



**Australia Post's Submission
to the Joint Committee of Public
Accounts and Audit
Review of
Australia's Quarantine Function**

**Australia Post
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1. **GENERAL**

- 1.1 Australia Post (Post) makes all inbound international mail available for border agency screening by the Australian Customs Service (ACS) and the Australian Quarantine Inspection Service (AQIS).
- 1.2 Under the Quarantine and Customs Acts, Post has a legal requirement to provide facilities for the unpacking and examination of imported and exported goods. These goods can only be processed and handled with authorisation and clearance of both ACS and AQIS.
- 1.3 Post's function is to ensure that both import and export international mail is processed in accordance with treaty, statutory obligations, corporate objectives and published service standards. In respect of its relationships with AQIS and ACS, Post is committed to:
- present inbound international mail to the Border Agencies for screening at designated Post examination areas in accordance with Post's established processing service standards and requirements;
 - make export mail available to the Border Agencies (primarily ACS) for screening;
 - keep international mail secure to maintain its integrity pending release by the Border Agencies.

2. **100% SCREENING OF INCOMING INTERNATIONAL MAIL**

- 2.1 Prior to May 2001 only a relatively small proportion of incoming international mail (some 15%) was selected by the border agencies for detailed (secondary) screening or Border Agency intervention.
- 2.2 The outbreak of Foot and Mouth disease in the United Kingdom in 2001 highlighted the need to protect Australia's agricultural, forestry and fishing industries. In response, the Federal Government's May 2001 Budget Statement made a commitment to ensure 100% screening of incoming international mail articles by November 2002.
- 2.3 As part of this commitment Post has been provided with funding amounting to \$49.4m over a four-year period (2002-2005) as a contribution to covering the costs of complying with increased Border Agency screening requirements, including the provision of new gateway facilities and equipment.

- 2.4 A Border Agency Program within Post was established to manage the process of gateway facility accommodation renewal/modification and operational process enhancement and provision of new equipment and other changes, required to achieve sustainable 100% screening of inbound international articles.
- 2.5 Post has international gateway facilities at:
- Melbourne Air Transit Centre;
 - Brisbane Air Logistics Centre;
 - Qantas Mail Handling Unit (Sydney Airport);
 - Sydney Parcel Centre (Clyde);
 - Adelaide Mail Centre;
 - Perth International Post Centre; and
 - Darwin Mail Centre.
- 2.6 While changes for the longer term (up to June 2005) are still being planned, Post has quickly made changes to existing facilities with ACS and AQIS collaboration, with the result that 100% screening (intervention) of all inbound international mail was reached during March 2002. However, this level of screening is not sustainable at the existing Melbourne and Sydney gateway facilities, requiring new facilities at these international mail entry points.
- 2.7 Australia Post facilitates the Border Agency screening process by providing the facility and mail handling equipment so this can take place. Broadly, all inbound mail is subject to the following processes in Post's gateway sites:
- ACS canines are used initially (primarily to detect narcotics);
 - ACS Target Selection Officers determine if the article contains prohibited or restricted items, be it of a commercial nature or need further assessment for any revenue liability (if so, it is sent to the examination area, opened and examined);
 - mail is then x-rayed (and as a result some is also subject to opening and examination);

- mail is then subject to AQIS canine inspection (primarily to detect animal or vegetable material); and
- end point sampling by AQIS of screened articles to determine the effectiveness of screening (intervention), is then undertaken.

2.8 All mail entering Australia is subject to one or more of these processes.

3. **BORDER AGENCY CO-ORDINATION**

3.1 Post, AQIS and ACS are currently in the process of drafting a Memorandum of Understanding the purpose of which is to:

- set out the respective roles and responsibilities of the parties in relation to their mutual co-operation in maintaining appropriate compliance with legislative provisions in respect of the importation and exportation of goods consigned through the Post;
- agree on administrative and procedural arrangements between the parties in respect of the importation and exportation of goods consigned through the Post; and
- agree on terms and conditions under which AQIS, ACS and Post will maintain appropriate compliance with the relevant legislative provisions.

3.2 The Border Agency Program, although managed by Post, is being conducted in tripartite consultation between Post, ACS and AQIS.

3.3 Operational work practices and facility design modifications or changes necessary at the gateway facilities, are subject to Post and Border Agency agreement, prior to implementation at the national and facility level.

3.4 Border Agency Program Quarterly Steering Committee meetings are conducted with ACS and AQIS representation. The purpose of these meetings is to monitor/report on the Program's progress to timetables and milestones, and to act as a forum for tabling issues as they arise.

4. **TRIPARTITE METHODOLOGY IN ACHIEVING OPTIMAL BORDER AGENCY INTERVENTION AND EFFECTIVENESS**

- 4.1 ACS and AQIS have set standards or Key Performance Indicators (KPIs) to achieve in relation to the 100% screening (intervention) and effectiveness (the target representing the number of prohibited/seizable articles identified in screening). Post is working closely with both Agencies to provide an optimal environment to enable these KPIs to be met.
- 4.2 Facility Design Standards are being developed in line with an operational methodology based on the concept of continuous flow and the use of unit load conveyor systems for on-line processing and transfer of mailbags and items between process steps. This concept has been adopted to minimise operating costs, reduce delays and avoid Occupational Health and Safety risks associated with practices that rely mostly on manual handling and multiple transfers of mail in unit load devices.
- 4.3 The operational methodology being adopted will also maximise the opportunity to incorporate the benefits of emerging technologies (bar-coding, laser scanning, voice recognition, electronic reporting) and automation to reduce manual handling effort, improve reliability and detection rates and reduce processing errors and leakage. The overall benefits and potential gains in efficiency will accrue to Post and the Border Agencies in an integrated, mutually dependent operational environment.
- 4.4 A primary driving requirement is that of operational flexibility. This derives from the need for fast response by the Border Agencies to ever changing risk profiles in international mail, the requirement for processing efficiency and the need to match available resources to varying demand.

5. **CONCLUSION**

- 5.1 Having established a successful tripartite consultative working arrangement with ACS and AQIS, Post is confident that the 100% screening level for incoming international mail achieved in March 2002, will be sustainable into the future.
- 5.2 Post anticipates a continuation of the already high level of cooperation with ACS and AQIS, and is committed to working cooperatively into the future with both Agencies.