

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE  
AUSTRALIAN CUSTOMS SERVICE

**Question No. 203**

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

Regarding the ANAO CEF report...

- a) Could Customs provide a brief rundown on where it is at in terms of implementing the Recommendations made by the ANAO report?
- b) From September 1 2004, please provide a breakdown the numbers of containers selected for inspection by each region, and the percentage of targets that they represent.
- c) What action has Customs taken to properly define the responsibilities of the Target Selection Coordinator?
- d) Have any training or guidelines been developed for this position?  
If yes, when were they implemented?  
If yes, please provide.  
If not, why not?

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

a)

**Recommendation 1**

The Australian Customs Service (Customs) commissioned the services of business analysts to assess the feasibility of using the EXAMS 2 system to manage the logistics of monitoring and tracking containers. Customs considered the options put forward and decided that it was not feasible to redevelop EXAMS 2 to do the necessary work in a timeframe that meets Customs requirements. As a result, the user requirements for a new system have been scoped and Customs Small Systems Development Unit is currently developing it. This includes appropriate training and supporting documentation for the new system, which addresses the issues raised by the ANAO. The response to Question number 201 provides more detail.

**Recommendation 2**

A national project is currently underway to support match evaluation and profile development with reference material regarding patterns of trade. This will be complemented by some specific work undertaken in each of the regions. Mechanisms for review and updating of the data will be included in the project.

Implementation of Recommendation 2 has commenced and will be progressed over the next 12 months. The review and update of the information is ongoing.

**Recommendation 3**

In order to re-evaluate the risk rating for all major countries Customs has completed an assessment focusing on illicit drug importation in sea cargo. A program of work to extend this to other areas of risk is in progress.

Implementation of Recommendation 3 commenced with the assessment on drug importation in sea cargo. It is expected that evaluations of other risks will be completed in the next 12 months and periodically thereafter.

#### **Recommendation 4**

Customs rolled out a new version of its computer system for recording examinations (EXAMS 2) on 13 June 2005. This system addresses the inadequacies of the previous EXAMS 1B system, facilitates the collection of data at the workgroup level and addresses the business rules issues that the ANAO identified. Extensive user acceptance testing of EXAMS 2 has assured Customs that it meets the Container Examination Facilities' (CEFs) reporting requirements.

Customs has been refining its reporting specifications for the CEFs for some months. Once the CEF Key Performance Indicators (KPI) reporting specifications are finalised, the business analyst working on Recommendation 1 will be tasked with assessing the development of standardised reporting templates in Customs Corporate Research Environment.

#### **Recommendation 5**

Customs has addressed the issues identified by the ANAO as part of its development of EXAMS 2.

In consultation with the relevant Customs areas, business rules have been developed to define what constitutes a positive find, how a positive find is recorded in the EXAMS 2 system and the process for completing the EXAMS 2 record. CEF staff have also been briefed on the new business rules.

The 'Help Desk' established to support users of the EXAMS system is conducting ongoing checks on the quality of EXAMS records, assisting users in relation to apparently incomplete examination records, checking the quality of client data being recorded for the examinations and identifying data entry errors, inconsistencies, etc.

#### **Recommendation 6**

Implementation of this recommendation is complete.

The following CEF specific measures have been included in Customs Outcomes/Outputs framework for 2005-06:

- number of containers inspected (x-rayed);
- number of containers physically examined; and
- number of complaints about CEF operations.

#### **Recommendation 7**

Implementation of this recommendation is complete.

Following detailed discussions with its service providers, Customs developed a national framework for the development of logistics plans at each of the CEFs. Respective CEF managers and local service providers have subsequently developed formal logistics plans for imports, exports and late reported cargo.

#### **Recommendation 8**

Customs has analysed the KPIs and service level standards within its existing contracts and has revised some of these KPI in advance of the next round of contract negotiations. The stevedores have agreed to a revised KPI for the delivery of containers to the CEFs, which provides more transparency in measuring their performance and the possibility of containers incurring storage charges. Responses to Question numbers 201 and 218 provide more detail.

Customs has engaged external consultants to conduct a detailed review of the matters identified in this recommendation and the report is due in early July 2005.

b) The following table outlines the number of containers (in twenty-foot equivalent units (TEU)) that the Customs Container examination facilities have inspected (x-rayed) for the period 1 September 2004 to 31 March 2005.

Region	Melbourne	Sydney	Brisbane	Fremantle	Total
CEF Inspection targets (TEU)	22,211	22,211	14,976	11,704	71,101.8
TEU Inspected	22,872	22,298	14,917	12,070	72,157
Inspections as a percentage of targets	103.0%	100.4%	99.6%	103.1	101.5

c) This matter is addressed above in (a) Recommendation 1.

d) There are current Standard Operating Procedures in place at the regional level. As outlined in the above response to Recommendation 1, appropriate training materials and documentation are being developed to support the new system that will be used to manage the logistics of monitoring and tracking containers.