

**JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT – REVIEW OF
AUSTRALIA’S QUARANTINE FUNCTION**

**Additional information to Supplement oral evidence given during public
hearings on 16 July 2002**

Thank you for the opportunity to review the proof copy of the transcript of evidence provided during my appearance at the Committee’s public hearing on Tuesday, 16 July 2002. I am pleased to confirm that I am satisfied that the transcript is an accurate record of proceedings.

In reviewing the transcripts of evidence I noted that there seemed to be some confusion about the arrangements for the recording of information about quarantine detections in Customs National Intelligence System (NIS). The relevant references are pages PA 34 (Tuesday 16 July 2002) and PA 113 (Wednesday 17 July 2002) of the Proof Committee Hansard record.

To assist the Committee, I have attached some further information on this matter at Attachment A that I hope will clarify the situation.

I have also included responses to questions taken on notice at the hearing at Attachment B and some supplementary information sought by the Committee when visiting Clyde International Mail Centre at Attachment C.

I trust that the information attached clarifies any outstanding issues.

Customs National Intelligence System

Customs records indicate that since implementation of the National Intelligence System (NIS) system in May 2000, approximately 4200 of the entries made contain references to quarantine infringements identified by Customs Officers. The numbers of entries made in 6-month intervals up to the end of June 2002 are as follows:

May 2000 – Oct 2000	931
Nov 2000 – Apr 2001	1284
May 2001 – Oct 2001	1551
Nov 2001 – Apr 2002	312
May 2002 – Jun 2002 (2 months only)	139

The decrease in the rate of entry since November 2001 follows enhancements to an AQIS system that records all details of quarantine finds, including those referred to them as a result of Customs intervention with passengers. The system used by AQIS is interactive and provides real time access to information about previous detections in order to identify recidivists. Under these arrangements, AQIS is no longer reliant on information recorded by Customs for this purpose. Customs and AQIS share intelligence information as appropriate and AQIS routinely uses Customs systems to activate quarantine alerts.

As Customs intelligence efforts are more strongly focussed on deliberate attempts to conceal and avoid interception of prohibited goods, a large proportion of quarantine infringement information is of little intelligence value to Customs.

As a matter of normal practice, quarantine detections involving goods and/or methods of concealment that are sufficiently unique to suggest a serious attempt to avoid interception, continue to be registered in NIS. Where information contained in the AQIS system is required by Customs Officers, it is accessible through Agency liaison channels.

Other evidence has indicated that an instruction covering the non-recording of quarantine infringement information was issued by Customs in August 2001. A copy of the instruction is attached.

Questions on Notice

Question 1 (PA 37)

Mr Charles, Chairman of the Joint Committee of Public Accounts and Audit Review of Australia's quarantine function asked on 16 July 2002 "Could you advise the committee what percentage of incoming sea containers are fully inspected by Customs?"

The following information is provided to the Committee.

Customs has one of the most sophisticated electronic air and sea cargo reporting systems in the world. No country in the world searches 100% of cargo. However, Australia screens every shipment.

As each line of air and sea cargo is electronically forwarded to Customs it is automatically run against profiles developed by Customs analysts. The profiles are developed from intelligence sources and cover a wide range of illegal goods including drugs, weapons, and counterfeit goods.

Sea cargo is screened so that high risk cargo can be identified and examined. Of the 1.5 million loaded containers imported during 2000-01, about 90% are imported by known, low risk companies. Customs therefore deploys its resources against the remaining 10%.

In total terms, less than 1 percent of imported containers are fully inspected by Customs. If we were to search every imported container, we would require almost 40,000 extra staff.

Customs is increasing its inspection and examination activity in the containerised cargo environment as part of a broader Government initiative of enhancing Australia's capability to protect its borders.

Studies have identified x-ray technology as offering the best means of enabling Customs to examine containers more effectively in less time, as well as increasing the number of containers that can be examined.

Four container x-ray facilities are being established around Australia. Melbourne is expected to be operational in October 2002. Sydney and Brisbane are scheduled for early 2003, with Fremantle to follow. These facilities will not only house the x-ray units but also allow for the unpacking of containers for examination as a result of the x-ray inspection.

The compliance objective is to examine at least 5 per cent of import and export containerised cargo. About 300 containers per day will be inspected – 100 at each of Sydney and Melbourne, 60 at Brisbane and 40 at Fremantle.

Question 2 (PA 35)

Mr Cobb asked on 16 July 2002 “With respect to the amount of commercially imported illegal goods that you discover, is it discovered because of process or mostly because you have been tipped off?”

In relation to cargo, about 75 to 80% of seizures result from Customs risk identification and intelligence analysis (process) and about 20 to 25% from information provided by the public and other law enforcement agencies (tip off).

Attachment C

Supplementary Information Following visit to Clyde International Mail Centre

The Committee sought further information on how Customs x-ray operators receive feedback on the results of parcels selected for opening.

Individual operators are encouraged to follow up the results with the examination officers. Where a positive detection is made the recorded image is kept on a disk for a reference catalogue for both training and intelligence purposes. A formal procedure is currently being developed in Melbourne where x-ray operators are encouraged to store the abnormal or suspect image for later reference. Operators in both Sydney and Melbourne record the address details of suspect images for later follow up.

NIS Instruction 4/2001: Reporting Requirements

This instruction replaces NIS Instruction 3/2001.

The following provides guidance on the reporting and evaluation of the following types of information in NIS:

- **Detections of goods subject to quarantine & Quarantine Infringement Notices (QINs)**
- **Negative examinations**
- **Goods of minimal interest to Customs**

Detections of goods subject to quarantine & Quarantine Infringement Notices (QINs)

There is no requirement for information relating to the detection of goods subject to quarantine or the issuance of a QIN to be entered into NIS.

Information on quarantine detections and QINs is recorded by AQIS and will be made available to Customs on request. To obtain this information send your request to the [**Law Enforcement Liaison**] email group in Central Office.

Negative examinations

The results of a negative examination should only be reported under the following circumstances:

- Where the examination relates to an **alert**, or
- When the information obtained as a result of the search is considered to be of intelligence value, or
- The search relates to an ongoing investigation or operation.

Note: Examinations performed solely on the basis of a profile should not be reported unless it meets one of the other criteria.

Goods of minimal interest to Customs

This term is commonly used to refer to items such as DHEA, small amounts of cannabis seeds or prescription medications. These types of items are commonly detected in the Postal and PAX environments.

NIS Instruction 4/2001: Reporting Requirements

All detections of prohibited imports – irrespective of size – should be entered into NIS (NIS is currently the only nationally available system capable of collecting this information).

This requirement is in line with Customs general reporting policy for potential or actual breaches of the Customs Act, other administered Acts, and significant incidents, and failure to record this information can impact on the corporate statistics released by Customs.

Additionally, many small detections over a 12-month period can amount to a significant total quantity and indicate an emerging trend of interest to Customs.

Evaluator's Responsibilities

When a NIS report relating to the result of a negative examination or the detection of goods of minimal interest to Customs is received for evaluation, an Evaluator should:

- Ensure that the report is accurate and conforms to standard reporting conventions.
- Attempt to positively identify the subject(s) of the Information Report.
- Determine if the offender has previously come to notice. If so, entities should be created and linked, in accordance with current evaluation guidelines.
- Add Evaluator's comments where appropriate.
- Message the Information Report to the relevant area(s), in accordance with local procedures.

When a NIS report is received for evaluation which does not comply with this instruction, the report should be promoted to Archived Status without further processing.

For further information on the above topics please contact the **NIS Quality Assurance Unit** in Central Office on 42 5005.