

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE  
AUSTRALIAN CUSTOMS SERVICE

**Question No. 132**

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

Allegations that ACS personnel may be involved in a sophisticated operation to import marijuana from PNG to Australia via the Torres Strait Island of Daru. Does the internal affairs unit have any investigation underway in relation these allegations?

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

Inquiries were conducted to the extent possible, however, due to the lack of corroboration and detail, the matter did not progress to disclose any issues of substance. The information has been maintained by the Customs Internal Affairs Unit as intelligence. Should further detail or information be forthcoming then inquiries will be regenerated.

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE  
AUSTRALIAN CUSTOMS SERVICE

**Question No. 133**

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

What is ACS doing about excessive waiting times on its Hotline number?

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

To meet the increasing demand for assistance from the public and industry, and to improve the monitoring of call volumes, Customs has installed new call centre technology and associated management systems and recruited an extra fourteen staff for its national call centre, the Customs Information and Support Centre, in Sydney.

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE  
AUSTRALIAN CUSTOMS SERVICE

**Question No. 134**

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

Is there a target waiting time in which hotline calls are to be answered?

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

Customs aims to provide an effective and timely response to all client contacts. In 2004, the Customs Information and Support Centre [CI&SC] responded to more than 533, 000 contacts. The complexity of these contacts impacts on the response times: simple enquiries such as those about duty free goods are responded to quickly, in under three minutes, whereas more complex enquiries may take more than thirty minutes. If there is peak demand, waiting times may increase. Clients are also encouraged to email or fax the CI&SC as an alternative to seeking advice or assistance via the telephone.

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE  
AUSTRALIAN CUSTOMS SERVICE

**Question No. 135**

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

In the reporting period 2003-04: How many foreign crews went missing from their vessels? Of those, how many were apprehended? How many remain at large?

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

The Department of Immigration and Multicultural and Indigenous Affairs has advised that in the 2003-04 financial year, 41 foreign crew were reported as having deserted their vessel. Of those:

- 21 have departed Australia;
- 11 have been granted visas to remain in Australia or have 'unfinalised' visa applications pending; and
- 9 remain unlawfully (at large) in the Australian community with no visa applications pending.

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE  
AUSTRALIAN CUSTOMS SERVICE

**Question No. 136**

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

‘Schoolies’ cruise raids: How many raids have been undertaken prior to the last 12 months?

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

Customs risk assesses cruise ship voyages and undertakes community protection activity on those voyages that are assessed as posing a higher risk. Most 'schoolies' cruises in New South Wales have been subject to varying levels of Customs community protection activity since at least 2000 as a result of such risk assessments. Customs does not have a record of how many "schoolies" voyages were the subject of community protection responses from Customs in the period prior to the last 12 months.

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE  
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**Question No. 137**

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

Of the two 'schoolie' cruise raids in the last 12 months: What risk assessment was undertaken in these particular searches? What were the results of the searches?

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

Risk assessments undertaken by Customs are based on an evaluation of available information, including results from previous operational activity, traveller demographics, other risk indicators and information received. Targeting for closer examination of travellers and goods is based on assessed risk arising from vessel activity at a given time. Customs activity in relation to 'schoolies' cruises is as much focused on travellers who are not school leavers but may be intent on taking some advantage of younger people, as it is those who are there to celebrate the completion of their schooling. During the community protection activity conducted by Customs on the two 'schoolies' cruises there were several positive reactions from Customs drug detection dogs, however no prohibited goods were detected.

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE  
AUSTRALIAN CUSTOMS SERVICE

**Question No. 138**

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

How many officers are engaged in the area of intelligence in ACS?

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

385 Customs staff (378 full time equivalent staff) are employed in Risk Identification and Intelligence Branch (at 31 December 2004).

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE  
ATTORNEY-GENERAL'S DEPARTMENT

**Output 2.1**

**Question No. 139**

**Senator Ludwig asked the following question:**

- a) How many permissions to export human embryos were refused in 2003-04, 2002-03, and 2001-02?
- b) On what grounds were these requests refused?

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

- a) No permissions to export human embryos were refused in 2003-04 or 2002-03. All applications for permission to export human embryos were approved on the basis that they met the criteria set out in subregulation 7(5) of the *Customs (Prohibited Exports) Regulations 1958* as follows:

An application for permission to export a human embryo whose prospective mother is alive:

- (a) must be in writing; and
- (b) must be lodged with the Minister; and
- (c) may be made only by the prospective mother; and
- (d) must be accompanied by a statement from each of the following persons, to the effect that the embryo is being exported for the purpose of implantation in the prospective mother or a relevant woman, if necessary to achieve her pregnancy
  - (i) the prospective mother;
  - (ii) the spouse, if any, of the prospective mother;
  - (iii) the director of the storage centre;
  - (iv) the medical practitioner in the country to which the embryo is being exported who will be responsible for the storage of the embryo; and
- (e) must be accompanied by a copy of the relevant agreement, if any.

Prior to 27 March 2003, there was no system for issuing permissions for the export of embryos under

- b) See answer to question 139 (a).



SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE  
ATTORNEY-GENERAL'S DEPARTMENT

**Output 2.1**

**Question No. 140**

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

Has the request for tender for the study of the National Firearms Management System been released?

- a) If so, when is the closing date for applications?
- b) If so, what tenders have been received to date?
- c) If not, has a date been set for its release?

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

- a) Yes, the tender was released on 12 January 2005 on the AusTender website as an open tender. The tender closed on 25 February 2005.
- b) Seven tenders have been received but, as the evaluation process is currently ongoing, it is not appropriate to disclose the identity of the tenderers.
- c) See answer to question a).

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE  
AUSTRALIAN CUSTOMS SERVICE

**Question No. 141**

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

- a) What is the current status of the Biometric Research and Development Project? Can you give us a run down on the anticipated use of the technology?
- b) In terms of helping the various government agencies keep track of a particular case, will this be better than, say a Tax File Number?
- c) In terms of the technology, and in relation to actually capturing the facial measurements, is it the case that these measurements are stored independently of a photograph that comes with a passport, for example?
- d) Is it the case that when you go through ACS for example, a machine will read your face and compare it to measurements on a photograph or will the machine read your face and compare to a pre-recorded set of facial measurements?
- e) What is the anticipated method of capturing these measurements – will that have to happen in person or from a photograph?
- f) What is the anticipated process of storing these measurements, i.e. for an individual face, will each measurement be tracked separately or is it intended that the individual's set of measurements would be held together?
- g) If they are held together, will they be held together in a certain set sequence?
- h) What is the expected completion date of this project? Have there been any interim reports?
- i) What Departments and Agencies have indicated an interest in the use of biometric technology?
- j) Will there be an identifier attached to an individual's set of measurements, like a file number?
  - i) If yes, please explain further?
  - ii) If no, is that because the set of measurements is itself numerical and therefore capable of being used as a signifier?

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

- a) The provision of \$3.1 million to Customs in the 2004-05 Budget enabled further research and development of the SmartGate trial of the use of biometrics for automated border control. In 2004 Customs extended the SmartGate trial to a second international airport and to holders of prototype Australian biometric passports and selected passengers.
- b) The objective of the SmartGate trial is to explore the use of facial recognition for the purposes of automated border control.
- c) No.
- d) There are currently two types of SmartGate kiosks being trialled by Customs. The original SmartGate kiosk, which has been in operation for over two years, compares the face presenting at the kiosk to the picture of the traveller taken at the time of enrolment. The new SmartGate for ePassports, which has been in operation since December 2004, compares the face presenting at the kiosk with the picture of the traveller stored in the biometrically enabled passport being trialled by Passports Australia.

- e) The image of the person, rather than facial measurements, will be captured in the normal processes of applying for a passport.
- f) No pre-recorded facial measurements are stored.
- g) No pre-recorded facial measurements are stored.
- h) The SmartGate trial is funded by the Government until 30 June 2005. Customs is currently undertaking an evaluation of the trial extension and has prepared an interim report on the findings to date.
- i) The Development of Biometrics for Border Control is a joint programme of Customs, the Department of Immigration and Multicultural and Indigenous Affairs and the Department of Foreign Affairs and Trade (Passports Australia).
- j) No. Pre-recorded facial measurements will not be taken and/or stored.

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE  
AUSTRALIAN CUSTOMS SERVICE

**Question No. 142**

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

- a) Can the Service outline the involvement it has had in the preparation of the Australia-China Free Trade Agreement Joint Feasibility Study being undertaken?
- b) Is the Service able to advise where the feasibility study is up to?

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

- a) Customs has participated in inter-departmental committee meetings on the feasibility study, and has provided advice on relevant aspects of the feasibility study report.
- b) The feasibility study was concluded in March and is publicly available via the Department of Foreign Affairs and Trade website.

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE  
AUSTRALIAN CUSTOMS SERVICE

**Question No. 143**

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

Has the Service made a recommendation to the Minister on the merits of granting China market economy status?

- (a) If so, is the Service able to indicate to the Committee what that recommendation was?
- (b) Has the Service in preparing a recommendation to the Minister on the merits of granting China market economy status consulted with stakeholders in industry on their views?
- (c) If not, why not?
- (d) Was Australia's decision to agree to China's request that FTA negotiations can only begin if we grant them market economy status a poor negotiations tactic – shouldn't we have waited until actual negotiations to trade off for something else?

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

Customs has provided advice on the practical and procedural implications, for anti-dumping, of a decision to grant China market economy status. Customs has also assessed the implications for the effectiveness of the anti-dumping system, if China is no longer treated as an economy in transition.

- (a) The "economies in transition" provisions of Part XVB of the *Customs Act 1901* would no longer apply to China. China would be added to a list of countries, under Schedule 1B to the Customs Regulations 1926, that may not be treated as "economies in transition" for anti-dumping purposes. Customs has concluded that industry would continue to have access to effective remedies for injury caused by dumping, regardless of a decision to no longer treat China as an economy in transition.
- (b) Customs has undertaken industry consultation on the implications of a decision to recognise China as a market economy.
- (c) N/A.
- (d) Customs believes that there will continue to be effective anti-dumping remedies available to industry, regardless of a decision to grant China market economy status.

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE  
AUSTRALIAN CUSTOMS SERVICE

**Question No. 144**

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

Has consideration been given to what impact granting market economy status may have on Australia's ability to take anti-dumping measures against Chinese imports found to be dumped in the Australian market?

- (a) What did that consideration involve?
- (b) Has the Service been involved in any review of anti-dumping provisions should a decision Australia grant China market economy status be taken?
- (c) Is the Service able to advise if Australia were to grant China market economy status whether any changes would be necessary to anti-dumping laws (ie to strengthen them such as providing additional protection, prevent predatory pricing, or addressing cases where Chinese firms might benefit from Chinese Government subsidies)?
- (d) Does the Service consider granting market economy status to China would make a practical difference to our anti-dumping provisions?
- (e) What's the Service's view of the AIG position?
- (f) What's the Service's view of the Andy Stoller (sic) advice?
- (g) Was the Service fully briefed by DFAT on the content of the position and advice prepared by both the AIG and Mr Stoller (sic).

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

Yes.

- (a) Customs examined previous investigation outcomes in order to determine whether market conditions were found not to prevail in respect of domestic sales of like goods to the goods exported to Australia. Customs has also been involved in consultations with industry on this question during 2004 and has noted industry's views on issues of concern.
- (b) Customs has been fully involved in the process of reviewing the anti-dumping system's capacity to continue to effectively address injurious dumped exports from China.
- (c) No. Granting market economy status will not diminish Australian industry's access to effective anti-dumping remedies for injury caused by dumped goods from China.

The general anti-dumping legislative provisions, applying to economies that are neither centrally planned nor in transition, already enable the Minister to consider a range of alternatives to domestic selling price, where appropriate.

- (d) No. Australia's domestic anti-dumping legislation and its rights under the WTO agreements would still be available to protect the legitimate interests of Australian industry.
- (e) Customs understands that the AiG has expressed concern about the prospect of a diminution of the effectiveness of Australia's anti-dumping system in dealing with China, should market economy status be granted. Customs believes that industry will continue to have effective remedies for injurious dumped goods from China, regardless of a decision to grant market economy status.

- (f) Customs has no disagreement with Mr Stoler's advice, which was sought and given in respect of the alignment between Australia's legislation and the WTO Anti Dumping Agreement.
- (g) DFAT sought Customs' views in respect of the advices.

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE  
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**Question No. 145**

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

Has the Service been involved in the preparation of the Prime Minister's visit to China in April?

(a) What aspects of the Prime Minister's visit has the Service been involved in?

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

Customs attended an interdepartmental committee meeting in February 2005 advising on possible Customs issues to be discussed.

a) N/A



SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE  
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**Question No. 146**

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

In relation to the break in at Customs where the servers were stolen, what is the status of all the reviews and investigations into that case? Have they all been completed?

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

All reviews and investigations have been completed.

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE  
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**Question No. 147**

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

In relation to the DSD investigation, given the findings were made available is the DSD report going to be made public?

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

No.

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE  
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**Question No. 148**

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

In relation to the first four Acumen Alliance consultancies in the Annual report, Customs have provided answers that indicate that in part the reason for hiring was because of difficulty in obtaining technical accounting skills at the end of the financial year, however none of these consultancies occurred at the end of the financial year – they all started and concluded between 25 July and 31 October. Could the Service please explain this discrepancy?

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

End of financial year processes are generally not completed until well into the new financial year. For example the preparation and reconciliation of Customs' Financial Statements was mostly completed in July and August, and the financial statements were signed in September. The timeframe for this activity is common to most government agencies and consequently the availability of technical accounting skills is limited during that period.

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE  
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**Question No. 149**

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

- a) Why did Customs require the services of a linguist?
- b) To what intended training package does this consultancy refer?

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

- a) Customs engaged the services of a linguist to provide expert advice and assistance in the development of training material and the delivery of training courses on communication, culture and questioning for Passenger Enforcement officers. These skills are essential for Customs Passenger Enforcement officers' risk assessment of passengers.
- b) The material produced from this consultancy has been, or is in the process of being, incorporated into Customs Trainee and Passenger Enforcement Training courses.

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE  
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**Question No. 150**

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

Can the Service outline the selective tender approach that was taken in engaging the Communications Design and Management consultancy for \$14,960? Who else did you approach and why was only one tender received?

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

Five organisations which were qualified to conduct a threat and risk assessment of the Customs website were invited to quote. They were Communications Design and Management Pty Ltd (the only one to respond), LogicaCMG Pty Ltd, SecureNet Pty Ltd , PricewaterhouseCoopers and Acumen Alliance. Customs is not aware of the reason why more companies did not respond.

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE  
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**Question No. 151**

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

Regarding the consultancy for David Hunt, why wasn't it advertised? What was the product of the broader review conducted by Mr Hunt? Who called for this review? Why was the review deemed necessary? When was the review completed? What were the findings of the review? Is the report available? Who was the report presented to?

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

The consultancy was not advertised because it was the Australian Customs Service (Customs) view that Mr Hunt's skills and attributes to undertake the role were unique. Customs required the successful consultant to have demonstrated experience and expertise in the 'use of force' in a law enforcement environment.

The product provided by Mr Hunt was a document outlining his advice to Customs regarding safety in the Customs operational environment.

The National Director Border Compliance and Enforcement instigated the review.

Customs deemed the review necessary, as it wanted to obtain a professional perspective to an already identified 'duty of care' responsibility for officer safety issues.

The consultancy was completed in November 2003.

The findings were that:

- There has been a markedly increased expectation by Government and the public of Customs over recent years. The focus on counter terrorism, border protection, importation of illegal firearms, drugs, the pursuit of "pirates" in southern waters to protect the fishing industry are but some examples of the changing environment in which Customs worked.
- The increased presence of actual or potential risks to officer safety, particularly in remote and isolated stations. The advice suggested a major upgrade in operational safety training and equipment.

The document is not publicly available.

It was presented to the National Director Border Compliance and Enforcement.

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE  
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**Question No. 152**

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

Regarding the Future Train consultancies, what are the e-learning courses they are working on? What is the target? Is it completed?

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

FutureTrain is involved with the development of one on-line learning program for the Australian Customs Service, "Security Awareness Training". This program has been developed, piloted and evaluated, it is anticipated that it will be available for staff to access by mid April 2005.

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE  
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**Question No. 153**

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

1. Regarding IT Newcom consultancy for \$52,000, which organisations were Customs compared with?
2. What was the product of the benchmarking?
3. Can Customs explain what is meant by 'strength in benchmarking'?
4. Can it be there no one in Customs who is strong in benchmarking?
5. Why wasn't this consultancy advertised when several of lesser value were?
6. Who called for this benchmarking?
7. Why was the benchmarking deemed necessary?
8. When was the benchmarking completed?
9. What were the findings of the benchmarking?
10. Was there a benchmarking report?
11. Is it available?
12. Who was the benchmarking report presented to?

**The answers to the honourable senator's questions are as follows:**

1. Customs was compared to other government agencies, financial services companies and other private sector companies.
2. A "Value For Money Assessment: Findings and Recommendations" report was produced.
3. 'Strength in benchmarking' means that the company has built, and continues to maintain, an extensive database of more than 50 IT outsourcing deals all of which are Australasian and current, that they have developed a sound benchmarking methodology, and that they have a very high level of experience and expertise in this specialist field.
4. To undertake benchmarking, it is necessary to compare Customs with other private and public sector organisations. Customs does not have this type of data.
5. A select tender process was undertaken, in accordance with Customs Chief Executive Instructions (CEIs), as there were only a limited number of companies in the market that had sufficient databases to use for accurate comparative analysis, and due to short term nature and limited scope of work.
6. The benchmark was sought by Customs executive.



7. It was deemed necessary to validate that the current contract with EDS was providing value for money.
8. The benchmarking was completed in September 2003.
9. The findings indicated that Customs contract with EDS was good value for money.
10. A benchmarking report was produced.
11. The report is not available for release.
12. The benchmarking report was presented to the National Manager, IT.

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE  
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**Question No. 154**

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

Regarding the KPMG consultancy for the independent audit of the purchase procedures of foreign currency by the service provider for payment of the Tourist refund Scheme,

- a) Is that audit complete?
- b) Has the report been presented?
- c) Who to?
- d) What were its findings?
- e) Is it available?

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

- a) Yes. The audit was completed by KPMG on 10 September 2003
- b) Yes.
- c) The audit report was presented to Customs Executive, and units within Customs. The report was presented to the Australian Taxation Office as the delivery agency responsible for the Tourist Refund Scheme and copied to the Payment Service Provider (PSP).
- d) The audit found that there were no inconsistencies between the practice of the PSP and the terms of the contract with Customs.
- e) No

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE  
AUSTRALIAN CUSTOMS SERVICE

**Question No. 155**

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

What was the outcome of the anti-dumping investigations by the Law and Economics Consulting Group?

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

The key outcome of the project was the development of a longitudinal database of anti-dumping activity.

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE  
AUSTRALIAN CUSTOMS SERVICE

**Question No. 156**

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

Regarding the Signet external review, is that review complete? Has the report been presented? Who to? What were its findings? Is it available?

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

The Signet Review was completed in 2003. A statement was made to the Senate on this matter on 10 February 2004. This report is classified and will not be publicly released.