

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE
AUSTRALIAN CUSTOMS SERVICE

Question No 69.

Senator Bishop asked the following question at the hearing on 16 February 2004:

Have Defence informed you as to why they are reducing their costs by \$30 million?

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

The Department of Defence (Defence) remains committed to providing 250 P3-C hours per year and 1800 Fremantle Class Patrol Boat (FCPB) days per annum to the Civil Maritime Surveillance Program (CMSP). This promised rate of effort is achieved in association with joint Coastwatch/Defence activity Operation Relex II. All Relex II activity incorporates taskings for a variety of Commonwealth agencies including Immigration, AFMA and Quarantine; and sightings and results are reported through the Customs Coastwatch National Surveillance Centre in Canberra. Relex II is therefore considered to be a part of the overall CMSP. As a military operation, commanded by a military commander, its prices are attributed to the Department of Defence.

Although there is no transfer of funds between Customs and Defence, Customs presents these figures as targets in its annual financial statements and Portfolio Budget Statements. The actual days/hours achieved during each year are reported against these targets. The Resources Received Free of Charge prices are calculated using figures supplied each year by Defence for the actual usage price per hour for operating P3- C and their price per day for running FCPBs.

The reason that the figure in column two on page 198 of the PBS is \$28.028 million less than that in column one does not reflect a reduction in the level of P3-C and FCPB support provided by Defence. The column two figure is correct in that it is an extrapolation of 250 P3-C hours at the Defence established price of \$45,432 per hour and 1800 FCPB days at \$65,115 per day. The column one figure should have been calculated in the same manner but was erroneously based on actual rates of effort achieved by the P3-Cs and FCPBs in 2001-2002. (In that year the increased FCBP rate of effort was due to high level of people smuggling activity).

The cost per hour for operating P3-C and the cost per day for running FCPBs has changed slightly since 2001-2002 but that does not have a significant impact on the total value of the service provided free of charge to Customs.

At the hearings on 16 February, the Committee was advised that the statement under "Other Revenue" on page 210 of the PBS was incorrect. That statement should have reflected the material provided above.

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE
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Question No. 70

Senator Bishop asked the following question at the hearing on 16 February 2004:

- (a) How many tariff lines would you have for Thailand?
- (b) Are the figures for Singapore similar?

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

- (a) At present, there are around 6,140 tariff classifications in Schedule 3 to the *Customs Tariff Act 1995*. Of those, around 3,160 tariff classifications would impose a substantive rate of customs duty on goods originating in Thailand.
- (b) The same number of tariff classifications (around 6,140) applies to Singapore.

Prior to entry into force of the Singapore-Australia Free Trade Agreement on 28 July 2003, there were around 3,350 tariff classifications where a substantive rate of customs duty would have applied to goods originating in Singapore. Since 28 July 2003, goods originating in Singapore have entered Australia free of customs duty.

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE
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Question No. 71

Senator Bishop asked the following question at the hearing on 16 February 2004:

What is the cost of refresher training on the exports functionality?

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

Customs plans to conduct export refresher training during the three month period prior to the introduction of the export component of the ICS.

This is expected to involve three thousand industry participants attending 65 workshops to be held around Australia.

The full staff cost associated with organising and conducting these sessions is \$192,874.

The total estimated refresher-training cost is around \$250,000.

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE
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Question No. 72

Senator Bishop asked the following question at the hearing on 16 February 2004:

- a) With regards to the CMR, what is the current range of time taken for transactions – best to worst?
- b) When you put your specifications in the design, how long did you specify the transaction time should be?

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

- a) Performance tuning is currently being undertaken for the CMR system to ensure that peak processing and expected transaction growth rates can be accommodated. Testing results as at late February 2004 have the best transaction response time at less than 1 minute and the worst at 38 minutes. These results are under the current peak loads for Exports of 1500 transactions per hour (around 3 times the current average hourly transaction rate). Under twice the current Exports peak loads (3500 transaction per hour) the transaction times range from less than 2 minutes to up to 91 minutes.
- b) The specified response times for transactions sent through the Electronic Data Interchange (EDI) facility are to be within 3 minutes at maximum peak load.

The specified response time for transactions initiated through the customs interactive internet web page is required to be within 5 seconds at maximum peak load.

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE
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Question No. 73

Senator Bishop asked the following questions at the hearing on 16 February 2004:

What has been the cost of the SmartGate project so far?

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

Smartgate costs from 1 July 2002 to date (16/2/04) have been **\$2.41m**. This amount does not include Customs employee costs.

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE
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Question No. 74

Senator Bishop asked the following questions at the hearing on 16 February 2004:

On how many occasions has Customs found a breach with respect to valid passport and identity documentation for foreign ship's crews?

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

Customs does not currently keep statistics on how many crew have not held both a passport and ID since DIMIA's requirement for both a passport and another document identifying the holder as member of crew came into force on 1 November 2003. DIMIA initially decided to observe a transitional period, which is under review. Customs is also following the DIMIA requirement to remind non-compliant crew and Masters of their obligation and to present them with printed information on this requirement on behalf of DIMIA.

An assessment conducted with Customs regions indicates that non-compliance with the passport requirement has been rare. It is estimated that compliance is as high as 98-99% nationally. It is also important to note that details of crew, including Passport details, are provided to Customs 48 hours in advance of arrival and these names and details are checked against the Passenger Analysis, Clearance and Evaluation (PACE) system which includes alerts placed by agencies including national security agencies.

Customs will respond to DIMIA requirements once the transitional period has expired by recording non-compliance and taking immediate action to order restriction on board when directed by DIMIA.

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE
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Question No. 75

Senator Bishop asked the following questions at the hearing on 16 February 2004:

How many incidents have there been since DIMIA's new requirement was put in place where crew have not had passports and proper ID?

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

See response to Question 74

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE
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Question No. 76

Senator Bishop asked the following question at the hearing on 16 February 2004:

What are the current storage charges for containers delayed due to CEF?

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

Import storage charges are publicly available from Patrick Stevedores and P&O Ports Limited. The latest rates from both stevedores are attached. The first three working days storage (Monday to Saturday) are free.



Patrick Stevedores Operations Pty Limited
Import Storage Tariff – Effective 1 July 2003

Port of Sydney – Port Botany Terminal

Storage charges are payable on all containers/goods left undelivered after three (3) working days (Monday to Saturday) including day of availability.

Storage and ancillary charges:

Containers	Per TEU per day	\$45.00
Day 1 to 3 of storage		\$110.00
Day 4 onwards		\$65.00
Yard Handling fee	per ISO container (applies day 1 of storage)	\$38.00
Reefer Services	per ISO container per day	POA
Other Commodities		
Minimum charge \$75.00		

1. All tariff rates are exclusive of Goods and Services Tax which is payable in addition.
2. Subject to Patrick Stevedores' Standard Terms and Conditions, copy available upon request.
3. Credit Terms, payment is required prior to release of containers/cargo.
4. Tariff, Terms and Conditions are subject to change without notice.



STORAGE CONTAINER RATES

Effective 1st July 2003

20' RATES			40' RATES		
DAYS	SUB TOTAL (NON GST)	TOTAL DUE	DAYS	SUB TOTAL (NON GST)	TOTAL DUE
1	\$110.00	\$121.00	1	\$155.00	\$170.50
2	\$155.00	\$170.50	2	\$245.00	\$269.50
3	\$200.00	\$220.00	3	\$335.00	\$368.50
4	\$310.00	\$341.00	4	\$555.00	\$610.50
5	\$420.00	\$462.00	5	\$775.00	\$852.50
6	\$530.00	\$583.00	6	\$995.00	\$1,094.50
7	\$640.00	\$704.00	7	\$1,215.00	\$1,336.50
8	\$750.00	\$825.00	8	\$1,435.00	\$1,578.50
9	\$860.00	\$946.00	9	\$1,655.00	\$1,820.50
10	\$970.00	\$1,067.00	10	\$1,875.00	\$2,062.50
11	\$1,080.00	\$1,188.00	11	\$2,095.00	\$2,304.50
12	\$1,190.00	\$1,309.00	12	\$2,315.00	\$2,546.50
13	\$1,300.00	\$1,430.00	13	\$2,535.00	\$2,788.50
14	\$1,410.00	\$1,551.00	14	\$2,755.00	\$3,030.50
15	\$1,520.00	\$1,672.00	15	\$2,975.00	\$3,272.50
16	\$1,630.00	\$1,793.00	16	\$3,195.00	\$3,514.50
17	\$1,740.00	\$1,914.00	17	\$3,415.00	\$3,756.50
18	\$1,850.00	\$2,035.00	18	\$3,635.00	\$3,998.50
19	\$1,960.00	\$2,156.00	19	\$3,855.00	\$4,240.50
20	\$2,070.00	\$2,277.00	20	\$4,075.00	\$4,482.50

Day 1 - 3	49.50 per day	Day 1 - 3	99.00 per day
Thereafter	121.00 per day	Thereafter	242.00 per day
Plus \$71.50 Handling Fee		Plus \$71.50 Handling Fee	
Reefer Services \$41.80 per day		Reefer Services \$41.80 per day	

ALL PRICES INCLUSIVE OF GST (UNLESS OTHERWISE STATED)

{Divide by 11 to ascertain the amount of GST}



P&O Ports Limited
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22 July 2003

Dear ,

Revised P&O Terminal Import Storage and Handling Charge Tariffs

I write to advise that P&O Ports Limited will introduce revised import container storage charges at its respective Brisbane (Fisherman Islands Terminal), Sydney (Port Botany Terminal and White Bay Terminal), Melbourne (Appleton Terminal) and Fremantle (Fremantle Terminal) terminal facilities effective from Monday, 18 August 2003.

A planned review of import storage charges at West Swanson Terminal in Melbourne will be deferred to later this year, in recognition of the recent introduction of the six day Reveal and Delivery availability.

These revised charges are directly linked to increased terminal occupancy costs, which have continued to increase sharply since the last review of these charges more than 18 months ago.

Copies of the notices sent to local customers by each of our terminals are attached for your information and guidance.

To further assist, we also summarise the applicable charges at all the P&O terminal facilities as below:

	FIT		PBT		WBT		WST		APT		FT	
	20'	40'	20'	40'	20'	40'	20'	40'	20'	40'	20'	40'
0-3 days after time up	44.00	88.00	44.00	88.00	44.00	88.00	44.00	88.00	44.00	88.00	44.00	88.00
4-6 days after time up	80.00	160.00	110.00	220.00	110.00	220.00	88.00	176.00	110.00	220.00	80.00	160.00
Over 6 days after time up	110.00	220.00	110.00	220.00	110.00	220.00	110.00	220.00	110.00	220.00	110.00	220.00
Reefer Services	36.00	44.00	36.00	44.00	36.00	44.00	44.00	66.00	44.00	66.00	99.00	160.00
Yard Handling Fee	60.00	60.00	60.00	60.00	60.00	60.00	55.00	88.00	60.00	60.00	60.00	60.00
Hazardous Container Fee	300.00	300.00	300.00	300.00	300.00	300.00	Nil	Nil	300.00	300.00	300.00	300.00

Note – all charges in A\$, and exclusive of GST

- * If a reefer container is held at the terminal beyond the free storage period, Reefer Service Charges will apply in addition to the daily storage charges. These charges will commence from time storage charges apply (ie expiry of the free storage period).
- ** The Yard Handling Fee is a single charge, applicable to those containers in the Terminal beyond the free period.
- *** The Hazardous Container Fee will be applied on a daily basis in addition to import storage charges detailed above.

You will note that the above revised tariffs introduce a new penalty for hazardous containers that require additional storage at any P&O terminal, reflecting the additional risk of holding these containers.

Please call either myself, Eirik Hooper or any of our container terminal commercial managers if you have any questions concerning these revised import storage charges.

We look forward to continuing to be of service to you.

Yours sincerely



Andrew Gibson
Commercial Manager
Port Services ANZ
P&O Ports Limited

Attach.



P&O Ports Limited
 ACN No. 000 049 301
 West Swanson Terminal
 Mackenzie Road, West Melbourne
 VICTORIA
 Tel: (03) 9687 4266
 Fax: (03) 9687 4482

IMPORT STORAGE AND HANDLING – WEST SWANSON TERMINAL

P&O Ports can now advise the introduction of revised import container storage charges at our West Swanson Terminal **effective Saturday, 1 November 2003** as indicated in our notice in July. This change brings the West Swanson Terminal (WST) facility into line with import storage tariffs applied at our Port Botany and Appleton Terminals.

These revised charges are directly linked to increased terminal occupancy costs, which have continued to climb since the WST import storage and handling tariff was last reviewed 2 years ago.

Import Storage involves the collection of storage charges for import containers in storage beyond their 3 day availability period, from the Consignee via the Transport Company.

West Swanson Terminal Effective 01/11/03	Import Storage Charges	
	20 foot	40 foot
<i>Note: These rates <u>exclude</u> GST</i>	\$ Charge (per day)	\$ Charge (per day)
1 - 3 days after time up	\$44.00	\$88.00
4 th day onwards	\$110.00	\$220.00
Reefer Services †	\$44.00	\$66.00
Yard Handling Fee ††	\$60.00	\$60.00
Hazardous Container Fee †††	\$300.00	\$300.00

- † If a reefer container is held at the terminal beyond the free storage period, reefer charges will apply in addition to the daily storage charges. These charges will commence from time storage charges apply (ie expiry of the free storage period).
- †† The yard handling fee is a single charge, applicable to those containers in the Terminal beyond the free period.
- ††† The Hazardous Container Fee will be applied on a daily basis in addition to import Storage Charges detailed above.

The Carrier establishes whether Import Storage charges are payable by checking the WST Vehicle Booking System, which identifies 'Time-Up' containers.

P&O will check the Import Delivery Order at the Terminal entry gates and if storage is due and the Import Delivery Order is not stamped as required, the container will not be released and the Carrier will be sent away. P&O does not accept responsibility for any inconvenience or extra costs that may then arise.

The Carrier will be invoiced for all storage charges applicable to all containers picked up by the Carrier that week. If payment is received within 14 days of the receipt of the invoice, the Carrier is entitled to withhold a 15% commission as the collection agent for P&O, whereupon P&O raises a credit for that 15% commission. If the Carrier does not pay the invoice within 14 days of receipt, then the Carrier must settle the invoice in full (ie no 15% commission).

If the Carrier has any queries in relation to the invoice it is essential that those queries are raised immediately upon receipt of the invoice so they can be resolved within the 14 day period. If the full payment is not received within a further 7 days, the Carrier is barred from the Terminal Vehicle Booking System until the amount is paid, plus any accrued interest (payable at 1.5% per month or part thereof).

Reefer container Power and Handling Charges *prior to 'Time-Up'* are charged directly to the applicable Shipping Lines in accordance with their contractual arrangements.

The above rates are subject to regular review.

Queries concerning the above arrangements should be directed to:

Brett Maginness
Commercial Manager

Telephone: (03) 9680 0705
Facsimile: (03) 9687 4640
Email: brett.maginness@poports.com.au

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE
AUSTRALIAN CUSTOMS SERVICE

Question No. 77

Senator Bishop asked the following question at the hearing on 16 February 2004:

- (a) In reference to complaints from staff at Perth Airport as to issues of staffing, rostering and overtime at the airport, have these issues been resolved?
- (b) What is the nature of the problems with rosters at Perth Airport?
- (c) Are there discussions underway with CPSU on this?
- (d) How many vacancies on staff are at Perth airport?
- (e) What proportion of staff work broken shifts?
- (f) What is the average weekly absentee rate and the current turnover rate for staff?
- (g) Are there problems with the sniffer dogs not being fully used due to staffing shortfalls?

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

- (a) Customs is not aware of any formal complaints or representations from staff relating to issues of staffing, rostering or overtime at the airport.
- (b) There are no problems with the rosters at Perth Airport.
- (c) No. The CPSU was involved in developing the current roster.
- (d) There are currently no vacancies at Perth airport.
- (e) There are no broken shifts (that is shifts involving more than one attendance on the same day) worked by staff at Perth Airport. However, not all staff at the airport commence or finish duty at the same time
- (f) Customs does not report on absenteeism on a weekly average. The absence rate is calculated by the number of absence days per full time equivalent, and is reported a minimum of three months after the end of the period to allow for the capture of late applications and approval. The absenteeism rate for the rolling 12 month period ending 30 September 2003 for Perth Airport was 8.20 days.

The current staff turnover rate for Perth Airport for the period 1 July 2003 to 29 February 2004 is 2.88 per cent.

- g) The Passive Alert Dog "PAD" and handler require the assistance of a "scout" to help marshal passengers. The scout is normally drawn from customs staff at the airport. For a few weeks over the Christmas 2003 period, heavy passenger loadings and staff leave made it difficult to supply a scout for every arrival flight. This was a temporary situation, which has now been resolved. During this period the dogs were used at other operational areas.

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE
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Question No. 78

Senator Bishop asked the following questions at the hearing on 16 February 2004:

Please provide the current sources of ACS intelligence, within your discretion

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

The Australian Customs Service intelligence function is able to draw on other law enforcement agencies (both Commonwealth and State/Territory), as well as other national resources. Customs also analyses open source information, information provided by industry and information collected by Customs in the course of border regulation, such as cargo manifest data. Customs liaison officers in all regions are tasked with information collection and dissemination, and make personal contact on a regular basis with agencies with a stake in border matters.

Customs is able to draw on partner agencies overseas through its own contacts and liaison network, and through those of other agencies.

Customs has programs in place to encourage reporting by members of the public and industry of matters of possible interest, which have proved valuable.