



Te Mana Arai o Aotearoa

New Zealand Customs Service

Maritime Enforcement Needs

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NEW ZEALAND CUSTOMS SERVICE MARITIME ENFORCEMENT NEEDS

Introduction

1. The purpose of this document is to describe New Zealand Customs Service's maritime monitoring and response needs in the context of the Marine Patrol Review resulting from Cabinet Minute CAB (00) M 28/9.
2. Among its many functions, Customs has responsibility for minimising the risks associated with the importation or exportation of goods, people or craft that could be detrimental to the social, economic and environmental well-being of New Zealand and New Zealanders.
3. Maritime monitoring and response is one of a combination of strategies utilised by the Customs Service to restrict the entry into New Zealand of a wide range of prohibited items, illegal immigrants, flora and fauna, undeclared goods, unreported craft and the exportation of items of cultural, economic, and historical significance, fauna and flora, as well as to ensure all craft arriving or departing New Zealand are processed.
4. This paper describes the New Zealand Customs Service (Customs) role, the border management environment, risk management and Customs' maritime monitoring and response needs.

THE ROLE OF THE NEW ZEALAND CUSTOMS SERVICE

The New Zealand Customs Service mission

5. The primary government outcome to which the New Zealand Customs Service (Customs) contributes is to protect New Zealand's sovereign interest at the border. The mission to achieve this outcome is:
“to protect and enhance the interests of the New Zealand community by:
 - *minimising the risks to the country arising from international trade and travel*
 - *facilitating legitimate movement of people and goods across our borders*
 - *collecting Customs and Excise revenue”*
6. The Customs and Excise Act 1996 provides the legal framework for this mission.
7. This Act provides the border management infrastructure, specifying where people, craft and goods can legally cross the physical border and requiring a declaration to be made about the nature of any transaction. It is also an empowering Act that provides customs officers with discretion and the considerable powers needed to investigate suspected breaches of border integrity. These include the power to search, question, seize, detain, board vessels, assess duty and enter premises.
8. Customs undertakes functions at the border for more than 20 government agencies. This work includes enforcing Prohibition Orders and legislation and identifying people, craft and commodities considered to be a risk to New Zealand. Customs contributes to more than 44 Government outcomes, including at least 16 international conventions.

The border management environment and trends

9. The border is a dynamic, fast moving environment that is increasingly having to be managed as a continuum from an overseas departure point to arrival in New Zealand. The concept of the border has expanded to mean the boundary of New Zealand's sovereignty, rather than just a physical place.
10. The way Governments intervene at the border in the future will be significantly impacted by a world that is seeing rapid change across all dimensions. The future will see a greater range of risks, an increase in channels through which risk can move and increasingly sophisticated authors of risk.
11. Key areas of change are:
 - the development of electronic commerce impacting on both the way trade occurs and the way border agencies do business;
 - changes in the way companies do business, and their expectations of the way Governments respond;
 - changes in behaviour and expectations of private individuals both as travellers and as consumers;
 - changes in world trade patterns;

- the increased level and sophistication of international crime;
 - the growth and change in society standards and individualism;
 - environmental and related risks.
12. Border agencies cannot easily control the flow of illegal goods or persons over the border except by high quality intelligence, effective intervention and deterrence. Of particular concern are the increases in internationally organised illegal immigration and the increasing sophistication of trans-national crime from techniques used, to quantities of goods shifted and the rapidity at which technological advances are used by criminals. Government's other major areas of concern are the biosecurity and environmental risks that increased and faster trade and travel bring to New Zealand.
13. The Government needs to respond to this environment with increased sophistication in intelligence-based risk management, inter-departmental co-operation, international co-operation, an integrated international approach to keep abreast of the technology and techniques used by criminals, and investment in tools to detect and combat illegal activity.

Strategic interests and relationships

14. The reason so many agencies use border management as a policy tool is because it can be a quickly engaged and often proves to be an effective strategic tool for managing risks to Government's outcomes. The biggest advantage of border management is that it provides a central point through which commodities and people must pass before gaining access to, or departing from New Zealand. Customs therefore has relationships with agencies across Government covering a range of interests, including:

Sovereign interest

15. This is an umbrella for all other interests, but it also covers New Zealand's security and defence interests in particular. The Government's Defence Strategy Framework implies that civilian agencies play a role in New Zealand's defence. Specifically, Customs contributes to national security through providing a framework for asserting New Zealand's sovereignty and defending New Zealand at the border against the types of threats and interests encompassed below.

Economic interest

16. This includes not only revenue collection, but also trade-related activities such as enhancing trade by simplifying and speeding up goods clearance at the border, preventing illegal importation of fake goods, demonstrating compliance with international conventions and giving New Zealand a high profile in international trade fora such as APEC, the World Trade Organisation and the World Customs Organisation.

Social and community protection interest

17. This covers criminal activity, such as illegal trafficking in drugs and firearms, terrorism, pornography and immigration, and consumer protection-related issues such as exposure to exotic diseases and unsafe or injurious goods;

Environmental and heritage interest

18. Customs enforces a number of relevant international conventions, including those relating to hazardous wastes, the ozone layer and the Convention of the Trade in Endangered Species, which it jointly enforces with Conservation and MAF. Activities also cover the prevention of the illegal importation of commodities covered by the CITES agreement, the exportation of New Zealand's unique flora and fauna and the exportation of antiquities and items of cultural and historic importance.

International interest

19. Customs enforces a large number of international conventions that span the above areas. It has its own international Customs networks that provide Government with quasi-diplomatic access to countries where direct diplomatic contact is not possible (e.g. as with China and Taiwan in the past). Customs also participates in a number of trade fora supporting trade policy initiatives being pursued by Government. An example of the importance of Customs' international interests is the management of the Trans-Tasman relationship - enhancement of that relationship for Customs and Police law enforcement activities is becoming vitally important as the balance shifts from military to civilian threats.

Outcome risk impact relevant to maritime monitoring and response

20. In order to understand the scope of Customs' interest it is useful to cover the consequences and costs to New Zealand of risk management failures.
21. Maritime monitoring and response is one of a number of strategies used to protect the border. If these strategies are not complementary and equivalent in effect, any weaknesses in one area will be exploited by people who are determined to make a profit through illicit activity. The analogy can be drawn with the squeezing of a balloon. Unless pressure is applied evenly all over the balloon, pressure in one area to shrink the balloon results in an expansion in another area.
22. It is therefore possible to establish the cost to New Zealand of **not** undertaking maritime monitoring and response in broad terms only. What has been established over time by differing agencies is an assessment of some of the costs involved in dealing with some of the social, economic and environmental breaches of the border.
23. The four main risk areas of interest to maritime enforcement are:
 - drugs
 - other contraband
 - people
 - export goods including CITES

Note that biosecurity and hazardous substances are other important areas of risk, but Customs' involvement at this stage tends to be with commercial trade.

Drugs

24. The strategic risk for Government is that a market for hard drugs is established in New Zealand. If this occurs communities become less safe (because drug trafficking is closely associated with organised crime), crime increases and young people become increasingly at risk of addiction and ill health, with all the social effects resulting from that.
25. At present New Zealand has an underdeveloped hard drug market because few New Zealand opiate users have access to addiction-usage levels of heroin. Consequently, substitutes such as “homebake”, opium poppies, morphine sulphate tablets and codeine cased pills (e.g. temgesics) are very popular. However, the precursors exist for the drug problem in New Zealand to get a lot worse. In many cases abuse and supply levels in New Zealand are behind those for the rest of the world, reflecting the irregular supply of that commodity to the New Zealand market.
26. The United Nations Commission on Narcotic Drug reports that:

“..generally speaking the abuse of amphetamines, cannabis and opiates seems to be on the increase, while the abuse of cocaine and hallucinogens is stable but at a high level. Most of the countries reporting opiate abuse also reported a steadily increasing trend in importing.”
27. Because of our “island nation” status it is possible to put in place deterrents to the importation of goods through traditional importation routes such as airports, seaports and the international mail centre by using screening techniques directed by intelligence targeting. It is possible to exercise a level of control at these places as all arriving goods and people must pass a point at which they can be screened.
28. A way of avoiding this level of screening is by non-compliant craft not reporting their arrival or departure, or by craft not arriving at a Customs Place. This is relevant considering drug traffickers are inventive in finding new ways to get illegal drugs into the country and New Zealand’s coastline is long, thinly populated and therefore highly vulnerable. More detailed discussion on this is covered in Appendix I.
29. The containment of drug trafficking is an international issue. Responses to drug trafficking are internationally coordinated and New Zealand Police and Customs have an interdepartmental agreement covering New Zealand’s response to drug trafficking and associated issues.

Costs of drug abuse

30. The following figures were drawn from a variety of sources and provide an indication of the potential costs of drug abuse. These costs incorporate several areas such as direct health costs, consequential health costs (for example AIDS and hepatitis C sufferers), rehabilitation and treatment, cost of accidents and injuries, cost of prisons/penal system, cost of crime to maintain habits, welfare costs (including unemployment, sickness benefits and ACC payments), non work-force deaths and illness.
31. Australian studies indicate that the lifetime cost for 1000 patients with chronic hepatitis C infection would be A\$14.32 million. In New Zealand the rate of hepatitis C infection

¹ “Illicit demand for Drugs - World Situation with regard to drug abuse” Report of the Secretariat - Vienna March 1997

among opiate dependants is as high as 84%. Between 50% and 85% of that group will go onto a chronic stage.^{2, 3}

32. The average cost of treatment of opiate dependent patients in New Zealand is estimated to be \$435,362 per 100 patients (rounded off to \$4,400 per patient per year).
33. It is estimated that an untreated opiate dependant yields an average of \$1,079 per week from crime committed. Virtually all opiate addicts are involved in some form of crime. Current estimates of the number of users not in treatment (2,000 - 6,367) suggest that the yield from crime by untreated opiate dependants could be between \$2 million and just under \$7 million per week.⁴

Other Contraband

34. Some illegal goods, such as firearms, are physically dangerous. Once in New Zealand these could go to criminals and become a threat to community safety.
35. Other illegal goods provide an opportunity for monetary gain, through avoidance of GST, excise or (less so) Customs duties, or through breach of copyright or trademark. Smuggling of tobacco to avoid excise is a relevant example⁵. These activities threaten the viability of New Zealand's economy through reduced tax take, threats to fair business competition and its reputation as a corruption free country.
36. Goods subject to possible illegal entry cover a wide range, including items that are unsafe or injurious, illegal sports drugs, goods prohibited because of United Nations sanctions, illegally procured antiquities and goods made from endangered species, such as canned toothfish.

People

37. The establishment of new criminal syndicates in New Zealand would impact widely on New Zealand society - on crime rates, on the job market, on community activity and on New Zealand's international reputation and attractiveness to tourists
38. Many of the areas of risk managed by Customs are targeted by organised criminal syndicates. An emerging area of activity for these syndicates is people smuggling.
39. Australia has implemented a surveillance programme that is designed to give an assurance that no illegal entry vessel will arrive at mainland Australia without detection. This is expected to make New Zealand a more attractive destination than it has been in the past.
40. People smuggling by air through the gateway airports of Auckland, Wellington and Christchurch is already a significant border management issue. Illegal immigration by sea (i.e. boat people) also poses a threat not only to New Zealand's social fabric, but also to its health, as these people could well carry diseases not currently in New Zealand.

² J Hannifin "Hepatitis C & Injecting drug users" - report prepared for Northern Regional Health Authority, 1995.

³ "Delivery of Treatment for people with Opioid Dependence in NZL Options and Recommendations. Commissioned paper for Ministry of Health, Sept 1996.

⁴ S Adamson "The Costs of Intravenous drug use & associated criminal activity in a Christchurch sample of intravenous drug users". Research paper, July 1996.

⁵ Note that excise is imposed for a social purpose - in this case to discourage smoking, but evasion of excise still tends to be for monetary reasons

41. There are also potential biosecurity implications introduced by the type of vessel now being used by organisers of people smuggling boats. Australia has identified that the durable sea going vessels being used have been laid up for some time in the South China Sea area. These have been found to be contaminated with parasites and organisms that would have a harmful effect on New Zealand's environment.
42. While not normally a recognised risk, the undetected removal of children subject to child custody orders is a potentially viable use of small craft leaving New Zealand.

Costs of processing illegal immigrants

43. "The estimated average cost to New Zealand of each person arriving with false or improper documents is at least \$30,000. This includes the cost of any immigration process, any appeals as well as the welfare costs, compliance and removal costs."⁶

Exported Goods including Convention on the Illegal Trafficking of Endangered Species (CITES)

44. New Zealand has a number of unique items of interest to offshore collectors and entrepreneurs. These include articles of national interest, wildlife, flora and fauna, historical articles and items such as newly developed strains of produce crops such kiwifruit, apples etc.
45. Wildlife crime is estimated to be worth US\$6 billion, and is second only to the illegal drug trade (ahead of the people and firearm smuggling). New Zealand is a prime target for international flora and fauna traffic because of its geographical location, climatic conditions and unique wildlife.
46. Trafficking in flora and fauna is becoming more organised and with the involvement of international syndicates smuggling operations are becoming more effective.
47. The export of goods on small craft has the potential to increase the chances of exporting goods undetected, and, improving the chances of entering them into another country without the need to declare them if the whole operation is treated as being covert. The added advantage of using small craft for this type of smuggling is that it becomes possible to look after the needs of any "live" commodity while in transit.
48. New Zealand has already had some known examples of the attempted smuggling of new strains of produce. An attempt was made to smuggle out of New Zealand cuttings from a new strain of apple developed for the export market by a touring Chinese delegation. If this exportation had been successful, New Zealand growers could have lost the market advantage of a new product.

Costs of repairing damage to the environment

49. In recent years New Zealand has experienced a number of breaches of the border where unwanted insects or pests have been introduced. Although the following examples were the responsibility of other agencies, Customs also plays a part in the detection of some biosecurity risks. In particular, Customs is required to process all small craft entering New Zealand and is therefore able to identify potential biosecurity risks posed by them.

⁶ Department of Labour submission to the Border Control Review 12 April 1999

Customs has the power to hold a risk vessel until MAF officers are able to attend to the risk. A recent example of this was the unannounced appearance in the Manukau Harbour of a small boat containing two Russians. Customs detained the boat and held it secure until MAF officers were able to attend.

50. As an indication of the scale of impact, the cost of eradicating/eliminating recent biosecurity incursions has been estimated at:

- \$12 million for the Tussock Moth⁷
- an estimated \$55 million over 2 years for the Varroa Bee Mite, with expected consequential economic loss as it is a management, not an eradication, programme⁸.

Note that these costs are additional Government appropriations over and above the existing baseline of salaried staff etc.

Processing of legitimate traders and travellers

51. A core responsibility of Customs is to process all arriving and departing craft, goods and people. Most of these traders and travellers are travelling legitimately for legitimate reasons. Nevertheless, Customs is required to know of all their movements for statistical and sovereignty reasons.

52. Most of the information collection involved is carried out electronically. However, for small craft, this is not possible, and Customs is required to interact individually with all these craft. This means that Customs has a core operational marine responsibility that goes beyond identifying and interdicting covert, criminal activity.

⁷ NZ Forest Owners Association website

⁸ Press release, Marion Hobbs 12 July 2000

ORGANISATIONAL RISK MANAGEMENT STRATEGIES

The area of Customs' physical jurisdiction

53. Certain powers provided under the Customs and Excise Act 1996 can be exercised within the waters enclosed by the outer limits of the territorial sea of New Zealand, including the contiguous zone. These powers are unique to Customs and provide the Government with an effective mechanism for enforcing its sovereign interest within New Zealand's territory. The contiguous zone starts at the outer edge of the territorial waters (12 nm from the coast) and continues for a further 12 nm.
54. Within this area Customs has jurisdiction over people, craft and goods entering or departing New Zealand, as well as international craft within New Zealand carrying international cargo, crew or domestic cargo.

Marine enforcement

55. Marine enforcement covers not only the need to gather information about craft but also a more active monitoring, risk assessment and response role. This also includes processing all travellers and craft as described in the previous section.
56. Some powers relevant to marine enforcement are:
 - Requiring craft to report arrivals and departures and provide documentation and information
 - being able to direct the Master of a ship arriving from overseas to stop and make the vessel available for boarding, and then board, search and detain. Customs may also direct the ship to another port or to leave New Zealand waters.
57. To understand the relevance and importance of these powers, it is necessary to see how they fit within the context of Customs whole risk management environment.

Risk management environment

58. Customs provides Government with a single, integrated border management system through a set of inter-linked processes. These processes mostly deal with a range of risks simultaneously, rather than on a risk by risk basis, including when carrying out responses to identified risks. As a result, Government is able to gain many synergies and efficiencies.
59. Interventions are based on intelligence and risk management principles. Technology and sophisticated risk management techniques have enabled the Customs Service to move beyond the physical border in fulfilling its mission. Interventions occur at pre-border, border and post-border locations, and levels of intervention can be set by Cabinet, agreed with other agencies or managed by the Customs Service itself.
60. The Customs Service's' risk management approach has seven main components:
 - Information gathered from all parts of the business being fed back into a central database on a daily basis

- Intelligence assessments to determine the nature and level of risks to Government’s border-related outcomes, and to identify cumulative exposure to risks and consider risk treatment options;
- An electronic alert capability for import and export transactions and cross border travel movements. The computer system identifies risk items and officers scrutinise the goods entries;
- Physical examination of goods and consignments identified as potential risks;
- Manual screening of travellers and baggage, such as interviewing passengers and inspecting baggage identified as risks during the screening process. These activities require specialised staff skills and intelligence profiles;
- Physical interventions to determine/confirm risk or react to risks identified.; and
- Supported by the intelligence capabilities of a world-wide network of law enforcement and intelligence agencies, through sharing intelligence and actively co-operating at both the operational and strategic level.

61. The Customs Service undertakes a range of activities to manage the border, such as:

| <i>Pre Border</i> | <i>At the Border⁹</i> | <i>Post-Border</i> |
|--|---|---|
| <ul style="list-style-type: none"> ▪ International drug investigations ▪ Intelligence ▪ Education & liaison ▪ International trade agreements, policy and liaison ▪ Environmental scanning ▪ Offshore monitoring and response | <ul style="list-style-type: none"> ▪ Screening ▪ Inspections ▪ Surveillance ▪ Monitoring ▪ Search ▪ Coastwatch¹⁰ ▪ Referrals to other agencies ▪ Intelligence ▪ Seizure | <ul style="list-style-type: none"> ▪ Audits ▪ Controlled drug deliveries ▪ Other investigations ▪ Prosecutions ▪ Intelligence ▪ Provision of information to other agencies ▪ Search ▪ Surveillance ▪ Seizure |

62. The AS/NZ Risk Management Standard 4360:1999 underpins this work. The diagram in Appendix II shows how the different functions of Customs relate to the risk management cycle. This demonstrates how operational activities such as surveillance form part of a chain of risk management, and that any breaks in the chain provide opportunities for risks to occur.

Risk management strategies

63. Customs’ risk management strategies must be flexible enough to cope with the unexpected, and at the same time contain developed responses for dealing with potential risks when they become real events. Appendix III sets out the broad categories of risk, techniques that deal with them, risk sites and appropriate interventions. From this chart it is possible to see the many techniques used to deal with maritime risks.

⁹ “Border” is as defined in the Customs and Excise Act

¹⁰ Coastwatch is a volunteer community programme, where coastal residents and boat users report any suspicious behaviour to Customs

ESTABLISHING THE NEED FOR A CUSTOMS ENFORCEMENT CAPABILITY

Introduction

64. In order to effectively manage risks (both known and emerging), Customs must be proactive about identifying these threats and have the ongoing capability to respond to them effectively. This has not necessarily been the case in the past.
65. This section aims to establish what maritime monitoring and response Customs needs to be able to provide an acceptable level of protection from threats posed to the border by sea incursions.
66. New Zealand has stewardship of the world's 4th largest economic zone of four million square kilometres of ocean (15 times New Zealand's land area) bounded by a diverse lengthy coastline in excess of 11,000 kilometres.
67. Customs monitoring and response needs to adequately cover this area are three fold:
 - Proactive Monitoring and response to provide information to identify threats to the border.
 - Reactive Monitoring and response to provide the capability to locate an intelligence-identified threat.
 - Response capability to respond effectively to threats that have been identified.
68. Most of the discussion will focus on sea-borne vessels. Customs acknowledges the risk of goods and persons covertly arriving from points outside New Zealand by air at ports other than designated Customs airports. However, unlike covert marine arrivals, Customs has no current information indicating significant covert arrivals by air. There is a risk, as there have been incursions identified in the past (eg in 1993, a light aircraft landed in Waharoa attempting to smuggle birds) but it is not considered significant.

Current controls

69. It is important to understand the environment in which controls have been developed. A full description of the context and the assessed risk is attached at Appendix I. The controls currently in place that mitigate threats to the border are both proactive and reactive. The following section describes and assesses those controls.

Proactive Controls

Summary

| | Adequacy | Constraints |
|-------------------------------|--|--|
| Intelligence | <ul style="list-style-type: none"> - information mostly available on commercial vessels - may only have information about legitimate small craft activities - some information from agencies in other countries | <ul style="list-style-type: none"> - information is unreliable, insufficient and often not timely for small craft - stated intentions and behaviour of small craft do not always match - most small craft movements are not pre-advised |
| Overseas Liaison Posts | <ul style="list-style-type: none"> - located in Bangkok and Sydney to gather information & investigate illegal activity - located in Brussels to represent NZ Customs' interests in world trade fora | <ul style="list-style-type: none"> - only one person per location so limited coverage - enforcement is focused on drugs |

Intelligence

70. Intelligence covers all activities of Customs. Customs liaises with international and domestic agencies to gather and analyse information that can assist with identifying and intercepting risk craft and persons. Examples are advance notification of small craft arrivals from Australia and Norfolk Islands, and information about commercial craft movements supplied by various shipping organisations.
71. The Customs Intelligence unit holds considerable information and intelligence about suspect craft, people and commodities. Craft risk assessments are produced for all commercial vessels arriving in New Zealand so that any identified threat can be mitigated. These risk assessments are based on weighted information about the craft, people on board, commodity carried, route, places visited, regularity of visits etc. Response is based on the weighting given.
72. There is, however, a gap in relation to small craft. Customs often does not know they are coming, and currently the most effective way to proactively gain information about craft intending to enter New Zealand is to obtain information from other countries about the intentions of the craft or intelligence to the same effect
73. New Zealand receives advanced notification of small craft arrivals from Australia and Norfolk Island. This provides Customs with an historical record of what the Master stated they intended to do when a vessel left any given port within Australia or Norfolk Island. This information can be invaluable in tracing the movements of particular craft or by providing advanced notification of the arrival of craft that Customs may already have an interest in.
74. There is a record of proven incursions ranging from the arrival in New Zealand of French agents on the yacht *Ouvea*, involved in the Rainbow warrior bombing in 1985, through to a recent operation in September 2000. There are also examples of significant drug interceptions in Australia that have transited New Zealand with disturbing ease. International trends have also identified New Zealand as a future destination prospect for illegal immigrants.

Constraints

75. The quality of risk assessments is affected by the reliability and amount of information held about arriving and departing vessels and crew. This depends entirely on overseas administrations providing information to New Zealand about these activities. New Zealand and Australian Customs are currently developing a programme to increase the availability of small craft information. However, there will always be a gap that can't be filled because of the level of recordkeeping and reporting in various other countries.
76. Data from Tonga, while not entirely accurate, indicates a surprising number of vessels indicating their intention to travel to New Zealand not appearing to have reached New Zealand (see Appendix V). With the aid of aerial surveillance and sea-borne monitoring and response, Customs could identify where craft behaviour differs from stated intentions or where information received is inconsistent. This capacity does not currently exist.
77. Most small craft movements are not pre-advised from the point of overseas departure so there will continue to remain a gap in vessel movement information.
78. Although the current controls designed to mitigate threats to the border at sea provide some level of assurance they are insufficient to adequately manage the threat of border incursion. Strictly speaking Customs may only have information about what legitimate visiting craft do. In a recent operation, the West Coast terrain coupled with high winds ranging from 40-80 knots were not enough to deter a craft from entering Hokianga Harbour. The remote location sorely limited Customs' ability to respond.

Overseas Liaison Posts

79. Customs has officers posted in three locations overseas - Brussels, Bangkok and Sydney. The posts in Bangkok and Sydney are engaged in proactive law enforcement liaison, intelligence gathering, investigation of illegal activity and identification of potential threats to New Zealand's border, particularly in the area of drug trafficking. The Brussels post is a quasi-diplomatic post, involved in representing New Zealand Customs' interests in the World Customs Organisation and other international fora, including co-operation with law enforcement administrations.

Constraints

80. There is only one New Zealand Customs person at each of these posts, so although they provide an invaluable service, there are limitations to what they can do
81. The Sydney and Bangkok posts, by the nature of their location, tend to focus on drug trafficking.

Reactive Controls

Summary

| | Adequacy | Constraints |
|--------------------------------------|--|--|
| Customs Reporting procedures | <ul style="list-style-type: none"> - principal strategy for marine is voluntary compliance - compliance is considered high - strict procedures in the Customs & Excise Act help risk assessment | <ul style="list-style-type: none"> - don't provide enough information about small craft movements or risks - information collected on or after arrival - craft being deliberately evasive are unlikely to attract attention |
| Ship Servicing | <ul style="list-style-type: none"> - 12 staffed sea ports, including two community officers at Opuia and Whangarei - documentation process carried out for all arriving and departing vessels - low-level information gathering | <ul style="list-style-type: none"> - not staff at all ports (eg Gisborne, Picton) - few dedicated staff nationally - only limited information gathered on arrival - community officers need back up for response |
| Wharf Patrol & Monitoring | <ul style="list-style-type: none"> - carried out at ports - information gathering for intelligence purposes in relation to commercial shipping | <ul style="list-style-type: none"> - no information on small craft which are one-off travellers |
| Response Teams | <ul style="list-style-type: none"> - assembled for vessels arriving at non-designated ports or if significant risk - formed from staff at Auckland, Wellington & Christchurch - can be deployed by sea & land - involves central command of sea & land resources | <ul style="list-style-type: none"> - Customs needs 12 hours' notice of arrival of the risk vessel to deploy the land based team - response is a specialist task needing people technically skilled and trained in field response & ship design |
| Coastwatch | <ul style="list-style-type: none"> - volunteer advise of vessel activity in remote areas | <ul style="list-style-type: none"> - 12-24 hours' notice not able to be provided (can't use response teams) - limited to areas of the coast that are inhabited |
| "Hawk" | <ul style="list-style-type: none"> - 16.5 metre sea-going launch - based in Auckland - carries out monitoring, intelligence gathering - focus on people on or associated with craft | <ul style="list-style-type: none"> - not a suitable fire platform for dealing with armed criminals (fibreglass) - not large enough to carry own pursuit boat - limited range and capability to remain offshore for extended periods of time |
| Aerial Surveillance | <ul style="list-style-type: none"> - use RNZAF or private charter as required - RNZAF fits Customs work in with other commitments | <ul style="list-style-type: none"> - assistance is not always available & expensive - RNZAF P-3s not suitable for littoral operations - chartered craft not fitted with search tools needed |

Customs Reporting Procedures

82. Customs' principal strategy in the Marine area is the reliance on ship owners, Masters and crew voluntarily complying with the provisions of the Customs and Excise Act 1996. While the current rate of compliance is considered to be high, the deterrents to non compliance are insufficient.

83. **The reality is that the Service does not know with any certainty what activities craft entering New Zealand engage in before they decide to report to Customs, where those craft first make landfall, how many craft do not comply at all and what risks they pose to the border.**
84. An example of the primary procedures used to regulate the movement of goods and persons across the maritime border includes the need for the Master to give notification of the expected port of arrival and time of entry 48 hours before arrival. When this requirement is matched with the additional condition that all craft arriving in New Zealand from overseas must first arrive at a Customs port of entry it would appear that compliance with the legal requirements would eliminate the risks brought about by unreported arrivals.
85. Documentation such as the arrival card, border cash reporting form, Inward or Outward reports and Temporary Import Entries must also be provided. This information provides an opportunity to further risk assess craft and persons entering and departing New Zealand.

Constraints

86. Information is collected on or after arrival, and Customs depends on voluntary compliance for its accuracy and completeness.
87. Craft attempting to enter New Zealand and being deliberately evasive are very unlikely to attract the attention of Customs at all, until such time as they choose to make their presence known. For example in the case of Operation Shard it is believed the Bora Bora II was in New Zealand in various locations before announcing her arrival at Opuā. This delay afforded the crew ample time to rendezvous with another yacht and off load several hundred kilos of cocaine. This cocaine was later intercepted in Australia.

Ship Servicing

88. There are currently twelve staffed Customs sea ports of entry. At the time of arrival and departure all vessels undergo a documentation process. This activity involves one or two officers who also undertake some low level information collection.

Constraints

89. There are few dedicated staff nationally and not all ports are serviced (eg Gisborne and Picton). Opuā and Whangarei are staffed by Community Customs Officers who work alone and need to call Auckland for resource back up if a response is required.
90. Only limited information is gathered on arrival.

Wharf patrol and Monitoring

91. Wharf patrol and monitoring is carried out primarily at ports. Its main function is to gather information for intelligence purposes in relation to commercial shipping.

Constraints

92. It does not provide information on small craft, many of which are “one-off” travellers.

Response Teams

93. The pre-eminent form of response is targeted rummage (ship search) activity undertaken principally by small teams assisted by drug dogs and technical aids such as ion scanners and vapour tracers.
94. For responses to vessels arriving at non designated ports, or to vessels considered to be a significant threat, large teams are assembled. These response teams are formed from staff stationed mainly at Auckland, Wellington and Christchurch.
95. When notified of a risk craft or possible incursion Customs has the capability to deploy response teams by air, land and sea to surveil and intercept the craft.
96. Responses normally involve centrally controlled land and sea resources, as most often the area of interest involves a “chain” of illegal activity between sea and land.

Constraints

97. Customs usually needs at least 12 hours’ notice of the arrival of a risk vessel. This allows appropriate deployment of land based team. The location, monitoring and response and interdiction with craft is a specialist task that requires people with technical skills and training in the health and safety aspects of field response and knowledge of ship design.

The Coastwatch Programme

98. This is a volunteer programme involving the community and specifically targeted individuals. The programme is designed to alert Customs to unusual arrivals of craft in remote areas or other suspicious activities. It was first established in 1976 in response to the successful importation of 400kgs of cannabis by the yacht Brigadoon.
99. Efforts have been made to establish Coastwatchers in places where there is no Customs presence and an 0800 Coastwatch number facilitates the process.

Constraints

100. This programme has not been as successful as hoped as most reportings are made after the event or once a craft has reached the line of sight over the horizon, which is normally very close to land. Twelve to twenty four hours’ advance notice of a risk craft making landfall is not usually able to be provided using this approach. Obviously if a vessel is able to be seen from the Coast there is little prospect of Customs deploying response teams in time to intercept the craft before it makes landfall.
101. Additionally the Coastwatch programme is limited to the areas of the Coast that are generally inhabited. The large amount of uninhabited coastline precludes there being a sufficiently extensive network of volunteer 'watchers'.
102. Customs does not have the resources to conduct regular coastal patrols in “risk” locations.

Hawk

103. The “Hawk” is a 16.5 metre fibreglass sea going launch based in Auckland. Its principal use is as an inshore operations and response vessel. It enables Customs to mount an integrated land/sea response to illegal border activity. Risk assessment and intelligence

gathering are carried out through observation and questioning. Primarily Customs is focused on the people on craft or associated with the craft (e.g. marina managers) more than on the craft themselves.

Constraints

104. The original business case for purchase was based on it being a monitoring and response and interdiction platform that could operate within the contiguous zone. Recent operational activity has demonstrated Hawk's limitations as a monitoring and response platform, and its limitations in sea conditions normally experienced around the coast of New Zealand. For example, the Hawk is not large enough to carry its own "hot pursuit" boat. For hot pursuit, Customs has to use the "Kairapu", an aluminium boat that is deployed by land. This is easily identifiable by criminals, who can determine that an operation is underway when it is deployed. It is also limited in range and capability for remaining offshore for extended periods of time.
105. As a monitoring platform "Hawk" can identify that there are targets in the immediate area, and can conduct covert monitoring. However, it must approach them to confirm identity. While an aircraft is required to do the same, it can usually quickly identify and bypass vessels of no interest. The "Hawk" also has limited coverage, and is normally used as a "picquet", waiting in the anticipated path of craft of interest.
106. The "Hawk" is unsuitable for response to armed criminal because of its fibreglass construction.

Aerial Surveillance

107. Customs does not have any dedicated aerial assets. Up to the 2000/2001 financial year, Customs relied on the good will of the RNZAF or civil charters for any aerial surveillance required. In the 2000/2001 financial year, dedicated aerial surveillance funding has been provided on the basis of proving need.
108. RNZAF assistance is usually provided when the activity can be tasked with other commitments the RNZAF has. Any additional flying on an 'as required' basis has always been provided where practicable.

Constraints

109. RNZAF assistance is not always available, is expensive and, for certain types of in-shore and coastal operations, is not suitable.
110. Chartered aircraft generally available are not fitted with the search tools needed to undertake aerial surveillance over wide areas eg infrared monitoring and tracking equipment. Searches using this type of aircraft are usually limited to visual searches which preclude flying in low visibility, rough weather and at night. They are generally not equipped to travel long distances off shore or to undertake searches that create enough of a time buffer so that appropriate responses can be planned.

Sufficiency of controls

111. In today's environment, the controls that Customs has in place for mitigating threats to the border from sea incursions fall short of providing an adequate level of assurance.

112. **The best time to interact with a vessel to establish its risk to the border is when it first arrives in New Zealand's contiguous zone.**
113. The most obvious limitation, therefore, is the high level of reliance Customs places on the person in charge of the craft actively deciding to meet their legal obligations. In the absence of relevant intelligence, its risk cannot be assessed and/or physical interaction take place.
114. If there are no adverse recordings about a sea vessel, it will most likely be treated as a low risk. There is no proactive activity undertaken to establish if all craft heading for New Zealand actually report, or to mitigate any potential risk of transfers at sea taking place.
115. Customs cannot assume that it holds sufficiently accurate information obtained from these procedures to enable risks to be accurately identified, analysed, assessed and then managed.

Assessment of controls

116. In terms of sea-borne illegal activity, Customs needs to have information before vessels reach land so that it has time to organise an effective and appropriate response. Existing controls therefore:
- fail to provide enough information prior to vessels arriving in New Zealand to enable an appropriate response;
 - fail to provide Customs with enough information to determine New Zealand's levels of exposure to risk;
 - fail to provide adequate response coverage over New Zealand.

WHAT CUSTOMS NEEDS

Introduction

117. Having determined that Customs' controls for sea-borne craft provide inadequate protection, what does Customs need? There are two elements to the answer:
- a strategic context
 - access to specific assets

The strategic context

118. The Marine Patrol Review occurs in the context of Cabinet's recent decision to act on the Border Control Review Team's recommendation to establish a vision and strategy for border management. The intention of the strategy is to provide a unifying and directive force for the agencies of state to enhance the efficiency and effectiveness of border management.
119. The other contextual development is the work on creating an Oceans Policy for New Zealand.
120. Both these initiatives are strategic, "whole of government", and will be principles-based. Customs needs the Marine Patrol solution to interlock with these initiatives. Given that context, we see a need for a framework within which it will be possible to make cohesive decisions about New Zealand's maritime patrol arrangements.
121. Operational requirements and decisions about assets will become much easier to determine when viewed in the context of the desired outcomes Government wants from maritime patrol. A suggested model is:

| <i>Aspect of the framework</i> | <i>Area of interest</i> |
|---|--|
| LEVEL ONE Government Strategic Policy Overarching context (most likely to be defined in the Oceans Policy, which is currently being developed) . This will provide a comprehensive and integrated management approach to all aspects of the marine environment now and into the future | Government Integrated legislative framework |
| LEVEL TWO Overarching maritime patrol policy statement/vision statement This would most likely bring together a number of policy frameworks, and would provide Government's specific desired outcomes from maritime patrol. The oceans policy has not yet been developed, but there needs to be consistency with the broad aims of the policy until it has. | Government. Could be multi-ministerial group |

| <i>Aspect of the framework</i> | <i>Area of interest</i> |
|---|---|
| <p>LEVEL THREE</p> <p>National Maritime Patrol Strategy</p> <p>This would define Government's interests, and the agencies involved, and would draw out the broad outcomes into specific policy objectives (over, say, a three year period). It would cover such things as:</p> <ul style="list-style-type: none"> ▪ the relative contribution/interests of each agency ▪ the key strategies for achieving the objectives ▪ defining priorities in times of conflicting demand ▪ mechanisms for monitoring and evaluation of effectiveness ▪ providing for the review of the mix of strategies and changing priorities as the environment changes | <p>Multi-agency (approved by Govt)</p> <p>Could be led by central agency to ensure balanced view of interests</p> |
| <p>LEVEL FOUR</p> <p>Specification of roles, responsibilities, governance and operational infrastructure</p> <p>The governance and infrastructure will be driven by both the operational needs (i.e. how to manage the logistics) as well as the strategic and tactical needs (i.e. how to achieve the outcomes). This would include the legislative and privacy issues associated with information collection, analysis and dissemination, and defining relationships</p> | <p>Multi-agency, but certain agencies would have specific responsibilities and accountabilities for managing infrastructure requirements.</p> |
| <p>LEVEL FIVE</p> <p>Day to day information collection, analysis and dissemination, management of assets, and operational resources, co-ordination and logistics</p> | <p>As above.</p> |

122. The benefits to Customs of this type of approach include:

- a transparent approach which is commonly understood by all agencies involved
- more clearly articulated outcomes and priorities
- the likelihood of more and better information, resulting in better intelligence
- the likelihood of maximum leverage from existing resources and infrastructure
- the likelihood of operational need being matched with capability
- better understanding of other agencies' needs, resulting in better communication and flow-on benefits for other areas of Customs

Customs' specific needs

Assets required

123. To decide what types of assets Customs needs, maritime enforcement has been separated into two main areas: aerial surveillance and marine monitoring and response.

124. The distinction is crucial to determining requirements. Aerial surveillance is primarily a process of collecting information and identifying craft and as such is not required to be undertaken by government employees under New Zealand's present legislative framework.
125. Marine monitoring and response has an information collection role element, but more importantly includes the requirement to be able to intercept any craft and detain suspect vessels or people. These processes require the use of coercive powers to question, and search craft, goods and baggage - powers which under New Zealand legislation are only available to law enforcement officers with appropriately delegated legislative powers and the necessary training.
126. There are two key aspects to the execution of these enforcement powers:
 - a) The range of risk issues to be managed, complete with the need to apply the law consistently with respect to the Bill of Rights, the chain of evidence and statement procedures require the skills and knowledge that are developed over time by a fully trained and experienced customs officer.
 - b) The nature of Customs enforcement work is that it needs to be done at interception, not after having been "called in". This is because any delays will provide those being questioned or searched the opportunity to dispose of evidence.
127. Customs therefore believes it needs to have bottom line control of enough sea borne assets to meet its interdiction needs, notwithstanding whether those assets are as a matter of course tasked from a "whole of government" perspective. If this does not occur, it will negatively impact on the ability of Customs to manage the risks to the border.¹¹

Aerial surveillance

129. The main areas of interest for Customs from a maritime surveillance point of view are set out in the map below. The triangle to the north of Cape Reinga is the area worthy of additional surveillance because:
 - it is the first available landfall from South America and the Pacific Islands
 - it is the main track used by small craft arriving from the Islands because of the prevailing winds
 - there is a higher record of known incursions in that area
 - during the "yacht season" (October to January), most small craft movements occur in this area

The contiguous zone (dashed line) needs to be surveilled for deterrence purposes, but not to the same intensity as the northern triangle, and the EEZ (dotted line) will need to be surveilled for particular operations.

¹¹ For further discussion on the maritime environment, refer to Appendix I



Key
 — Prime area of aerial interest
 - - - Coverage for deterrent purposes
 Periodic, targeted surveillance

130. There are three main categories of aerial surveillance carried out, characterised by the distance that needs to be covered and the length of time in the air normally required. Other relevant factors are all weather and day/night capability.
131. For the purposes of this paper these have been categorised as long range sustained, mid-range sustained and coastline short duration. Each category has its own characteristics, the most significant of which are shown below.

| <i>Long Range Sustained</i> | <i>Mid-Range Sustained</i> | <i>Coastline - short duration</i> |
|--|---|---|
| <ul style="list-style-type: none"> ▪ specific targeted operations including support to SAR¹² operations ▪ needs include covering both the NZ and Nadi SAR regions ▪ access to aircraft on an ad hoc basis ▪ “opportunity” availability may be acceptable if dedicated “mid-range sustained” aircraft available as cover ▪ meet national interest obligations in Southern Ocean and Islands | <ul style="list-style-type: none"> ▪ specific targeted operations ▪ regular patrol - movement monitoring ▪ surface monitoring and response co-ordination ▪ deterrent factor ▪ required as dedicated resource ▪ co-ordinated pre-bid tasking to meet operational needs | <ul style="list-style-type: none"> ▪ specific targeted operations ▪ regular patrol - arrival/departure monitoring ▪ surface/land based interception co-ordination ▪ access to aircraft ad hoc ▪ availability as required ▪ variety of aircraft choice necessary (covert option) |

¹² Search and Rescue

131. It is expected that Customs’ operational requirements could be met using a mix of aircraft as set out in the table below. For the purposes of this table Fig.1 shows an indicative type of aircraft in each category. To quantify the total hours required by Customs will depend to a large extent on the decisions yet to be made on what aircraft types will be obtained as best overall “fit”. The range of aircraft available, from light twin engine to large four engine turbo-prop have considerable overlap in capability. We have therefore given an indicative need in whole aircraft increments, assuming that cheapest would be used to the greatest extent where overlap exists.

Fig 1. Representation of potential aerial surveillance requirements and indicative aircraft type.

| | 10% | 70% | 20% | Indicative Cost |
|--|------------|------------------|------------|---|
| | Long range | Mid range patrol | Coast line | Operating/ sq. nm covered ¹³ |
| Part of a P3/C130 equivalent | | | | A\$2.40 |
| One Dash 8/F27 equivalent | | | | A\$0.32 |
| One Chieftain equivalent | | | | A\$0.16 |
| Part use of one Single engine aircraft | | | | Not applicable |

132. It is considered that a tiered set of aircraft assets would best fit the range of Customs surveillance needs. The long range and mid range aircraft should be fitted with compatible sensing and communication equipment for day and night time operations and to enable evidence gathering to take place. Where possible consideration should be given to ensuring compatibility with Australian assets and resources where there is the likelihood of joint operations. Areas where potential co-operation could provide benefits are in the areas of Search and Rescue, Customs, Fisheries (even though it is recognised that New Zealand and Australia’s stated sovereign interests could be in conflict on occasions) and maritime safety.

Surface operations including monitoring and response capability

134. All surface operations either depend on aerial surveillance or can be greatly assisted by it. In addition to routine Customs operations, enough marine surface vessels would be needed to provide adequate geographic coverage for responding to an identified craft of interest within a reasonable time. The map below shows the approximate areas of interest.

¹³ Costs are derived from the Australian Audit Office report on Australian Customs Service Coastwatch 1999-2000. Figures are approximate and should only be used for relative comparisons between categories.



Key: - - - Contiguous zone (approx.)
 — Key areas needing surface coverage

135. The two risk areas needing the presence of Customs surface monitoring and response assets are:

- the Coromandel-Great Barrier Island-North Cape triangle, and
- the Kapiti Coast-Wellington-Marlborough Sounds and Tasman Bay areas.

The rest of New Zealand’s coastline is less hospitable to small craft and does not need to have dedicated Customs assets for effective management (with the possible exception of Banks Peninsula). Off-shore patrol vessels in the 60m range that can operate anywhere around the coastline would provide this latter capability.

136. Customs has a particular surface operations need - that of being able to intercept vessels before or the moment they reach land. The land/surface interface is therefore very important. The significant characteristics of the type of surface operations needed by Customs therefore includes operational co-ordination (e.g. for land-based response teams) as well as sea-borne activity. Those characteristics are:

- general operations, covering facilitation of legitimate craft, goods and people

- responses to unknown craft
 - responses to known risks
 - deterrence activities
137. The capability needed to meet Customs' sea-borne monitoring and response requirements includes:
- monitoring and response to the outer edge of the contiguous zone, including the ability to covertly monitor landside activity in anchorage areas;
 - the ability to carry out "hot pursuit" in all situations;
 - able to be deployed for extended periods of time;
 - being large enough to carry boarding party plus crew
 - being affordable for daily operations
 - having mobile "workshop" facilities, such as links to CusMod (Customs' computer system), scanning equipment and search and interview rooms
138. To provide credible geographical coverage of New Zealand's medium-high small craft and risk traffic and risk areas, Customs would need two dedicated in-shore patrol vessels in the 30-40 metre range, carrying pursuit craft. These would be the optimum sized vessels for Customs purposes. A smaller vessel would make it difficult to accommodate Customs' processing facilities as well as a pursuit craft. Any larger craft would be less practical for use in harbours and bays and for approaching small craft directly. Operating costs also increase rapidly with increased size, making it much more difficult to manage changing needs within fixed baselines.

Critical success factors for Customs

139. Customs expects and welcomes more closely aligned operations with other agencies as a result of this review. In this context, there is a set of factors that are critical to the success of Customs' future maritime enforcement needs:
- shared access to centrally held and managed information
 - assets not owned by Customs being available to Customs when required
 - operational hourly costs being relatively low because of the high number of hours needed to carry out regular sea-borne patrol
 - if a critical Customs operation is being undertaken, Customs having control over the use of assets.
 - Customs having bottom line control of the surface operational assets that meet Customs' core needs. This includes development and re-equipping to meet changing border management needs over time (e.g. equipping with new detection equipment or personal search facilities)
 - appropriately equipped assets and use of those assets being on a whole of government basis (i.e. all agencies would have equitable access to assets on a day to day basis and assets would meet Customs' particular needs as well as those of other agencies e.g. ion scanner, search rooms)

- the solution facilitating interoperability with Australian Customs and Australian Coastwatch (managing Trans-Tasman and regional border protection to mutually agreed standards and the adoption of a collaborative approach is an important element of New Zealand’s continuing progress toward reducing Trans-Tasman barriers to trade and travel. Interoperability must therefore be a critical consideration, both to meet Trans-Tasman needs and for regional security from illegal activity).

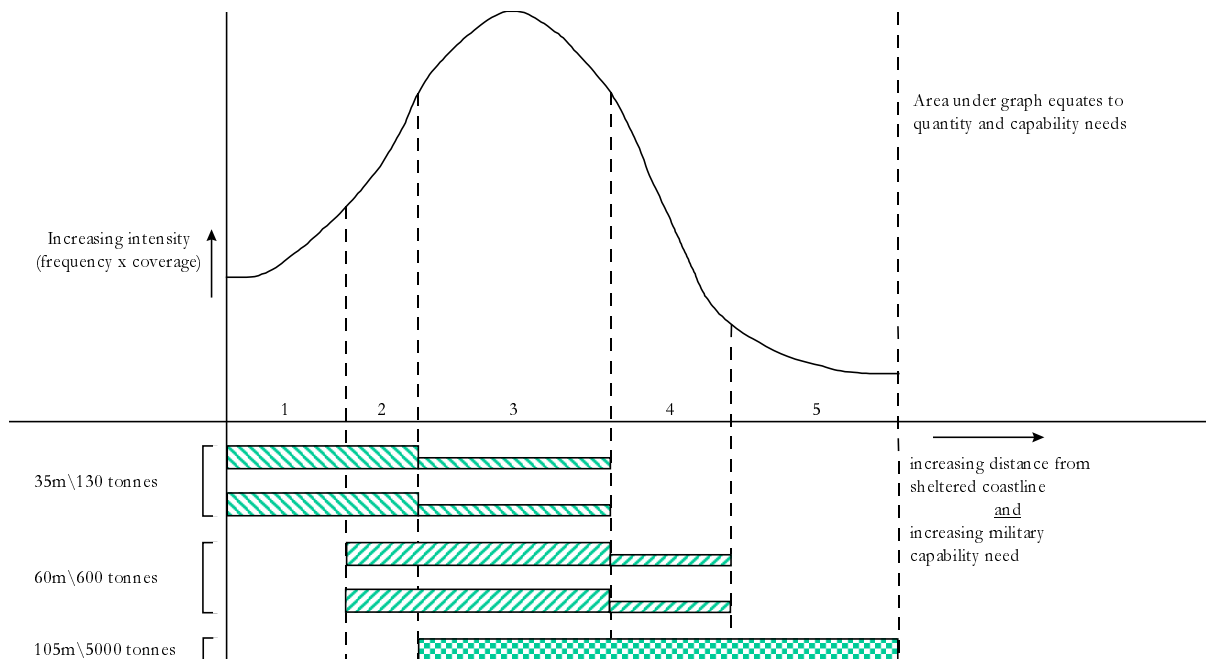
Conclusion

140. Customs believes any solution should include all Government needs in the same operations to maximise efficiency and cost effectiveness. For this, a strategic approach to asset and operational management is likely to achieve the best results for Government.
141. However, Customs’ unique needs should also be recognised. Customs’ principal strategy in the marine area is the reliance on ship owners, Masters and crew voluntarily complying with the provisions of the Customs and Excise Act 1996. While the current rate of compliance is considered to be high, the deterrents to non-compliance are insufficient.
142. The reality is that Customs does not know with any certainty what activities craft entering New Zealand engage in before they decide to report to Customs, where those craft first make landfall, how many craft do not comply at all and what risks they pose to the border. Customs therefore needs to be able to identify craft approaching or leaving New Zealand without reporting, or to identify known craft which are considered to be a risk.
143. Customs’ surveillance needs can be met almost entirely by regular aerial surveillance. However, Customs’ surface requirements are for monitoring and response.
144. Customs’ current surface capability is the “Hawk” launch and the pursuit boat “Kairapu”. The “Hawk” is too small to carry the “Kairapu” which must therefore be deployed by road. Even without this limitation, Customs is still only able to adequately patrol one of the two key areas of interest.
145. The following issues are unique to Customs:
 - Customs sea-borne interest is primarily within the contiguous zone and in the sea/land interface
 - Customs’ primary craft of interest are small craft rather than commercial craft, because of the difficulty in obtaining accurate information about small craft movements
 - Customs undertakes daily operational marine activity as all small craft are required to pass through Customs for clearance
 - the aerial surveillance capability needs to be matched to the surface response
 - any surface response capability needs to be sufficient to enable a response to identified craft of interest within a reasonable timeframe
 - Customs’ response capability depends on there being trained, skilled staff on board at the time of interception for successful enforcement action to be able to be undertaken.
146. Customs’ asset requirements are therefore:
 - Two Customs-controlled 30-40 metre vessels

- Access to two off-shore patrol craft with pursuit capability
- Access to a range of aerial surveillance from light aircraft for littoral areas, required for regular and ad hoc tasks and available on-demand
- Access to a medium sized aircraft for inshore surveillance, for regular and ad hoc tasks and available on demand
- Access to a long range aircraft with a 20-200nm range for large area search, on an ad hoc basis, available on demand (“subject to availability” acceptable if mid-range craft can be accessed on demand as a substitute)

147. Figure 2 is a conceptual diagram that demonstrates the coverage this type of capability would give the government. Note that the overlapping capacity of each type of vessel gives government the most capability in the greatest area of need from a whole of government point of view, providing both flexibility and cost effectiveness.

Figure 2 Coverage provided by a range of surface vessels



Key to Figure 2

■ Vessel range and related efficacy

- on-shore surveillance support
 - constricted waterway operation
 - high intensity civil operations (continuous Customs)
 - full range of law enforcement capability on board
 - sheltered inshore areas to outer edge of contiguous zone
 - full New Zealand law enforcement and border agency interoperability
 - Australian Customs Service interoperability
- sheltered inshore areas to outer edge of contiguous zone
 - full law enforcement capability deployed as required
 - partial law enforcement capability ongoing
 - can be deployed in situations of armed resistance

- 3.
- whole of New Zealand 's contiguous zone, most weather conditions
 - EEZ, most weather conditions
 - military-capable deck mounted weapons
 - projection of force on non compliant vessels eg terrorists
 - full military interoperability
 - partial law enforcement capability
-

- 4.
- South Pacific Islands (Foreign Affairs, Fisheries, Customs interests)
 - peacekeeping in the South Pacific Region
 - beyond EEZ, most conditions
 - military support, South Pacific region
-

- Southern Ocean and Antarctica
 - Logistics support to military operations
 - Aerial surveillance capability
-

ENVIRONMENTAL SCAN - INFLUENCES ON THE NEED FOR MARITIME ENFORCEMENT

Being an island nation, the importation or exportation of physical threats to New Zealand's well-being can only take place by air or sea. The majority of importation and exportation normally takes place by way of commercial craft arriving at designated air or sea ports. These movements are well regulated and operate to published schedules.

While the majority of craft movements are commercial, there is a significant level of small craft arrivals and departures. These movements range from microlights, light aircraft and corporate jets, through to yachts, ocean going pleasure craft and commercial ships. These craft can arrive at virtually any point on New Zealand's coastline. The number of unreported arrivals and departures is unknown.

Background

The following discussion provides a high level outline of the New Zealand Customs Service's experience with maritime crime in its widest sense. Maritime Surveillance is not the answer to all of the issues raised, but it is part of a series of integrated strategies needed to maintain border security across all areas where threat may arise.

The main focus of Customs' attention is on community protection issues (including revenue collection) and within that the smuggling of various types of contraband into and out of New Zealand by crew and passengers on vessels. While traditional smuggling continues there is an appreciation that the methods in which the border can be breached are wider and require a much more balanced and consistent approach to maritime threats.

To date it is not known the extent to which smugglers of all commodities, especially drugs and people, have utilised both small craft and commercial ships as a conduit for their activities. As international smugglers are changing their methods of operation, and organised criminals become more involved, steps need to be taken to update and, as appropriate, further enhance New Zealand's maritime intelligence and enforcement capability.

Customs' overall view would be that in spite of a relatively quiet period in the last few years the sea border is emerging as an area of high potential risk.

Risk Carriers

There were 3,371 reported vessel arrivals and 3,779 vessel departures from New Zealand in the last year (including small craft, regular runners, cruise ships and fishing vessels). Recognising this period included the America's Cup, there has been a 42% increase in reported small craft movements between 1995/96 (495) and 1999/2000 (718).

Commercial

The commercial maritime environment has also changed markedly in the last decade reflecting port reforms in New Zealand and changes within the wider maritime industry.

De-regulation means that New Zealand ports operate on a 24-hour, 7 day-a-week basis. Over half the commercial vessels arriving at New Zealand ports from overseas now arrive outside “core hours” and spend much shorter periods in ports.

Ship crews tend to be much smaller in number, better paid and more skilled than in the past. The risk to the border of crews coming off these ships has minimised over the years due to the employment practices of shipping companies and strategies employed by them when visiting risk ports. With the dramatic decrease in the amount of time vessels spend in port, shipping companies seek to avoid unnecessary costs brought about by unloading and departure delays caused by Customs interdiction activity.

They do this by ensuring that only crew not considered border risks are employed. When their vessels are visiting risk ports shore side contact is limited or restricted to such a level that crew are not able to establish themselves in smuggling activity.

There are still irregularly scheduled vessels and “tramp ships” which probably present the main commercial shipping threat to New Zealand. Traditionally these vessels come from South America and the Islands carrying fruit, produce and general goods with the crew usually of nationalities traditionally involved in drug smuggling.

Fishing Community

The overseas fishing fleet in New Zealand has been the subject of several reports regarding suspicious activity. Information has been received suggesting the mid-sea re-provisioning of these vessels to escape payment of duty on New Zealand sourced goods. These vessels themselves often spend considerable time in New Zealand and crew changes often occur when a replacement crew is flown in from overseas.

There has been a lot of anecdotal information regarding drug activity on Tuna vessels from the South East Pacific which often visit New Zealand waters. To date this information has not been supported by seizures of drugs. However some of these vessels travel as far as South America and a number of crew are known to have criminal histories.

Information on the local fishing fleet is sporadic. Over the last decade reports have been received indicating their involvement in clandestine meetings outside territorial waters and in “pick-ups” from other vessels. It is clear that cannabis abuse is common on some of the larger New Zealand crewed vessels and seizures have backed this up (though it tends to be a domestic problem). Customs tends to monitor very closely the larger fishing vessels on their delivery voyages to New Zealand as information has been received on several occasions suggesting crew will take advantage of the opportunity offered by visits overseas to import drugs.

The practise of commercial illegal fishing is of great economic importance to New Zealand and there have been several examples of this occurring. A number of vessels have been seized as a result of being detected. This risk is managed principally by the Ministry of Fisheries who routinely have observers on foreign crewed vessels.

Yachts

Yacht traffic presents a number of particular difficulties. There tends to be less notice of their arrival and they will often arrive in remote areas (sometimes prior to reporting to Customs if they report at all). The vast majority of small craft arrive from the Pacific Islands and Australia make their first port of call in the Bay of Islands, Whangarei or Auckland.

Overseas Boating Community in New Zealand

The overseas yacht community in Northland tends to be a close, relatively law abiding but independently minded group. Three years ago they were involved in a dispute over formal safety requirements which saw many depart from New Zealand without formal clearance. Small amounts of cannabis have occasionally been located in arriving yachts. It is suspected that yachts have also been used for illegal entry and departure from New Zealand of people although to date this has been relatively small scale.

Risk commodities and areas

Drug Smuggling Activity

Over recent times more and more information has been forthcoming about international drug trafficking by small craft in the Pacific area, and particularly into Australia. The risk to New Zealand is twofold - our proximity to Australia and the fact that New Zealand could be used as a transit point or staging post. This latter point is expanded at the end of this section.

Some of the more significant historical drug trafficking trends encountered include:

- Heroin and opium smuggling by Chinese crewed vessels especially in the 1970s and early 1980's.
- Cocaine smuggling by South American crewed vessels.
- Cannabis smuggling ex Asian ports.
- Cannabis resin smuggling from India and Pakistan.
- Cocaine and cannabis resin from North and Central America (Panama)
- Importation of LSD and amphetamine products, especially by New Zealand crewed vessels from Australian ports.

Some of these continue to be a problem, particularly where locally crewed vessels are involved. Chinese-national crewed vessels are also accorded close attention.

In most cases the crew involved in smuggling conceal drug shipments on board and land the goods either themselves or using shore-side visitors. There has been information in the past about drop-offs at sea from commercial vessels, either to waiting craft or for later pick ups. Customs has encountered evidence of hull attachments on vessels arriving from South America although to date no seizure has been made using this modus operandi.

Drug use among seamen follows a similar pattern to the wider community. Cannabis is most popular among local and visiting seamen with small finds regularly located on vessels. A policy adopted by the Ministry of Transport ensures that seamen with drug convictions are normally prohibited from employment at sea.

One consequence of the falling number of New Zealand seamen has been the emergence of a group of former seamen suspected of involvement in drug importing, who are no longer at sea but who retain links with their former colleagues. From a Customs perspective this often means that the organisation of drug imports tends to occur outside the traditional border environment.

Assessment of Risk of New Zealand Being a Drug Transit Country

Risk Impact

With the organisation of international drug trafficking becoming more complex and involving more and more countries the transshipment of drug shipments is becoming more common.

There is a clear indication that drug transit countries often become consumer countries as there is a certain amount of “seepage” from transiting shipments. The drug situation now prevalent in the Caribbean, Eastern Europe and Africa has been established and fed by transiting shipments.

In some cases drug shipments will transit through New Zealand ports. This has occurred with several multi-kilo seizures of cocaine from South American “banana boats”. These vessels are often on a scheduled North American or European run when they are diverted at short notice to deliver a cargo to New Zealand. In most instances cocaine shipments, intended for these larger markets, are left on-board.

Likelihood

New Zealand is regarded as a low risk country by overseas law enforcement administrations and is therefore a good choice for traffickers in illicit goods as a transit country. By transshipping goods through New Zealand the consignor can hide that the shipment is from a source country.

Intelligence and seizures indicate that New Zealand is periodically used as a transit country for drug shipments, primarily destined for the larger markets of the USA and Australia. It is now accepted among the intelligence community that New Zealand is emerging as an established part of the Archipelago route coming out of the Islands and the “Trade Winds” route coming from South America. There are currently active enforcement operations in place targeting small craft activity through both of these routes.

Despite all the advances in international intelligence gathering techniques and technology one of the most effective methods of smuggling is through the use of small craft (both sea and air). Small vessels are not easily locatable if they do not as a matter of course report their position or rely on electronic navigation aids. They are easily “lost” in the expansive oceans they sail across. These “small craft” can carry significant amounts of commodity totalling hundreds of millions of dollars

Customs has anecdotal evidence that light aircraft can easily evade secondary radar detection and it is noted that radar tracking in most coastal areas is limited to those aircraft that choose to be compliant.

In some cases it has not been possible to determine whether shipments of drugs seized here were actually destined for the local market or were intended to be re-packaged and forwarded to other markets.

Risk Rating

The Pacific Islands are a proven commonly used transit point, having been used since the 1970s. Recent examples include:

- Operation Reef/Tandem in 1996/7 saw shipments of cocaine transiting through Tonga, Fiji and New Zealand from Hawaii en-route to Australia. This generally involved couriers travelling by air.
- January 2000 Operation Shard. Transfer of 500 kilos of cocaine took place inside New Zealand waters between a yacht that had not declared its departure and a yacht that had not yet declared its arrival.
- The October 2000 seizure of 357 kgs of Heroin in Fiji as the result of a joint American, Australian, Canadian and New Zealand operation (this was in several cargo containers consigned via conventional shipping)

Transshipments through New Zealand can be divided into two broad groups:

(i) "Pure" transits

These relate to goods passing through New Zealand that do not enter the commerce of New Zealand and are not brought through New Zealand border controls.

Examples of this type of transit operation include:

- 1996-9 Aerolineas Argentinas flights - Auckland is used as a transit country for cocaine consignments from South America, especially air couriers off the Aerolineas Argentinas service en-route to Australia. Since March 1996 at least 37 couriers have been intercepted in Australia from this flight carrying a combined total of 130 kilos of cocaine.
- January 1995 Operation South - 715 kilos of cannabis resin in a container of tins of marmalade. Sourced from Nepal en-route to Western Samoa and probably destined for North America.

(ii) Transit shipments entering New Zealand

This relates to situations where the shipment of drugs enters New Zealand (an attempt is made to move through border controls). Some examples of this scenario include:

- November 1990 Operation Scent - 4 tonnes of Thai cannabis imported in yacht in Northland. Three tonnes packed into container & eventually seized in California. Approx. 1 tonne distributed locally.
- November 1992 Operation Boots - Thai woman arriving from Bangkok intercepted with 2 kilos of heroin. Suspected to be linked to a Vietnamese trafficking syndicate. Would have been exported from Christchurch.
- July 1993 Operation Madge - 255 kilos of cannabis oil in a consignment of hand cleaner from Jamaica. Was re-packaged, re-labelled to be sent onto the United States, but was

seized before it left New Zealand. Evidence of six previous similar imports was uncovered during the investigation.

- July 1998 Operation Eternal - 10.2 kilos of cocaine detected in Bangkok in an air freight consignment. A controlled delivery indicated that the Asian syndicate involved had repackaged and re-labelled the goods and intended to send them to Australia.
- October 1998 Operation Mule - involved a Ghanaian man internally couriering 400 grams of heroin from Malaysia. He was to travel onto Melbourne.

Other Contraband

Smuggling of goods with high excise duties (tobacco and alcohol) remains an ongoing problem. It is likely to increase over time with the return of high excise duties, particularly on tobacco products. There is small scale smuggling by New Zealand and Australian crew with some more sophisticated larger scale operations often involving duty free bonds. Large quantities of cigarettes have also been located on PRC Chinese crewed vessels.

Smuggling of fauna has been less of a problem in recent years and again appears to be the preserve of New Zealand and Australian seamen (particularly older seamen). Information is periodically received alleging imports by sea. It is also significant that a number of ex-seamen thought to be involved in the illegal fauna trade retain links with their colleagues still at sea.

An emerging threat now is the use of small craft to smuggle illicit commodities into and through New Zealand to the larger markets of the United States, Australia and Asia. Due to weather and distance considerations it is most likely that the Northland / Bay of Plenty area will be used as the landing / transfer point for this type of activity.

Customs has anecdotal evidence of firearms in small craft and has located undeclared firearms when clearing craft.

Weapons

While there have been relatively few interceptions of firearms in the waterfront scene there has been consistent information regarding the illegal importation of weapons. This has related particularly to crews from the former Soviet Union, who are alleged to be involved in the sale of weapons. Anecdotal information suggests that gang members have obtained automatic weapons from this source.

Illegal Immigration

Unlike Australia, New Zealand is yet to encounter the mass arrival of illegal immigrants. Recent information suggests that some of the vessels of illegal Chinese intercepted in Northern Australia have been en-route to New Zealand (though this has not been positively confirmed). The appearance of more sea worthy steel hulled vessels travelling around Papua New Guinea has increased the likelihood of this occurring. The current Australian view is that with their increased border surveillance it is no longer a matter of "if" but "when" a vessel comes to New Zealand. In the meantime most of New Zealand's illegal immigration problem stems from arrival at the airports.

Intelligence indicates that Australian and New Zealand crewed vessels, particularly on the trans-Tasman route, continue to offer a well organised "ring-bolting" facility (this means that fugitives

fleeing the country by subterfuge are assisted by the crew on the vessel on which they are fleeing). While the numbers involved are thought to be small it tends to be primarily available for local criminals and fugitives.

There has been an historical problem with illegal migrants from the Pacific Islands. There are a number of regularly scheduled vessels travelling to these ports, especially from Auckland and many illegal immigrants have attempted to enter New Zealand this way. A growing number of shipping companies now include visits to Pacific ports which has increased the opportunities for entry to New Zealand. In many cases these attempts are crew assisted although a number have involved stowaways.

Russians jumping ship have been a problem in recent years, many of whom subsequently claim refugee status (contributing to an emerging Russian community). This particular trend does appear to have tailed off in the last 12 months. Crew members from Middle Eastern countries have also been known to jump ship in New Zealand with the intention of claiming refugee status. There is some suggestion that many of these incidents are not as “spontaneous” as they at first appear.

Other

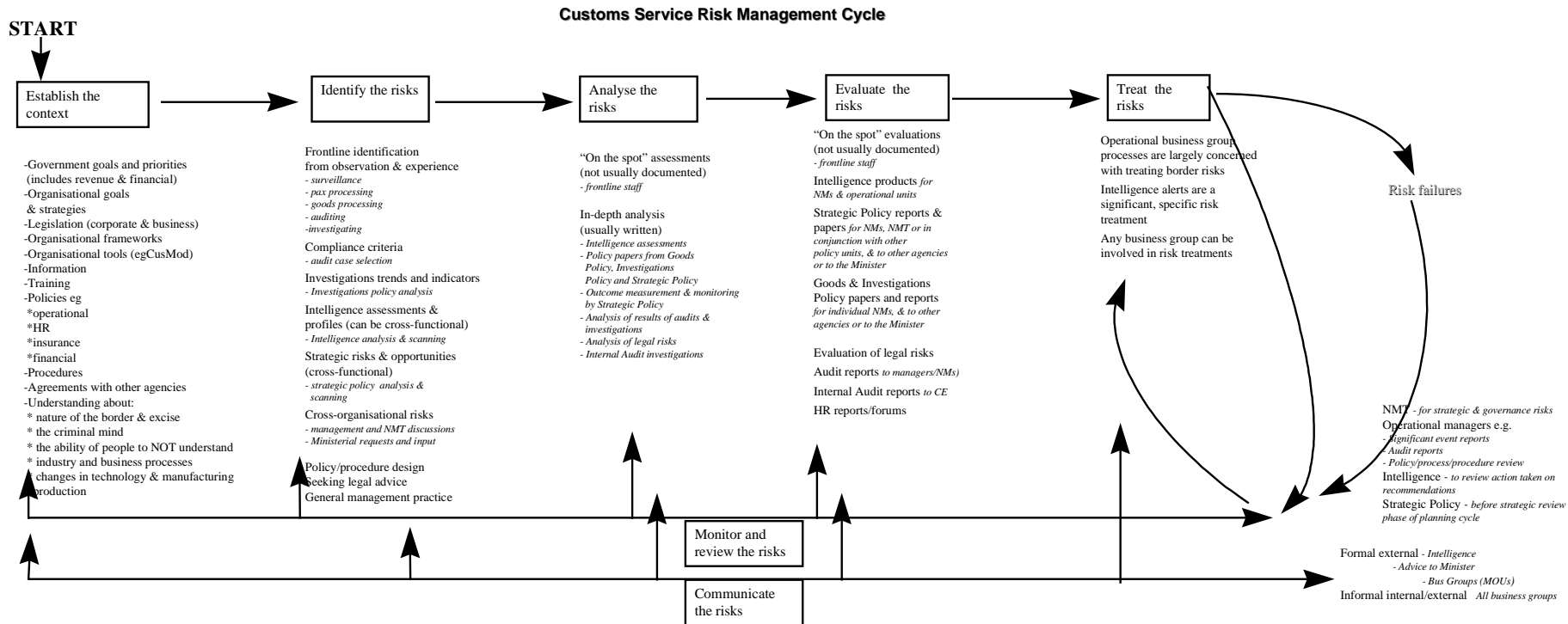
While the main focus of Customs focus has been on drugs and other prohibited goods there are other forms of “maritime crime” which has come to its attention. The following are examples of some of the other kinds of activity:

- There are reports of New Zealand crew members involved in the import and export of stolen property to and from New Zealand.
- Over the past decade there have been a few enquiries into the movement of stolen yachts and small craft. However, there is no clear indication how extensive this trade might be.
- While Customs does not have a primary responsibility for biosecurity issues it assists in checking for appropriate import permits and by calling in MAF staff when Customs officers detect a biosecurity risk. In recent times Customs has been involved in the detection of the Asian gypsy moth larvae on vessels arriving in New Zealand. Insects and other biosecurity hazards have also been discovered in cargo by Customs.
- Environmental and biosecurity concerns about vessels coming to New Zealand are now starting to be identified as an area that needs to be addressed in terms of response activities. New Zealand has been able to prevent the importation of a number of diseases and organisms which would present a threat to the ecological balance of this country and the well being of its citizens. Some of the vessels being used for illegal immigration obtained in the South China area would present a significant environmental risk to New Zealand particularly if they were beached in an uncontrolled place.

APPENDIX II

The Customs Service risk management cycle

The Customs Service's core business is managing risks at the border and for excise. This underpins everything that Customs does. The ways in which each part of the organisation contributes to the risk management cycle is represented by the following diagram:



DETAILS OF RISKS AND TECHNIQUES TO MANAGE THEM

| Detail of Risk | How It Can Happen (Get In/Out) | Technique to Deal With That |
|--|---|---|
| About Craft | | |
| Avoidance of Customs Control Areas | <p>Visits to remote locations</p> <p>Failure to report, at established locations</p> | <p>Coastwatch, Customs Launch, aerial patrols Intelligence</p> <p>Routine patrol and surveillance</p> <p>Arrangements with port authorities, airport companies, aviation fuel sellers etc.</p> <p>Co-ordination and liaison with overseas agencies</p> |
| Mostly About People | and What They Bring On/In Them | |
| Concealment of prohibited and/ or dutiable goods ¹⁴ | <p>In or on or under an aircraft, vessel or small craft</p> <p>In Personal effects and hand luggage</p> <p>In a person's clothing</p> <p>On a person's body</p> | <p>Profiling/screening Intelligence/Alerts Rummage or dive team Drug dogs</p> <p>Profiling/screening Intelligence/Alerts Drug dogs Questioning Baggage Search (X-ray/detection technology)</p> <p>Intelligence/Alerts Profiling/screening Drug dogs Questioning Baggage search Search of person</p> <p>Intelligence/Alerts Profiling/screening Drug dogs Questioning Baggage search Search of person Search of person's body exterior</p> |

¹⁴ Note that goods are dutiable/taxable whether or not they are legal

| | | |
|---|--|--|
| | <p>In a person's body</p> <p>In a consignment of legitimate goods</p> <p>In an object such as a carton or piece of machinery</p> | <p>Intelligence/Alerts Profiling/screening Drug dogs Questioning Baggage search Search of person Search of person's body exterior Internal concealment examination under medical supervision</p> <p>Intelligence/Alerts Cargo examination Audit activity</p> <p>Intelligence/Alerts Cargo examination Audit activity</p> |
| Concealment of persons | In or on or under an aircraft, vessel or small craft | Intelligence Rummage or dive team |
| Diversion of people in a way that undermines Customs Controls | <p>At remote locations</p> <p>Deep sea rendezvous</p> | <p>Coastwatch, Customs Launch, aerial patrols, Intelligence</p> <p>Coastwatch, Customs Launch, aerial patrols, Intelligence</p> |
| Illegal immigration | <p>At remote locations via arriving small craft, ships and aircraft</p> <p>At Customs locations, by way of using false or stolen documents</p> | <p>Coastwatch, Customs Launch, aerial patrols, Intelligence</p> <p>On-site profiling Immigration procedures Intelligence</p> |
| Entry of forbidden persons into NZ | Deportees can present at any location | <p>Coastwatch, Customs Launch, aerial patrols, Intelligence/Alerts International liaison</p> <p>Intelligence/Alerts On-site profiling Immigration procedures</p> |

| Detail of Risk | How It Can Happen (Get In/Out) | Technique to Deal With That |
|--|--|--|
| Forbidden exit from NZ | Typically at airports when a parent attempts to breach a child custody order Fugitives | Intelligence/Alerts On-site profiling Immigration procedures Intelligence/Alerts On-site profiling Immigration procedures Liaison with other agencies |
| About Goods | | |
| Diversion of goods in a way that undermines Customs Controls (includes undeclared goods) | By off-loading without permission, or moving goods from authorised storage without permission. Particularly so for excisable products Deep sea rendezvous | Routine patrol and surveillance Targeted surveillance of risk craft Investigation Cargo Accounting Project Caper, Coastwatch, Customs Launch, aerial patrols Intelligence |
| Misclassification of goods | At lodgement of an entry | Intelligence/alert Investigation Manual entry processing Cargo examination Commodity audit Industry complaints |
| Incorrect declaration of valuation of goods | At lodgement of an entry | Intelligence/CusMod alert Manual entry processing Cargo examination Documentation check Commodity audit Industry complaints |
| Incorrect declaration of origin of goods | At lodgement of an entry | Intelligence/CusMod alert Manual entry processing Cargo examination Commodity audit Industry complaints |

| Detail of Risk | How It Can Happen (Get In/Out) | Technique to Deal With That |
|--|---|--|
| Incorrect declaration or calculation regarding concessions and drawbacks and refunds | At lodgement of an entry (for concession) At lodgement of application for refund or drawback | Intelligence/CusMod alert Manual entry processing Cargo examination Commodity audit Industry complaints Individual verification from source documents |
| Entry of mislabelled or deceptive goods | At time goods off-loaded | Intelligence/CusMod alert Cargo examination Commodity audit Industry complaints |
| Entry of unsafe or injurious goods | At time goods off-loaded | Intelligence/CusMod alert Cargo examination Commodity audit Industry complaints |
| Illegal export | At time goods loaded for export | Intelligence/CusMod alert Cargo accounting Commodity audit Industry Complaints |
| About Organised | Crime | |
| Trafficking in prohibited goods | Due to organised nature of trafficking, Customs activities will be monitored and the perceived weakest link in the chain will be targeted by the trafficker - can happen anywhere | Coastwatch, Customs Launch, aerial patrols, Routine patrol and surveillance Targeted surveillance of risk craft Intelligence/ CusMod alert International liaison Wildlife Enforcement Group NDIB Investigation |
| Entry of laundered money | Typically at airport | Intelligence/CusMod alert On-site profiling Liaison with Police Search |
| Entry of counterfeit goods or money | Typically at airport or through mail | Intelligence/CusMod alert On-site profiling Search |

| Detail of Risk | How It Can Happen (Get In/Out) | Technique to Deal With That |
|--|--|---|
| About Foreign Relationships | | |
| Damage to or erosion of NZ's international reputation | When international obligation's are not met from any number of omissions | All techniques International liaison International participation Overseas training, particularly in the Pacific region |
| About Revenue | | |
| Late payment or non payment of duties, excise and GST | After goods have been declared | Investigation Credit Control Administration Penalties |
| Other | | |
| Activity undermining the security of the Custom Controlled areas | Airlines/Port companies using inappropriate employees in licensed areas | Licensing process Security checks Surveillance of areas |

**Boats Departing Tonga for NZ Between October - December 1998 and
October - December 1999**

| <i>Name</i> | <i>Dep Date Tonga</i> | <i>Arr Date NZ</i> | <i>Name</i> | <i>Dep Date Tonga</i> | <i>Arr Date NZ</i> |
|------------------|---------------------------|------------------------|------------------|---------------------------|------------------------|
| Bonnieclyde | 23 Oct 98 | Unknown | Independ Freedom | 3 Nov 98 | 30 Nov 98 |
| Delamou | 16 Oct 98 | Unknown | Megot | 6 Nov 98 | 21 Nov 98 |
| Ashanti | 13 Oct 98 | Unknown | Our Pleasure | 9 Nov 98 | 20 Nov 98 |
| Katrill of Dover | 13 Oct 98 | 27 Oct 98 | Annapurna | 3 Nov 98 | 20 Nov 98 |
| Sun Trekka | 13 Oct 98 | 7 Nov 98 | Altquabi | 6 Nov 98 | Unknown |
| Inti | 23 Oct 98 | 2 Nov 98 | Lanina | 2 Nov 98 | 21 Nov 98 |
| Shedir | 16 Oct 98 | 27 Oct 98 | Destiny ***** | 20 Nov 98 | 19 May 00 |
| Strait Jacket | 16 Oct 98 | 27 Oct 98 | Catriona | 6 Nov 98 | 24 Nov 98 |
| Just Imagine | 23 Oct 98 | 13 Nov 98 | Isis | 2 Nov 98 | 20 Nov 98 |
| Trollans | 21 Oct 98 | 31 Oct 98 | Mongoe | 6 Nov 98 | Unknown |
| Sromta Gel | 16 Oct 98 | Unknown | Max Grody 2 | 6 Nov 98 | 20 Nov 98 |
| Ave Gilbre | 26 Oct 98 | Unknown | Salacia | 6 Nov 98 | Unknown |
| Reel Passion | 16 Oct 98 | 27 Oct 98 | Locura | 7 Nov 98 | 14 Nov 98 |
| OE | 23 Oct 98 | 1 Nov 98 | Storm Agein | 6 Nov 98 | Unknown |
| Galopin | 23 Oct 98 | 2 Nov 98 | Wind Raven | 7 Nov 98 | 20 Nov 98 |
| RPHurst | 30 Oct 98 | 13 Nov 98 | Blue J | 6 Nov 98 | 20 Nov 98 |
| Breakaway | 2 Nov 98 | Unknown | Fledgling | 26 Nov 98 | 9 Dec 98 |
| Meniwa | 6 Nov 98 | Unknown | Reveris | 10 Dec 98 | Unknown |
| Elan | 28 Oct 98 | Unknown | Barracuda | 10 Dec 98 | 27 Dec 98 |
| Antares ***** | 13 Nov 98 | 28 Oct 99 | Antaia | 28 Jan 99 | 6 Feb 99 |
| Maeva Chiqm | 13 Nov 98 | Unknown | Sunshine | 5 Nov 99 | 16 Nov 99 |
| Imetus | 3 Nov 98 | Unknown | Emocion | 11 Nov 99 | 22 Nov 99 |
| Never Monday | 3 Nov 98 | 13 Nov 98 | SOL | 3 Nov 99 | 11 Nov 99 |
| Andiamo | 2 Nov 98 | 22 Nov 98 | Rongotai 5 | 27 Oct 99 | 3 Oct 99 |
| Awatoi | 19 Nov 98 | Unknown | Pakele | 27 Oct 99 | 13 Nov 99 |
| Seamor | 9 Nov 98 | Unknown | Hawaii Song | 29 Oct 99 | Unknown |
| Fneya | 17 Nov 98 | Unknown | Warrior | 29 Oct 99 | 10 Nov 99 |
| Lavinda | 11 Nov 98 | 21 Nov 98 | Loasis 9 | 29 Oct 99 | 10 Nov 99 |
| Daria | 11 Nov 98 | 11 Nov 98 | Gibeless | 12 Oct 99 | Unknown |
| Sana | 18 Nov 98 | Unknown | Paloma | 5 Nov 99 | 13 Nov 99 |
| Bandit | 13 Nov 98 | Unknown | Tao | 5 Nov 99 | 13 Nov 99 |
| Vanessa | 18 Nov 98 | 27 Nov 98 | Billikin | 28 Oct 99 | 14 Nov 99 |
| Bossanova | 18 Nov 98 | 27 Nov 98 | Rio Nimpkish | 28 Oct 99 | Unknown |
| Hio Avae | 18 Nov 98 | Unknown | Belladonna | 5 Nov 99 | 18 Nov 99 |
| Shakti | 18 Nov 98 | 27 Nov 98 | Tatanka | 3 Nov 99 | 13 Nov 99 |
| Bucephalus | 17 Nov 98 | 23 Nov 98 | Mandala | 26 Oct 99 | 11 Nov 99 |
| Sweet Prophecy | 16 Nov 98 | 29 Nov 98 | Ballymack | 27 Oct 99 | 24 Nov 99 |
| Glory Days | 17 Nov 98 | 26 Nov 98 | Jamaia | 29 Oct 99 | 16 Nov 99 |
| Max | 18 Nov 98 | 27 Nov 98 | Freya | 5 Nov 99 | 16 Nov 99 |
| Piquet | 26 Nov 99 | Unknown | Angel B | 3 Oct 99 | 10 Nov 99 |
| Hakula | 19 Nov 98 | 28 Nov 98 | Umatalu | 28 Oct 99 | 3 Nov 99 |
| Banohef | 26 Nov 99 | Unknown | Lolita | 4 Nov 99 | 11 Nov 99 |
| Brisa | 26 Nov 98 | 4 Dec 98 | Ballerina | 8 Nov 99 | 18 Nov 99 |

| <i>Name</i> | <i>Dep Date Tonga</i> | <i>Arr Date NZ</i> | <i>Name</i> | <i>Dep Date Tonga</i> | <i>Arr Date NZ</i> |
|----------------|---------------------------|------------------------|--------------------|---------------------------|------------------------|
| On the Double | 28 Oct 98 | Unknown | Albatross | 1 Nov 99 | 8 Nov 99 |
| Corrzlation | 2 Nov 98 | Unknown | Sedona | 19 Oct 99 | 27 Oct 99 |
| Go West | 4 Nov 98 | 23 Nov 98 | Juishi | 22 Oct 99 | Unknown |
| Andiamo | 2 Nov 98 | 22 Nov 98 | Pommem | 26 Oct 99 | Unknown |
| Buffalo | 5 Nov 98 | Unknown | Keribus | 20 Oct 99 | 29 Oct 99 |
| Santa Maia 2 | 20 Oct 99 | 1 Nov 99 | Queental | 21 Oct 99 | Unknown |
| Mountain Magic | 25 Oct 99 | Unknown | Windfall | 26 Oct 99 | 2 Nov 99 |
| Socf Rand | 22 Oct 99 | Unknown | Sevenade | 8 Nov 99 | 16 Nov 99 |
| Gemini | 5 Nov 99 | 15 Nov 99 | Iscapade | 5 Nov 99 | 14 Nov 99 |
| Niejeleev | 5 Nov 99 | 17 Nov 99 | Sanyassa | 5 Nov 99 | 15 Nov 99 |
| Karma | 8 Nov 99 | 17 Nov 99 | Sea Witch | 10 Nov 99 | 20 Nov 99 |
| Sea Fever | 25 Oct 99 | 1 Nov 99 | Brisal Deimar | 18 Nov 99 | Unknown |
| Illusion | 25 Oct 99 | 30 Oct 99 | Juana Lucina | 8 Nov 99 | Unknown |
| Karma Winds | 25 Oct 99 | 2 Nov 99 | Da Capo | 5 Nov 99 | 18 Nov 99 |
| Reunion | 24 Oct 99 | 30 Oct 99 | Far Horizon | 5 Nov 99 | Unknown |
| Algarasade | 24 Oct 99 | 2 Nov 99 | Balmacara | 8 Nov 99 | 16 Nov 99 |
| Cantata | 27 Oct 99 | 10 Nov 99 | Capers | 5 Nov 99 | 13 Nov 99 |
| Homzonte | 6 Nov 99 | Unknown | St Elmo | 22 Nov 99 | 12 Dec 99 |
| Bocoy | 11 Nov 99 | 23 Nov 99 | Fraden 3 | 6 Nov 99 | 15 Nov 99 |
| Jigsaw | 25 Oct 99 | 16 Nov 99 | Wanderlust | 5 Nov 99 | 13 Nov 99 |
| Windrunner | 8 Nov 99 | 19 Nov 99 | Heart Song 3 | 11 Nov 99 | 22 Nov 99 |
| Sealight Star | 29 Oct 99 | 11 Nov 99 | Ferric Star | 11 Nov 99 | 22 Nov 99 |
| Oris | 29 Oct 99 | 11 Nov 99 | Forever Young | 19 Nov 99 | 8 Dec 99 |
| Yiomana | 2 Nov 99 | Unknown | Sea Plus Plus | 5 Nov 99 | Unknown |
| Chez Nous | 26 Oct 99 | 3 Nov 99 | Peewit | 5 Nov 99 | 19 Nov 99 |
| Moon Shadow | 2 Oct 99 | 12 Oct 99 | Cadina | 5 Nov 99 | Unknown |
| Mariella | 9 Oct 99 | 21 Oct 99 | Attu | 8 Nov 99 | 21 Nov 99 |
| Prana | 8 Oct 99 | 20 Oct 99 | Southern Cross | 18 Nov 99 | 3 Dec 99 |
| Dream On | 7 Oct 99 | Unknown | Regain 2 | 15 Nov 99 | 27 Nov 99 |
| Knock John | 11 Oct 99 | 23 Oct 99 | Redwine | 10 Nov 99 | Unknown |
| Namaste | 15 Oct 99 | 24 Oct 99 | Salacia | 13 Nov 99 | 25 Nov 99 |
| Scimitar | 8 Oct 99 | 22 Oct 99 | Sidereal Time | 15 Nov 99 | 23 Nov 99 |
| Kay Sira | 14 Oct 99 | 24 Oct 99 | Teresa | 10 Nov 99 | 22 Nov 99 |
| Bugamar | 14 Oct 99 | 22 Oct 99 | Ariel 15 | 20 Nov 99 | 8 Dec 99 |
| Oto | 18 Oct 99 | 22 Oct 99 | Syren | 20 Nov 99 | 7 Dec 99 |
| Waiotira | 14 Oct 99 | Unknown | Bayula | 11 Nov 99 | 21 Nov 99 |
| Seaswan | 29 Oct 99 | Unknown | Malvina | 18 Nov 99 | 8 Dec 99 |
| Lauren L | 14 Oct 99 | 21 Oct 99 | Gygnus | 20 Nov 99 | Unknown |
| Tullamode Dew | 18 Oct 99 | 30 Oct 99 | Wigwam of Kent | 16 Nov 99 | 27 Nov 99 |
| Rabelais | 26 Oct 99 | 9 Nov 99 | Babar | 18 Nov 99 | 6 Dec 99 |
| Ferdinand | 26 Oct 99 | 2 Nov 99 | Zinfandel | 19 Nov 99 | 8 Dec 99 |
| LA Brique | 22 Oct 99 | 1 Nov 99 | Endeavour | 24 Nov 99 | 8 Dec 99 |
| Mindedal | 5 Nov 99 | 14 Nov 99 | Apple Dore 3 | 19 Nov 99 | 9 Dec 99 |
| Reel Obsession | 21 Oct 99 | 7 Nov 99 | Windweaver/Penning | 2 Nov 99 | 7 Dec 99 |
| Neotun 3 | 21 Oct 99 | Unknown | Chelsea | 2 Nov 99 | 11 Dec 99 |
| Condor | 21 Oct 99 | 31 Oct 99 | Restless | 8 Dec 99 | 17 Dec 99 |