. The sensitivity of some information will need to be taken into account in tailoring the reports.

Recommendation No.1

2.25 To provide an improved measure of its performance in delivering the Southern Ocean Maritime Patrol and Response program, the ANAO recommends that Customs:

- clearly documents the desired outcomes and outputs that comprise the SOMPR program as the basis for assessing program performance;
- develops a wider range of performance information to assess its performance; and
- provides appropriate information to senior management, stakeholder agencies and the Parliament on whether program outputs are being produced and program outcomes are being satisfied.

Customs' Response

2.26 Agree. Customs will consider which of the suggested performance measures in Appendix 5 would provide an improved assessment of its performance in delivering the Southern Ocean program.

2.27 Customs will expand the monthly report to its executive to cover the points raised by this recommendation and report to stakeholders, including the Australian Parliament, through the Annual Report mechanism.

³⁸ The ANAO has provided some examples of performance indicators and information that Customs could use to assess the SOMPR program's performance in Appendix 5.

Customs' strategy for Southern Ocean patrols after 2009–10

2.28 The SOMPR program has been funded until 30 June 2010. A thorough assessment of the future requirements of Australia's Southern Ocean patrolling capability will be needed to provide assurance that Australia will be able to adequately protect its Southern Ocean territories after this date.

2.29 Analysis of this type is important given the changing role of the program. For example, if there is a need for SOMPR resources to undertake more northern waters patrols and more ad hoc government taskings³⁹, use of vessels that are Southern Ocean seaworthy (such as *Oceanic Viking*) may not be the most cost-effective option. Conversely, if there is a continuing or increasing threat to Australia's Southern Ocean fisheries, or Australian Antarctic Territories, Customs will need to make timely arrangements to have appropriate vessels available for Southern Ocean patrols after 30 June 2010.

2.30 Customs' approach to planning for future Southern Ocean patrolling requirements is discussed below.

Customs planning for Southern Oceans patrolling after 2009–10

2.31 Customs has not finalised a strategy for Southern Ocean patrols beyond 2009–10.⁴⁰ The development of options would need to be underpinned by an assessment of the existing Southern Oceans patrolling capability. As noted above, information collected as part of a comprehensive performance assessment framework and intelligence assessments would help Customs in this assessment.

2.32 BPC, in consultation with Defence and other agencies, has begun preliminary work to reassess the risks to Australia's borders, and the maritime capability required to mitigate them. This work includes a brief examination of alternative marine vessels and other assets capable of Southern Ocean and Antarctic patrolling.

2.33 The ANAO considers it important that a strategy, and the identification of potential assets, to undertake patrolling the Southern Ocean post 30 June 2010 be completed for consideration by ministers in the context of the

³⁹ Tasking is the process of identifying and assigning targets or objectives to SOMPR program resources.

⁴⁰ Customs advised that the strategy for ongoing Southern Ocean surveillance and enforcement is subject to review by the Assistant Secretary member of the inter-Departmental Strategic Maritime Management Committee, prior to the Australian Government's endorsement.

2009–10 Budget. It is uncertain whether the *Oceanic Viking* will be available to Customs after this date. Options to replace the *Oceanic Viking* may be limited and alternative vessels may take time to identify and procure or contract.

Recommendation No.2

2.34 To inform government decision making, the ANAO recommends that Customs, in consultation with other agencies, identifies options for patrolling the Southern Oceans after current program funding expires for possible consideration in the 2009–10 Budget context.

Customs' Response

2.35 Agree.

Financial management of the SOMPR program

2.36 Sound financial management is a key element in the performance of the SOMPR program. By managing its SOMPR budget actively and appropriately, Customs is able to: provide government with ongoing assurance that the funding allocated to the program is being spent appropriately; variances in the program's actual expenditure from budget are identified for early action; and that the activities undertaken by the program represent value for money.

Customs' approach to managing SOMPR financial performance

2.37 As part of the Budget processes in 2004–05 and 2005–06, Customs developed program budgets for the SOMPR program. These budgets, and Customs' expenditure against them is shown in Table 2.1

Table 2.1

SOMPR program financial budget compared to actual financial results for period 1 July 2004 to 30 June 2007

| | | 2004-05 \$ million | 2005-06 \$ million | 2006-07 \$ million |
|--|---|-----------------------|-----------------------|-----------------------|
| Actuals | Direct costs (<i>excluding capital expenditure</i>) | 33.6 | 34.2 | 39.1 |
| | Indirect costs (<i>including depreciation</i>) | 2.9 | 2.8 | 3.2 |
| | Total | 36.5 | 37.0 | 42.3 |
| Budget | Direct costs (<i>excluding capital expenditure</i>) | 42.8 | 37.4 | 38.0 |
| | Indirect costs (<i>including depreciation</i>) | 1.0 | 1.0 | 3.7 |
| | Total | 43.8 | 38.4 | 41.7 |
| Variance between actual costs and budgeted costs | | -7.3 | -1.4 | 0.6 |

Source: ANAO analysis of Customs SOMPR program financial information.

2.38 In the 2004–05 financial year, Customs underspent its SOMPR program budget by approximately 17 per cent. This was due in part to the delays in contracting the *Oceanic Viking* (which commenced operations in November 2004), and delays in recruiting and training operational staff such as Armed Boarding Officers for Southern Ocean patrols.

2.39 In 2005–06 and 2006–07, Customs' financial results were within 3 per cent of the program budget. This reflects the resolution of recruitment and training delays in 2004–05, and a full year of operation for the *Oceanic Viking*.

2.40 Customs has addressed financial management issues identified in the first year of SOMPR program. This included revising SOMPR program budgets to more accurately reflect actual costs, and returning unspent SOMPR program funding to the Budget in 2004–05 when it could not be spent.

Customs' financial management approach to the SOMPR program

2.41 Customs collects and analyses financial information for its Groups and Units, including SOMPR program costs. This approach is consistent with Customs' financial management reporting requirements under its Outputs and Outcomes framework.

2.42 That said, Customs does not report regularly on the financial performance of individual programs. The ANAO considers that, as part of a full performance assessment framework, Customs could improve its SOMPR program performance information by regularly collecting and analysing and reporting on program financial performance. When combined with other performance information this will provide Customs management with a more complete assessment of the performance of the program.

Customs' approach to identifying, reporting and mitigating program risks

2.43 To manage the SOMPR program adequately Customs must identify, assess and mitigate risks. Effective risk management is important for the SOMPR program given:

- the large geographic area Customs must cover as part of the program;
- the wide range and changing nature of program activities;
- potentially hostile IUU vessels and treacherous conditions in the Southern Ocean; and

- finite resources available to the program.⁴¹

2.44 Given the risks inherent to Southern Ocean patrolling, it is important that Customs uses a systematic approach to identify its patrolling risks, assesses and documents these risks and updates them regularly. Otherwise it increases the likelihood that these risks will not be considered and mitigated adequately.

Customs' corporate approach to risk management

2.45 Customs' corporate risk management approach promotes a consistent approach to risk management throughout Customs, based on principles of the Australian and New Zealand Risk Management Standard, AS/NZ 4360:2004. This approach provides a framework of strategic, operational and tactical risk management plans which form part of Customs' Planning and Performance framework.

2.46 To assess Customs' approach to manage SOMPR program risks, the ANAO examined how Customs had applied AS/NZS 4360:2004, and whether it produced adequate documentation in accordance with Customs' Planning and Performance framework.

Customs' initial SOMPR program risk management approach

2.47 Government and Customs policy documentation developed at the time the SOMPR program was introduced noted that although a permanent surveillance and enforcement patrol capability would benefit Australia, apprehending IUU vessels in the Southern Ocean has significant risks. This documentation recognised also that the cost of mitigating these risks was high.

2.48 At the commencement of the SOMPR program, Customs undertook a risk assessment to identify, analyse, and evaluate program risks. This provides a sound foundation for a robust risk management framework.

2.49 Customs developed a draft *Southern Ocean Maritime Patrol and Response Risk Management Plan 2004–05* in May 2004. This plan is comprehensive, and identifies a wide range of corporate/strategic and operational risks applicable to the SOMPR program.

⁴¹ Australian National Audit Office, *Better Practice Guide: Implementation of Programme and Policy Initiatives: Making Implementation Matter* (2005).

2.50 The ANAO considers that the draft plan is consistent with Customs' corporate risk management approach and satisfies relevant aspects of AS/NZS 4360:2004. However, that plan has not been finalised nor updated since 2004.

2.51 Customs also produces annual planning documentation at the divisional and work area levels. This identifies and assesses strategic, operational and capability risks relevant to the SOMPR and other programs. Although it does not focus specifically on the SOMPR program, some risks relevant to the program are identified and are assessed.

Customs' current approach to monitoring and reporting on SOMPR program risks

2.52 Customs has not systematically monitored and managed risks related directly to the SOMPR program in accordance with its corporate risk management policy since the completion of the draft *Southern Ocean Maritime Patrol and Response Risk Management Plan 2004–05*. The ANAO suggests that Customs develop a robust approach to managing SOMPR program risks effectively in full compliance with Customs' corporate risk management policy. This would decrease the likelihood that program risks are not properly considered and mitigated.

3. Stakeholder Coordination

This chapter examines Customs' arrangements to coordinate activities of Australian Government agencies and other organisations with a stake in the SOMPR program.

Introduction

3.1 Although Customs is responsible for the administration of the SOMPR program, it requires the cooperation of stakeholder agencies. This chapter examines arrangements Customs has implemented with stakeholder agencies. It also examines arrangements Customs has with other countries and organisations with interests in managing IUU fishing in the Southern Ocean. Specifically, the ANAO examined:

- SOMPR program coordination with other government agencies; and
- international cooperative patrolling and surveillance arrangements.

SOMPR program coordination arrangements

3.2 Certain responsibilities for contributing to SOMPR program activities lie with stakeholder agencies (such as AFMA and the AAD) which have specific expertise. Stakeholder expertise also includes: medical support; advice on the Southern Ocean operating environment; quarantine issues; international maritime law, intelligence gathering and analysis, and international diplomacy. Therefore, agencies responsible for the shared delivery of the SOMPR program must be aware of their roles and responsibilities within the program.

3.3 To assess the arrangements between Customs and its stakeholders, the ANAO examined:

- the Operational Advisory Group (OAG);
- stakeholder communication outside the OAG; and
- arrangements between Customs and the AAD for providing medical services.

The Operational Advisory Group

3.4 Customs and the Department of Agriculture, Fisheries and Forestry (DAFF) formed the OAG to coordinate the roles and responsibilities of stakeholder agencies. Its role is to provide strategic and operational guidance

to Customs on fisheries matters, domestic and international law, and foreign affairs.

3.5 The OAG comprises Customs (Chair), DAFF, AFMA, Defence, the Department of Foreign Affairs and Trade (DFAT), the Attorney-General's Department (AGD), and the AAD.⁴² As the lead agency, Customs is responsible for convening OAG meetings to receive advice on the day-to-day operation of the SOMPR program and to provide information to OAG members on the deployment of program assets.

3.6 Routine OAG meetings are held before each *Oceanic Viking* patrol to provide members with an intelligence picture of the HIMI EEZ and surrounding CCAMLR areas. These also provide an opportunity to request that specific activities (taskings) be undertaken during the patrol.⁴³

3.7 In addition, the OAG can be convened at short notice if operational contingencies develop. Members may request that a meeting be held when SOMPR program issues arise. Customs provides meeting agendas, briefing papers and minutes to OAG members.

The effectiveness of the OAG to coordinate stakeholder activity

3.8 The ANAO interviewed OAG members⁴⁴ to obtain views on whether the OAG is an effective forum, and how well Customs, as Chair, coordinates members' involvement in the program.

3.9 Members were generally satisfied with Customs' management of the SOMPR program and the OAG. They considered that the OAG was an appropriate forum for member agencies to receive information from, and contribute to, SOMPR program operations.

3.10 Based on these views, and an examination of the OAG minutes and briefing papers, the ANAO considers that the OAG is an effective forum for member agencies and Customs to coordinate the SOMPR program.

Communication between OAG members and Customs

3.11 To coordinate SOMPR program activities well, program operational information (such as intelligence gathered during Southern Ocean patrols)

⁴² The specific roles of these agencies in the OAG are detailed in Appendix 4.

⁴³ The tasking process is discussed further in Chapter 5.

⁴⁴ Interviews were conducted with representatives from the following OAG agencies: AFMA, AAD, DFAT, and DAFF.

must be distributed promptly to OAG members. This allows members to provide information to Customs to enhance patrolling operations. It also allows members to brief their executive and relevant ministers on issues that arise during Southern Ocean patrols.

3.12 Some OAG members advised that communication with Customs (outside the OAG) could be improved. In particular, some stakeholder agencies were uncertain as to Customs obligations to communicate:

- general SOMPR program information, including new program developments;
- information collected during patrols by Customs and AFMA officers on board the *Oceanic Viking*⁴⁵; and
- other information of specific interest to OAG members.⁴⁶

3.13 Particular OAG members said that improving access to this type of information would help them to analyse and provide relevant intelligence back to Customs and inform ministers of SOMPR program operations. However, Customs said it had not received any adverse feedback from these members on the dissemination of SOMPR program operational information.

3.14 Given the importance of coordination between Customs and other OAG members, the ANAO considers that management of the program could benefit by Customs assuring itself of the effectiveness of its communication arrangements with OAG members.⁴⁷

Documentation of arrangements between Customs and OAG members

3.15 As discussed above and in Chapter 2, Customs relies on stakeholders to provide it with information, research and intelligence to undertake SOMPR program patrolling and other activities. Conversely stakeholder agencies rely on Customs to coordinate and undertake the SOMPR program operations. Therefore the roles, responsibilities, risks and accountabilities of Customs and OAG members should be agreed, and documented to provide increased

⁴⁵ The ANAO was advised that information gathered during a particular patrol was communicated to key stakeholders via sources other than Customs. This is inconsistent with the agreed OAG approach which specifies that all patrol information should be communicated from Customs to key stakeholder agencies.

⁴⁶ In particular, some stakeholders indicated they had difficulty obtaining information about Southern Ocean patrols from Customs that they considered relevant to their respective roles in the SOMPR program.

⁴⁷ Early project planning by Customs during the SOMPR implementation provides some evidence that it attempted to formalise communications with key stakeholder agencies. However, this was incomplete, and does not clarify sufficiently the communication arrangements.

assurance that the SOMPR program is coordinated effectively. In particular, agreements between Customs and other OAG members should establish:

- the roles and responsibilities of Customs and stakeholder agencies, including communication protocols;
- the approach to identify, agree and monitor program risks that may not be the responsibility of a single stakeholder; and
- agreed modes of review for each agency's contribution to the program and the method used to assess performance in meeting outcomes.

3.16 Formal agreements, such as Memoranda of Understanding (MoU) may not be required between Customs and each OAG member. For example, OAG members that do not contribute resources for every SOMPR program patrol⁴⁸ may not need to use an MoU to formalise their working arrangements. Instead these OAG members could use the minutes of an OAG meeting, or equivalent record to clarify their program roles and responsibilities.

3.17 However it is important that OAG members providing specific services for SOMPR program patrols have more formal documents (such as up-to-date MoUs) that specify their working arrangements. For example the AAD uses an MoU with Customs to specify the arrangements to provide medical services to the SOMPR program. The documented agreement between Customs and the AAD for the provision of these services is discussed further below.

Working arrangements between Customs and the Australian Antarctic Division for the provision of medical services

3.18 As part of the SOMPR program, Customs coordinates with the AAD's Polar Medicine Unit (AADPMU) for the provision of medical services to the crew on board the *Oceanic Viking*. The vessel has a specialist medical facility staffed by an AADPMU doctor.⁴⁹ Medical support provided by AADPMU includes:

- medical services and advice during patrols;
- the coordination of annual medical screenings for all officers and crew;
- assistance with cold climate training for new recruits;
- theatre assistance training; and

⁴⁸ For example Defence, and the AGD.

⁴⁹ AAD invoices Customs for the provision of medical services and consumables used during patrols.

- emergency medical evacuation (medivac) as part of Australia's international obligations under the United Nations *Safety of Life at Sea* (SOLAS) Convention.⁵⁰

Figure 3.1

Emergency medical evacuation using the Oceanic Viking



Customs officers undertake an emergency medical evacuation while patrolling the Southern Ocean. A doctor from the AAD is on board the *Oceanic Viking* to treat sickness or injury.

Source: Australian Customs Service.

⁵⁰ *International Convention for the Safety of Life at Sea*, opened for signature 1 November 1974, ATS 22 (entered into force 17 November 1983).

Figure 3.2

Environmental checks on Heard Island



Customs coordinates with AAD staff to undertake environmental checks on Heard Island.

Source: Australian Customs Service.

3.19 Formal arrangements for medical support for SOMPR are specified in an MoU between Customs and the AAD. This sets out processes to be followed by Customs and AAD in delivering medical services aboard the *Oceanic Viking*. However, the MoU expired in March 2005. Following fieldwork for this audit, Customs advised that it and the AAD signed an updated MoU on 4 July 2008.

Conclusion on SOMPR program coordination

3.20 The OAG is a useful forum to provide guidance to Customs on fisheries matters, domestic and international law, and foreign affairs. It also allows members to receive valuable information and intelligence from Customs on Southern Ocean patrols. The ANAO found that OAG is an effective forum for Customs and OAG members to coordinate SOMPR program activities.

3.21 An important aspect of coordinating SOMPR program activities well is the distribution of SOMPR program operational information (such as intelligence gathered during Southern Ocean patrols) to OAG members. Some OAG members advised the ANAO that general communication arrangements with Customs (outside the OAG) could be improved. Working arrangements

between Customs and OAG members would be assisted by documenting the roles, responsibilities, risks and accountabilities of the respective parties.

Recommendation No.3

3.22 To increase assurance that SOMPR program services are effectively coordinated, the ANAO recommends that Customs:

- agrees and documents with stakeholder agencies respective roles and responsibilities in the delivery of the program; and
- documents communication protocols with stakeholders on providing program operational data.

Customs response

3.23 Agreed.

International cooperative patrolling and surveillance

3.24 The importance of international cooperation in managing IUU fishing in Australia's EEZ was demonstrated in August 2003 when South Africa and the United Kingdom helped to intercept and apprehend the *Viarsa 1*. Since 2003, Australia has developed links with other countries' Southern Ocean operations, in particular, France. Australia has developed a good working relationship with France, due to an EEZ fishing boundary between the HIMI EEZ and that of the French territory, Kerguelen Island.

3.25 Australia is also looking to formalise arrangements with other countries with similar interests in the Southern Ocean such as South Africa.⁵¹

Formalising patrolling arrangements with France

3.26 Initially, cooperative arrangements with France focused on surveillance, but since 2005, have focused more on joint patrols. French patrol vessels carry Australian Customs Armed Boarding Officers and AFMA officers. French personnel are embarked on the *Oceanic Viking*. This increases both countries' patrol coverage in the Australian and French Southern Ocean EEZs. Since 2005, Customs officers have participated in nine joint patrols on board French vessels and French personnel have been aboard eight Australian patrols.

⁵¹ In March 2007, South Africa signed a Letter of Intent on future cooperative surveillance and enforcement in fisheries in their respective EEZs in the Southern Ocean. This agreement aims to enhance coverage of both countries' respective maritime zones in the Southern Ocean.

Agreements between Australia and France for surveillance and enforcement

3.27 The first treaty between Australia and France, the Cooperative Fisheries Surveillance Treaty, came into force on 1 February 2005.⁵² It creates a framework for surveillance of fishing vessels and scientific research on marine living resources in the 'Area of Cooperation' in the Southern Ocean. It also provides for the exchange of information on the location, movement and other details of licensed fishing vessels in that area. The Treaty also facilitates logistical support and 'hot pursuit' of vessels as required by the pursuing state.

3.28 On 8 January 2007, Australia and France signed a Cooperative Fisheries Enforcement Treaty.⁵³ This builds on the earlier treaty, formalising the arrangements that allow cooperative enforcement action against illegal fishing in the Australian and French maritime zones.

3.29 The joint patrols provide maximum coverage of the Australian and French EEZs, while minimising duplication of activities. Customs provided evidence to show that pooling resources increases the likelihood of apprehending IUU vessels. Joint patrols with France have also enabled Customs to increase its presence in Australia's northern waters without affecting Southern Ocean operations.

3.30 The ANAO considers that these arrangements are of clear benefit to Customs and SOMPR program operations generally.

⁵² *Treaty between the Government of Australia and the Government of France on cooperation in the maritime areas adjacent to the French Southern and Antarctic Territories (TAAF), Heard Island and the McDonald Islands*, opened for signature 24 November 2003, ATS 6. The Area of Cooperation includes the neighbouring territorial sea and EEZs surrounding HIMI and the French territories of Kerguelen Islands, Crozet Islands, Saint-Paul Island and Amsterdam Island.

⁵³ The exact title is: *Agreement on Cooperative Enforcement of Fisheries Laws between the Government of Australia and Government of France in the Maritime Areas Adjacent to the French Southern and Antarctic Territories, Heard Island and the McDonald Islands*.

4. Long-term planning for operations and resource management

This chapter examines the management of the Southern Ocean Maritime Patrol and Response program by Customs' Maritime Patrol and Response Unit (MPRU). It also reviews MPRU's project management arrangements.

Introduction

4.1 The Maritime Patrol and Response Unit (MPRU) in the Enforcement Operations Branch of Customs is responsible for the coordination and management of the SOMPR program including personnel management and logistic support for Southern Ocean patrols. This chapter examines the key elements of the SOMPR program for which MPRU is responsible. These are:

- long-term planning for Southern Ocean patrols;
- human resource management;
- the management of physical resources; and
- MPRU project and performance management planning.

4.2 These activities generally take place before, and at the completion of Southern Ocean patrols. Responsibility for the management of Southern Ocean patrols immediately preceding and during *Oceanic Viking* patrols, rests with Customs' Enforcement Operations Coordination Unit (EOCU). The activities of EOCU are discussed further in Chapter 5.

4.3 MPRU is also responsible for coordinating work that is beyond the scope of this audit (for example, northern waters patrols). The ANAO did not examine MPRU's management of these activities.

Long-term planning for operations

4.4 The Southern Ocean Long-Term Sailing Plan (LTSP) is a high-level project plan that specifies when Customs' Southern Ocean patrols should occur. The central element of Customs' LTSP is the scheduled patrols of the *Oceanic Viking*.

4.5 A sound LTSP provides assurance that SOMPR program resources are available for patrols in the Southern Ocean when required. Important factors in

the development of the LTSP are the availability of physical resources (the *Oceanic Viking*), and human resources (such as Armed Boarding Officers).

4.6 An effective planning document based on sound decision-making would have the following characteristics:

- all decisions relating to changes to the plan would be documented;
- all changes to the plan would be approved by relevant officers for accountability—such changes would be communicated to relevant stakeholders.

4.7 These points and MPRU's approach to developing the LTSP are discussed below.

MPRU's development of the Long-Term Sailing Plan

4.8 MPRU develops the LTSP towards the end of each calendar year, considering the following:

- the Customs target of 200 days patrolling in the financial year;
- coordination with French Southern Ocean patrols;
- the peak times for illegal fishing in the Southern Ocean;
- the Government's requirement for the *Oceanic Viking* to complete two northern waters patrols annually;
- maintenance periods for the *Oceanic Viking*;
- coordination of crew with other northern waters patrol vessels; and
- other support activities, such as Armed Boarding Officer training.

4.9 Unlike northern waters patrolling where there are large numbers of taskings which require prioritisation, most Southern Ocean patrols can accommodate all stakeholder requests, and can be planned well in advance of the *Oceanic Viking's* departure from port. As a result the LTSP is a simple spreadsheet which records:

- proposed departure and return dates for the *Oceanic Viking*; and
- scheduled maintenance dates for the ship.

4.10 Following sign-off by Customs' National Manager of Enforcement Operations, the LTSP is provided to relevant SOMPR program stakeholders for

comment.⁵⁴ Should government priorities change, the LTSP is amended. Customs advised that it communicates changes to the LTSP directly to Defence, AFMA, AAD (Polar Medicine Unit) and the French authorities.⁵⁵

The effectiveness of the LTSP as a planning document

4.11 Although the LTSP is a simple document, Customs advised that it provides its officers and management with all the information they need to make decisions on tasking SOMPR program assets. The ANAO interviewed SOMPR program stakeholders⁵⁶ and found they were satisfied with Customs' approach to developing the LTSP and the information it contains. The ANAO considered that the LTSP provides Customs and its stakeholders with the information they need to make planning decisions for the SOMPR program. MPRU's approach is adequate given current tasking requirements of stakeholder agencies and the Australian Government.

Human resource management

4.12 Management of human resources for the SOMPR program involves the coordination of crew and rostering, recruitment and retention, development of appropriate training and adaptability to changes in sailing plans. This section considers the following areas of MPRU operations:

- the human resources required to patrol the Southern Ocean;
- patrol rosters;
- recruitment, and training of Armed Boarding Officers; and
- retaining Armed Boarding Officers.

Human resources required to patrol the Southern Ocean

4.13 Southern Ocean patrols require extensive human resources. Each patrol has a minimum of 24 Customs Armed Boarding Officers, two AFMA officers, one AAD medical officer, 25 crew from the private firm that owns the *Oceanic Viking*, and two French personnel.⁵⁷

⁵⁴ Customs advised that, for security reasons, the distribution of the LTSP has reduced with the introduction of patrol activities such as whaling surveillance.

⁵⁵ DAFF noted that while it is a member of the OAG, it has not received copies of the LTSP. DAFF advised that this issue was raised at the OAG meeting of the 28 July 2008, and the Customs chair noted that the LTSP should be circulated to all OAG members.

⁵⁶ See paragraph 1.20 for a list of the stakeholders interviewed as part of the audit.

⁵⁷ French Controllers are onboard the *Oceanic Viking* for patrols near the French EEZ.

4.14 As of 31 October 2007, MPRU was responsible for managing 135 operational staff—the Armed Boarding Officers. These officers have special skills to conduct patrols in the Southern Ocean as well as northern waters.

MPRU management of its Armed Boarding Officers

4.15 Effective management of Armed Boarding Officers is important in ensuring that Southern Ocean patrols are properly staffed. Given the harsh Southern Ocean environment, all patrols must be deployed with the required number of Armed Boarding Officers, those officers must be fit for duty and carry appropriate qualifications and clearances. Armed Boarding Officers must meet certain standards and criteria to be eligible for Southern Ocean patrols.

4.16 The ANAO examined each of the areas above to determine whether Customs manages their Armed Boarding Officers effectively.

4.17 The ANAO found that MPRU obtains and monitors information critical to ensuring that the Armed Boarding Officers on Southern Ocean patrols can perform their roles effectively and safely. This system includes manually collecting, monitoring and analysing information on their health, fitness, training and qualifications and passport status. Maintaining this information helps MPRU to develop patrol rosters (see below). It can also be used to identify potential skill shortages, and plan for future recruitment.

4.18 To date there have been no incidents recorded involving the professionalism or safety of Armed Boarding Officers that have had a significant adverse impact on SOMPR patrols.

Patrol rosters

4.19 MPRU uses patrol rosters to assign Armed Boarding Officers to SOMPR patrols. They are an important tool to assure the MPRU it has enough human resources for Southern Ocean patrols.

Development of patrol rosters

4.20 MPRU creates patrol rosters each November based on the LTSP. Armed Boarding Officers are divided into three work groups, with each work group used on the *Oceanic Viking* and other contracted vessels. Rotation of work groups allows officers to plan recreation leave and training days and ensures that individuals receive Allocated Days Off (ADOs) after a patrol.⁵⁸ An

⁵⁸ MPRU officers are entitled to an ADO—*Accrued Day Off*—for every one duty day at sea and two *Shore Duty Class One* days, which is work performed in a Customs function other than sea going operations including training and travel.

essential aspect of developing patrol rosters is the calculation and monitoring of Armed Boarding Officer leave.

Armed Boarding Officers' leave

4.21 MPRU must monitor ADOs closely to ensure that: Armed Boarding Officers are sufficiently rested between patrols; enough of them are available for patrols when required; and that they account for their ADOs correctly.

4.22 ADOs accrue at one day for every day Armed Boarding Officers are at sea. Although they can elect when they take ADOs, they can be called to sea duty with no minimum notice during these days, with the exception of 'mandatory days off'.

4.23 'Mandatory days off' accrue at one day for every two days at sea.⁵⁹ This leave commences immediately following the completion of a patrol to allow recovery and preparation for their next patrol. Unlike ordinary ADOs, Customs cannot direct Armed Boarding Officers to return to work during 'mandatory days off'.

MPRU's approach to calculating and monitoring ADOs

4.24 MPRU maintains a separate spreadsheet to calculate and monitor ADOs, mandatory leave and other types of leave for each individual Armed Boarding Officer. This spreadsheet is monitored (manually) in conjunction with the LTSP and other spreadsheets relevant to Armed Boarding Officer management.

4.25 Customs advised that under this approach, it has always had staff to undertake Southern Ocean patrols.

Risks applicable to MPRU's current approach to constructing patrol rosters

4.26 Although the existing approach used by MPRU to calculate Armed Boarding Officer leave is fundamentally sound, it has inherent risks, as does the approach used to manage patrol rosters overall. These risks are:

- reliance on manual processes to maintain leave spreadsheets;
- reliance on manual processes to consider and match Armed Boarding Officer leave with the LTSP (patrol dates) with other eligibility factors (such as health, fitness, qualifications); and
- MPRU cannot easily track changes to the patrol roster.

⁵⁹ 'Mandatory days off' are not additional to ADOs, they are a category of ADOs.

4.27 Customs has recognised these risks and advised that it is addressing them by introducing a new automated IT system to manage the LTSP and patrol rosters, as well as the wide range of information relevant to rostering contained in various spreadsheets. Customs advised that this new system will be fully functional by March 2009.

4.28 The ANAO considers that the proposed integrated rostering system will, if implemented well, provide for a more streamlined and comprehensive approach to rostering Southern Oceans patrols.

Recruitment and training of Armed Boarding Officers

4.29 MPRU manages the recruitment, retention and training of Armed Boarding Officers in preparation for deployment. MPRU's approach to recruiting and training needs to prepare new recruits for the mental and physical demands of Southern Ocean patrolling.

The Armed Boarding Officer recruitment process

4.30 The current SOMPR program recruitment process involves assessing physical and mental attributes of Armed Boarding Officer applicants. They must undertake: Customs Standard Medical Examination; Functional Fitness Assessment; Psychometric testing; and an interview.

4.31 Applicants that pass must then undergo an extensive three month MPRU qualification and training course before they can become Armed Boarding Officers. This includes in-house and outsourced training covering:

- cold weather survival;
- use of force;
- vessel familiarisation;
- medical training;
- Customs and fisheries legislation;
- tactical boarding operations; and
- vessel search techniques.

4.32 The standard length of time from advertising for Armed Boarding Officers to their first deployment in the Southern Ocean is about six months. Although this is a long lead-time Customs advised it has been able to fully crew all its Southern Ocean patrols.

The training process

4.33 After recruitment, Armed Boarding Officers receive ongoing training, monitored by MPRU. This is conducted for two to three days at the commencement of each patrol and involves: onboard training of personnel and operating systems; rigid-hulled inflatable boat (RHIB) deployment and recovery; deck mounted and personal weapons training; and communications training.

Figure 4.1

Oceanic Viking tender



Southern Ocean patrolling requires that Armed Boarding Officers have high fitness levels, good health and training to minimise safety risks. The picture above shows Armed Boarding Officers undertaking a training exercise in the Southern Ocean.

Source: Australian Customs Service.

4.34 MPRU supplements its operational training with other initiatives to support Armed Boarding Officers and their families. These include information packs for officers' families, injury prevention workshops, and employee assistance programs to ensure their well-being.

4.35 The ANAO considers that MPRU's current Armed Boarding Officer recruitment process, which is based on the physical and mental assessment of applicants, provides adequate assurance that suitable applicants will be selected for this training. It also considers that MPRU's current approach to training provides adequate assurance that Armed Boarding Officers are provided with the skills required to undertake Southern Ocean patrols successfully and safely.

Retaining Armed Boarding Officers

4.36 It is important that MPRU has a well-prepared succession plan and retention strategy for Armed Boarding Officers for two reasons. First, the work of patrolling the Southern Oceans is difficult. Second, as discussed above, recruiting and training these Officers takes about six months.

MPRU's approach to retaining Armed Boarding Officers

4.37 MPRU use several techniques to help retain Armed Boarding Officers, including:

- psychometric testing during recruitment. MPRU's primary retention strategy is to ensure that new applicants are suited to the job;
- producing recruitment materials that clearly advise applicants of the difficult working conditions;
- attractive remuneration and salary packages; and
- opportunities for increased training and operational duties.

4.38 Using these strategies, MPRU has been able to manage the turnover of Armed Boarding Officers adequately. Customs advised that since the program commenced, all Southern Ocean patrols have been staffed fully, and current numbers of Armed Boarding Officers will support patrolling into the future.⁶⁰

4.39 Although MPRU's current approach to recruitment has satisfied its staffing requirements, MPRU could enhance its retention approach by analysing staff turnover trends to identify potential future retention risks, and improvements in retention strategies. Customs advised that its new system (discussed earlier) will assist MPRU to collect and analyse this information.

Management of physical resources

4.40 Managing physical resources for the SOMPR program requires informed and well planned procurement and effective contract management. MPRU's management of physical resources centres on the *Oceanic Viking*, a leased asset which represents the major ongoing cost to the program.

4.41 The contract for the lease of the *Oceanic Viking* (the contract) was awarded in 2004 to a private firm following a two-stage tender. It was

⁶⁰ From 1 July 2004 to 1 June 2008, 95 full time Armed Boarding Officers have been employed under the program. The ANAO found that, during that time, there have been nine resignations, with a further six Armed Boarding Officers transferring to other areas within Customs. This is considered reasonable.

extended in 2005 and is due to expire in June 2010. Customs' management of the procurement for this lease was not examined in detail as part of the audit.

4.42 The ANAO examined the Customs' approach to ongoing contract management for the *Oceanic Viking*, specifically MPRU's approach to:

- specifying roles and responsibilities under the contract;
- managing its relationship with the private firm and keeping adequate records; and
- managing contractual risks.⁶¹

Specifying roles and responsibilities under the contract

4.43 Specifying responsibilities under a contract refers to establishing lines of responsibility and accountability for decision-making and ensuring the necessary authorisations and delegations are in place at the beginning of the contracting cycle. In addition, these instruments should be periodically reviewed and kept up to date.⁶² Under the lease for the *Oceanic Viking*, the private firm is responsible for:

- managing and delivering the Services;⁶³
- providing the resources to fulfil the contractual requirements;
- the engagement, administration and discipline of all personnel involved in delivery of the Services, including dealing with all human resource issues arising in connection with the administration of personnel;
- liaison with the Customs' Contract Manager, as appropriate, to ensure that the performance of all tasks conform to the operational policy as advised to the contractor by the Customs' Contract Manager from time to time; and
- providing a person to be the contractor's Contract Officer. This person must have expertise, experience and personal qualities for the efficient

⁶¹ In its Better Practice Guide – *Developing and Managing Contracts*, February 2007, the ANAO identifies these issues requiring consideration by agencies throughout the procurement cycle.

⁶² ANAO Better Practice Guide – *Developing and Managing Contracts*, February 2007, p. 6.

⁶³ The Services are described in detail in the contract, they include, inter alia: the requirement for an in-port turnaround time of no more than 48 hours; the appropriate speed, range and endurance of the vessel; communication capabilities; accommodation standards; and vessel modifications.

discharge of the responsibilities of the position and be a manager of proven ability, preferably with a maritime background.

4.44 Although the contract outlines the roles and responsibilities of the private firm's Contract Manager, Customs has not articulated the roles and responsibilities of its staff member responsible for the management of the contract. Specifying the role and responsibilities of Customs' Contract Manager, would be beneficial as it would provide greater assurance that the manager is held accountable for monitoring and assessing the performance of the private firm in delivering its services under the contract.

Managing MPRU's relationship with the contractor and keeping records

4.45 An important element in the management of any contract is the relationship that exists between the parties. Having a professional, constructive relationship with the contractor is a key ingredient in the successful delivery of the outcomes sought by the contract.⁶⁴

4.46 The contract required the establishment of a mechanism to facilitate communications between Customs and the contractor, the Joint Management Committee (JMC).

4.47 The JMC is intended to comprise: a Customs Contract Manager; the contractor's Contract Officer; and such others agreed by the parties. The JMC is responsible for reviewing and monitoring progress under the contract and reporting in writing to the parties on compliance with the contract. Customs is responsible for maintaining minutes of JMC meetings.

4.48 Customs advised that it manages and monitors performance against the contract daily through regular liaison between MPRU and the contractor, and that any operational or contractual issues that arise are managed by the parties as they occur. Customs advised further that it and the contractor meet every six to twelve months on an ad hoc basis.

4.49 The ANAO found that no formal JMC has been established as required under the contract. Customs does not keep records of its meetings with the contractor. Given the small number of Customs Officers that are party to such discussions, Customs would reduce its risks by keeping such records. The ANAO considers that keeping these records, including documenting meeting

⁶⁴ ANAO Better Practice Guide – *Developing and Managing Contracts*, February 2007, p. 6.

minutes and decisions, would minimise the chance of a dispute. These records will also help transfer knowledge of the contract in the event of staff changes.

Managing contractual risks

4.50 Efficient and effective risk management is integral to the procurement and contract management process. This requires the identification of risks and, where appropriate, the implementation of risk treatments at key points or milestones in the contract. Clear and agreed identification of the responsibilities for each contracting party to monitor and manage key contract risks is important to the successful mitigation of those risks.

4.51 The contract contains a comprehensive risk management plan for the operation of the *Oceanic Viking*. Although it clearly identifies mitigation strategies, it does not assign responsibility. Customs could provide no evidence of monitoring and reporting against the plan.

4.52 The ANAO considers that the identification of the party responsible for managing specific risks would increase accountability, help Customs to manage its own and its contractor's performance more effectively.

Recommendation No.4

4.53 To increase assurance that Customs is managing its contract for the *Oceanic Viking* efficiently and effectively, the ANAO recommends that it:

- specifies the role and responsibilities of its Contract Manager; and
- implements arrangements for the Joint Management Committee to regularly monitor and report on the lease of the *Oceanic Viking* in accordance with contract requirements.

Customs response

4.54 Agree.

5. Tasking processes and patrol operations

This chapter discusses Customs' approach to deploying and operating the Oceanic Viking in the Southern Ocean.

Introduction

5.1 Customs' Enforcement Operations Coordination Unit (EOCU) is responsible for managing the deployment and operation of the *Oceanic Viking*.⁶⁵ This chapter examines EOCU's management of these functions with regard to:

- patrol planning;
- Southern Ocean patrol Standing Operating Procedures (SOPs); and
- patrol reporting and performance assessment.

5.2 EOCU is also responsible for managing functions unrelated to Southern Oceans patrols (for example, northern waters patrols). These functions are beyond the scope of this audit.

Patrol planning

5.3 As discussed in Chapter 4, the timing of SOMPR program patrols is established in the Long-Term Sailing Plan (LTSP), managed by MPRU. The LTSP does not consider where SOMPR program maritime assets (*Oceanic Viking*) will depart from, the sailing course the ship will take, and what tasks are to be completed. These patrol planning activities are managed by EOCU.

5.4 Any deficiencies in sound management of these activities increases the risk that:

- IUU vessels will not be apprehended quickly, or at all;
- Australia's Southern Ocean EEZs does not receive adequate patrolling coverage; and

⁶⁵ EOCU is responsible for managing the following functions: the formulation and coordination of taskings for the SOMPR program; maximising the use of SOMPR program maritime assets; managing operations once SOMPR program maritime assets have been deployed; liaising with key stakeholder agencies on operational issues relevant to the SOMPR program; supporting Customs' Armed Boarding Officer development; and providing briefs to the Customs executive on SOMPR program operations.

- Southern Ocean patrolling taskings directed by the Government or requested by stakeholder agencies will not be completed satisfactorily.⁶⁶

5.5 To obtain assurance that EOCU's patrol planning processes are effective, and minimise the risks described above to the SOMPR program, the ANAO examined two areas critical to the development and implementation of effective patrol planning:

- the use of intelligence in patrol planning and operations; and
- the development of patrol taskings.

The use of intelligence in patrol planning and operations

5.6 The size of Australia's Southern Ocean EEZ, and the distance the *Oceanic Viking* travels to reach these zones means that Customs must obtain and use intelligence to identify targets of interest to task patrols effectively.

5.7 The ANAO examined broadly the mechanisms used by Customs to gather and distribute intelligence to EOCU for planning and operational purposes. These mechanisms are discussed below. However the ANAO has not reported on the effectiveness of Customs' intelligence gathering and analysis capability, nor on the quality of the intelligence produced by Customs to apprehend suspected IUU vessels in the Southern Ocean as this was beyond the scope of this audit.

The method used to gather and distribute intelligence to relevant Customs officers and stakeholders

5.8 Information used in the planning and operation of SOMPR program patrols is sourced by Border Protection Command (BPC) from the Australian intelligence community. BPC officers analyse this information, and distribute intelligence to relevant areas of Customs such as EOCU and MPRU. It also provides applicable intelligence to OAG members and to France.⁶⁷

⁶⁶ The number of patrol sea days Customs achieves is discussed in Chapter 2.

⁶⁷ As discussed in Chapter 3, the Cooperative Fisheries Surveillance Treaty between Australian and French authorities has established reciprocal intelligence exchange arrangements between these parties for Southern Ocean patrolling purposes which is also coordinated by BPC.

5.9 The BPC uses a range of oral briefings to advise Customs officers (specifically EOCU), and OAG members, of intelligence relevant to Southern Ocean patrols. These include:

- **pre-patrol briefings for OAG members.** These are conducted by BPC staff as part of regular OAG meetings (see Chapter 3). They are also provided to *Oceanic Viking* command teams before departure on patrol;
- **routine intelligence meetings.** These are convened by BPC to inform relevant Customs officers, and invited OAG members, of intelligence relating to Southern Ocean patrols; and
- **daily intelligence briefings.** Immediately before, and during Southern Ocean patrols, BPC conducts daily intelligence briefings for all relevant Customs officers. These allow EOCU and BPC officers to exchange intelligence and operational information relating to the patrols.

5.10 EOCU officers advised that they were generally satisfied with the communications arrangements established by BPC for providing intelligence to them.⁶⁸ OAG members were also generally satisfied with the range of intelligence produced by BPC for planning and operations.

5.11 The ANAO considers that the method used by BPC to distribute intelligence to other Customs areas and OAG members gives users the intelligence they need to plan Southern Ocean patrols.

Development of patrol taskings

5.12 A patrol tasking is the process of identifying and assigning targets or objectives to SOMPR program resources (the *Oceanic Viking*). It is essential that patrol taskings are based on an assessment of up-to-date intelligence, stakeholder requirements and the available SOMPR program resources.⁶⁹

5.13 The ANAO examined how EOCU develops patrol taskings, and whether it retains adequate documentation to support the patrol tasking decisions it makes.

EOCU's approach to developing patrol taskings

5.14 EOCU's approach to developing Southern Ocean patrol taskings is complex. In summary, it involves:

⁶⁸ Further discussion on communication arrangements with external stakeholders is contained in Chapter 3.

⁶⁹ The management of SOMPR program resources by MPRU is discussed in Chapter 4.

- **a pre-patrol briefing by EOCU.** This is used to obtain feedback from stakeholder agencies on the activities to be carried out;
- **the development of a Patrol Order.** Based on the information from the OAG meeting (which includes BPC intelligence), and that provided by MPRU regarding the availability of SOMPR program physical assets and human resources, EOCU develops a Patrol Order. This provides a broad operational plan for the patrol. The Patrol Order contains the tactical taskings⁷⁰ and standing taskings⁷¹ agreed in the OAG meeting. The Patrol Order is provided to Customs' Group Commander⁷² on board the *Oceanic Viking* for comment and implementation; and
- **the development of a detailed sailing plan.** Based on the Patrol Order, a detailed sailing plan (a passage plan) is developed by the Group Commander on the *Oceanic Viking* prior to departure.

5.15 AFMA taskings generally receive priority over the taskings of other stakeholders.⁷³ However as discussed in Chapter 2, ad hoc government taskings (such as surveillance of whaling in the Southern Ocean) have received priority recently. Unlike northern waters patrols, where taskings need to be prioritised carefully, Customs advised that most stakeholder requests for Southern Ocean patrol taskings can be (and are) completed successfully.

5.16 As described above, EOCU has established a systematic process to obtain information from stakeholders and government, BPC (intelligence), and MPRU to develop its Southern Ocean taskings. Patrol Orders are used to record the description of each tasking, and the priority of those taskings. The information contained in Patrol Orders is comprehensive and sets out clearly the objectives of the patrol (the taskings).

Southern Ocean patrol Standing Operating Procedures

5.17 The SOMPR program SOPs guide the behaviour and conduct of Customs' Armed Boarding Officers when operating in the Southern Ocean. The SOPs detail the organisational structure for, and individual responsibilities of, Armed Boarding Officers embarking on a Southern Ocean operation. Specifically, the SOPs should provide clear guidance for Armed Boarding

⁷⁰ These are taskings for specific incidents or events that require an immediate response.

⁷¹ These are taskings completed as an opportunity presents itself during routine patrols.

⁷² The Group Commander is the Customs' officer-in-charge aboard the *Oceanic Viking*. The Group Commander reports directly to the Operations Commander at EOCU.

⁷³ This is consistent with a primary outcome of the program, which is protection of the Patagonian Toothfish fishery around HIMIU EEZ from IUU fishing.

Officers and other personnel for the following areas related to Southern Ocean patrols:

- finance and administration (specific to patrols);
- occupational health and safety;
- patrol operations;
- operation command;
- operational safety training; and
- tender (rigid-hulled inflatable boat) operations.

5.18 The SOPs are an essential control mechanism used to increase the likelihood that Southern Ocean patrols are successful. To provide assurance that Armed Boarding Officers, and other staff on board the *Oceanic Viking* will carry out their duties safely, efficiently and effectively SOPs must be:

- comprehensive and current; and
- followed by Armed Boarding Officers and other staff.

5.19 The ANAO examined EOCU's approach to ensuring the Southern Ocean SOPs satisfy these two conditions.

Figure 5.1

Apprehension of an illegal foreign fishing vessel



Armed Boarding Officers from the *Oceanic Viking* board an illegal foreign fishing vessel in Australia's northern waters. It is essential that these officers understand and follow the SOPs to ensure that the vessel is apprehended legally and safely.

Source: Australian Customs Service.

Ensuring SOPs are comprehensive and current

5.20 As discussed in Chapter 2, the SOMPR program has continued to evolve. Each year, Armed Boarding Officers are required to undertake new activities not considered when the program commenced. For the SOPs to remain relevant they should reflect current operations, and provide enough guidance for them to undertake their duties safely, efficiently and effectively.

5.21 The first series of SOPs were developed in November 2004 and updated most recently in May 2005. A Customs internal audit report into the SOMPR program in June 2005 found that:

on occasion delays in communication and reporting have occurred during operational assignments. These have arisen due to changes in the Commander position and a lack of awareness in relation to the responsibilities assigned to the role.⁷⁴

5.22 Although Customs has not revised its SOPs in response to the internal audit recommendation it advised that it has discussed the recommendation at a senior level and concluded that the existing SOPs are adequate for Southern Oceans patrolling.⁷⁵

Updating the SOPs to reflect changes in patrol operations

5.23 Since the SOPs were last updated in May 2005 activities undertaken in the Southern Ocean have changed and Armed Boarding Officers have identified that SOPs need to be updated to reflect those changes. In a February 2007 Operation Command Briefing it was noted that:

deployed personnel have recommend[ed] a number of changes to the SOPs and appear to have amended some on board the *Oceanic Viking* but none of these changes have been endorsed by the director, Enforcement Development.⁷⁶

5.24 Given SOPs provide strict instructions for undertaking efficient, effective and safe patrols in the Southern Ocean, Armed Boarding Officers must adhere to them. Where SOPs inhibit *Oceanic Viking* personnel from undertaking their duties efficiently, effectively and safely, those SOPs should

⁷⁴ Customs Internal Audit Report No. 469, *Southern Ocean Maritime Patrol and Response Program*, June 2005, Recommendation 4.

⁷⁵ Customs considered the internal audit recommendation for a review of SOPs at an *Operations Command Briefing* in September 2007. The minutes note that this matter has not been resolved.

⁷⁶ Australian Customs Service, *Customs—Southern Ocean Operations—Operation Command Briefing*, February 2007. p 33.

be reviewed and be amended if required. Amending SOPs must occur through processes approved by Customs management.

Conclusion on Southern Ocean Patrol Standing Operating Procedures

5.25 Although Customs initially produced well documented SOPs at the commencement of the interim SOMPR program in 2004, these SOPs have not been reviewed and updated since May 2005. The ANAO considers that, Customs would obtain increased assurance that its Armed Boarding Officers and other *Oceanic Viking* staff operate efficiently, effectively and safely in the Southern Ocean by reviewing their SOPs annually in consultation with relevant operational staff.

Patrol reporting and performance assessment

5.26 Reporting on the events that occur during patrols is a key aspect of patrolling the Southern Ocean. Not only are patrol reports used to report on aspects of SOMPR program performance, but they are also used as a source of intelligence for BPC and other stakeholders. Specifically, a sound Southern Ocean operational reporting regime allows Customs to:

- **gather and report information on IUU vessel sightings and apprehensions.** Given the desired outcomes and objectives of the program, it is essential that this reporting is done well. These reports can be used as evidence for potential prosecutions of IUU vessel operators and crew. They can also be used by BPC and other stakeholders (such as CCAMLR) for intelligence and other purposes;
- **inform SOMPR program stakeholders of events on patrols.** This is important if particular stakeholders have an interest in specific events that occur on patrols, or have tasked the patrol to undertake specific activities. For example, AAD would be interested in any events that affect the environment in the Southern Ocean;
- **record problems or difficulties (for example, vessel or equipment malfunctions) that occur during patrols.** This allows Customs and/or the contractor that owns the *Oceanic Viking* to rectify problems and to prevent future problems from occurring; and
- **record the performance of the vessel and Armed Boarding Officers in undertaking Southern Ocean patrols.** Reports on the conduct of a

tasking, and whether tasking objectives have been achieved, can be useful in assessing individual tasking performance for that patrol.

5.27 The ANAO examined three categories of reports Customs uses to report information collected during patrols, and on the success of its patrols. These are:

- patrol reports;
- the contractor's voyage reports; and
- Group Commander's operation reports.

Patrol reports

5.28 The Group Commander on board the *Oceanic Viking* is responsible for producing a range of technical and situational reports while on patrol. These are used to provide stakeholders with intelligence and other information relevant to their Southern Ocean taskings. These reports are:

- **Daily Sitreps**—these are high-level Situation Reports produced daily detailing such information as patrol vessel position and course as well as current patrol conditions;
- **Fishreps**—these are Fishing Vessel Reports prepared in conjunction with AFMA officers on board the patrol vessel upon contact with a foreign fishing vessel. These reports detail foreign fishing vessel and crew details, its position and course and details of any contact with the vessel's master; and
- **Tacreps**—these are Tactical Reports produced in the event of an unusual occurrence or receipt of information assessed to be of immediate interest to the Group Commander. These detail the patrol vessel's position and details of the event or sighting.

5.29 The ANAO reviewed a sample of the above reports, and noted that they provide information to EOCU and client agencies in a consistent format. Stakeholders said they were generally satisfied with the reports' timeliness. However, some said that the reports contained insufficient information. In particular, some had missing dates, and some had insufficient detail on *Oceanic Viking* interactions with potential IUU vessels. Customs advised that clients had not formally raised these issues at OAG meetings or other forums.

5.30 As stakeholders rely on patrol reports to fulfil their roles in the SOMPR program, Customs should produce accurate and complete patrolling reports to

meet their information requirements. Equally stakeholders need to express their information requirements clearly to Customs. As discussed Chapter 3, the ANAO considers that Customs and key stakeholder agencies should take additional steps to formalise their interactions and establish more systematic communication and reporting arrangements.

The contractor's voyage reports

5.31 Under its contract with Customs, the contractor must prepare post voyage reports detailing:

- distance travelled and fuel used on patrol;
- vessels boarded in the operational area;
- breakdown and equipment failures affecting services provided; and
- number of days spent alongside in port or remaining at anchor.

5.32 This information is mainly quantitative. Although simple, the reports provide valuable information that can be used to assess the efficiency and effectiveness of individual patrols in the Southern Ocean.

5.33 The ANAO considers that, as part of its performance assessment framework, Customs could use the information in these reports to identify any potential issues or problems applicable to the operation of the *Oceanic Viking* and other assets, and whether they adversely affected patrol taskings.

5.34 Information on distance travelled, fuel used and communications costs could be used, with other performance information, to assess the efficiency and economy of each patrol. This would also help Customs to prepare options for government on Southern Ocean patrolling after 2009–10.

Group Commander's Post Operation Report

5.35 Upon completion of each patrol, the Group Commander must prepare a Post Operation Report (POR). This discusses the events and activities of the patrol as well as providing any recommendations to improve future patrols. The responsibility of the Group Commander to prepare the POR is identified in the SOMPR program SOPs.

5.36 PORs are essential to the successful apprehension and prosecution of individuals or companies undertaking illegal fishing in Australia's EEZs, as they are used in conjunction with other reports (such as Fishreps) to describe the *Oceanic Viking's* contact with IUU vessels. Accurate and detailed records of

contacts with IUU vessels must be kept to support potential legal action taken against the owners and operators of IUU vessels.

5.37 The ANAO found that the information contained in PORs provides sufficient detail to adequately describe the events and activities that have occurred during patrols. This fulfils the primary function of a POR.

5.38 PORs are also a potentially useful source of information to assess individual patrol performance and provide a measure of success for individual patrol taskings. However, based on an examination all PORs produced since the commencement of the SOMPR program, the ANAO found that:

- **the format, content and detail contained in PORs is inconsistent.** The SOPs do not specify a format for, or the content of, PORs. As a result, the content and format of the POR is determined by the Group Commander for each patrol. This makes the comparison of performance between patrols difficult and reduces the value of PORs as a source of management information over time;
- **PORs do not reconcile directly to Patrol Orders.** As discussed earlier, EOCU develops Patrol Orders, which specify the taskings to be completed during that patrol. PORs do not comment directly on the taskings specified in the Patrol Orders or the Patrol's success in carrying out those taskings; and
- **PORs do not report specifically against breaches of SOPs.** PORs reviewed by the ANAO have not included specific reporting against any breaches of the SOPs.

5.39 Therefore, the ANAO considers that a more systematic and consistent approach to reporting the events and activities on patrols would improve the quality and comparability of information contained in PORs. This would provide EOCU with valuable quantitative and qualitative information which could be used to assess individual performance of patrols, as well as allow it to more readily compare patrol performance over time.

5.40 Overall EOCU has established a comprehensive regime to report on the activities and events that occur in the Southern Ocean. These reports range from detailed descriptions of events or activities which are used for gathering intelligence (for example, Sitreps, Fishreps and Tacreps) through to broader assessments of patrols (voyage reports and PORs).

5.41 However, Customs currently does not systematically collect and report information on the individual performance of patrols. The ANAO considers that this type of assessment is important not only to determine how well each specific tasking is completed during each patrol, but also in assessing Customs' performance in fulfilling its responsibilities.

5.42 The ANAO considers that there would be merit in Customs examining ways of incorporating the information it collects through its Southern Ocean reporting regime to strengthen its assessment of the performance of individual patrols and its overall performance.



Ian McPhee
Auditor-General

Canberra ACT
30 September 2008

Appendices

Appendix 1: Definition of Illegal, Unreported and Unregulated fishing

As part of the Twenty-third Session of the Food and Agriculture Organisation of the United Nations Committee on Fisheries (COFI), a need was identified to prevent, deter, and eliminate IUU fishing. An outcome of this session was the need to develop an *International Plan of Action to Prevent, Deter And Eliminate Illegal, Unreported and Unregulated Fishing*.⁷⁷ This plan of action specifies that:

- Illegal fishing refers to activities:
 - conducted by national or foreign vessels in waters under the jurisdiction of a State, without the permission of that State, or in contravention of its laws and regulations;
 - conducted by vessels flying the flag of States that are parties to a relevant regional fisheries management organization but operate in contravention of the conservation and management measures adopted by that organization and by which the States are bound, or relevant provisions of the applicable international law; or
 - in violation of national laws or international obligations, including those undertaken by cooperating States to a relevant regional fisheries management organisation.
- Unreported fishing refers to fishing activities:
 - which have not been reported, or have been misreported, to the relevant national authority, in contravention of national laws and regulations; or
 - undertaken in the area of competence of a relevant regional fisheries management organization which have not been reported or have been misreported, in contravention of the reporting procedures of that organization.
- Unregulated fishing refers to fishing activities:
 - in the area of application of a relevant regional fisheries management organization that are conducted by vessels without nationality, or by those flying the flag of a State not

⁷⁷ Food and Agriculture Organisation of the United Nations, Rome, 2001, an *International Plan of Action to Prevent, Deter And Eliminate Illegal, Unreported and Unregulated Fishing*, p. 3.

party to that organization, or by a fishing entity, in a manner that is not consistent with or contravenes the conservation and management measures of that organization; or

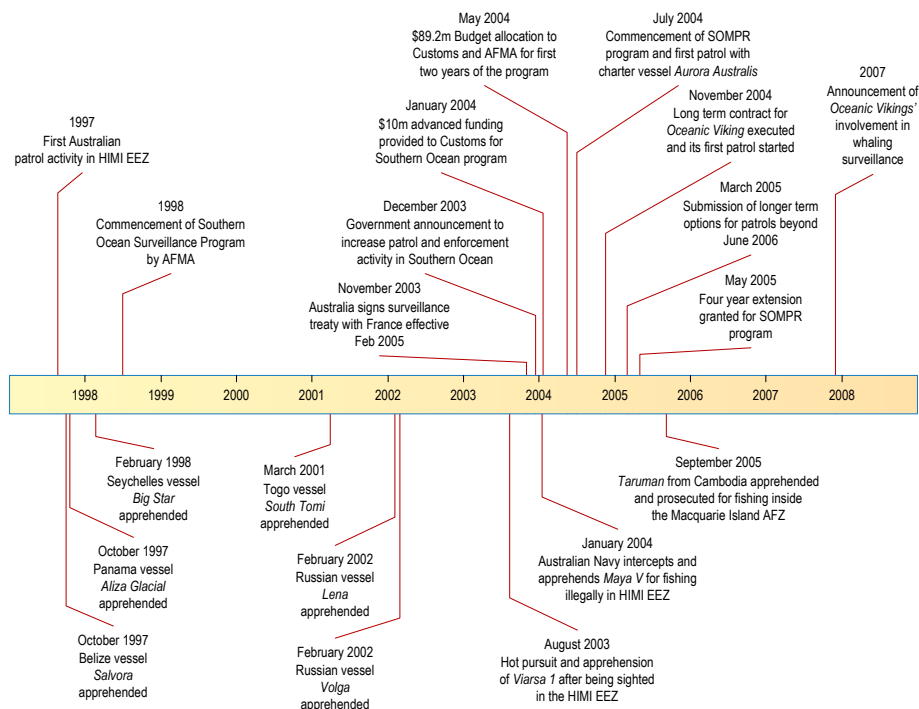
- in areas or for fish stocks in relation to which there are no applicable conservation or management measures and where such fishing activities are conducted in a manner inconsistent with State responsibilities for the conservation of living marine resources under international law.

Appendix 2: History of Southern Ocean patrolling

This timeline shows the main events in the history of Southern Ocean patrols.

Figure A 1

Timeline of Southern Ocean patrols



Source: ANAO analysis of Customs and AFMA. data

Australian fishing vessels authorised to fish within the HIMI EEZ have reported the presence of IUU fishing vessels in the area from 1996.

The first Australian Southern Ocean Surveillance Program was established in 1998 by AFMA. The 1998–99 Budget committed \$15.8 million over four years to this program. In May 2003, \$12.0 million was allocated to Customs and DAFF to enhance the capability of patrols.

The high profile apprehension of the Uruguayan fishing vessel *Viarsa 1* in August 2003 involved a 21-day ‘hot pursuit’ after the vessel was sighted inside the HIMI EEZ. Australia required the assistance of armed South African fisheries officers aboard South African vessel the *John Ross* to eventually stop and board the *Viarsa 1*, some 2000 nautical miles south west of Cape Town, South Africa.

Following the apprehension of the *Viarsa 1*, Customs and DAFF made a joint submission to government.

In December 2003, the then Government announced a commitment to fund a two-year interim program for armed maritime patrols to commence in July 2004. This became the SOMPR program. In the May 2004 Budget, \$89.2 million⁷⁸ was allocated to Customs and DAFF for the program for the two years to June 2006.

In 2005–06 the program was extended with the then Government committing an additional \$181.3 million over the four years from July 2006 to June 2010.

⁷⁸ Funding included \$84.2 million allocated to Customs and \$5 million allocated to the Department of Agriculture, Fisheries and Forestry.

Appendix 3: IUU vessels apprehended by Australian authorities since 1997

| Boat (Flag State) | Date apprehended | Value (\$'000) | Bond Details |
|------------------------|------------------|----------------|---|
| Salvora (Belize) | 16/10/97 | \$899 | The <i>Salvora</i> was bonded for a total of \$1 577 478. This amount covered the value of the vessel (\$855 504), catch (\$178 571), fishing equipment (\$43 403), possible fines (\$400 000) and VMS security (\$100 000). The bond was not challenged. |
| Aliza Glacial (Panama) | 17/10/97 | \$10 044 | Not bonded |
| Big Star (Seychelles) | 21/02/98 | \$1010 | The <i>Big Star</i> was bonded for \$1 450 000. This amount represented a negotiated amount which included \$100 000 security for VMS and \$200 000 provision for possible fines. The bond was not challenged. |
| South Tomi (Togo) | 29/03/01 | \$1235 | Not bonded |
| Lena (Russia) | 04/02/02 | \$2378 | Not bonded |
| Volga (Russia) | 07/02/02 | N/A | The High Court refused leave to appeal the decision of the Federal Court and dismissed the challenge to forfeiture of the vessel. The vessel is now property of the Australian Government. The vessel has been disposed of. |
| Viarsa 1 (Uruguay) | 28/08/03 | \$2610 | Owners challenged the forfeiture of the vessel. Owners have not proceeded. Vessel now property of Australian Government. |
| Maya V (Uruguay) | 24/01/04 | USD\$2549 | Not bonded. |
| Taruman (Cambodia) | 06/09/05 | USD\$1667 | Not bonded. |

Source: Australian Fisheries Management Authority.

Appendix 4: Roles of key SOMPR program stakeholders

| Stakeholder | Role |
|--|---|
| Government Stakeholders | |
| Australian Fisheries Management Authority (AFMA) | <p>AFMA is the enforcement agency for the <i>Fisheries Management Act 1991</i> and has responsibility for prosecuting apprehended fishing vessels. SOMPR patrols have AFMA officers on board to assist in this role.</p> <p>AFMA is the principal stakeholder in the SOMPR program, with an outcome of the program being the protection of fish stocks around the HIMI EEZ. AFMA taskings are given a high priority by Customs for this reason.</p> <p>AFMA officers have considerable operational input into the SOMPR program from pre-patrol planning to post-patrol management of fisheries offences investigations. Customs provides AFMA with long-term sailing plans and a broad operational plan for each patrol before it commences.</p> <p>During patrols, AFMA officers on board the <i>Oceanic Viking</i> are responsible for investigating possible fisheries offences identified as part of the SOMPR patrols. Customs' role in the patrol is to provide protection to fisheries officers on board, and assist in carrying out operations to ensure the investigation and prosecution process runs as effectively as possible.</p> <p>Canberra-based AFMA officers also participate in daily intelligence and operational briefings, and provide broad advice on AFMA/DAFF priorities where required.</p> |
| Australian Antarctic Division (AAD) | <p>The AAD charter is to ensure Australia's Antarctic interests are advanced and it develops policy proposals and provides advice on Australia's Antarctic interests.</p> <p>AAD provides the OAG with expertise and assistance in areas of the SOMPR program related to the management of Australia's Antarctic resources. AAD provide scientific and environmental input to the OAG, and are the principal liaison point for CCAMLR. Customs also work closely with AAD regarding the provision of medical services on board the <i>Oceanic Viking</i>.</p> <p>AAD provide taskings for environmental work around HIMI. These are generally a lower priority than those provided by AFMA.</p> |
| Bureau of Meteorology (BoM) | <p>The BoM assist Customs with weather information during patrols. The <i>Ocean Viking</i> has also conducted fieldwork for the BoM.</p> |
| Department of Foreign Affairs and Trade (DFAT) | <p>DFAT provides diplomatic advice to Customs when seeking to board or apprehend suspected IUU vessels.</p> <p>In particular, DFAT has a small but important role in determining diplomatic strategy regarding approaches to the flag countries of vessels sighted in the Southern Ocean.</p> <p>Under the Customs legislation, Customs officers are allowed to board a vessel on the high seas if there is an agreement or arrangement with the flag state of the vessel. DFAT provide operational input to Customs by negotiating or managing these agreements with flag states.</p> |

| | |
|---|--|
| Department of Agriculture, Fisheries and Forestry (DAFF) | <p>DAFF is the lead agency in the development of Southern Ocean patrolling policy.</p> <p>In addition to its Southern Ocean policy development role, DAFF advises Customs and other key stakeholders on all fisheries policy matters.</p> |
| Attorney-General's Department (AGD) | <p>The AGD provides Customs with domestic and international legal advice in relation to boardings and apprehensions of suspected IUU fishing vessels. This includes instances where international maritime law has not been fully established.</p> <p>Although AGD's input into the day-to-day operation of the SOMPR program is limited, the Department has an important role in the program because of the complexity of international maritime law.</p> |
| Department of Defence and the Australian Defence Force (ADF) | <p>Defence and the ADF do not generally attend Operational Advisory Group meetings. Defence provides intelligence and surveillance support to Customs.</p> <p>Defence and ADF have a commitment to provide ADF assets for Southern Ocean patrolling and enforcement activities if Customs resources are unavailable.</p> <p>Defence does not have any direct operational control over SOMPR program assets, and does not have direct input into the <i>Ocean Viking's</i> Long-Term Sailing Plan, or specific patrols/tasking.</p> <p>Defence and the ADF also provide strategic advice on operations.</p> |
| Non-Government Stakeholders | |
| Commission for the Conservation of Antarctic Marine and Living Resources | CCAMLR is charged with ensuring the conservation and rational use of resources in the Southern Ocean. It has 25 member states and Customs assist CCAMLR to gather evidence on IUU vessels operating in CCAMLR areas when not authorised to do so. |
| France | France shares an EEZ border with the HIMI region. Australia and France have a cooperative treaty for the prevention of IUU fishing in the Australian and French EEZs and there is an officer exchange program for French and Australian patrols in the Southern Ocean. |
| New Zealand | New Zealand conducts aerial patrols near Australia's Macquarie Island and share information with the Australian Government on suspected IUU vessels in the area. |
| South Africa | South Africa has an EEZ in the Southern Ocean. South Africa played a key role in the apprehension of the <i>Viasa 1</i> in 2003. |
| The private firm responsible for leasing the <i>Oceanic Viking</i> to Customs | A private firm leases the <i>Oceanic Viking</i> to Customs. In addition, it provides the sailing crew and maintenance for the vessel. The private firm's crew include a steaming party to return apprehended fishing vessels to port. |
| HIMI EEZ authorised fishing vessels | The number of operators in the HIMI Fishery at any one time is restricted to three. The protection of fish stocks is in the interests of these commercial fishing operations. |

Source: ANAO analysis of Customs information.

Appendix 5: Potential performance measures to assess the performance of the SOMPR program

To obtain a holistic and meaningful assessment of performance, Customs could use a range of quantitative and qualitative performance indicators to assess its performance, including collecting and assessing information relevant to operational performance, financial, human resource management. Potential performance information could include but are not limited to:

Operational performance measures

- total number of IUU vessels detected in Australia's Southern Ocean EEZ compared to the number of IUU vessels intercepted and apprehended;
- total number of IUU vessels sighted, boarded and apprehended (existing measures);
- total number of taskings requested by stakeholder agencies compared with the total number of taskings completed;
- number of square nautical miles patrolled compared with the area planned in the Long-Term Sailing Plan;
- actual sea days per annum compared to available sea days;
- total number of sea days lost due to vessel repair or marine crew unavailability;
- number of activities undertaken by activity type compared to estimated activity; and
- assessment of each activity undertaken and whether the objectives of those activities were completed successfully.

Human resource performance measures

- total number of maritime crew and support staff employed compared to the total budgeted number of staff;
- percentage of maritime crew with various relevant qualifications;
- retention rate for Armed Boarding Officers;
- number of days lost through occupational health and safety incidents;
- compliance with agreed service delivery standards; and

- assessments of client/stakeholder agency satisfaction.

Financial performance measures

- cost of program compared to budget/appropriations;
- indirect (overhead) costs compared to direct costs;
- cost of the maritime patrols per day compared to budget;
- cost of medivacs;
- cost of patrols by patrol activity type; and
- comparison of costs between patrols.

Index

A

apprehensions, 12, 19, 29, 30, 76, 89
Attorney-General's Department (AGD),
7, 52, 54, 89
Australian and French cooperative
surveillance and enforcement, 17,
37, 57–58
Australian Antarctic Division (AAD), 7,
12, 15–16, 27, 29–30, 33, 35, 43,
51–52, 54–56, 61, 76, 88
Australian Antarctic Division Polar
Medical Unit (AADPMU), 7, 54
Australian Fisheries Management
Authority (AFMA), 7, 11, 15, 17,
25–27, 30, 33, 35, 43, 51–53, 57,
61, 73, 77, 85, 87–88

B

Bureau of Meteorology (BoM), 7, 12,
29–30, 88

C

Commission for the Conservation of
Marine Living Resources
(CCAMLR), 7, 13, 16, 25–27, 29,
31, 33, 43, 52, 76, 88–89
contract management, 15, 21, 67–69

D

Department of Agriculture, Fisheries
and Forestry (DAFF), 7, 11, 26–27,
35, 51–52, 61, 85–86, 88–89
Department of Defence, 7, 11, 16,
25–26, 46, 52, 54, 61, 89
Department of Foreign Affairs and
Trade (DFAT), 7, 35, 52, 88, 94

E

Enforcement Operations Coordination
Unit (EOCU), 7, 18–19, 32–33, 59,
70–74, 77, 79

F

financial management, 36, 47–48

G

Government stakeholders, 32, 53, 70,
77–78, 88–89

H

human resource management, 61–64

I

Illegal, Unreported and Unregulated
fishing, 12–14, 19, 27–29, 36,
42–44, 51, 57, 73, 83, 85, 89
Illegal, Unreported and Unregulated
vessels (IUUs), 11–13, 15, 28–31,
36–37, 40, 48–49, 58, 70–71,
77–78, 85, 87–90
intelligence capability, 7, 32, 42–44,
46, 71–73, 76

L

Long-term patrol planning, 7, 17, 59,
70, 89–90

M

Maritime Patrol and Response Unit
(MPRU), 8, 17, 32–33, 59–68,
70–73
Memorandum of Understanding, 7,
15–16, 54, 56

N

non-government stakeholders, 89
northern waters patrols, 12, 17, 29, 37,
41–42, 45–46, 58–60, 62, 70, 73–74

O

officer training, 15, 17, 48, 54, 60–62,
64–66, 74

Operational Advisory Group (OAG), 8,
16, 18, 33, 35, 42, 51-54, 56, 61,
71-73, 77, 88-89

P

performance indicators, 39-41, 45,
90-91

performance information, 15, 20,
39-40, 42, 44-45, 48, 78, 90-91

performance reporting, 18, 42, 70

R

recruitment, 48, 61-62, 64-66

retention, 61, 64, 66, 90

risk management, 36, 48-50, 54, 69

S

Standing Operating Procedures
(SOPs), 8, 18, 70, 73, 76

T

taskings, 18-19, 46, 52, 60, 70-73,
77-79, 88, 90

Series Titles

ANAO Audit Report No.1 2008–09

Employment and Management of Locally Engaged Staff

Department of Foreign Affairs and Trade

ANAO Audit Report No.2 2008–09

Tourism Australia

ANAO Audit Report No.3 2008–09

Establishment and Management of the Communications Fund

Department Department of Broadband, Communications and the Digital Economy

Department of Finance and Deregulation

ANAO Audit Report No.4 2008–09

The Business Partnership Agreement between the Department of Education, Employment and Workplace Relations (DEEWR) and Centrelink

Department Department of Broadband, Communications and the Digital Economy

Department of Finance and Deregulation

ANAO Audit Report No.5 2008–09

The Senate Order for Departmental and Agency Contracts (Calendar Year 2007 Compliance)

ANAO Audit Report No.6 2008–09

Illegal, Unreported and Unregulated Fishing in the Southern Ocean

Current Better Practice Guides

The following Better Practice Guides are available on the Australian National Audit Office Website.

| | |
|---|-----------|
| Developing and Managing Internal Budgets | June 2008 |
| Agency Management of Parliamentary Workflow | May 2008 |
| Public Sector Internal Audit | |
| An Investment in Assurance and Business Improvement | Sep 2007 |
| Fairness and Transparency in Purchasing Decisions | |
| Probity in Australian Government Procurement | Aug 2007 |
| Administering Regulation | Mar 2007 |
| Developing and Managing Contracts | |
| Getting the Right Outcome, Paying the Right Price | Feb 2007 |
| Implementation of Programme and Policy Initiatives: | |
| Making implementation matter | Oct 2006 |
| Legal Services Arrangements in Australian Government Agencies | Aug 2006 |
| Preparation of Financial Statements by Public Sector Entities | Apr 2006 |
| Administration of Fringe Benefits Tax | Feb 2006 |
| User-Friendly Forms | |
| Key Principles and Practices to Effectively Design and Communicate Australian Government Forms | Jan 2006 |
| Public Sector Audit Committees | Feb 2005 |
| Fraud Control in Australian Government Agencies | Aug 2004 |
| Security and Control Update for SAP R/3 | June 2004 |
| Better Practice in Annual Performance Reporting | Apr 2004 |
| Management of Scientific Research and Development Projects in Commonwealth Agencies | Dec 2003 |
| Public Sector Governance | July 2003 |
| Goods and Services Tax (GST) Administration | May 2003 |
| Building Capability—A framework for managing learning and development in the APS | Apr 2003 |
| Administration of Grants | May 2002 |

| | |
|---|-----------|
| Performance Information in Portfolio Budget Statements | May 2002 |
| Some Better Practice Principles for Developing Policy Advice | Nov 2001 |
| Rehabilitation: Managing Return to Work | June 2001 |
| Business Continuity Management | Jan 2000 |
| Building a Better Financial Management Framework | Nov 1999 |
| Building Better Financial Management Support | Nov 1999 |
| Commonwealth Agency Energy Management | June 1999 |
| Security and Control for SAP R/3 | Oct 1998 |
| Controlling Performance and Outcomes | Dec 1997 |
| Protective Security Principles (in Audit Report No.21 1997–98) | Dec 1997 |