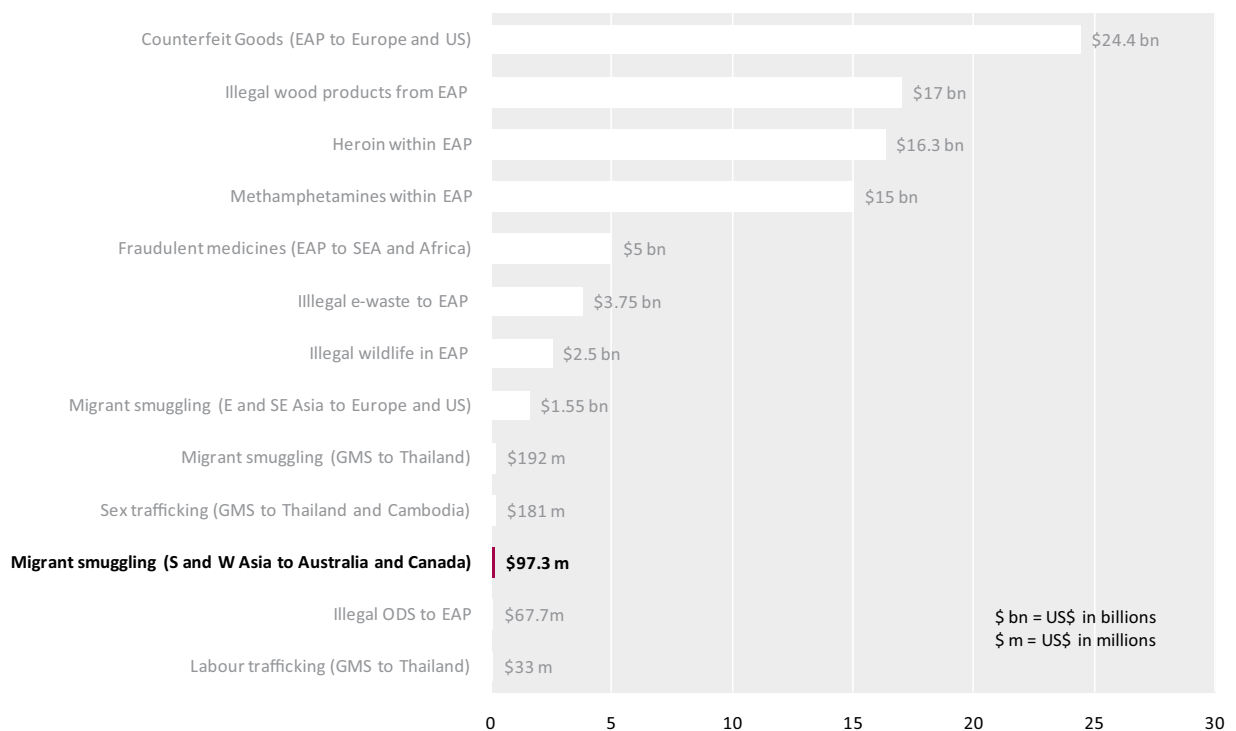


Chapter 4

Migrant smuggling from South and West Asia through Southeast Asia to Australia and Canada



NATURE OF THE THREAT

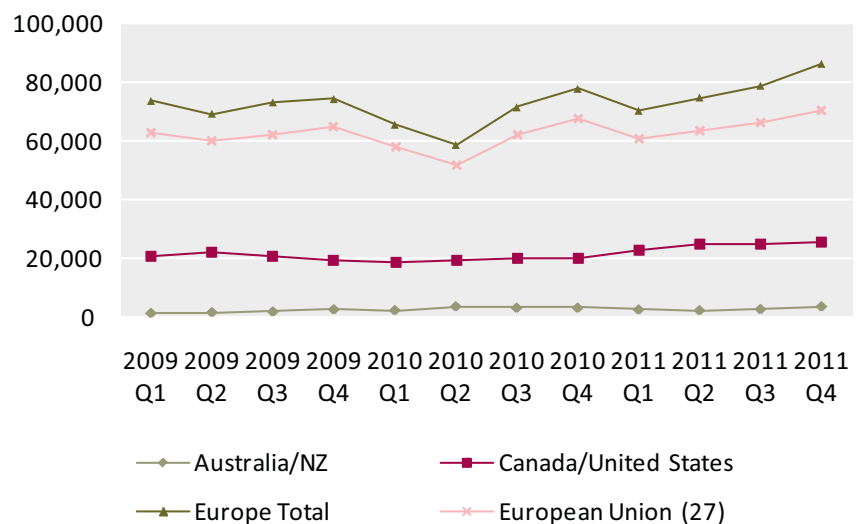
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| <p>1. Deadly risks and loss of human life – smuggled migrants are exposed to deadly risks, including loss of life, en route to destination. Thousands of migrants die each year during the process of illegal migration.</p> | <p>2. Human rights abuses – irregular status of migrants creates vulnerabilities to discrimination, exploitation, and trafficking in persons. Smuggled migrants often end up with dangerous jobs. They are often excluded from health, education and other social welfare provisions.</p> |
| <p>3. Economic impact – the illegal economy creates unfair competition, and undermines wages and social protection, loss of legitimate tax revenue for governments.</p> | <p>4. Threat to state security – migrant smuggling is a high-profit / low-risk crime. It empowers criminals and undermines state security due to links with organized crime, violence, and corruption. People cross borders without the host states’ consent and knowledge.</p> |
| <p>5. Corruption – fuels corruption among public officials.</p> | <p>6. Cost of law enforcement – costs to the state to improve border security measures, conduct search and rescue operations (e.g. with maritime smuggling), and provide protection and assistance.</p> |

The dynamics behind the smuggling of migrants from the Middle East as well as West and South Asia are complex because a large proportion of smuggled migrants are either refugees or intend to claim asylum upon reaching their destination.¹ Consequently, the smuggling of asylum-seekers presents particular policy challenges for destination countries, such as Australia and Canada. On the one hand, such destination countries need to maintain sovereign control over their borders and manage the flow of irregular migrants. On the other hand, these countries are also obliged, through their international commitments, to respect the rights of asylum-seekers and protect refugees.²

The main focus of this chapter is on the smuggling of migrants from Afghanistan, the Islamic Republic of Iran, Iraq, and Sri Lanka, and stateless individuals who travel through Southeast Asia in order to enter Australia and Canada by sea. Of the irregular

maritime arrivals who lodge asylum applications in Australia, the majority are from the aforementioned four countries. Canadian authorities are currently largely concerned about the smuggling of Sri Lankan Tamils by sea after two boats were intercepted in 2009 and 2010.

Figure 1: Quarterly asylum claims submitted in selected industrialized regions, 2009 – 2011



Source: UNHCR 2012

Who is an asylum-seeker?

An asylum-seeker is an individual who has sought international protection and whose claim for refugee status has not been determined yet.

As part of its obligation to protect refugees on its territory, the country of asylum is normally responsible for determining whether an asylum-seeker is a refugee or not. This responsibility is often incorporated in national legislation of the country and, for State Parties, is derived from the 1951 Convention Relating to the Status of Refugees.

Source: UNHCR

1. What is the nature of the market?

People migrate continuously with the help of smugglers for a range of reasons – to seek employment and higher earnings, to reunite themselves with their families, to flee internal conflict, persecution, and hardship, to benefit from better education, or to find adventure overseas.

A significant factor that fuels migrant smuggling in the Middle East as well as South and West Asia is past and ongoing internal conflicts which have led to the displacement of people fleeing persecution, war, and economic hardship. Past conflicts or ongoing conflicts (or both) in Afghanistan, Iraq, and Sri Lanka have caused people to seek asylum in developed countries, including Australia and Canada. According to the United Nations High Commissioner for Refugees (UNHCR), in 2011, Afghans (35,729) and Iraqis (23,460) were among the top source countries of asylum-seekers in 44 selected industrialised countries. The Islamic Republic of Iran (18,128), Pakistan (18,141), and Sri Lanka (8,521) were also important source countries.³

¹ West and South Asia comprise the countries of Afghanistan, Armenia, Azerbaijan, Bahrain, Bangladesh, Bhutan, Cyprus, Georgia, India, Islamic Republic of Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, the Maldives, Nepal, Oman, Pakistan, Palestine, Qatar, Saudi Arabia, Sri Lanka, Syrian Arab Republic, Turkey, United Arab Emirates, and Yemen.

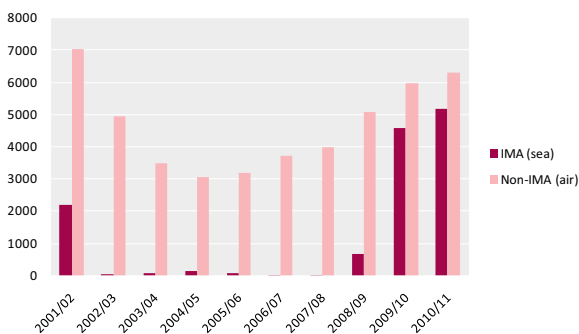
² Koser 2011

³ UNHCR 2012

The arrival of smuggled asylum-seekers from Afghanistan, the Islamic Republic of Iran, Iraq, Sri Lanka, and stateless individuals by boat has prompted intense public debate in Australia and Canada. Hence, it is important to put these maritime arrivals in context. First, the vast majority of refugees flee to, and subsequently reside in, neighbouring countries.⁴ Second, as Figure 1 above shows, the majority of people who do seek asylum further abroad submit claims in European countries.⁵

The number of people seeking asylum in Australia has fluctuated considerably over the decade. Smuggled migrants who arrive by boat are classified as ‘Irregular Maritime Arrivals (IMAs)’ and those who arrive by air as ‘Non-Irregular Maritime Arrivals (non-IMAs)’. From 2001 to 2011, the number of asylum applications lodged by non-IMAs averaged 4,681 per annum with a range from 3,062 to 7,026.⁶ There is much greater variation in the number arriving by sea (IMAs). The annual average was 1,312 from a low of 21 to a peak of 5,175.⁷ In the 12 months to 30 June 2011, 55% of onshore asylum applications were lodged by migrants who arrived by air and 45% by sea (see Figure 2). A higher proportion of asylum-seekers who reach Australia by boat were successful in their applications. Of final protection determinations in 2010 to 2011, 90% of arrivals by sea were granted protection visas compared to just 44% of those who arrived by air.⁸

Figure 2: Number of applications lodged in Australia (onshore) for protection visas, 2001 – 2011



Source: Australia Department of Immigration and Citizenship (DIAC), 2011⁹

⁴ UNHCR 2010

⁵ UNHCR 2012

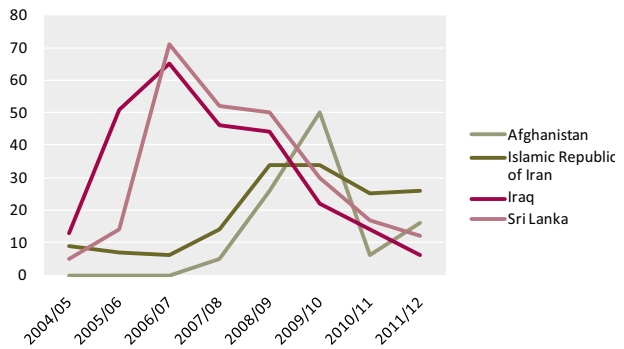
⁶ UNCHR 2012

⁷ UNODC communication with DIAC 2011. Numbers differ from the data presented in ‘How Big is the Flow’ section because data presented in Table 3 is according to financial year.

⁸ Markus 2012

⁹ DIAC 2011; also see Markus 2012.

Figure 3: Asylum claims lodged by Afghan, Iranian, Iraqi and Sri Lankan nationals while in Australia after arrival by air

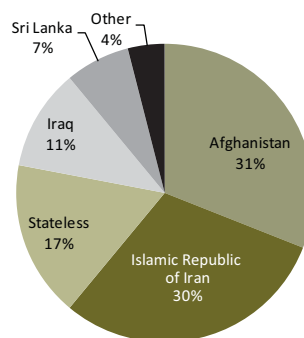


Source: DIAC systems

Out of the irregular maritime arrivals who lodged asylum applications in 2010 to 2011 in Australia (see Figure 3), the majority originated from Afghanistan (31%), the Islamic Republic of Iran (30%), Iraq (11%), and Sri Lanka (7%). A further 17% were stateless, of which a proportion were likely Rohingyas from Myanmar, who are not recognised as citizens by the Myanmar government (see Figure 4). A notable trend is the rise in smuggled migrants from the Islamic Republic of Iran – 30% in 2010-2011 compared to 4% in 2009-2010.¹⁰

The majority of smuggled migrants from Afghanistan, the Islamic Republic of Iran, Iraq, and Sri Lanka are single males below 40 years of age (see Figure 5). In 2010-2011, of arrivals by sea, 83% were male (4,308 out of 5,175), with the largest proportion between 18 to 30 years old (44%).¹¹

Figure 4: Refugee status determination requests by top countries of citizenship (2010 – 2011) in Australia by irregular maritime arrivals

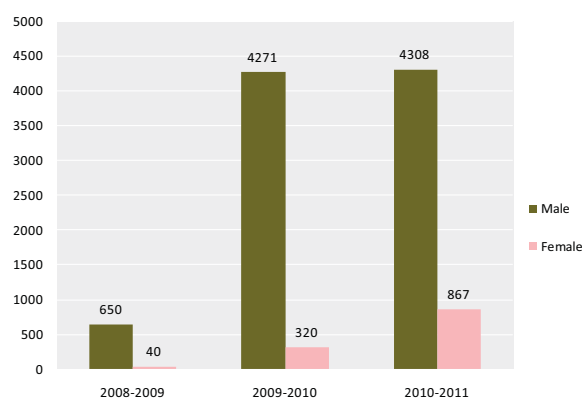


Source: DIAC 2011

¹⁰ DIAC 2011

¹¹ DIAC 2011

Figure 5: Australian irregular maritime arrival refugee status determination requests received by sex



Source: DIAC 2011

It is often difficult to distinguish bona fide refugee applicants from those irregular migrants who use asylum and refugee protection systems to facilitate their travel and entry into the destination country. People not in need of protection, as well as the migrant smugglers who facilitate their movement, also resort to asylum channels in an attempt to gain temporary or permanent stays in countries such as Australia or Canada. At the same time, genuine asylum-seekers and refugees also seek the assistance of migrant smugglers.

Asylum-seekers are an important clientele for people smugglers. Strengthened law enforcement activities in transit and destination countries means it is often more difficult for asylum-seekers to reach countries of their choice. Consequently, individuals employ the services of human smugglers for their specialised knowledge (e.g., the least risky routes) to reach certain countries. Australian authorities believe that migrant smugglers are well attuned to changing government policies and aim to exploit 'softer' enforcement practices through whatever means and routes available to them.¹²

In addition to the prospects of being granted asylum, other major pull factors are existing communities and strong diaspora ties in Australia and Canada. Canada, for example, has the largest Tamil population (over 300,000) outside Sri Lanka and India. Under the circumstances, it is not surprising that all of the smuggled Tamils onboard the *Ocean Lady* and the *MV Sun Sea* ships in 2009 and 2010 made asylum claims when they reached

¹² UNODC communication with DIAC 2011

Canadian shores.¹³ Existing social networks provide potential migrants or asylum-seekers with trusted information, financial loans for smuggling fees, and assist with immediate arrival challenges, such as overcoming language barriers in addition to finding accommodation and employment. Social networks can also act as advocates as the Canadian Tamil Congress did in the case of the detained smuggled asylum-seekers from the *MV Sun Sea*.

Australia and Canada are attractive destinations for a variety of political, economic and social reasons. Moreover, both are signatories of the 1951 UN Convention Relating to the Status of Refugees and adhere to their commitments. In comparison with other countries, they have relatively open immigration policies as well as well-working welfare systems. Australia and Canada were also relatively unaffected by the recent global economic crisis. Consequently, their economies remained fairly stable. Nationals from Afghanistan, the Islamic Republic of Iran, Iraq, Sri Lanka, and other states (e.g., the Rohingyas from Myanmar) believe opportunities in these countries are worth the risks of being smuggled by sea.

The decision to seek asylum from the Middle East as well as South and West Asia is not often an individual decision but a group one. The decision is frequently made by the male members of the household,¹⁴ and either the oldest son or father will often depart first.¹⁵ Other family members follow once protection is granted in Australia, Canada, or other destination countries. In 2011, however, Australian Department of Immigration and Citizenship (DIAC) authorities noted an increase in the arrivals of families. DIAC authorities contend the increase is due to adjustments in border policies that stipulate children and families are to be kept in community based accommodations rather than detained in immigration detention centres. With regard to the Sri Lankans smuggled by boat to Canada, their profiles were similar. Among those smuggled migrants of Tamil origin, the majority were from middle class families or were single men between 20 and 40 years of age.¹⁶ There were no unaccompanied children. All of the *MV Sun Sea*

¹³ Canadian Government Presentation at the Inter-Regional Workshop on Improving Evidence-Based Knowledge on Migrant Smuggling from, through and within Southeast Asia, Bangkok, Thailand, December 2010.

¹⁴ Neske 2006

¹⁵ UNODC communication with DIAC 2011; Neske 2006

¹⁶ UNODC communication with Royal Canadian Mounted Police (RCMP) 2012

passengers claimed asylum and were not detained upon arrival in Canada. As stated previously, law enforcement authorities in Australia as well as Canada believe smugglers are attuned to changing government policies and aim to exploit weaknesses in enforcement policies and practices through whatever means and routes available to them.¹⁷

2. How is smuggling conducted?

The smuggling of migrants from Afghanistan, the Islamic Republic of Iran, Iraq, and Sri Lanka to Australia and Canada proceeds along a number of well-established paths, although the exact route a smuggled migrant may take is rarely predetermined. Depending on the intended destination, a variety of routes and methods are used. Typically, migrant smugglers use a combination of legal and illegal strategies to transport migrants from place to place along the route to the destination.

From South and West Asia to Australia

Although boats first began arriving in the 1970s from Viet Nam, a new wave of maritime arrivals (see Figure 6) from the Middle East and the Asian region – Afghanistan, the Islamic Republic of Iran, Iraq, Sri Lanka, and Myanmar (stateless Rohingyas) in particular – were recorded in the late 1990s.¹⁸ Indonesia is the main departure point (discussed below) for smuggled migrants hoping to reach Australia by boat and claim asylum. In order to reach Indonesia, a number of routes are used. Smuggled migrants from Afghanistan typically cross by bus or on foot into Pakistan or the Islamic Republic of Iran at official and unofficial land borders.¹⁹ From Pakistan or the Islamic Republic of Iran, smuggled Afghans travel by air to Malaysia. Once in Malaysia, they travel by either bus or train, or are ferried by boat to Indonesia where they change to another boat bound for Australia.

Iranians and Sri Lankans use a more direct route. They are generally smuggled by air (see Figure 7) to Malaysia or Indonesia. They then take a boat bound for Australia. From Iraq, smuggled migrants fly direct to Malaysia or stopover in transit destinations, such as Jordan or the Islamic Republic of Iran, before continuing on to Indonesia. Finally,

smuggled migrants from Myanmar travel overland through Thailand to Malaysia, and then on to pooling locations in Indonesia before completing the final leg of the journey to Australia by sea. Other routes include lawful travel to Southeast Asia (e.g., Indonesia, Malaysia, or Thailand) via the Gulf States (e.g. the UAE), which legitimises their trip – having gained departure stamps in genuine passports from authorised immigration counters. This method provides smuggled migrants with a relatively quick and safe method of travel to the pooling location.

Smugglers take advantage of the relatively agreeable visa conditions offered by Malaysia and Indonesia. For example, Iranians and Iraqis are granted visas on arrival or visa-free access for a period of up to one month. For nationals from Afghanistan, Sri Lanka, and Iraq, who require a visa prior to arrival, the migrant will seek out a smuggler at the point of origin. The smuggler will provide documentation with which the migrant can assume a false identity by means of: a genuine passport that is physically altered by photo substitution or insertion of a visa page; an entire passport that is fabricated; visa pages that are fabricated; a genuine passport or visa fraudulently obtained through stolen or illegally-obtained paperwork; or a genuine passport stolen or purchased from the black market.²⁰ On occasion, smugglers have actually accompanied the migrants all the way from the country of origin (e.g., Afghanistan) by air to Indonesia.

Once in Indonesia or Malaysia, smuggled migrants are transported by car or bus to pooling locations where they wait to be notified of the time and location of departure by boat to Australia.²¹ The waiting period ranges from two weeks to several months, and the time is spent in apartment-style hotels near the departure harbour.²² A small proportion of prospective asylum-seekers travel independently to boat departure points, but then engage the services of a smuggler simply to reach Australia by boat.²³

¹⁷ Mountz 2010

¹⁸ Phillips and Spinks 2012

¹⁹ Indonesian National Police Presentation at the 2nd Inter-Regional Workshop on Improving Evidence-Based Knowledge on Migrant Smuggling from, through, within and to Southeast and East Asia, Bangkok, Thailand, October 2011.

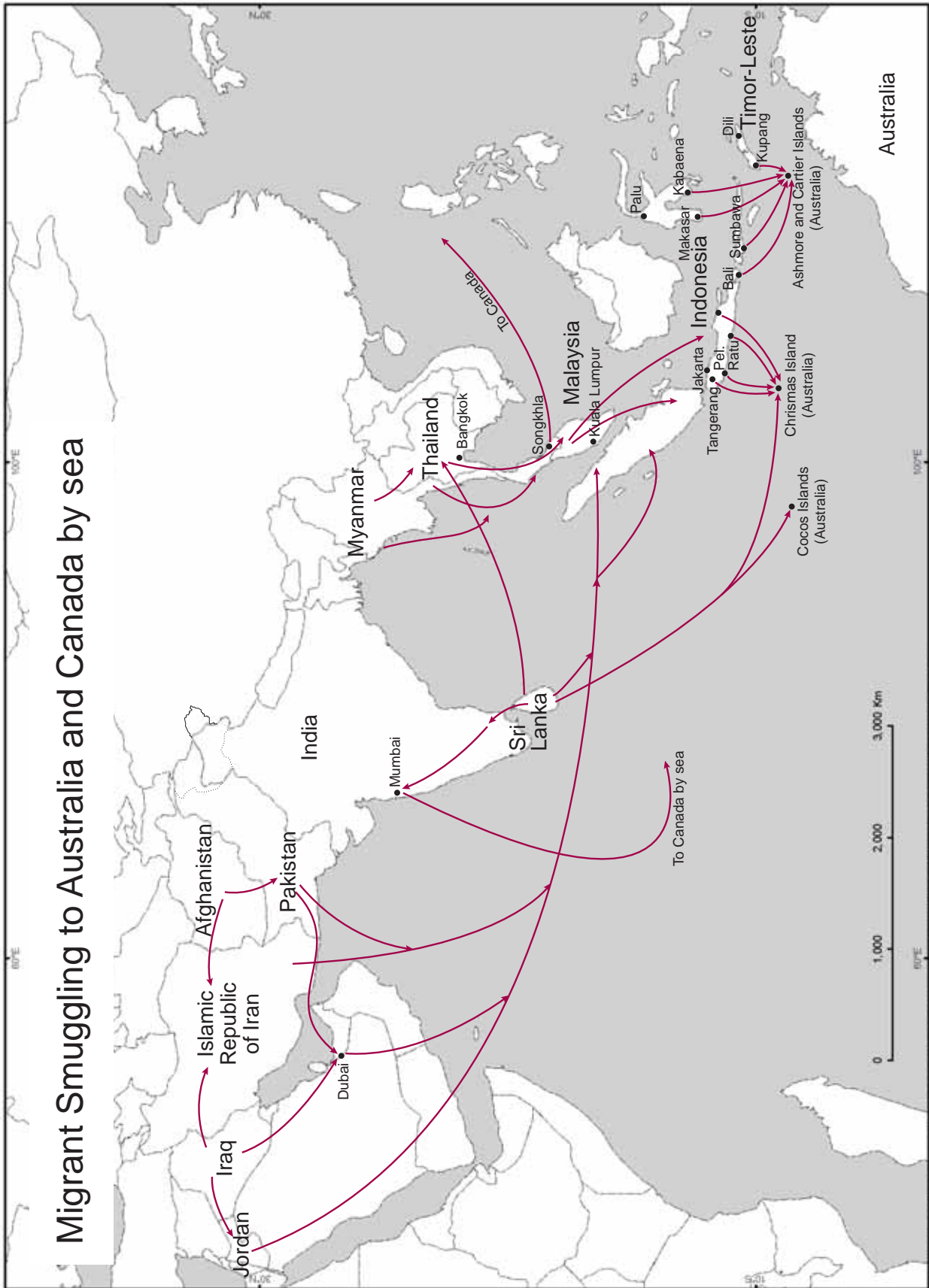
²⁰ Indonesian National Police Presentation at the 2nd Inter-Regional Workshop on Improving Evidence-Based Knowledge on Migrant Smuggling from, through, within and to Southeast and East Asia, Bangkok, Thailand, October 2011. Indonesians are discussing the possibility of relaxing its visa policy for Sri Lankans in 2012.

²¹ Indonesian National Police Presentation at the 2nd Inter-Regional Workshop on Improving Evidence-Based Knowledge on Migrant Smuggling from, through, within and to Southeast and East Asia, Bangkok, Thailand, October 2011.

²² UNODC communication with DIAC 2011

²³ UNODC communication with DIAC 2011; UNODC communication with Australian Federal Police (AFP) 2012

Migrant Smuggling to Australia and Canada by sea



The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.

Source: UNODC elaboration based on information from the Indonesian National Police (INP), the Australian Department of Immigration and Citizenship (DIAC) and the Royal Canadian Mounted Police (RCMP)

The boats carrying smuggled migrants from Afghanistan, the Islamic Republic of Iran, Iraq, and Sri Lanka depart from Indonesia because of its close geographical proximity to Australia. They head directly for the Australian territories of Christmas Island (about 340 km from Java) and Ashmore Reef (about 150 km from the Indonesian Island of Roti).²⁴ Several departure points and harbours are used by boats travelling to Australia. It is rare for a boat to head directly for the coast of the Australian mainland itself.

In the year 2000, Australia signed a regional cooperation agreement with Indonesia, under which Indonesia is provided with financial and technical support to intercept smuggled migrants before they start their journeys to Australia. The agreement did not immediately curb the number of boats, but it did raise the stakes as smaller operators were forced out of smuggling operations.²⁵ Sea crossings became increasingly dangerous as smugglers switched to cheap, small, and poorly-maintained fishing vessels to increase their profits. Consequently, voyages are even more hazardous. Smugglers expose migrants to tremendous risks as was dramatically illustrated in 2001 when the SIEV X, a severely-overloaded small fishing boat, sank off the coast of Indonesia en route to Christmas Island, killing 146 children, 142 women and 65 men from Iraq, Pakistan, Afghanistan, and Algeria.

Since 2001, boats have continued to sink off the coast of Christmas Island, including a recent incident reported in June 2012 when Australian authorities were called to rescue around 200 Afghan smuggled migrants off the coast of north-western Australia. Just 108 migrants survived.²⁶ Six days later, 130 smuggled migrants were rescued from a second vessel. Indonesian boat captains, who are willing to take advantage of the money on offer to move the smuggled migrants to Australia, are recruited by smugglers to undertake the voyage to Christmas Island or Ashmore Reef.²⁷ Boat captains will normally steer the boats into international waters, hand over control to junior crew members, and then return to Indonesia via a support vessel supplied by the smuggling network to avoid either being caught

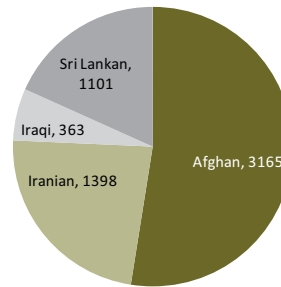
²⁴ Karlsen 2011

²⁵ Crock and others 2006

²⁶ The Economist 2012 "Boats Sink, Parliament Flounders", *The Economist*, 28 June 2012

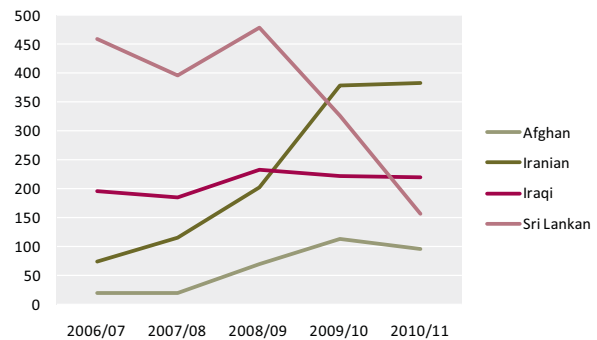
²⁷ The Economist 2012 "Boats Sink, Parliament Flounders", *The Economist*, 28 June 2012

Figure 6: Irregular maritime arrivals to Australia by select nationalities (2011-2012)



Source: DIAC Systems

Figure 7: Attempted unlawful entry by air (Refused entry at the air border and interdicted offshore) by individuals of Afghan, Iranian, Iraqi and Sri Lankan nationality.



Source: DIAC systems

by Indonesian or Australian authorities or drowning at sea if conditions become hazardous.²⁸ Boats are continuously intercepted before reaching Australian shores. During the single month of January 2012, four boats were intercepted southwest of the Ashmore Islands.

According to Australian authorities, these smuggling methods are tried and tested. As a result, they have not varied much in recent years. However, as certain countries in the region criminalise migrant smuggling, such as Indonesia, it is expected that smugglers will respond by looking at alternative departure points. Remote islands with limited border security to the north of Australia, such as the Democratic Republic of Timor-Leste and Papua New

²⁸ UNODC communication with DIAC 2011

Guinea, are possible embarkation points for Middle Eastern as well as South and West Asian migrants.²⁹

From South and West Asia to Canada

Since 1985, Canada has been the global destination of choice for asylum-seekers from Sri Lanka. For asylum-seekers from Afghanistan, Iraq, the Islamic Republic of Iran, and Myanmar, Canada is a secondary option, with preference instead given to the European Union and/or the United States of America.³⁰ Although, as indicated above, most smuggled migrants who seek asylum enter Canada by air or land, boat arrivals have increased in recent years.³¹

In May 2009, more than 25 years of conflict came to an end when government forces seized the last area controlled by Liberation Tigers of Tamil Eelam (LTTE or the Tamil Tigers), a group of armed militants who had been fighting for an independent state of Tamil Eelam. As a consequence, thousands of Tamil asylum-seekers fled to India, and then on to Southeast Asia, to await boats that would smuggle them to countries such as Australia and Canada. In 2009, the *Ocean Lady*, carrying 76 Sri Lankan Tamil male migrants, was the first boat since the late 1990s to reach the coastal shores of Western Canada. The men had been encouraged to migrate largely through word of mouth from friends, families, and acquaintances with ties to the Sri Lankan Tamil diaspora in Canada. It is alleged that the ship set sail from Mumbai, India, and it is suspected of having made stops to pick up small groups of Tamils throughout Southeast Asia. Authorities also suspect that the ship had been previously involved in arms smuggling for the LTTE.³²

In August 2010, Canadian authorities intercepted a second vessel, the *MV Sun Sea*, off the coast of British Columbia. On board the ship, which had travelled from the port of Songkhla in Southern

Thailand and then crossed the Pacific to Canada, were 492 smuggled Tamil migrants from Sri Lanka (380 men, 63 women, and 49 children of whom six were unaccompanied) who had spent three months at sea. Thailand has become a key transit point for Sri Lankan asylum-seekers hoping to reach Australia and Canada by sea. Most smuggled Sri Lankans travel by air from Jaffna to Bangkok legally as tourists, but then overstay their visas. Others use genuine, but fraudulently obtained, visas acquired in Colombo. In the case of the *MC Sun Sea*, approximately 45 smugglers working in multiple countries (Sri Lanka, Thailand, Singapore, Malaysia) were involved in the operation.³³ The smugglers were involved in recruitment as well as providing the migrants with passports and tickets to Bangkok. Subsequently, the migrants' passports and other identifying documents were confiscated, and they spent one to five months in apartment-style hotels before being taken at different stages from April to July 2010 to the *MV Sun Sea*.³⁴

A third ship, the *MC Alicia*, was intercepted by Indonesian authorities on 9 July 2011, after it developed mechanical difficulties. The 87 Sri Lankan asylum-seekers (76 men, six women, and five children) refused to leave the ship until they were assured asylum. Officially, the ship was destined for New Zealand, however, evidence found on board suggests it was bound for Canada. Authorities believe that there are pools of Sri Lankan migrants waiting in transit countries, such as Thailand, who have already made a down payment and are waiting to board ships that will take them to Canada. Some smuggled Sri Lankans have been reportedly waiting for over a year.³⁵

3. Who are the smugglers?

Migrant smuggling from Afghanistan, Iraq, and the Islamic Republic of Iran to Australia and Canada has developed into a series of small and medium-sized criminal networks involving a number of smugglers, including recruiters, helpers, transporters, drivers, forgers, and other intermediaries located throughout the Asian region.³⁶ As Figures 8 and 9 show, smugglers who act as carriers are also common

²⁹ UNODC communication with DIAC 2011; Indonesian National Police Presentation at the 2nd Inter-Regional Workshop on Improving Evidence-Based Knowledge on Migrant Smuggling from, through, with-in and to Southeast and East Asia, Bangkok, Thailand, October 2011.

³⁰ UNODC communication with CBSA 2011

³¹ In 1999, a ship with 123 smuggled migrants from Fujian province in China was intercepted by Canadian authorities off the coast of British Columbia. Over the next couple of months, three more ships arrived at Canadian shores from China. In total, 599 smuggled migrants arrived without proper documentation.

³² Perrin 2011

³³ Quan 2011

³⁴ National Post Staff 2011

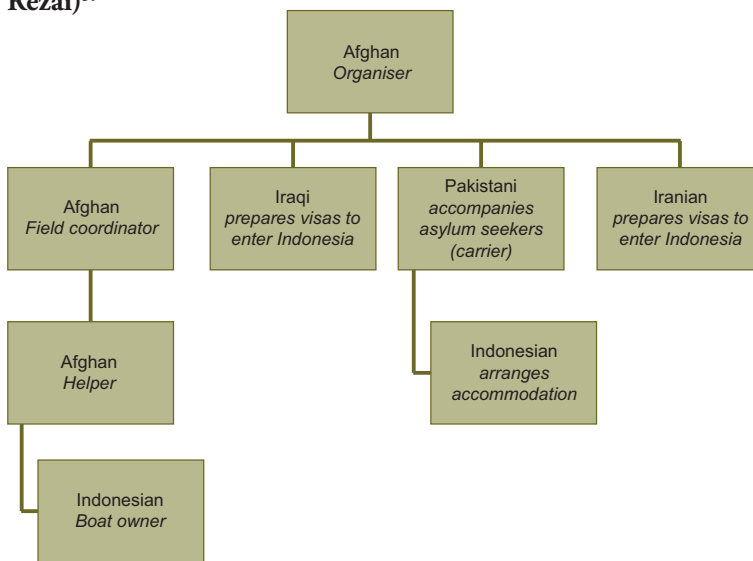
³⁵ Bell 2011

³⁶ UNODC 2010a

actors in the migrant smuggling networks.³⁷ A few of them are also female.³⁸ Female smugglers are preferred because they attract less attention from law enforcement and border officials. Their service is required because some smuggled migrants (both females and males) are not comfortable travelling independently with fraudulent documents. Smuggled migrants who are accompanied by smugglers typically pay higher fees.

is often shared by smugglers and smuggled migrants (e.g., Afghans), some stages and services are outsourced to local smugglers (e.g., Indonesians) in the transit countries. They are responsible for arranging travel documents, accommodation, and travel, including boat departures for Australia and Canada. Reputation, too, is important. Prospective migrants screen for dependable smugglers, relying on word of mouth for recommendations.

Figure 8: Afghan smuggling network (Example 1: Amanullah Reza)³⁹



Source: Indonesia National Police 2011

Although there are exceptions, most Middle Eastern as well as West and South Asian smuggling networks have a loose but predictable hierarchical structure. Only rarely does one person control the entire process outside his or her own immediate network. Depending on the smuggling method and route, migrant smuggling from Afghanistan, the Islamic Republic of Iran, Iraq, and Sri Lanka is a multi-stage process involving several groups of smugglers who cooperate from the point of origin to the final destination. Although the same ethnic background

The networks involved in smuggling Tamils from Sri Lanka to Australia and Canada are somewhat different because they are closely linked to the LTTE. The LTTE remains listed as a terrorist organisation under Canadian law, but not Australian law. The rebel separatist network is reportedly engaged in additional illegal activities, ranging from the skimming of credit cards to drug trafficking and maritime piracy.⁴⁰ Most smuggling clients are Tamils. However, authorities suggest that facilitators also extend their services to other nationalities, especially those from elsewhere in South Asia who tend to use similar routes.⁴¹ Sri Lankan smuggling networks also are involved in the falsification of documents. Again, clients are mainly Tamils, but other criminal groups and individuals outside the Tamil community will, at times, use their services.⁴²

³⁷ UNODC 2010a; UNODC 2009a; Indonesian National Police Presentation at the 2nd Inter-Regional Workshop on Improving Evidence-Based Knowledge on Migrant Smuggling from, through, within and to Southeast and East Asia, Bangkok, Thailand, October 2011.

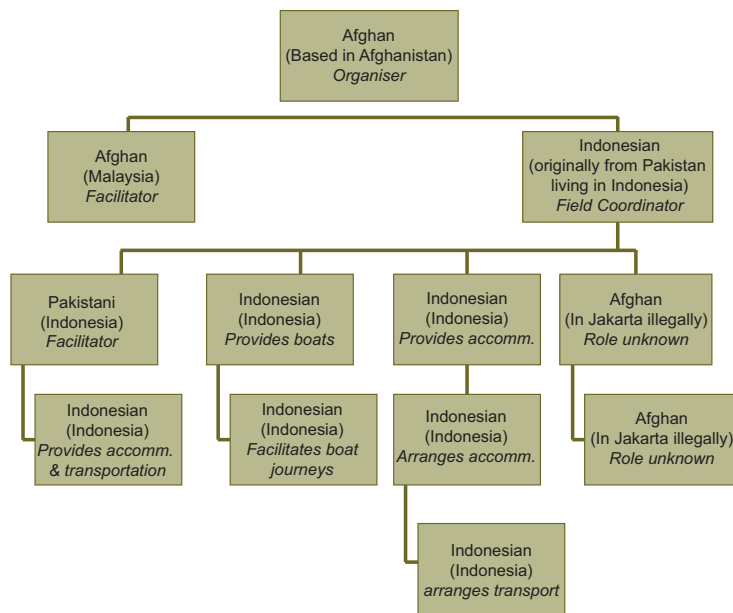
³⁸ UNODC 2010a; UNODC 2009a; Indonesian National Police Presentation at the 2nd Inter-Regional Workshop on Improving Evidence-Based Knowledge on Migrant Smuggling from, through, within and to Southeast and East Asia, Bangkok, Thailand, October 2011.

³⁹ Indonesian National Police Presentation at the 2nd Inter-Regional Workshop on Improving Evidence-Based Knowledge on Migrant Smuggling from, through, within and to Southeast and East Asia, Bangkok, Thailand, October 2011.

⁴⁰ Europol 2010

⁴¹ Europol 2010

⁴² Although Canadian authorities have profile information on the smugglers involved in MV Sun Sea incident, the details cannot be shared publicly because the investigation is ongoing.

Figure 9: Afghan smuggling network (Example 2: Muladad)⁴³

Source: Indonesia National Police 2011

4. How is the money handled?

Fees vary by mode, route, and time spent in transit. If a migrant engages the services of a smuggling network from source to destination, the fee from the Middle East as well as South and West Asia to Australia is around US\$10,000.⁴⁴ If the migrant uses a piecemeal approach and pays separately for each leg of the journey, fees can cost up to US\$18,000 (see Figure 10). If a migrant has travelled independently to a boat departure point in Indonesia and then engages the services of a smuggler to reach Australia by boat, the cost is approximately US\$5,000.⁴⁵

Although the cash flow varies from network to network, prospective asylum-seekers wanting to enter Australia will make payments – typically in instalments – either directly to smugglers (e.g., the organisers based in the source countries) or via a third party (hawala brokers or hawaladars).⁴⁶ A cash

deposit is paid prior to departure. A further cash disbursement, carried by the asylum seeker, is paid to smugglers along each stage of the route, with the final cash payment made upon reaching the intended destination. Because most migrants are young men urged by their families to seek work or asylum abroad, parents and other relatives often sell assets or borrow funds from banks or informal money lenders to mobilize the fees.⁴⁷

To reach Canada, smuggled Sri Lankans reportedly paid up to US\$45,000 to board the MV Sun Sea, although the standard fee collected was approximately US\$25,000.⁴⁸ By comparison, the purchase price of the actual vessel (MV Sun Sea) was estimated at US\$175,000. Cash deposits ranging

between US\$2,500 and US\$8,000 paid prior to departure were used by smugglers to purchase the ship.⁴⁹ Smugglers were paid in Sri Lankan rupees as well as Canadian and US dollars. Some Sri Lankans exchanged Sri Lankan rupees into US dollars once they arrived in Thailand. Similar to other Middle Eastern and West and South Asian smuggled migrants, most Sri Lankans sold possessions to finance the voyage. Loans from the bank or private lenders were also used to mobilise fees. The outstanding fare was to be paid by relatives in Sri Lanka and Canada upon arrival.

Sri Lankan criminal networks often invest the proceeds of migrant smuggling operations in legitimate businesses, including jewellery, textile, and newspaper shops as well as TV and radio stations, which act as front organisations or shell companies. Sri Lankan organised criminal networks also engage in a range of criminal enterprises to raise, transfer, and launder funds.⁵⁰ One major area of crime is credit card fraud, carried out largely through ATM-skimming schemes. Another area is the production

⁴³ Indonesian National Police Presentation at the 2nd Inter-Regional Workshop on Improving Evidence-Based Knowledge on Migrant Smuggling from, through, within and to Southeast and East Asia, Bangkok, Thailand, October 2011.

⁴⁴ UNODC communication with DIAC 2011; Indonesian National Police Presentation at the 2nd Inter-Regional Workshop on Improving Evidence-Based Knowledge on Migrant Smuggling from, through, within and to Southeast and East Asia, Bangkok, Thailand, October 2011.

⁴⁵ Indonesian National Police Presentation at the 2nd Inter-Regional Workshop on Improving Evidence-Based Knowledge on Migrant Smuggling from, through, within and to South-East and East Asia, Bangkok, Thailand, October 2011.

⁴⁶ UNODC communication with AFP 2012; Neske 2011

⁴⁷ UNODC 2011

⁴⁸ Canadian Government Presentation at the Inter-Regional Workshop on Improving Evidence-Based Knowledge on Migrant Smuggling from, through and within Southeast Asia Presentation, Bangkok, Thailand, December 2010; UNODC communication with RCMP 2012.

⁴⁹ Canadian Government Presentation at the Inter-Regional Workshop on Improving Evidence-Based Knowledge on Migrant Smuggling from, through and within Southeast Asia Presentation, Bangkok, Thailand, December 2010.

⁵⁰ Europol 2010

Figure 10: Potential smuggling service fees from Afghanistan to Australia

| Smuggling Service | Amount |
|---|-----------------|
| Organiser (in source country) | \$4,000 |
| Fraudulent documents | \$400 |
| Bribes – law enforcement & border officials | \$2,500 |
| Logistics air | \$700 |
| Facilitator (based in Malaysia) | \$1,700 |
| Facilitator (based in Indonesia) | \$3,000 |
| Sea voyage | \$5,000 |
| Total | \$17,300 |

Source: UNODC 2010

of falsified documents including passports, identity documents, and residence permits. Customers are mainly Tamils, but counterfeit documents are also sold to other criminal groups and persons outside the Tamil community. Furthermore, Tamil networks are suspected to be involved in drug trafficking and maritime piracy off the coast of Northern Sri Lanka.⁵¹

5. How big is the flow?

Maritime smuggling to Australia is a lucrative operation for people smugglers. During 2009 to 2010, 118 boats were intercepted by Australian authorities, carrying a total of 5,609 people, including crew. This figure is the highest number of boat arrivals in Australia in the last 20 years, exceeding peak years between 1999 and 2001. It is clear that boat arrivals in Australia have fluctuated considerably during the past 30 years in response to both global events and government policies. For example, the number of boat arrivals declined in 2002 after the 'Pacific Solution' was introduced in August 2001.⁵²

To calculate the annual market volume, data from the table above is useful. Between the years 2009 and 2012, an annual average of around 6000 asylum-seekers attempted to reach Australian shores (see Figure 11). If this number is taken as an estimate of annual market volume, then the total annual value of the market is **US\$85 million** if each smuggled migrant paid approximately US\$14,000 (average cost

⁵¹ Europol 2010

⁵² The Pacific Solution was the name given to an Australian government policy (2001 – 2007) that involved transporting asylum-seekers to detention centres on small Pacific Island nations, such as Nauru, for processing, instead of allowing them to land on the Australian mainland.

as fees vary by mode, route, and time spent in transit – see 'How is the money handled?' section above).

For Canada, if the annual market volume is derived from the MC Sun Sea, 492 asylum-seekers were smuggled in 2010 by boat. If each smuggled migrant reportedly paid US\$25,000, then the total annual value of the market is **US\$12.3 million**.

Figure 11: Boat arrivals in Australia since 1989⁵³

| Financial year | No. of boats | No. of people (excl. crew) |
|----------------|--------------|-------------------------------------|
| 1989-1990 | 3 | 234 |
| 1990-1991 | 5 | 158 |
| 1991-1992 | 3 | 78 |
| 1992-1993 | 4 | 194 |
| 1993-1994 | 6 | 194 |
| 1994-1995 | 21 | 1071 |
| 1995-1996 | 14 | 589 |
| 1996-1997 | 13 | 365 |
| 1997-1998 | 13 | 157 |
| 1998-1999 | 42 | 921 |
| 1999-2000 | 75 | 4175 |
| 2000-2001 | 54 | 4137 |
| 2001-2002 | 19 | 3039 |
| 2002-2003 | 0 | 0 |
| 2003-2004 | 3 | 82 |
| 2004-2005 | 0 | 0 |
| 2005-2006 | 8 | 61 |
| 2006-2007 | 4 | 133 |
| 2007-2008 | 3 | 25 |
| 2008-2009 | 23 | 1033 ⁵⁴ (incl. 48 crew) |
| 2009-2010 | 118 | 5609 ⁵⁵ (incl. 282 crew) |
| 2010-2011 | 89 | 4940 ⁵⁶ (incl. 210 crew) |
| 2011-2012 | 104 | 7739 ⁵⁷ (incl. 241 crew) |

Source: DIAC System; UNODC

⁵³ Phillips and Spinks 2012; UNODC communication with DIAC 2012.

⁵⁴ The number includes five deceased at sea on 16 April 2009 and 12 deceased at sea on 1 November 2009. Arrival figures do not include two arrivals in an 'esky' on 17 January 2009, four on Deliverance Island with no boat on 29 April 2009. The figures included 12 people who died when a boat sank on 1 November 2009, but do not include the 78 asylum-seekers on board Oceanic Viking intercepted in Indonesian waters in October 2009 or the five who reportedly drowned before a boat was rescued and towed to Cocos Islands in May 2010.

⁵⁵ See above.

⁵⁶ Arrivals from the boat tragedy on 15 December 2010 where a boat sank as it neared Christmas Island include the 42 people saved and the 30 bodies recovered, but do not include the unknown number of those who drowned, estimated at 18.

⁵⁷ UNODC communication with DIAC 2012. It is not known if this total includes crew.