

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE
AUSTRALIAN CUSTOMS SERVICE

Question No. 210

Senator Ludwig asked the following question at the hearing on 24 May 2005:

With regards to the answer to Question No. 152 from the Supplementary Budget Estimates (2 December 2004):

- a) With which industry members does Customs have arrangements to ensure that any instances of breaches involving empty containers are reported promptly?
- b) What are these arrangements?
- c) How are the members chosen?
- d) Of the empty containers inspected in the last year...
 - i) How many were there?
 - ii) Where did they come from?
 - iii) What were the outcomes of the inspections?

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

- a) The Australian Customs Service (Customs) has arrangements under its Frontline program with the major container handling firms that ensure that any instances of breaches involving empty containers are reported promptly. Additionally, the Australian Quarantine Inspection Service examines all containers externally as they leave the wharf, and has arrangements with industry for internal inspection of a significant proportion. There are arrangements in place to communicate to Customs anything found in these inspections.
- b) The Frontline program was established in 1990 and involves a formal agreement between Customs and each member, awareness training and regular contact.
- c) Frontline is a voluntary program, but Customs targets for inclusion companies involved with the border, such as those in shipping, freight forwarding, and stevedoring. There are more than 750 Frontline members Australia wide. Essentially, membership is by Customs invitation.
- d)
 - (i) Empty containers are inspected by Customs at the container examination facilities (CEFs) where there is an identified need to do so. The CEFs inspected 328 empty containers in the period July 2003 to June 2004. Inspection of empty containers may also be undertaken by other Customs staff as part of their responsibilities on the waterfront. Customs does not maintain records on the number of such containers inspected.
 - (ii) Port of Origin is a generic indicator that may be a factor in a decision to inspect an empty container. Accordingly a detailed breakdown on the Port of Origin for the empty containers inspected at the CEFs, has not been included for operational reasons.
 - (iii) The only significant find in an empty container was 640 kilograms of cannabis in June 2004. This find resulted from an industry referral (Senate Question on Notice 153 from 2 December 2004 refers). All other operations involving empty containers over the last five years have resulted in no significant finds.

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Question No. 211

Senator Ludwig asked the following question at the hearing on 24 May 2005:

With regards to QoN 156 from the December round...

a) When did Customs begin recording complaints?

If after Dec 2002. Why didn't Customs begin recording complaints at December 2002?

If before Dec 2002. Why are there only figures available from Dec 2003?

b) Has Customs taken any action to address the issues raised in the complaints?

c) Does Customs follow up on any of the complaints to assess the outcomes of the complaints?

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

a) The Australian Customs Service (Customs) commenced recording complaints and compliments specifically for the container examination facilities (CEFs) in December 2002 to coincide with the opening of the first CEF site in Melbourne. CEF-related figures for December 2002 were first reported in the *October – December 2002 Complaints and Compliments National Quarterly Report*. All Quarterly Reports are available on the Customs Internet site.

b) Customs addresses each complaint individually on receipt and monitors trends through the *Complaints and Compliments National Quarterly Report* which is forwarded to regions and line areas for review and appropriate action. Customs reviews CEF complaints quarterly and uses feedback from complaints to monitor service levels. Outcomes include:

- Australian Customs Notice 2004/33, which was issued to educate brokers and importers about Customs role and processes;
- Discussions with industry;
- Discussions with the stevedores about revised contract performance indicators;
- Increased CEF operating hours to include one shift on Saturdays at all facilities and afternoon shifts Monday to Friday at the Brisbane CEF to better correspond to industry operating times; and
- Regular tours of the CEFs for brokers and importers/exporters to promote a better appreciation of the process.

c) Customs investigates complaints promptly and seeks to resolve all complaints when they are first raised. Customs does follow up on a number of CEF related complaints to ensure that appropriate action is being taken or where systemic issues require further attention.

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Question No. 212

Senator Ludwig asked the following question at the hearing on 24 May 2005:

A sentence in a response to question on notice 206 from Feb 2005, states, *effectively, this means that cargo recorded by the Australian Customs Service as late may have been originally reported 48 hours prior to arrival.*

- a) Is there any way of knowing whether cargo was actually late, or whether it is just indicating it was late due to a subsequent version of the report have been generated over the previous cargo report when it is amended?
 - i) If so, what is the way?
 - ii) If so, is this a manual or automatic process? If it is manual, is there a way of figuring this out by an automatic process?
 - iii) If so, is there any way of knowing when it was originally reported?
 - b) Was the system specifically designed to operate like this, or is it a by-product of its design?
 - c) What sort of percentages do these amended reports account for?
- d) Are any attempts being made to rectify this? If so, what are they? If not, why not?

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

- a) Currently no, the functionality of the current system does not allow for the extraction of this data.
- b) The Sea Cargo Automation system was implemented in 1993 and at the time a requirement for this type of report was not identified.
- c) A one off extraction of data for the month of May 2005 indicates that of the total 139,826 sea cargo lines reported approximately 9,868 (or 7.05%) were amended.
- d) The implementation of the Imports module of the Integrated Cargo System will provide Customs with functionality to monitor late reporting including amendments made to original cargo reports.

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Question No. 213

Senator Ludwig asked the following question at the hearing on 24 May 2005:

Regarding the Australian Customs Notice 2004/33:

- a) Were any industry stakeholders consulted on this notice?
- b) If so, what did they say?
- c) Is it regular practice to consult stakeholders on the issuing of Customs' notice?

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

- a) The Australian Customs Service (Customs) was involved in extensive discussions with industry stakeholders about the operation of the container examination facilities (CEFs) and the issues addressed in Australian Customs Notice 2004/33 prior to the release of the notice.
- b) There was a range of views from industry representatives and most of them were addressed in Australian Customs Notice 2004/33. The major concern was the issue of storage charges for containers targeted for inspection at the CEFs. One of the main reasons for issuing Australian Customs Notice 2004/33 was to clearly articulate Customs position on this matter.
- c) Customs consults stakeholders about the content of matters addressed in Australian Customs Notices.

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Question No. 214

Senator Ludwig asked the following question at the hearing on 24 May 2005:

- a) Is the 'Security Awareness Training' online course operational and available to staff?
- b) When did it become operational?
- c) Are there any other e-learning courses planned or in the pipeline?
- d) Is it possible to get a copy of any of the course materials?
- e) How many staff have undertaken the course? Which staff are selected to undertake the course?
- f) How long does the course take to complete?
- g) What is the total development and implementation cost of the course? Please provide a breakdown of the costs
- h) Of the development costs, how much were paid to Futuretrain?
- i) What experience does Futuretrain have in this area? Were they engaged in a technical capacity, or in the capacity as learning development consultants?
- j) Have they previously completed any work for ACS or any other government department that ACS is aware of?

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

- a) The Security Awareness online training course is operational and available to all staff.
- b) The Security Awareness online training course became operational on 14 June 2005.
- c) None at this stage for security training. However, there are a number of on-line courses that will be developed and delivered from July 2005 to June 2007.
- d) As the course is an e-learning course, the materials are online. We can provide access to this course if necessary.
- e) As of 23 June 2005, 116 staff had successfully completed the training and assessment. This is a course all staff must undertake on an annual basis.
- f) The course takes approximately one and a half hours to complete.
- g) The cost of the course is \$56,243. This fee includes design, development and delivery of the online course.
- h) \$56,243 was paid to Futuretrain.

- i) Futuretrain has over 10 years training and development experience in the security area. Futuretrain were engaged as both learning development consultants (in the design stage of the project) and in a technical capacity (in the development and delivery stage of the project).

- j) Futuretrain have completed five other training courses for Customs. Futuretrain has also completed work for Department of Employment and Workplace Relations and the Department of Defence as prime contractor, and for the Australian Tax Office as a sub contractor. Futuretrain is an endorsed supplier for both Federal and Queensland governments, as well as being on panels for delivery of e-learning and multi media delivery for the Australian Customs Service, the Department of Defence and the Australian Tax Office.