

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE
AUSTRALIAN CUSTOMS SERVICE

Question No. 157

Senator Ludwig asked the following question at the hearing on 14 February 2005:

Can the Department please provide details of passenger movement numbers through each airport in 2004, 2003, 2002, 2001, 2000?

The answer to the honourable senator's question is as follows:

| | Sydney | Brisbane | Melbourne | Cairns | Coolangatta | Perth | Adelaide | Darwin |
|---------------------------------|-----------|-----------|-----------|---------|-------------|---------|----------|---------|
| 1999-00 Inwards | 3,983,498 | 1,376,705 | 1,497,002 | 345,677 | | 815,298 | 136,288 | 127,186 |
| 1999-00 Outwards | 4,072,108 | 1,232,923 | 1,503,873 | 338,202 | | 783,598 | 127,432 | 124,178 |
| 2000-01 Inwards | 4,325,375 | 1,409,754 | 1,680,914 | 365,912 | 17,452 | 850,637 | 140,051 | 141,779 |
| 2000-01 Outwards | 4,412,882 | 1,271,855 | 1,687,138 | 360,310 | 16,604 | 811,190 | 132,838 | 133,417 |
| 2001-02 Inwards | 3,976,896 | 1,340,624 | 1,716,968 | 369,874 | 35,035 | 846,126 | 122,428 | 113,181 |
| 2001-02 Outwards | 4,074,080 | 1,235,858 | 1,695,663 | 363,011 | 33,679 | 807,406 | 115,506 | 109,867 |
| 2002-03 Inwards | 3,875,089 | 1,322,967 | 1,679,266 | 381,081 | 79,857 | 839,937 | 112,990 | 78,523 |
| 2002-03 Outwards | 3,959,139 | 1,235,151 | 1,600,944 | 382,426 | 79,393 | 788,809 | 102,321 | 80,034 |
| 2003-04 Inwards | 4,233,646 | 1,548,857 | 1,895,027 | 411,039 | 88,218 | 906,091 | 134,342 | 70,079 |
| 2003-04 Outwards | 4,359,020 | 1,487,633 | 1,868,513 | 395,344 | 89,050 | 869,622 | 125,959 | 71,883 |
| 2004-05 Inwards ytd | 3,119,069 | 1,257,222 | 1,534,563 | 306,560 | 59,766 | 700,479 | 115,363 | 56,457 |
| 2004-05 Outwards ytd | 3,136,433 | 1,188,200 | 1,402,994 | 292,960 | 63,314 | 634,263 | 100,352 | 52,404 |

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE
AUSTRALIAN CUSTOMS SERVICE

Question No. 158

Senator Ludwig asked the following question at the hearing on 14 February 2005:

In Customs answer to Estimates QoN 143, there was no estimate of the street value for cannabis seized in 2002 & 2003, why was that?

The answer to the honourable senator's question is as follows:

Customs detections of large amounts of cannabis have been infrequent in recent years, and Customs does not track cannabis prices as a matter of course.

Unlike the statistics provided in answer to QoN 143 for other drugs, which included large detections, Customs experience with cannabis in 2002 and 2003 was a large number of small detections. Applying a similar methodology to that used in QoN 143 to derive pricing for cannabis, an estimate of the street price of the 20.2 kg of cannabis detected in 2002 is \$0.5m, and \$1.6m for the 64.3kg detected in 2003.

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE
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Question No. 159

Senator Ludwig asked the following question at the hearing on 14 February 2005:

Can you explain what ACS do with the information that it collects on incoming and departing Passenger Cards?

The answer to the honourable senator's question is as follows:

Customs officers at the border read the declarations made on incoming and outgoing passenger cards to determine how best to process a passenger at the border.

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE
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Question No. 160

Senator Ludwig asked the following question at the hearing on 14 February 2005:

Does ACS supply any of the information to other agencies for their use? Please give an example if this is the case.

The answer to the honourable senator's question is as follows:

All incoming and outgoing passenger cards are collected and provided to the Department of Immigration and Multicultural and Indigenous Affairs.

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE
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Question No. 161

Senator Ludwig asked the following question at the hearing on 14 February 2005:

Does ACS supply DFAT with the intended destination of departed Australians?

The answer to the honourable senator's question is as follows:

No.

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE
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Question No. 162

Senator Ludwig asked the following question at the hearing on 14 February 2005:

Can Customs please explain the part Coastwatch is playing in Operation Relex II?

The answer to the honourable senator's question is as follows:

Operation Relex II is the Defence-led activity to deter unauthorised boat arrivals from entering Australian waters in the North and North-west of Australia.

Within the Relex II Area of Operation, the Australian Defence Force (Defence) has the lead role in all suspect illegal entrant vessel-related maritime surveillance and response matters. Customs operates in support of Defence, through the provision of Coastwatch contracted aircraft and National Marine Unit vessels, and takes the lead in activities that are not associated with unauthorised boat arrivals.

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE
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Question No. 163

Senator Ludwig asked the following question at the hearing on 14 February 2005:

Are there any problems in terms of integrating the program with other agencies? Can Customs outline how liaison between agencies takes place?

The answer to the honourable senator's question is as follows:

All assets operating under Operation Relex II are multi- tasked to identify events that fall within the parameters provided to the Civil Maritime Surveillance Program by Customs Coastwatch client agencies.

Australian Defence Force, Customs Coastwatch and Customs National Marine Unit assets report to the Coastwatch National Surveillance Centre on all events within these parameters identified in the RELEX II Area of Operations (AO), as they would if the event had occurred elsewhere in the Australian Exclusive Economic Zone. The liaison processes in terms of assessing and prioritising risk, advising relevant agencies of surveillance contacts according to the nature of the event, and responding according to their requirements and asset availability, continue to apply.

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE
AUSTRALIAN CUSTOMS SERVICE

Question No. 164

Senator Ludwig asked the following question at the hearing on 14 February 2005:

Can Customs please outline the process and operation of satellite surveillance? Who owns the satellite used for that project and what is the cost?

The answer to the honourable senator's question is as follows:

Following the signing of the treaty between Australia and France on cooperation in the maritime areas in the Southern Indian Ocean, Customs Coastwatch contracted with a French company Collecte Localisation Satellites (CLS) to provide satellite coverage of the Heard and McDonald Island (HIMI) Exclusive Economic Zone (EEZ). CLS acquire satellite imagery from two satellites (Radarsat and Envisat). The satellites provide total coverage of the HIMI EEZ over a fortnightly period. The imagery is electronically screened and subjected to a series of visual validation processes before being transmitted to the Customs National Surveillance Centre.

Customs also has an agreement with Canadian company Radarsat International to obtain (Radarsat) satellite imagery of Australia's EEZ on an ad hoc basis.

Radarsat is operated by the Canadian Space Agency. Envisat is operated by the European Space Agency. The annual cost to obtain the satellite imagery from CLS is 400,000 € or approximately \$700,000.

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE
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Question No. 165

Senator Ludwig asked the following question at the hearing on 14 February 2005:

Could Customs outline why there has been a drop in the number of square kilometres searched by aerial surveillance coverage's by square nautical miles from 2002-3 from 146 million to 138.0 million?

The answer to the honourable senator's question is as follows:

This question was answered under Question on Notice 204 provided to the committee on 12 February 2005. A copy of that reply is attached.

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE
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Question No. 204

Senator Ludwig asked the following question on 2 December 2004:

Could Customs outline why there has been a drop in the number of square kilometres searched by aerial surveillance coverage's by square nautical miles from 2002-3 from 146 million to 138.0 million?

The answer to the honourable senator's question is as follows:

Coastwatch plans the flying program to meet tasks identified by a number of Commonwealth agencies using an agreed risk assessment approach. Invariably some flights are subsequently cancelled or shortened due to requirements to react to shorter-term targeted missions, adverse weather conditions, aircraft unserviceability and/or crew unavailability.

In 2003-04 Coastwatch supplemented the flying program with satellite coverage that provided an additional 4.5 million square nautical miles.

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE
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Question No. 166

Senator Ludwig asked the following question at the hearing on 14 February 2005:

Can Customs advise the reasons for why there has been a drop in Coastwatch contracted aircraft sorties from 4613 to 4508?

The answer to the honourable senator's question is as follows:

This question was answered under Question on Notice 204 provided to the committee on 12 February 2005. A copy of that reply is attached.

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE
AUSTRALIAN CUSTOMS SERVICE

Question No. 204

Senator Ludwig asked the following question on 2 December 2004:

Could Customs outline why there has been a drop in the number of square kilometres searched by aerial surveillance coverage's by square nautical miles from 2002-3 from 146 million to 138.0 million?

The answer to the honourable senator's question is as follows:

Coastwatch plans the flying program to meet tasks identified by a number of Commonwealth agencies using an agreed risk assessment approach. Invariably some flights are subsequently cancelled or shortened due to requirements to react to shorter-term targeted missions, adverse weather conditions, aircraft unserviceability and/or crew unavailability.

In 2003-04 Coastwatch supplemented the flying program with satellite coverage that provided an additional 4.5 million square nautical miles.

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE
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Question No. 167

Senator Ludwig asked the following question at the hearing on 14 February 2005:

Can Customs advise the reasons for why the Navy contracted to do maritime surveillance by the RAN Fremantle class patrol boat similarly dropped 781 to 580 sea days. Was that as a consequence of Customs or Coast Watch requesting less hours or the RAN Fremantle class patrol boats being offered by the navy reducing their number of sea days on offer to Customs?

The answer to the honourable senator's question is as follows:

Routinely, Defence aims to provide 1,800 days of Royal Australian Navy surface patrol and response each financial year to the Coastwatch-coordinated national civil maritime surveillance program .

The ADF's commitment to the program has been delivered through its response to Customs - and Coastwatch-specific taskings, and multi-task activities associated with Operation Relex II, the Defence-led activity to deter unauthorised boat arrivals from entering Australian waters in the north and north-west of Australia.

Defence's priority contribution to the Coastwatch surveillance program is through Operation Relex II. Most patrols in support of the operation are conducted in the surveillance program's area of operations and meet the requirements of both the operation and the program.

During 2003-04, in response to specific requests from Customs, Defence provided 549 patrol boat sea days to the surveillance program under Operation Cranberry, in addition to the 1,265 days that were provided in support of Operation Relex II. This equates to a total of 1,814 patrol boat days, in accordance with Defence's stated goal.

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE
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Question No. 168

Senator Ludwig asked the following question at the hearing on 14 February 2005:

Can Customs please briefly explain the status of the aerial surveillance program?

The answer to the honourable senator's question is as follows:

The Attorney-General's Portfolio Additional Estimates Statement projects that, this financial year, aerial surveillance assets will provide a total Australian Exclusive Economic Zone surveillance coverage of 148 million square nautical miles. Achievement of this figure will depend on tasking requirements during the year.

Coastwatch contracted satellites will provide coverage of an additional 4.8 million square nautical miles.

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE
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Question No. 169

Senator Ludwig asked the following question at the hearing on 14 February 2005:

Does Customs have a breakdown on the number of vessels detected by each search mechanism i.e. satellite, naval patrol, Customs patrol, Coastwatch aerial surveillance, other land based surveillance and so on?

- a) If yes, please provide.
- b) If not, why not? Is the basis of tilting the program from one search mechanism to the other based solely on cost?

The answer to the honourable senator's question is as follows:

The use of assets available to the civil maritime surveillance program is determined on the basis of value for money considerations, with particular emphasis on operational effectiveness.

In order to optimise operational effectiveness, Coastwatch has adopted a multi-tiered approach to its operational responsibilities, which seeks to deploy assets according to their individual strengths and capabilities. For example, a vessel may first come to notice as a radar or satellite contact. It may then be classified as a Vessel of Interest by a surveillance aircraft passing overhead, and subsequently identified as an individual vessel engaged in illegal activity by a Defence or Customs response vessel.

In practice, this layering approach means that the great bulk of detections are the result of the combined efforts of a number of Customs and Defence assets, and detections are not therefore attributed to a single asset or surveillance type.

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE
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Question No. 170

Senator Ludwig asked the following question at the hearing on 14 February 2005:

Regarding implementation of the 15 recommendations from the 2000 Auditor General's report into Coastwatch? Have each of those recommendations been fully implemented yet?

If any haven't, which ones haven't been fully implemented, why not, what is the status of them now, and when is full implementation expected?

The answer to the honourable senator's question is as follows:

All of the Auditor-General's recommendations have been implemented.

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE
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Question No. 171

Senator Ludwig asked the following question at the hearing on 14 February 2005:

Regarding implementation of the 14 recommendations from the 2001 Joint Committee of Public Accounts and Audit Review of Coastwatch? Have each of these recommendations been implemented?

- a) If any haven't, which ones haven't been implemented, why not, what is the status of them now, and when is full implementation expected?

The answer to the honourable senator's question is as follows:

Customs has addressed each of the recommendations of the 2001 Joint Committee of Public Accounts and Audit Review of Coastwatch. Two are not fully implemented:

Recommendation 3 states: *The Government should provide Coastwatch with a charter outlining the Government's expectations. This information should be made publicly available.*

This recommendation was supported in the response to the JCPAA Report. While a formal charter has not been promulgated, the Government's expectations of Coastwatch are set out annually in the Australian Customs Service Output 3. The information in this document is available publicly, and Coastwatch's performance against each of these expectations is reported back to Government in the Annual Report of the Australian Customs Service.

Recommendation 13 states: *Customs, with advice from other agencies, should prepare a contingency plan for recommending to Government that the use of transponders on non-commercial aircraft be mandatory in areas where there is a demonstrated problem due to unauthorised air movements.*

Customs has investigated the feasibility of requiring the deployment of transponders on non-commercial aircraft.

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE
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Question No. 172

Senator Ludwig asked the following question at the hearing on 14 February 2005:

How many foreign illegal fishing vessels were sighted in Australian waters by the ACS between 1st March and 1st December 2004?

- a) Of these vessels, how many were positively identified as illegal fishers?
- b) Of these vessels, how many were apprehended by customs?
- c) Of these, how many crew members were detained?
- d) How many such crew were subsequently released by authorities?
- e) How many such vessels were subsequently released by authorities?

The answer to the honourable senator's question is as follows:

See the response to Question No. 256 from the December Supplementary Budget Estimates. The answer is unchanged.

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE
AUSTRALIAN CUSTOMS SERVICE

Question No. 173

Senator Ludwig asked the following question at the hearing on 14 February 2005:

- a) Regarding the expiration and reletting of the aerial surveillance contract, where are you at in terms of reletting the contract?
- b) What date was the contract put out to tender, what date did the tenders close and how many tenders were received?
- c) Is it the case that critical addenda in relation to the tender were still being issued as late as October 25 October 2004? How many times were addenda issued and why weren't they included in the original documentation?
- d) Given the above, what was the rationale for not extending the tender deadline or reissuing the Request for Tender?
- e) Referring to Question on Notice 3091 asked by Senator Ludwig on 22 July 2004, relating to Coastwatch staffing, at that time positions 9354, 9355, 9356, 6885, 9004, 1059, 1028, 8907, 6870, 6865 were vacant. What were those positions, and have they been filled?

The answer to the honourable senator's question is as follows:

- a) The responses to the Request for Tender (RFT) for the delivery of civil maritime surveillance services beyond June 2007 are being evaluated. It is anticipated that contracts will be signed by mid-2005.
- b) The Request for Tender was released on 30 July 2004. It closed on 11 November 2004. For commercial reasons, the number of tenders received has not been disclosed.
- c) There were four addenda to the RFT, but these were relatively minor in their nature and should not have impacted materially on a tenderer's ability to respond within the existing Tender closing time. In three instances, addenda responded to requests from a potential tenderer for additional information or clarification, and in one, to notify a two-week extension to the closing date. Copies of the addenda are available from the Customs website at www.customs.gov.au
- d) The CMS04 tender process has been subject to extensive industry consultation, commencing with an Invitation to Register Interest in April 2003. Between April 2003 and April 2004, Customs Coastwatch: provided an industry briefing to over 100 company representatives and sought feedback on a number of aspects of the proposed process and timetable; heard presentations from potential full service providers, issued a draft Statement of Requirements for comment, and released the full set of draft RFT documentation, together with a sample Electronic Response Format and an indicative timetable to which Customs has effectively adhered.

The final RFT was released 15 months after the initial Invitation to Register Interest and three months after the draft RFT and indicative timetable. Coastwatch has no record of any

concerns that the proposed RFT response time was insufficient being raised by industry during this period.

There were two requests for extensions during the RFT response period. One sought a one month extension due to a 10-day delay in the availability of the Electronic Response Format.

The delay in the availability of the Electronic Response Format should not have affected tenderers' ability to complete their bids within the time available. However, to remove any doubt about the impact, Customs extended the RFT closing date by two weeks.

The other request, for a substantial extension to the RFT response timeframe, was received by Customs one week before tender close. The issues raised by the potential tenderer were carefully examined, but it was judged that there were no mitigating issues that would have justified an adjustment to the closing date.

In making the decision not to extend the closing date further, consideration was given to the importance of enabling tenderers sufficient time to develop quality bids, and to the extensive industry consultation prior to the release of the RFT.

In addition to impacting on the project's schedule risk, any further extension to the tender closing date could have put the Commonwealth at risk of legal action from those tenderers who adhered to the RFT timeframe

- e) Three of the positions (9354 to 9356) were new positions in the Coastwatch intelligence area created for targeting in relation to Southern Oceans operations. Three positions (6885, 9004 and 1028) were vacancies in the Coastwatch Operations Section arising from transfers or promotions of the previous occupants, and two positions (8970 and 6870) were vacancies in the CMS04 project - one arising from the promotion of the previous occupant and one from the completion of the secondment of a regional officer to the project. Position 6865 in the Coastwatch Resources Section was vacant as a result of the promotion of the previous occupant. All positions have now been filled.

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE
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Question No. 174

Senator Ludwig asked the following question at the hearing on 14 February 2005:

Regarding the answers to estimates questions on notice 128 and 129, relating to budget and staffing arrangements:

- a) Can you give us a brief run down on where Customs is placed in terms of meeting budget?
 - i) Has any funding to any service, program, operation or other activity within the ACS been affected by any shortfall in funding in the 2002-03 and 2003-04 financial years?
- b) If so, which such services, programs, operations or activities were so adversely affected?
- c) What was the magnitude of any such funding shortfall for those particular services, programs, operations or activities?
- d) Has there been any investigation or report concerning the finances of the ACS?
- e) If so, what are the results of any such investigation or report?

The answer to the honourable senator's question is as follows:

- a) Customs is forecasting to operate within budget for the 2004-05 Financial Year.
 - i) No, however the Financial Review of Customs (refer d) below) did consider additional funding requirements associated with increasing workloads.
- b) Not applicable
- c) See e) below.
- d) A Financial Review of Customs was performed during the 2003-04 financial year. This review was concluded in August 2004.
- e) The review recommended Customs be provided additional funding to assist with alleviating the pressures identified during the review. The additional funding is reflected in the Portfolio Additional Estimate Statements.

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE
AUSTRALIAN CUSTOMS SERVICE

Question No. 175

Senator Ludwig asked the following question at the hearing on 14 February 2005:

In additional estimates Customs' budget for employees increased more than \$23 million. Why is that extra money required? Is that additional funding allocated to a new programme, is it related to an overrun in an existing programme or is it based on an unanticipated wage rise?

The answer to the honourable senator's question is as follows:

The PAES shows an increase in budgeted expenditure in the 2004-05 year of \$23m compared to the actual expenditure in 2003-04. A significant portion of this increase relates to additional funding appropriated by government to implement several initiatives. These initiatives include Southern Ocean Surveillance, All Container Examination Facilities (CEF) Saturday Shift and Afternoon Shift at Brisbane CEF, Expansion of the Detector Dog Program, Investing in Australia's Security – Biometrics for Border Control, Adjustment for Comcover increases, Australia-US Free Trade Agreement, Investing in Australia's Security – First Port Boarding, Customs Security Enhancement, Standardised Data Set, Waterfront CCTV, Overseas Post Beijing, and Overseas Post Jakarta.

In addition the 2004-05 budget incorporates indexation increases associated with wage and cost increases.

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE
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Question No. 176

Senator Ludwig asked the following question at the hearing on 14 February 2005:

Can you take us through where we are at in terms of Customs' next certified agreement?

The answer to the honourable senator's question is as follows:

The Australian Industrial Relations Commission certified the new Customs Certified Agreement on 23 December 2004. The new agreement has a nominal expiry date of 31 October 2007.

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE
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Question No. 177

Senator Ludwig asked the following question at the hearing on 14 February 2005:

From additional estimates Customs' budgeted expenses for suppliers has jumped 26%, what is that increase made up of?

The answer to the honourable senator's question is as follows:

The PAES shows an increase in budgeted expenditure for suppliers of \$115m in 2004-05 compared to the actual suppliers expenditure in 2003-04. A significant portion of this increase relates to additional funding appropriated by government to implement several initiatives. These initiatives include measures announced as part of 2004-05 Budget such as the Southern Oceans Program; measures announced as part of the Maritime Security Package such as additional funding for Container Examination Facilities for Saturday Shift; an adjustment to Resources Received Free of Charge based on revised service rate estimates provided by the Department of Defence; additional funding agreed by the Government as part of election announcements; the outcome of the Customs Financial Review; and other adjustments such as costs associated with the Australian-US Free Trade Agreement, Additional Import Processing Charge and WCI adjustments.

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE
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Question No. 178

Senator Ludwig asked the following question at the hearing on 14 February 2005:

- (a) In relation to Customs vetting of staff, what's the reason for the doubling in the number of vetting procedures undertaken in 2001/2002 and the subsequent return to lower levels afterward? Was that a review of who you had working for you after September 11?
- (b) What checks take place in this vetting process?
- (c) Why was there a large increase in the numbers of staff vetted by a service provider? What checks do they perform for Customs?

The answer to the honourable senator's question is as follows:

- (a) The significant increase in security clearances undertaken in the 2001/2002 period are attributed to the Cargo Management Reengineering project, Increased Quarantine Initiatives associated with the foot and mouth threat to Australia at that time, and management of a security clearance backlog resulting from limited internal vetting resources. This made it necessary to process a higher volume of security clearance upgrades for ongoing Customs staff and new security clearances associated with the recruitment of non-ongoing staff and contractors with specialist skills.

The return to lower levels of vetting after the 2001/2002 period reflect a return to a period of normal business activity.

The significant increase in security clearances undertaken in the 2001/2002 period was not attributable to a review associated with post September 11 activities.

- (b) The security clearance assessment process is conducted in accordance with the minimum standards of the Commonwealth Protective Security Manual 2000 (PSM). The types of checks undertaken in this process vary depending on the level of security clearance required. These can include the following:
 - Personal Identity documents;
 - Academic qualifications;
 - Employment history;
 - Residential address history;
 - Financial history (including bankruptcy);
 - Criminal history;
 - ASIO security assessment;
 - Referee interviews; and
 - Subject interview.
- (c) In the 2003/2004 period, vetting service providers were used as part of Customs strategy to reduce a security clearance backlog.

This backlog was attributed to a period of significantly increased recruitment to support the Cargo Management Reengineering project, EDS staff turnover, and bulk recruitment for the Southern Ocean patrols.

Vetting service providers were used to assist in the security clearance process during these periods of peak activity when internal vetting resources were also limited.

Vetting service providers have the capacity to obtain any of those checks identified in the Commonwealth Protective Security Manual 2000 (PSM).

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE
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Question No. 179

Senator Ludwig asked the following question at the hearing on 14 February 2005:

What procedures do Customs have in place to alleviate financial hardship incurred by the 74A hold on the container?

- a. If no procedures, why not?
- b. If there are procedures, are these always followed?

The answer to the honourable senator's question is as follows:

The Australian Customs Service (Customs) does not have formal procedures to alleviate hardship incurred by 74A holds on containers.

- (a) Under section 186 of the *Customs Act 1901*, industry is responsible for the costs of presenting cargo for examination by Customs. Australian Customs Notice 2004/33 (copy attached), which details Customs Sea Cargo Examination arrangements, advises importers "*Given the current security environment and the protection afforded to legitimate industry and the community, it is important that the inspection of containers at the CEF becomes an accepted and integral element of the sea cargo logistics chain. Therefore importers need to make provision for the possibility of Customs inspection of cargo as part of their normal operations and make allowance for additional time for cargo to be cleared, delays in getting access to cargo and the possibility of extra storage charges.*"
- (b) Not applicable.

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE
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Question No. 180

Senator Ludwig asked the following question at the hearing on 14 February 2005:

If there is no procedure, has Customs considered, or is it considering, any scheme to reimburse or defray the costs incurred by container owners due to this scheme?

The answer to the honourable senator's question is as follows:

The stevedores currently provide three days free storage for containers once they are declared available after the discharge of each vessel. The Australian Customs Service (Customs) endeavours to return all cargo from the Container Examination Facilities (CEF) as soon as it can so that it can be collected without the importer incurring storage charges, however, this is not always possible. In the December 2004 quarter, excluding late reported cargo, around 97 per cent of these containers were returned to the wharf within the free storage period.

The stevedores have noted that only a small percentage of containers inspected by Customs incur storage charges and a significant proportion of these containers are late reported. They have also noted that access to vehicle booking slots to collect cargo is available on most days; and it appears that importers or their brokers are not always prepared to collect their cargo out of normal business hours. The stevedores have indicated they operate 24 hours a day, 7 days a week and do not believe they should be providing additional free storage days in situations where importers or brokers choose not to use available slots.

Customs has sought to have the stevedores deliver all containers, excluding late reported containers, to the CEFs with at least 24 hours free storage remaining. If this is not done and the stevedore or Customs transport provider is responsible for the delays, any inquiries from importers or their representatives are being referred to the stevedore or transport provider. If Customs is responsible for unjustified delays leading to the imposition of storage charges, Customs will reimburse the cost of relevant charges.

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE
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Question No. 181

Senator Ludwig asked the following question at the hearing on 14 February 2005:

Has Customs approached any storage companies to find a solution to this matter?

The answer to the honourable senator's question is as follows:

Containers are stored at the stevedores' container terminals until they are transported to the Container Examination Facilities for inspection. It would not be cost effective or practical to involve another party in the storage of these containers.

In late 2004 and again in 2005, the Minister for Justice and Customs wrote to both stevedores about the issue of storage charges and this matters is the subject of ongoing discussions. Customs is continuing to work with the stevedores and its transport providers to minimise the delays in getting access to containers, to reduce the possibility of storage charges being incurred.

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE
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Question No. 182

Senator Ludwig asked the following question at the hearing on 14 February 2005:

Has Customs received official complaints on this matter?

- a) If yes, what action was taken?
- b) If yes, how many?

The answer to the honourable senator's question is as follows:

Yes

- (a) The Australian Customs Service (Customs) has a Complaints and Compliments Management System for the internal management of all complaints and compliments received in relation to the services provided by Customs. Our policy is to investigate complaints effectively and promptly by:
 - treating clients with tact, courtesy and fairness at all times;
 - treating clients' comments confidentially;
 - not discriminating against clients for any reason;
 - acknowledging receipt of each complaint within five working days and advising the client who will be investigating the complaint;
 - issuing a full response to each complaint within 15 working days of receipt. If this is not possible, advising the client why and telling them when we will reply in full; and
 - publishing statistical information about the complaints and compliments we receive and performance against our standards in our Annual Report.

All complaints in relation to storage charges were provided with a formal response in accordance with this policy.

Customs has been involved in ongoing discussions with the stevedores and industry bodies about these matters, to improve the efficiency of the movement of containers to and from the CEFs. As the processes become more streamlined and importers have become more aware of the CEF processes, complaints to Customs have declined.

- (b) Customs received 173 complaints in 2004 that specifically related to the operation of the Container Examination Facilities, with 123 of these complaints relating to storage charges, which covers issues of fees, the withholding of containers and the process took too long.

Since the commencement of container x-ray operations on 9 December 2002 to the end of February 2005, Customs has received a total of 457 complaints related to the Container Examination Facilities. This equates to one complaint for every 424 Twenty-Foot Equivalent Unit (TEU) inspected. During the December 2004 quarter, Customs received 25 complaints about CEF processes, which equates to one complaint for every 1,198 TEU inspected.