Australian Government spending on irregular maritime arrivals and counter-people smuggling activity

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with the assistance of the Law and Bills Digest Section

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Introduction

There has been much discussion in both the media and political debate in recent times about the substantial and rising costs to the Australian Government of intercepting, detaining and processing asylum seekers arriving by boat. Criticism of these costs has come from many quarters, including refugee advocates and the current federal Opposition. Despite the volume of public comment on this issue, there is no comprehensive, publicly available source of data outlining the precise costs incurred in the interception, detention and processing of asylum seekers who arrive unauthorised by boat.

No Australian government has ever provided a single figure estimate of the total cost of these activities. This is, in part, because the costs are incurred across a number of agencies and portfolios, but also because costs are incurred across various programs, many of which have broader objectives than dealing with irregular maritime arrivals (IMAs). This means that it is often difficult or impossible to disaggregate these costs.

This research paper outlines the various programs and agencies involved in the interception, detention and processing of IMAs. In order to paint a more complete picture of the costs associated with people smuggling, and the Government’s efforts to curb it, the paper also examines the programs relating to counter-people smuggling activities, and the prosecution and incarceration of alleged people smugglers. It does not attempt to place a definitive figure on these costs. Rather, it highlights the available information on expenditure relating to these activities, as well as some of the difficulties in isolating expenditure that specifically relates to boat arrivals.

Maritime surveillance and interception

Under the auspices of the multi-agency taskforce, Border Protection Command (BPC), the Department of Defence (Defence) and the Australian Customs and Border Protection Service (Customs) are the two agencies responsible for intercepting and transporting asylum seekers arriving by boat.¹ However, as outlined below, this is only one aspect of these agencies’ maritime surveillance and border security responsibilities. Attempting to separate all the different elements those responsibilities entail is a difficult and somewhat academic exercise.

Customs

For 2013–14, Customs was allocated $342.2 million for Program 1.4, Civil Maritime Surveillance and Response, which includes responding to ‘security threats in Australia’s maritime domain’, comprising IMAs, as well as illegal activity in protected areas, illegal exploitation of natural resources, marine

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¹ For information on Border Protection Command (BPC) see BPC, ‘About us’, BPC website, accessed 30 August 2013.
Australian Government spending on irregular maritime arrivals and counter-people smuggling activity

pollution, prohibited imports and exports, compromise to bio-security, piracy, robbery or violence at sea, and maritime terrorism.2

This funding model is sensible in operational terms, as surveillance and patrol activities simultaneously monitor a range of maritime threats, and there is flexibility to direct resources in response to the most prominent threats at any given time. However, it means that it is not possible to discern what proportion of the overall funding allocation is spent on responding to IMAs and how that proportion varies from year to year. Nonetheless, Budget documents, Customs’ annual reports and responses to questioning at Senate Estimates hearings indicate that such activities have comprised a significant component of Customs’ work in this program area in recent years.

The diversion of a vessel normally allocated to the Southern Ocean to transport IMAs and funding in the 2013–14 Budget for additional vessel patrol days are noted below in the discussion on Customs’ leased vessels. In addition, Customs refers in its Annual Report 2011–12 to the ‘reposturing’ of surveillance aircraft from the east to west coast of Australia, and conducting surveillance further from shore ‘in response to the evolving maritime security threat environment’ for IMAs.3 The impact of responding to IMAs on the recent allocation of resources was confirmed in the following exchange between Senator Kroger and the heads of Customs and BPC in May 2013:

Senator KROGER: Would it be reasonable to say that the primary focus of border protection and the assets, in particular, the Bay class, is the overall management of the SIEVs [suspected irregular entry vessels] being identified and coming in?

Mr Pezzullo: At present and in recent years, that is empirically absolutely the case. That is where our assets are.

Rear Adm. Johnston: I could add that there is an overlay of activities. Some of the areas where we are postured in terms of irregular maritime arrivals are also key fishing zones for us, so the activities are often done concurrently. An aircraft surveillance flight that we may run that is looking for suspected irregular entry vessels also looks for illegal foreign fishing activities, marine pollution—a range of events. So all of the assets that I am using do multiple tasks concurrently rather than focus on a single activity. But certainly the stationing at the moment is partly driven around irregular maritime arrivals.4

Table 1 details Customs’ expenditure on its Civil Maritime Surveillance and Response function from 2003–04 to 2011–12, and budget estimates for 2012–13 to 2016–17. It should be remembered that funds allocated to Customs for maritime surveillance and interception and border enforcement have

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2. Australian Government, Portfolio budget statements 2013–14: budget paper no. 1.2: Attorney-General’s Portfolio, pp. 106, 118, accessed 15 May 2013. This is distinct from the funding Customs receives for measures aimed at preventing people smuggling, which is covered in a separate section of this paper on counter-people smuggling activities.


historically been spread across a number of programs or output groups, and disaggregating funding is difficult. For example, in 2009–10 Customs moved from reporting against output groups to reporting against programs, resulting in the realignment of several functions, including civil maritime surveillance response.  

For consistency, only expenditure on Civil Maritime Surveillance and Response has been included below.

Table 1: Customs funding for Civil Maritime Surveillance and Response 2003–04 to 2016-17

<table>
<thead>
<tr>
<th>Year</th>
<th>Expenditure (m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003–04</td>
<td>$257.2</td>
</tr>
<tr>
<td>2004–05</td>
<td>$307.0</td>
</tr>
<tr>
<td>2005–06</td>
<td>$237.0</td>
</tr>
<tr>
<td>2006–07</td>
<td>$332.8</td>
</tr>
<tr>
<td>2007–08</td>
<td>$315.0</td>
</tr>
<tr>
<td>2008–09</td>
<td>$137.3</td>
</tr>
<tr>
<td>2009–10</td>
<td>$292.9</td>
</tr>
<tr>
<td>2010–11</td>
<td>$303.8</td>
</tr>
<tr>
<td>2011–12</td>
<td>$307.6</td>
</tr>
<tr>
<td>2012–13 (revised budget)</td>
<td>$328.7</td>
</tr>
<tr>
<td>2013–14 (budget estimate)</td>
<td>$342.2</td>
</tr>
<tr>
<td>2014–15 (budget estimate)</td>
<td>$265.8</td>
</tr>
<tr>
<td>2015–16 (budget estimate)</td>
<td>$280.8</td>
</tr>
<tr>
<td>2016–17 (budget estimate)</td>
<td>$277.8</td>
</tr>
</tbody>
</table>


Customs operates eight Bay Class patrol boats, which may be used to respond to IMAs, although they are not solely dedicated to this task. The Bay Class boats are reaching the end of their operational life and, in the 2010–11 Budget, funding was approved to replace them with larger and more capable ships—to be known as Cape Class. In June 2011 the then Minister for Home Affairs announced that the contract to supply the eight new Cape Class boats would be worth $350 million. This is in addition to the $42.6 million over four years provided in the 2010–11 Budget for operational costs associated with the replacement of the Bay Class boats. The first of the Cape Class boats was launched in January 2013 and has been undergoing an operational trial. The full fleet of

eight is expected to be operational by September 2015.\textsuperscript{10} As at February 2013, the project was running on schedule and to budget.\textsuperscript{11}

In response to a question in Senate Estimates hearings held in October 2010 regarding the maintenance costs of the \textit{Bay} Class vessels for the remainder of their operational lives, Customs provided the following information:

The estimated costs of maintenance of the \textit{Bay} Class vessels are dependent upon the transition period during production of the new \textit{Cape} Class Patrol Boats, tasking levels and emergent defects.

The \textit{Bay} Class vessels will be replaced by \textit{Cape} Class Patrol Boats on a one-for-one basis, with transition upon operational acceptance of the new boats. This will reduce the \textit{Bay} Class vessel maintenance costs in the latter stages of the forward estimates.

...The total estimated maintenance costs for \textit{Bay} Class vessels, assuming a reduction in number of these vessels as the new patrol boats are rolled out, are:

\begin{itemize}
    \item 2010/11 \quad $7.2m
    \item 2011/12 \quad $11.0m
    \item 2012/13 \quad $12.2m
    \item 2013/14 \quad $5.5m
    \item 2014/15 \quad $1.4m
\end{itemize}

Total estimate: $37.3m\textsuperscript{12}

In addition to the \textit{Bay} Class patrol boats, Customs manages the contracts for three leased vessels which are also deployed in border patrol activities. These are the ACV (Australian Customs Vessel) \textit{Ocean Protector}, ACV \textit{Triton} and ACV \textit{Ashmore Guardian}.\textsuperscript{13} As with the \textit{Bay} Class vessels, these are not deployed exclusively for intercepting and transporting IMAs. However, this responsibility represents a large share of the patrol activity undertaken by these vessels.

In 2010–11 the ACV \textit{Triton} and the ACV \textit{Ocean Protector} each undertook five per cent more patrol days than their target, due to being required to ‘facilitate the long haul transportation of passengers and crew from intercepted SIEVs’.\textsuperscript{14} In 2011–12, the ACV \textit{Triton} undertook 30 per cent more patrol days than its target. The ACV \textit{Ocean Protector} undertook only one additional patrol day, but 75 of its

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121 patrol days (approximately 62 per cent) were spent in northern waters, where it was diverted to transport IMAs, instead of the Southern Ocean, to which it is nominally allocated.\(^\text{15}\) Funding was provided in the 2013–14 Budget to increase the number of patrol days for the ACV *Triton* in 2012–13 and for the ACV *Protector* in 2012–13 and 2013–14 as part of the measure ‘Combating people smuggling—strengthening response capability to irregular maritime arrivals’.\(^\text{16}\)

**Defence**

Defence has budgeted $9.9 million (to be absorbed by the Department) in the 2013–14 Budget for ‘Operation RESOLUTE’, which contributes to Australia’s whole-of-government maritime surveillance efforts.\(^\text{17}\) Operation RESOLUTE is focused on combating the same eight maritime security threats as Customs’ *Civil Maritime Surveillance and Response* program (of which IMAs is one).\(^\text{18}\)

Up to 500 Australian Defence Force (ADF) personnel are assigned to Operation RESOLUTE at any one time, and permanent ADF resources allocated to Operation RESOLUTE comprise:

- Air Force AP-3C Orion maritime patrol aircraft
- Navy *Armidale* Class patrol boats operating daily throughout Australia’s northern offshore maritime areas (seven vessels)
- Australian Army Regional Force Surveillance Unit patrols
- a Transit Security Element of approximately 36 Navy personnel and
- a standby Navy Major Fleet Unit (usually an *Anzac* Class frigate) for northern waters response.\(^\text{19}\)

In addition, the Australian Hydrographic Service’s *Leeuwin* Class vessels, HMAS *Leeuwin* and HMAS *Melville*, have, at times, been tasked with duties pertaining to Operation RESOLUTE. During 2011, these vessels spent 80.5 per cent of their 317 days at sea on Operation RESOLUTE.\(^\text{20}\) The *Leeuwin* Class vessels cost an average of $112,904 per day to operate.\(^\text{21}\)

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16. Australian Government, *Budget measures: budget paper no. 2: 2013–14*, op. cit., p. 89. The total funding for the measure was $68.4 million. However, the total also included extending the lease of vessels and surveillance aircraft and deployment of a *Bay* Class vessel and surveillance aircraft to ‘high priority areas’. The additional patrol days would only account for a small proportion of the total funding.
19. Ibid.
The ‘net additional cost’ of Operation RESOLUTE since it began is outlined in Table 2. The net additional cost is the estimated cost above and beyond normal operating expenditure plus capital investment (but minus savings made as a result of cancelling other activities), as well as costs recovered from third parties. In other words, it is not a complete costing of Defence’s contribution to border security.

Table 2: Defence funding for Operation RESOLUTE 1999–00 onwards

<table>
<thead>
<tr>
<th>1999–00 to 2011–12 Actual $m</th>
<th>2012–13 Estimated Actual $m</th>
<th>2013–14 Budget Estimate $m</th>
<th>Forward Estimates $m</th>
<th>Total $m</th>
</tr>
</thead>
<tbody>
<tr>
<td>140.3</td>
<td>9.5</td>
<td>9.9</td>
<td>0.0</td>
<td>159.7</td>
</tr>
</tbody>
</table>

Note: from 2011–12, Defence has absorbed the net additional cost of Operation Resolute.


Defence has been reluctant to provide a more accurate cost for Operation RESOLUTE. In a submission to the Joint Standing Committee on Foreign Affairs, Defence and Trade it stated:

> Defence does not estimate the full cost of operations as this would not enhance budget processes as Government seeks only to supplement Defence funding for the net additional costs of conducting operations. 22

The Lowy Institute’s Defence Military Fellow, James Brown, has recently attempted to calculate a more accurate figure for the cost of Operation RESOLUTE. 23 Using data taken from the Australian Defence Force Posture Review and Defence answers to various questions asked in the Parliament, Brown estimates that the real cost is at least $262 million per year. 24 This is an estimate, but one that points to the gap between the ‘net additional cost’ set out in Defence annual reports and Portfolio Budget Statements, and the total cost.

Brown excludes one-off deployments (the example he gives is the deployment of the Royal Australian Air Force (RAAF) Expeditionary Combat Support Squadron to activate RAAF Learmonth in 2008), but the cost of border protection activities is further increased by these kinds of activities. 25 For example, the Government’s August 2013 Economic Statement identifies an additional $15 million for Defence in 2013–14 for ‘Papua New Guinea Regional Resettlement Arrangement—accommodation support services’. 26 In practice, this means the Royal Australian Navy Landing Ship Dock HMAS Choules has been sent to Manus Island as part of an ADF Joint Task Force (which also

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24. The *Australian Defence Force posture review* is available on Defence’s website.
includes the use of C130J and King Air 350 aircraft) providing assistance to the Department of Immigration and Citizenship (DIAC). HMAS Choules will provide offshore accommodation and support to ADF members and other Australian Government staff as well as ship-to-shore services.  

Defence has stated that the average daily cost of operating HMAS Choules is $201,621.

During August 2012 media reports suggested that the Armidale Class vessels were suffering from greater than anticipated levels of hull fatigue as a result of increased IMA interceptions. The Chief of Navy responded to the media reports stating that they were inaccurate, but confirming that the Armidale Class were undergoing additional maintenance ‘to ensure class wide defects were resolved and maintenance backlogs were reduced’ and that this was occurring ‘against the backdrop of a period of very high operational intensity’. The Defence White Paper 2013 stated that the Government would move to an early replacement for the Armidale Class patrol boats but neither the White Paper, nor the 2013–14 Budget, indicated how much this would cost or when it would occur.

**Detention and processing**

Detention is currently the largest single identifiable cost associated with asylum seekers arriving by boat. Budget papers reveal that expenditure on detention has increased significantly in recent years as arrivals have increased. The return to offshore processing of IMAs in Nauru and Papua New Guinea in August 2012 has also contributed to increased costs in this area.

The Department of Immigration and Citizenship (DIAC) has historically not provided detailed information on the cost of detention by centre or per detainee, arguing that all centres are used flexibly and costs vary day by day depending on the number of detainees and other variables. However, in a response to a question on notice from the Joint Select Committee on Australia’s Immigration Detention Network in August 2011, DIAC did provide estimates of operating costs for each immigration detention facility for 2011–12. These estimates range from $2 million in operating costs for Perth Immigration Residential Housing, to $200 million for Christmas Island (all facilities).


The total estimated cost was $628.8 million, across 19 sites.\(^\text{34}\) It is important to note however that these are estimates only, and actual costs will vary according to factors such as the number of detainees, processing times, and specific detainee needs. Attempting to extrapolate from this a reliable figure for the cost of detention per individual is therefore highly problematic.

**Offshore asylum seeker management**

Expenditure on detaining and processing asylum seekers who arrive at an offshore place is accounted for under Program 4.3, *Offshore Asylum Seeker Management* in the Department of Immigration and Citizenship (DIAC) portfolio. Prior to 2012–13, Program 4.3 covered all DIAC funding for managing IMAs, including regional cooperation efforts aimed at curbing arrivals, and refugee status determination processes. In the 2012–13 Budget, these costs were divided between three programs. Program 4.3 is now concerned only with the care and management of IMAs in detention centres, community detention, or in the community on a Bridging Visa E. Other expenditure which was previously included under Program 4.3 has been moved to two new programs: Program 4.5 *Regional Cooperation and Associated Activities*, and Program 4.6 *Refugee Status Determination for Offshore Entry Persons*.\(^\text{35}\)

The 2013–14 Budget provides a total of almost $2.9 billion for administered and departmental expenses under Program 4.3 in 2013–14.\(^\text{36}\) This represents a significant increase from the $2.1 billion spent in 2012–13. It is almost ten times more than the $304.3 million that was spent in 2009–10 despite the fact that fewer administered programs are now included under this program area than was the case four years ago. The 2009–10 Budget had anticipated that costs under Program 4.3 would increase in line with increasing numbers of unauthorised boat arrivals.\(^\text{37}\) Consequently, subsequent budget estimates have fallen short and have been revised to meet the costs of the increases in the number of arrivals in the last three years. This trend continues in 2013–14 with the Government announcing in its *Economic Statement* in August 2013 that ‘offshore asylum seeker management costs ... are expected to be $351 million higher in 2013-14 ($1.3 billion over four years to 2016-17), reflecting updated actual and projected unauthorised maritime arrivals and the cost of regional processing centres’.\(^\text{38}\)

Table 3 shows how expenditure under Program 4.3 has increased over the last six years.

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Table 3: DIAC Funding for Offshore Asylum Seeker Management, 2008–09 to 2013–14

<table>
<thead>
<tr>
<th></th>
<th>2008–09 (estimated actual) $m</th>
<th>2009–10 (estimated actual) $m</th>
<th>2010–11 (estimated actual) $m</th>
<th>2011–12 (estimated actual) $m</th>
<th>2012–13 (estimated actual) $m</th>
<th>2013–14 (Budget estimate) $m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administered expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Community and detention</td>
<td>35.2</td>
<td>149.4</td>
<td>561.9</td>
<td>780.0</td>
<td>1709.5</td>
<td>2458.1</td>
</tr>
<tr>
<td>services</td>
<td></td>
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<tr>
<td>Management and care</td>
<td></td>
<td>5.0</td>
<td>3.0</td>
<td>10.0</td>
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<td>of irregular immigrants</td>
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<td>in Indonesia</td>
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<tr>
<td>Regional cooperation</td>
<td>17.0</td>
<td>28.9</td>
<td>32.2</td>
<td>47.2</td>
<td></td>
<td></td>
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<tr>
<td>and capacity building</td>
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<tr>
<td>Returns and reintegation</td>
<td></td>
<td></td>
<td>5.0</td>
<td>6.9</td>
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<td>assistance packages</td>
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<tr>
<td>Refugee status determinations</td>
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<td>17.4</td>
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<tr>
<td>for offshore entry persons</td>
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<tr>
<td>Regional cooperation</td>
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<td></td>
<td>4.4</td>
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<tr>
<td>framework</td>
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<tr>
<td>Regional Support Office</td>
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<td>0.7</td>
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<tr>
<td>Departmental expenses</td>
<td>59.2</td>
<td>121.0</td>
<td>160.7</td>
<td>303.8</td>
<td>396.9</td>
<td>409.2</td>
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<tr>
<td>Total administered and</td>
<td>111.5</td>
<td>304.3</td>
<td>762.8</td>
<td>1170</td>
<td>2106.4</td>
<td>2867.4</td>
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<td>departmental expenses for</td>
<td></td>
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<td>Program 4.3 Offshore</td>
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<tr>
<td>Asylum Seeker Management</td>
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Note: Departmental expenses include service delivery and policy advice and program design. These are not disaggregated by each administered component of Program 4.3 in the budget papers.

The 2012–13 Budget introduced the new Program 4.6 *Refugee Status Determination for Offshore Entry Persons,* with an estimated budget of approximately $40.9 million. According to the 2013–14 Budget actual spending on this program was $26.3 million. This program was concerned with merits review and judicial review for IMAs. In 2013–14 no funding was allocated against this measure, due to the transfer of the Independent Protection Assessment Office to the Migration Review Tribunal and the Refugee Review Tribunal (MRTRRT). MRTRRT funding is not disaggregated.

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41. Ibid., p. 52.
based on an applicant’s mode of arrival, so it is not possible to know how much of its funding will go towards merits review for IMAs.

While DIAC has not been allocated any ongoing funding under Program 4.6, the 2013–14 Budget did provide DIAC with $16.6 million over two years for legal expenses associated with refugee status determinations for IMAs.42

Regional Processing

In August 2012, following the release of the Report of the Expert Panel on Asylum Seekers, the Gillard Government announced a return to processing of asylum seekers in offshore facilities in Nauru and Papua New Guinea.43 Agreements were quickly reached with Nauru and Papua New Guinea (PNG) allowing for asylum seekers to be transferred from Australia for processing in ‘Regional Processing Centres’.

The exact costs involved in re-establishing and maintaining these centres are difficult to quantify. This is because funding for regional processing in Nauru and PNG comes under Program 4.3 Offshore Asylum Seeker Management, and there is no specific budget allocation for regional processing within this program area. However, from the information available it is clear that the costs involved are significant. The Expert Panel estimated that:

- the full establishment and operation of a regional processing capacity in Nauru accommodating up to 1,500 people would cost between $1.2 billion to $1.4 billion over the forward estimates, including capital costs in the order of $300 million and
- the full establishment and operation of a regional processing capacity in PNG (such as on Manus Island) accommodating up to 600 people would cost in the order of $0.9 billion over the forward estimates, including capital costs in the order of $230 million.44

Following the release of the Expert Panel’s report, the Government introduced two appropriation Bills relating to funding for implementation of the Panel’s recommendations. Appropriation (Implementation of the Report of the Expert Panel on Asylum Seekers) Bill (No. 1) 2012-2013 provided for $110.6 million for implementation of the panel’s recommendations, including:

... $1.296 billion to meet expenses arising from the management of higher levels of irregular maritime arrivals and the operational expenses associated with the implementation of the

43. J Gillard (Prime Minister) and C Bowen (Minister for Immigration and Citizenship), Transcript of press conference, media release, 13 August 2012, accessed 22 August 2013. Offshore processing had been a cornerstone of asylum policy under the Howard Government, but was abandoned by the Rudd Government in 2008. For further discussion see J Phillips, The Pacific Solution revisited, Background note, Parliamentary Library, Canberra, 4 September 2012, accessed 13 August 2013.
expert panel's recommendations to establish regional processing centres on Nauru and Manus Island.\(^{45}\)

Appropriation (Implementation of the Report of the Expert Panel on Asylum Seekers) Bill (No. 2) 2012-2013 provided a further $267 million in capital funding to establish processing centres on Nauru and Manus Island.\(^{46}\)

In July 2013, the Prime Minister, Kevin Rudd, announced that a new agreement had been reached with Papua New Guinea under which asylum seekers would be not only processed in Papua New Guinea, but also settled there, or else in a third country.\(^{47}\) A similar agreement with Nauru quickly followed.\(^{48}\) These agreements impose a potentially significant long-term cost on Australia. In addition to the costs involved in transferring people to Pacific Island nations, and housing them in processing centres, Australia has committed to providing settlement support to refugees who are resettled in those countries, as well as assistance (presumably financial) in returning any asylum seeker who decides to return home or whose claim for refugee status is unsuccessful. Both Memoranda of Understanding state that ‘Australia will bear all costs incurred’ under the agreement.\(^{49}\)

Funding for the PNG arrangement (officially dubbed the Regional Resettlement Arrangement) was included in the *Economic Statement* in August 2013:

> The total estimated operating cost of the Arrangement is $175 million in 2013-14, and $1.1 billion over four years, partially funded from a $423 million reduction in the operating costs of the onshore detention network (a net impact of $632 million) over the four years to 2016-17. Capital costs of $194 million are included in 2013-14 to expand Manus Island facilities.\(^{50}\)

Funding for the Nauru arrangement was not specified in the *Economic Statement*, although in announcing the arrangement Prime Minister Rudd stated that ‘... funds will be made available and

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have been made available through the contingency reserve which will be allocated consistent with the take up of the resettlement arrangements within Nauru. These are fully accounted for in the economic statement yesterday’. 51

Overseas Development Assistance (ODA)

At the time of announcing the PNG Regional Resettlement Agreement, the Prime Minister also made announcements about Australia’s aid commitments to PNG. 52 The August 2013 Economic Statement elaborated on these announcements, stating that:

The Government will provide $420 million over four years of additional ODA to PNG (and additional non-ODA eligible funding of $18 million over four years for law and order) … This is in addition to the existing $500 million per annum aid commitment to PNG ($507 million in 2013-14). 53

While this additional ODA for PNG has not been explicitly linked to the announcement of the Regional Resettlement Arrangement, it has been widely interpreted this way. 54 However, it is important to note that the projects being funded with the additional money had already been identified as priorities for Australian ODA for the future. They are not new commitments; rather their commencement has been brought forward. 55

Onshore detention

Figures on total expenses for community and detention services onshore are provided under Program 4.2, Onshore Detention Network. Funding for the onshore detention network has remained fairly stable over the last three years, at around $90 million (see Table 4 below). This stability in ongoing expenses for the onshore detention network can be explained by the fact that the costs associated with the management of asylum seekers who are transferred from Christmas Island to the mainland continue to be met from the budget for Program 4.3 Offshore Asylum Seeker Management. It is also important to note that expenditure on onshore detention services is not exclusively for asylum seekers. The onshore immigration detention population also includes other detainees such as visa overstayers and other unlawful non-citizens awaiting deportation.

55. For further information see R Tomar, ‘Regional Resettlement Arrangement (RSA) and Australian aid to Papua New Guinea’, FlagPost weblog, 26 July 2013, accessed 22 August 2013.
Table 4: DIAC Funding for Program 4.2—Onshore Detention Network, 2008–09 to 2013–14

<table>
<thead>
<tr>
<th></th>
<th>2008–09 (revised budget) $m</th>
<th>2009–10 (revised budget) $m</th>
<th>2010–11 (revised budget) $m</th>
<th>2011–12 (revised budget) $m</th>
<th>2012–13 (revised budget) $m</th>
<th>2013–14 (Budget estimate) $m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administered expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community and detention services</td>
<td>74.1</td>
<td>60.6</td>
<td>56.6</td>
<td>60.4</td>
<td>59.2</td>
<td>60.2</td>
</tr>
<tr>
<td>Departmental expenses</td>
<td>45.6</td>
<td>33.4</td>
<td>28.4</td>
<td>26.1</td>
<td>26.9</td>
<td>26.8</td>
</tr>
<tr>
<td><strong>Total administered and departmental expenses for Program 4.2 Onshore Detention Network</strong></td>
<td><strong>137.2</strong></td>
<td><strong>100.7</strong></td>
<td><strong>88.5</strong></td>
<td><strong>90.1</strong></td>
<td><strong>89.9</strong></td>
<td><strong>90.9</strong></td>
</tr>
</tbody>
</table>

Source: Immigration and Citizenship Portfolio budget statements 2008-09 onwards.

Capital expenditure on detention centres

In addition to ongoing running costs associated with immigration detention, significant funding has been provided over the last several years in capital costs associated with the immigration detention network. Capital expenditure on detention facilities for the period 2007–08 to 2009–10 is shown in Table 5 below.

Table 5: Capital expenditure on immigration detention facilities, 2007–08 to 2009–10

<table>
<thead>
<tr>
<th></th>
<th>2007–08</th>
<th>2008–09</th>
<th>2009–10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital expenditure ($m)</td>
<td>328.3</td>
<td>12.1</td>
<td>46.2</td>
</tr>
</tbody>
</table>

Source: Immigration and Citizenship portfolio, Additional Estimates February 2011

The 2010–11 Budget allocated a further $202 million over five years to increase capacity, maintain and upgrade service delivery and upgrade infrastructure in both onshore and offshore immigration detention facilities including capital funding for several immigration detention facilities. In the 2011–12 Budget an additional $24 million was allocated over two years in capital measures for two new detention facilities. This comprised $14.8 million for works to a defence facility at Pontville, Tasmania, and $9.2 million for works to a facility at Wickham Point in the Northern Territory.
further $15.7 million in capital funding was allocated in 2012–13 to expand the Melbourne Immigration Transit Accommodation facility.\(^{59}\)

Once again, these costs cannot be attributed solely to asylum seekers arriving by boat, as the detention network is utilised more broadly. However, much of the increase in capital expenditure on detention centres can reasonably be attributed to boat arrivals, as a number of new centres have been opened and announced in the last three years specifically to ease the pressure on the detention network created by large numbers of unauthorised boat arrivals. These include the facilities at Wickham Point and Pontville, discussed above, as well as facilities at Scherger in Queensland, Yongah Hill and Leonora in Western Australia, and Inverbrackie in South Australia.\(^ {60}\)

Security assessments

All asylum seekers 16 years or over who are found to engage Australia’s protection obligations must undergo a security assessment before they are granted a visa.\(^ {61}\) This assessment is conducted by the Australian Security Intelligence Organisation (ASIO) as one of several types of security assessments of individuals undertaken by the agency. All of ASIO’s funding is reported under a single program, and for security reasons ASIO does not publicly comment on resources available for specific activities, so it is not possible to determine how much this activity costs. However, information on the number of security assessments ASIO completed for IMAs is publicly available for the years 2008–09 to 2011–12, and is set out in Table 6.\(^ {62}\)

Table 6: ASIO security assessments by type 2008–09 to 2011–12

<table>
<thead>
<tr>
<th>Year</th>
<th>IMA</th>
<th>Other visa applicant</th>
<th>Counter-terrorism</th>
<th>Personnel</th>
<th>IMA as a % of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008–09</td>
<td>207</td>
<td>59 677</td>
<td>65 119</td>
<td>21 699</td>
<td>0.14</td>
</tr>
<tr>
<td>2009–10</td>
<td>2822</td>
<td>35 616</td>
<td>98 086</td>
<td>22 343</td>
<td>1.78</td>
</tr>
<tr>
<td>2010–11</td>
<td>3586</td>
<td>30 810</td>
<td>109 166</td>
<td>31 099</td>
<td>2.05</td>
</tr>
<tr>
<td>2011–12</td>
<td>4760</td>
<td>19 337</td>
<td>153 644</td>
<td>27 801</td>
<td>2.32</td>
</tr>
</tbody>
</table>

60. C Bowen (Minister for Immigration and Citizenship), Government announces new and expanded immigration detention accommodation, media release, 3 March 2011, accessed 22 August 2013; C Bowen (Minister for Immigration and Citizenship), New short-term detention centre in Tasmania, media release, 5 April 2011, accessed 3 September 2013. For further detail on immigration detention facilities see J Phillips and H Spinks, Immigration detention in Australia, Background note, Parliamentary Library, Canberra, 2013, accessed 3 September 2013.
62. In 2009–10, ASIO reported separate figures for the number of security assessments for IMAs, other onshore protection and offshore protection/refugee applicants in its annual report to Parliament for the first time.

The number of security assessments completed for IMAs has increased each year from 2008–09 to 2011–12 (despite changes implemented in 2010 and 2011 that reduced the proportion of IMAs assessed from 100 per cent to around 10–15 per cent) but has remained a small percentage of the overall security assessment caseload. However, because irregular maritime arrivals typically reach Australia without any formal identification, these assessments tend to be more complex and entail more extensive investigation than others. This means that relatively small increases to the IMA caseload have the potential to disproportionately affect the overall resources available for ASIO’s security assessment function.

The Government has allocated $8.8 million from 2012–13 to 2015–16 to establish an Independent Reviewer of Adverse Security Assessments. The Reviewer commenced in December 2012 and is responsible for reviewing decisions by ASIO to issue adverse security assessments (ASAs) of individuals who have been found to engage Australia’s protection obligations and making recommendations to the Director-General of Security.

Other costs

In addition to the funding outlined above, there are numerous other costs associated with detaining and processing asylum seekers who arrive by boat, which are impossible to quantify. These would include such things as the costs to police services associated with responding to incidents at detention centres, and the training provided to staff working in the detention network, which may not necessarily be funded out of the detention services budget.


64. It should be noted that entrants under the offshore humanitarian program also require security assessments, and the linking of the onshore and offshore humanitarian programs means that, if boat arrivals are low, then more visas are granted under the offshore program. Thus, ASIO would still incur costs associated with security assessments for humanitarian entrants, even if the number of IMAs was zero. For information on changes to the process for assessing IMAs, see C Barker, ‘ASIO security assessments of asylum seekers’, FlagPost weblog, 11 June 2013 and Australian National Audit Office (ANAO), Security assessments of individuals, ANAO Audit Report no. 49, 2011-12, Commonwealth of Australia, Canberra, 2012.

65. ANAO, Security assessments of individuals, op. cit., p. 40.

66. W Swan (Treasurer) and P Wong (Minister for Finance and Deregulation), Mid-year economic and fiscal outlook 2012–13, p. 199, accessed 7 August 2013.

Policing

Australian Federal Police

The AFP maintains a community policing presence on Christmas Island, and is involved in responding to disturbances at immigration detention facilities on the island and elsewhere in Australia at the request of DIAC or Serco.68 The number of AFP staff deployed to Christmas Island has varied considerably in accordance with the security situation at the centres at different times. For instance, during March 2011, the number of AFP officers increased temporarily from 32 to 202 in response to a series of violent public order incidents.69 In the six months to February 2013, there were eight to nine officers deployed to Christmas Island for community policing and 42–53 on short term deployments.70

As is the case with border security, it is necessary for the Government to maintain a certain level of capability in its federal police force, which may be deployed in response to any number of matters. Attempting to determine the specific costs to the AFP of providing a policing response at immigration detention facilities is therefore extremely difficult.

Costs incurred by the AFP in relation to investigating and prosecuting people smuggling activity, and engaging in counter-people smuggling efforts, are outlined in separate sections of this paper.

State and territory police

While the AFP is the first responder for public order incidents at immigration detention facilities on Christmas Island, at other facilities it is more likely to be the relevant state or territory police force. Memorandums of Understanding (MOUs) and exchanges of letters set out the agreed roles of DIAC, AFP and local police in each jurisdiction.71 However, little information is publicly available on these arrangements, including in relation to funding.

As at 13 March 2012, DIAC had MOUs in place with:

• the Northern Territory Police and AFP (commenced in March 2012)
• Tasmania Police and AFP (commenced in February 2012) and

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68. Serco has a contract with DIAC to provide services to people in Australia’s immigration detention centres: DIAC, ‘Detention services provider contracts’, DIAC website, accessed 26 August 2013.
71. Joint Select Committee on Australia’s Immigration Detention Network, Answers to Questions on Notice, DIAC, undated, item 1, Q1–Q224 (Question no. 72), accessed 26 August 2013.
• Victoria Police, for the provision of policing services at Maribyrnong facility (commenced on 31 May 2009).  

Tasmania Police received $1.1 million from the Commonwealth in return for commitments to:

- participate in contingency planning for potential emergencies and incidents at the Pontville IDC [immigration detention centre];
- respond to Extraordinary Incidents at Pontville IDC;
- investigate all Tasmanian statutory offences relating to Pontville IDC; and
- respond to and investigate any Coronial Incident within the Pontville IDC.

The MOU with the Northern Territory Police involves $53 million of Commonwealth funding over two years.

The Commonwealth funding for these agreements appears to come out of DIAC’s Program 4.2, Onshore Detention Network, for which costs are outlined in the ‘Onshore detention’ section of this paper.

**Welfare**

Contrary to some popular misconceptions, asylum seekers in detention are not entitled to welfare payments, and those who have been determined to be refugees are not entitled to welfare payments beyond those that any Australian resident may claim. However, asylum seekers who are released from detention on a bridging visa (along with those who have not arrived unauthorised and are living in the community while awaiting processing of their claim), may be entitled to some assistance under the Asylum Seeker Assistance Scheme. Additionally, people who have been determined to be refugees are entitled to government assistance in order to help them settle in to Australia.

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72. Ibid., Question no. 160. DIAC was approached to provide an update on whether any further MOUs had been finalised, but did not provide a response prior to publication.
74. C Bowen (Minister for Immigration and Citizenship) and P Henderson (Northern Territory Chief Minister), Immigration MoU signed with Northern Territory Government, media release, 12 March 2012, accessed 26 August 2013.
75. The response to a question on notice concerning the MOU with Tasmania Police referenced at footnote 73 contains the subheading ‘Program 4.2: Onshore Detention Network’.
76. These entitlements, which are separate to the costs of detaining and processing unauthorised boat arrivals, are outlined in further detail in L Buckmaster, Australian Government assistance to refugees: fact versus fiction, Background note, Parliamentary Library, Canberra, updated 28 September 2012, accessed 23 August 2013.
Legal costs associated with people smuggling

The investigation and prosecution of people smuggling offences, provision of legal aid to those charged and detention expenses are another set of costs to Government arising from people smuggling.

Investigations

The AFP has primary responsibility for people smuggling investigations, in cooperation with other Commonwealth, state and foreign law enforcement agencies. Funding for investigations into people smuggling and a range of other Commonwealth crimes is primarily provided under the Crime Operations component of AFP’s Program 1.3, Operations - Policing. This allows AFP investigation resources to be directed as required across the various crime types, but means that spending on people smuggling investigations is very difficult to track. The total funding allocated to Program 1.3 for 2013–14 is $273 million. Small funding increases over the forward estimates are primarily due to new funding provided for National Anti-Gang Taskforce, offset by the impact of revised measures for people smuggling, and other savings. This indicates that the Government expects the resources required for people smuggling investigations to decrease over that period.

A specialised People Smuggling Strike Team (PSST) was first established in 2000. The AFP currently has PSSTs in Canberra, Sydney, Melbourne and Perth. PSSTs comprise investigators, intelligence officers and financial analysts; those in Canberra and Melbourne also include an officer from DIAC on secondment. Table 7 sets out the number of AFP members allocated to the PSSTs and annual funding from 2009–10.

<table>
<thead>
<tr>
<th>Year</th>
<th>AFP members (September)</th>
<th>Funding $m</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009–10</td>
<td>41</td>
<td>7.2</td>
</tr>
<tr>
<td>2010–11</td>
<td>71</td>
<td>7.2</td>
</tr>
<tr>
<td>2011–12</td>
<td>87</td>
<td>7.2</td>
</tr>
<tr>
<td>2012–13</td>
<td>108</td>
<td>7.2</td>
</tr>
<tr>
<td>2013–14</td>
<td>Not available</td>
<td>4.7</td>
</tr>
</tbody>
</table>

Sources: Answers to Questions on Notice, Attorney-General’s Portfolio

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77. Australian Federal Police (AFP), Annual report 2011–12, AFP, Canberra, 2012, p. 47, accessed 29 August 2013. Investigations are also supported by functions funded under programs 1.2 (International Deployments) and 1.4 (Close Operations Support).
79. Ibid.
82. Ibid.
In 2011-12, 67 alleged crew and six alleged people smuggling organisers were arrested by the AFP. In 2010-11 the equivalent figures were 329 and one, and in 2009-10, 118 and three. Investigations into people smuggling organisers are more complex and resource-intensive than those into crew members. Thus, while there were many more arrests overall in 2010-11 than in 2011-12, this does not necessarily indicate a higher level of resourcing. Figures have not yet been published for 2012-13. However, a direction given to the Commonwealth Director of Public Prosecutions (CDPP) in August 2012 may mean that greater resources are devoted to investigations of organisers than crew while it remains in effect.

On 29 August 2013, the AFP conducted raids across four states, resulting in the arrest of five foreign nationals accused of people smuggling. It is alleged those arrested were involved in the planning and facilitation of up to 132 SIEVs bound for Australia.

**Prosecutions**

As at 30 June 2012 there were 152 people smuggling prosecutions involving organisers, captains and crew before the courts. In contrast, a year earlier there were 304 people smuggling prosecutions underway.

In a reply to a question on notice at Senate estimates of 25 May 2012, the CDPP stated that as at 30 April 2012, its costs for the prosecution of people smuggling offences in 2011-12 had been $10.91 million. In the same answer the CDPP stated it was allocated $8.77 million in 2012-13 for the...
Australian Government spending on irregular maritime arrivals and counter-people smuggling activity

prosecution of people smuggling offences. This equates to around 9.2 per cent of the agency’s total funding allocation of $95.40 million for 2012-13.

A direction was given by the then Attorney-General in August 2012 to limit prosecutions of people smuggling crew to instances where the person is a repeat offender or their role extended beyond that of a crew member, or where a death occurred in relation to the people smuggling venture. Figures are not yet available for 2012–13, but a decrease in prosecutions seems likely while the direction remains in effect, given most prosecutions up to the time it was made were of crew members.

Legal aid for those charged


During 2009–10, $0.5 million of the $9.8 million provided under the ECCCF was for people smuggling cases. In the 2011–12 Budget the Government allocated new funding of $28.9 million over three years to the ECCCF for costs incurred by state and territory legal aid agencies in the provision of legal assistance in Commonwealth law-related cases, including people smuggling cases. This funding was comprised of $17.6 million for 2010–11 (which was specifically allocated for people smuggling cases), $4.2 million for 2011–12 and $7.1 million for 2012–13. The Government allocated $10.8 million for the ECCCF for 2013–14.

Imprisonment costs

According to the Productivity Commission ‘nationally in 2009–10, the total cost per prisoner per day, comprising net operating expenditure, depreciation, debt servicing fees and user cost of capital, was $275’. Thus, based on this estimation, it costs approximately $0.5 million to keep a convicted

92. Ibid.
94. AGD, Director of Public Prosecutions — Attorney-General’s Direction 2012, op. cit.
people smuggler imprisoned in Australia for five years (the main people smuggling offences carry mandatory minimum sentences of at least five years' imprisonment).  

When asked at Senate Estimates on 22 February 2011 whether any states had raised issues regarding the additional funding for courts and prisons to meet the demands from increasing crew prosecutions, the Attorney-General’s Department advised as follows:

New South Wales, Queensland and Western Australia have raised funding issues associated with people smuggling crew prosecutions. States and Territories are funded as part of the distribution of GST revenue for the costs of courts and corrections associated with prosecuting and imprisoning of people smuggling crew. The Commonwealth Grants Commission (CGC) introduced a new funding model for distributing GST revenue that applies from 1 July 2010 to 30 June 2015. Under this model, funding is allocated for justice services based on the actual population of a State or Territory rather than the number of federal prisoners within each jurisdiction.

**Counter-people smuggling activities**

In addition to the money spent on IMAs as outlined above, the Government spends a considerable amount of money on counter-people smuggling activities in an attempt to reduce the number of arrivals. These areas of expenditure are often considered together but are, in fact, two sides of the same coin—one funding allocation is directed towards preventing people from entering Australia irregularly and the other is spent on the costs associated with those who continue to arrive, despite such efforts to deter them. These prevention measures are consistent with a layered approach to border protection along what Customs refer to as the ‘border continuum’, which consists of four zones—overseas, the maritime zone, the physical border and within Australia.

Counter-people smuggling efforts are shared across several agencies and portfolios, and details regarding specific activities and funding are often far from transparent. This is in part due to the clandestine nature of the activities being targeted, but largely because funding provided in the Budget for counter-people smuggling activities is generally absorbed into broader existing programs. This means it is not possible to track funding on a year-to-year basis as it is not reported separately in Portfolio Budget Statements. For these reasons, it is unlikely the total amount spent on these activities will ever be publicly known.

Identifiable new funding on counter-people smuggling activities committed from the 2009–10 to 2013–14 Budgets is outlined in Table 8, but this should not be considered an exhaustive account of expenditure in this area. Additionally, while funding for these activities is largely directed towards preventing maritime people smuggling, some (such as funding for airline liaison officers, whose
Australian Government spending on irregular maritime arrivals and counter-people smuggling activity

duties include dealing with people smuggling issues, and broader regional engagement activities) is also relevant to preventing people smuggling by air.\(^\text{104}\)

\(^\text{104}\) For information on people smuggling to Australia by air see C Barker, *The people smugglers’ business model*, op. cit., pp. 9–10 and Migrant Smuggling Working Group (MSWG), ‘*Migrant smuggling by air*’, MSWG website.
Table 8: Identifiable new funding for counter-people smuggling activities announced from 2009–10 to 2013–14 Budgets

<table>
<thead>
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<tbody>
<tr>
<td>Attorney-General’s Department</td>
<td>$2.3 million over two years to help countries in South-East Asia develop and improve laws to combat people smuggling</td>
<td>Nil</td>
<td>$6.7 million over two years to continue assisting other countries to develop and improve laws to combat people smuggling, including the expansion of the program to South Asia</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Australian Customs and Border Protection Service</td>
<td>$4.0 million over two years for a communications campaign aimed at deterring asylum seekers from using people smugglers to reach Australia</td>
<td>$15.1 million to establish new Customs posts in Colombo and Kuala Lumpur and provide additional officers for the Jakarta post</td>
<td>$3.0 million over two years to continue the communications campaign in source and transit countries</td>
<td>$8.0 million over two years to maintain officers in Sri Lanka, Malaysia and Indonesia to coordinate efforts to prevent and disrupt maritime people smuggling</td>
<td>$10.0 million over two years from 2012–13 to maintain officers in Sri Lanka, Malaysia and Indonesia to coordinate efforts to prevent and disrupt maritime people smuggling</td>
</tr>
<tr>
<td>Australian Federal Police</td>
<td>$31.2 million over four years to establish a technical investigation unit in Indonesia and deploy AFP liaison officers</td>
<td>$24.8 million in 2010–11 to increase the technical and operational capacity of the AFP and</td>
<td>$10.8 million over two years to continue the deployment of seven officers to Sri Lanka, Pakistan, Indonesia,</td>
<td>Nil</td>
<td>$3.0 million in 2013–14 to work with regional law enforcement agencies on anti-smuggling activities</td>
</tr>
</tbody>
</table>
Australian Government spending on irregular maritime arrivals and counter-people smuggling activity

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<tbody>
<tr>
<td>to Sri Lanka, Pakistan, Indonesia, Malaysia and Thailand as part of the Government’s response to people smuggling[^1]</td>
<td>regional partners, including support to the Indonesian National Police for patrol and surveillance resources and assistance to law enforcement agencies in Indonesia, Malaysia, Sri Lanka and Pakistan for proactive disruption activities[^2]</td>
<td>Malaysia and Thailand</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


[^2]: Yes, I understand the import of regional partnerships in counter-people smuggling efforts. The economic and governance implications of such partnerships are quite extensive.
<table>
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<tbody>
<tr>
<td>Engagement, including</td>
<td>engagement, including under the auspices of the</td>
<td>including the Ambassador for People Smuggling, positions in Jakarta,</td>
<td>$33.3 million over three years for measures to strengthen cooperation with</td>
<td>$11.3 million over two years to enhance engagement with, and provide training</td>
<td>$3.6 million over two years from 2012–13 for domestic and international</td>
</tr>
<tr>
<td>engagement under the</td>
<td>Bali Process on People Smuggling, Trafficking in Persons and Related</td>
<td>Colombo, Islamabad and Kuala Lumpur and Bali Process meetings</td>
<td>and technical assistance to, regional immigration agencies to help them</td>
<td>and technical assistance to, regional immigration agencies to help them</td>
<td>communications campaigns about Australia’s immigration policy as part of</td>
</tr>
<tr>
<td>auspices of the Bali</td>
<td>Transnational Crime (Bali Process)(^{106})</td>
<td></td>
<td>detect and disrupt irregular migration throughout the region</td>
<td>detect and disrupt irregular migration throughout the region</td>
<td>the Government’s response to people smuggling</td>
</tr>
<tr>
<td>Process</td>
<td></td>
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<tr>
<td>Department of</td>
<td>$14.3 million over two years to assist Indonesia with irregular arrivals</td>
<td>$32.9 million over four years to continue assisting Indonesia</td>
<td>$10.0 million in 2012–13 for regional capacity building to provide</td>
<td>$65.8 million over four years to improve</td>
<td></td>
</tr>
<tr>
<td>Immigration and</td>
<td>intercepted there and build the capacity of Indonesian immigration</td>
<td></td>
<td>protection for asylum seekers</td>
<td></td>
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<tr>
<td>Citizenship</td>
<td>authorities</td>
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<td></td>
<td>$16.4 million over two years towards a range of measures to respond to</td>
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<tr>
<td></td>
<td>irregular migration throughout Asia, including deployment of</td>
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<tr>
<td></td>
<td>officers to Jakarta, Hanoi, Colombo, Kuala Lumpur and Dubai</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>$8.9 million over four years for intelligence and</td>
<td></td>
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\(^{106}\) Information on the [Bali Process on People Smuggling, Trafficking in Persons and Related Transnational Crime](http://bali-process.org) (Bali Process), including meeting outcomes, is available on its website.

### Australian Government spending on irregular maritime arrivals and counter-people smuggling activity

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<tr>
<td>compliance support, including additional offshore compliance officers and airline liaison officers</td>
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<td>irregular migration in the region’ (no description of the measure is provided)</td>
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<td>and displaced persons</td>
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<td>engagement with origin and transit countries to reduce irregular migration to Australia, including additional humanitarian assistance to displaced populations, border control and immigration management capacity building and assistance strengthening legal frameworks against people smuggling</td>
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<td>$1.9 million in 2012–13 for counter-people smuggling communications</td>
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(a) Portfolio additional estimates  
(b) Portfolio supplementary estimates  

**Sources:**  
Additional measures identified in the *Economic Statement* released in August 2013 include:

- $51.1 million for DIAC over two years for a capacity building program in Indonesia
- $5.0 million for Customs and $7.0 million for DIAC in 2013–14 for a communication campaign related to the Papua New Guinea Regional Resettlement Arrangement and
- an unspecified amount towards enhancing people smuggling operational capabilities in Indonesia from within the AFP’s existing funding.\(^{108}\)

Successive Australian governments have recognised the value of investing in international cooperation, capacity building and other counter-measures as part of multi-layered approach to people smuggling—an approach also endorsed by the Expert Panel on Asylum Seekers in its 2012 report.\(^{109}\) While spending on counter-people smuggling activities has been significant, the amounts identified above are modest compared to the costs associated with interception, processing and detention costs detailed elsewhere in this paper.

While the impact of preventative actions can be difficult to quantify, information on the number of successful disruptions and interceptions carried out by Indonesian, Malaysian and Sri Lankan authorities in recent years—hundreds in Indonesia alone—indicates that funding directed to counter-measures is providing results.\(^{110}\)

**Conclusion**

It is clear that the costs associated with IMAs, as well as counter-people smuggling efforts, are significant, and have increased considerably in recent years. However, it is impossible to place an exact figure on such costs, as spending in this area is rarely separated out from spending on other associated activities.

While most of the relevant programs do not exclusively target IMAs, it is likely a significant proportion of expenditure would currently be targeted at this area. Certainly recent dramatic increases in funding coincide with significant increases in arrivals, suggesting this is the case. Yet it remains impossible to know for certain. No government has ever provided a total figure, across all programs and all agencies, showing what it costs in any given year to intercept, detain and process

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\(^{108}\) *Economic statement*, August 2013, op. cit., pp. 56–65. The domestic component of the *By boat, no visa* advertising campaign (led by DIAC) had a notional budget of up to $30 million as at 1 August 2013; the component targeting source and transit countries will draw on funding already available for communications relating to the Report of the Expert Panel on Asylum Seekers, supplemented by the $5.0 million identified above: I McPhee, ‘*Government advertising – the By boat, no visa advertising campaign*’ (letter to N Xenophon), 1 August 2013, accessed 12 August 2013.


\(^{110}\) AFP’s 2009–10 Annual Report indicates that regional partnerships with these three countries conducted 192 disruptions involving more than 5,100 people bound for Australia in the previous 18 months, while the Minister for Home Affairs stated in July 2012 that the Indonesian National Police had disrupted around 300 boats ‘in the last few years’: AFP, *Annual report 2009–10*, op. cit., p. 39; J Clare (Minister for Home Affairs), *Transcript of interview with Fran Kelly*, media release, 4 July 2012, accessed 13 August 2013.
IMAs. Further, while this paper has focused on direct costs, there is also an opportunity cost associated with directing significant resources towards dealing with IMAs. For example, while dealing with people smuggling remains a high operational priority for the AFP, less resources are available to deal with other criminal threats, and where BPC resources are diverted to deal with IMAs, this comes at a cost to patrol and surveillance activities elsewhere.

However, while the full extent of expenditure in this area may never be known, this attempt to identify relevant expenditure reveals that the costs must clearly run into billions of dollars over time. Indeed, funding for Offshore Asylum Seeker Management in DIAC is estimated at $2.9 billion for 2013–14 alone. Despite the significant funding which has been provided in recent years for counter-people smuggling activities and deterrence measures, the costs associated with the interception, detention and processing of irregular maritime arrivals remain high.