

**LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE**

**EXAMINATION OF BUDGET ESTIMATES 2000 – 2001  
(Supplementary Hearing)**

**ADDITIONAL INFORMATION  
VOLUME 5**

**ATTORNEY-GENERAL'S PORTFOLIO**

**Additional Information Relating to the  
Examination of Expenditure 2000 – 2001**

**February 2001**



## CONTENTS

	Page
<b>Attorney-General's Portfolio</b>	
<b>Examination of Budget Estimates 2000 – 2001 (Supplementary Hearings)</b>	
<i>Answers to Questions on Notice</i>	
Family Court of Australia	754
<i>Early Intervention Project: 'Case Flow Management' Final Report – 12 November 1999</i>	755
<i>Report on the Development of Broadbands for the Client Services And CaseFlow Work Sreams – February 2000</i>	772
<i>Strategic Plan – Draft Revision</i>	782
<i>Resource Planning Model – June 1999</i>	798
Human Rights and Equal Opportunity Commission	819
<i>Submission to the Senate Employment, Workplace Relations, Small Business and Education Committee – Inquiry into the Workplace Relations Legislation Amendment (More Jobs, Better Pay) Bill 1999</i>	820
Director of Public Prosecutions	832
Federal Magistrates Service	837
Australian Customs Service	839
<i>Cargo Management Re-Engineering Business Model (September 2000)</i>	858
Australian Federal Police	913
Attorney-General's Department	930
<i>Australian Protective Service</i>	936
<i>Native Title (referred to Attorney-General's Department by the Senate Finance and Public Administration Legislation Committee)</i>	982
Attorney-General's Portfolio – Dates Received Answers to Questions on Notice	985



SENATE ESTIMATES COMMITTEE  
FAMILY COURT OF AUSTRALIA  
QUESTIONS ON NOTICE

**Senator Ludwig asked the following question at the hearing of 22 November 2000.**

In relation to strategic management consultancies:

Can the Court provide the Committee with documents regarding what has come from the expenditure of \$505,000?

**I am advised that the answer to the honourable Senator's question is as follows:**

Documents with regard to the four strategic consultancies identified at pages 87 to 89 of its 1999/2000 Annual Report have been supplied by the Family Court of Australia. Only the *Executive Summary* and contents page have been supplied in the case of two very large reports but the full reports are available if requested. The four consultancies are the following:

- (a) KPMG Consulting Pty Ltd, development of an early intervention ("Caseflow Management") strategy for the Family Court of Australia.
- (b) KPMG Consulting Pty Ltd, development of a resource management strategy including the creation and handover of a working version of the Resource Planning Model.
- (c) The Value Creation Group Pty Ltd, further development of strategic planning and the Family Court Strategic Plan.
- (d) The Hay Group Pty Ltd, development and implementation of Caseflow and Client Service job competency profiles for Family Court administrative staff.

Additional information is attached.

SENATE ESTIMATES COMMITTEE  
FAMILY COURT OF AUSTRALIA  
QUESTIONS ON NOTICE

**Senator Ludwig asked the following question at the hearing of 22 November 2000.**

In relation to client surveys:

Can you inform the Committee of your final decision: whether you intend to maintain a two-year client survey or move to another system?

**I am advised that the answer to the honourable Senator's question is as follows:**

This question was answered during the hearing. Refer to Mr Phelan's response at L&C page 19.

SENATE ESTIMATES COMMITTEE  
ATTORNEY-GENERAL'S DEPARTMENT  
QUESTIONS ON NOTICE

**Senator Ludwig (Hansard page L&C24) asked the following question at the hearing of 22 November 2000.**

Can the Committee be provided with a copy of the submission made by HREOC on the Workplace Relations Amendment Bill 2000?

**I am advised that the answer to the honourable Senator's question is as follows.**

A copy of the submission is enclosed.

SENATE ESTIMATES COMMITTEE  
ATTORNEY-GENERAL'S DEPARTMENT  
QUESTIONS ON NOTICE

**Senator McKiernan (Hansard page L&C24) asked the following question at the hearing of 22 November 2000.**

How was the fee that is charged for the Privacy Commissioner to speak at business functions arrived at?

**I am advised that the answer to the honourable Senator's question is as follows**

The fee of \$1,500 is set at a commercial rate, which compares with other commercial speakers.



SENATE ESTIMATES COMMITTEE  
ATTORNEY-GENERAL'S DEPARTMENT  
QUESTIONS ON NOTICE

**Senator McKiernan (Hansard page L&C24) asked the following question at the hearing of 22 November 2000.**

Can HREOC provide the Committee with a breakdown of what amounts were solely attributed to presentations?

**I am advised that the answer to the honourable Senator's question is as follows**

Yes. The information is incorporated into the response to Question 120.

SENATE ESTIMATES COMMITTEE  
ATTORNEY-GENERAL'S DEPARTMENT  
QUESTIONS ON NOTICE

**Senator McKiernan (Hansard page L&C24) asked the following question at the hearing of 22 November 2000.**

Can HREOC provide the Committee with detail of the list of functions that the Privacy Commissioner has spoken at since 1 July 1999 and the fee that was charged on each occasion?

**I am advised that the answer to the honourable Senator's question is as follows**

Yes – see the following table.

<b>Date</b>	<b>Event</b>	<b>Fee Charged/ Payment Received</b>
21 July 1999	National Pharmaceutical Services Association Winter Conference 1999 – Privacy, Terrigal	No Charge – Accommodation Paid for by Conference organisers.
26 July 1999	ANAO Seminar – Contemporary Management Issues, Canberra	No Charge
28 July 1999	COMNET Seminar – Privacy Principles - Current Approaches, Canberra	No Charge
30 August 1999	IIR Conference - Data Protection and Information Privacy – Meeting the challenge of compliance in the digital age, Sydney	\$1,500 2 guest passes for staff also received
3, 6 & 8 September 1999	Attorney-General's Public Consultations – Proposed private sector privacy legislation, Melbourne, Sydney and Perth	Not Applicable
23 September 1999	Small Business Coalition – Private Sector Privacy Legislation, Canberra	No Charge
24 September 1999	Macquarie Graduate School of Management – Privacy Issues in an E-world Macquarie University, Sydney	No Charge
5 November 1999	AIIA Annual General Meeting – Public Policy Forum, Melbourne	No Charge
10 November 1999	SES Protective Security Seminar – Privacy and Security Issues, Canberra	No Charge

18 November 1999	Pervasive Computing Conference – Privacy Issues with Pervasive Computing, Singapore	Conference Organiser’s provided funding for travel and accommodation.
24 November 1999	Treasury Seals Roundtable Meeting – From Privacy to Portals: Implication for Seals of Assurance, Canberra	No Charge
29 November 1999	Printing Industries Association of Australia – Private Sector Privacy Legislation, Sydney	No Charge
4 February 2000	RACGP 10th Computing Conference – Can computer systems minimise risk in general practice?, Sydney	No Charge
24 February 2000	Freehill, Hollingdale & Page – Internet Privacy Survey Report, Melbourne	No Charge
8 March 2000	Briefing to delegation of Lawyers from the University of Oslo, Norway Sydney	No Charge
4–7 April 2000	Computers, Freedom & Privacy Conference 2000: Challenging the Assumptions, Canada	No Charge
15 May 2000	Gilbert & Tobin Lawyers – The New Privacy Scheme: A discussion on the proposed new privacy laws and how they will affect your business, Sydney	\$1,500
19 May 2000	Centrelink Privacy Investigation Officers – Privacy and Freedom of Information Access Conference, Canberra	No Charge
21 June 2000	Symantec Roundtable Briefing for Selected IT Media, Sydney	No Charge

SENATE ESTIMATES COMMITTEE  
ATTORNEY-GENERAL'S DEPARTMENT  
QUESTIONS ON NOTICE

**Senator McKiernan (Hansard page L&C25) asked the following question at the hearing of 22 November 2000.**

In relation to the Privacy Advisory Committee, how often and when does it meet?

**I am advised that the answer to the honourable Senator's question is as follows**

The timing and number of meetings of the Privacy Advisory Committee is a matter for the Privacy Commissioner to determine on a needs basis.

SENATE ESTIMATES COMMITTEE  
ATTORNEY-GENERAL'S DEPARTMENT  
QUESTIONS ON NOTICE

**Senator McKiernan asked the following question at the hearing of 22 November 2000.**

In relation to the Privacy Advisory Committee, can you give some detail of who the current members are and how many vacancies there are on it?

**I am advised that the answer to the honourable Senator's question is as follows:**

The current members of the Privacy Advisory Committee are the Privacy Commissioner Mr Malcolm Crompton, Mr Peter Upton, Ms Karen Curtis, Mrs Margaret Smith AO, Mr Graeme Innes AM and Mr Peter Ford. There is currently one vacancy on the Committee.

SENATE ESTIMATES COMMITTEE  
HUMAN RIGHTS AND EQUAL OPPORTUNITY COMMISSION  
QUESTIONS ON NOTICE

**Senator Ludwig (Hansard page L&C26) asked the following question at the hearing of 22 November 2000.**

Can you provide the Committee with a budget for the Privacy Connections Network?

**I am advised that the answer to the honourable Senator's question is as follows:**

The budget for the 2000/2001 financial year is approximately \$120,000.

SENATE ESTIMATES COMMITTEE  
HUMAN RIGHTS AND EQUAL OPPORTUNITY COMMISSION  
QUESTIONS ON NOTICE

**Senator Ludwig (Hansard page L&C26) asked the following question at the hearing of 22 November 2000.**

In relation to the Privacy Connections Network, can the Committee be provided with copies of the final report when it is available?

**I am advised that the answer to the honourable Senator's question is as follows:**

Yes. The report is due to be finalised by the end of January. When the report is completed we will forward a copy to the committee.

SENATE ESTIMATES COMMITTEE  
DIRECTOR OF PUBLIC PROSECUTIONS  
QUESTIONS ON NOTICE

**Senator McKiernan asked the following question at the hearing of 22 November 2000.**

Can you confirm when the Office of the DPP was first contacted on the Reith telecard matter? Who made that contact and what was its nature?

**I am advised that the answer to the honourable Senator's question is as follows:**

The DPP was first contacted by the Australian Federal Police in this matter on 24 May 2000 when a briefing was provided and preliminary advice given. Subsequent to that meeting, the DPP provided advice to the AFP on two occasions in June 2000 relating to technical aspects of the ensuing investigation



SENATE ESTIMATES COMMITTEE  
DIRECTOR OF PUBLIC PROSECUTIONS  
QUESTIONS ON NOTICE

**Senator McKiernan asked the following question at the hearing of 22 November 2000.**

Do you know on which date a brief was provided by the Australian Federal Police for formal consideration by your office on this matter?

**I am advised that the answer to the honourable Senator's question is as follows:**

The DPP first received the product of the Australian Federal Police investigation, supported by a detailed verbal briefing by the Australian Federal Police on 27 September 2000. Draft advice to the AFP was prepared on the 6<sup>th</sup> of October 2000. The final advice was settled on Monday the 9<sup>th</sup> of October and delivered to the AFP with the investigation file on Tuesday the 10<sup>th</sup> of October.

SENATE ESTIMATES COMMITTEE  
DIRECTOR OF PUBLIC PROSECUTIONS  
QUESTIONS ON NOTICE

**Senator McKiernan asked the following question at the hearing of 22 November 2000.**

Can you confirm how and when the Attorney was briefed. What was the manner of the briefing? Was it in writing? Was it in person? If there was a personal briefing, who else was present at the briefing?

**I am advised that the answer to the honourable Senator's question is as follows:**

There was no briefing given to the Attorney-General personally or through his staff or to staff of the Attorney-General's Department before advice was sent to the Australian Federal Police. On Thursday the 12<sup>th</sup> of October the Director and First Deputy Director spoke to a senior officer of the Attorney-General's Department by telephone. The Director spoke from Sydney and the First Deputy Director spoke from Canberra. In these telephone calls advice was given to the officer of the involvement of the DPP in this matter and the Director provided detail to him of the matters upon which the decision had been based and, briefly, the reasons for that decision. This discussion occurred after the Director's decision not to prosecute either Mr Reith or his son had been reported in the media.

At a later time on Thursday the 12<sup>th</sup> of October the Director also spoke to a member of the Attorney-General's staff by telephone from Sydney. In this telephone call the Director informed the staff member of his intention to release a written media statement that day, detail of what the statement would contain and that it would be sent to Parliament House in Canberra for distribution to the media.

The Director was at that time in the process of settling a draft of the media statement, The Director concluded that task and forwarded the draft to DPP Head Office in Canberra by facsimile for typing and release. After discussing the content of the statement with the First Deputy Director, the senior officer in the Attorney General's Department was advised that the Director proposed to make a statement about the matter and what the Director would say.

Apart from the above, no contact or briefing was provided to the Attorney-General by the DPP concerning my decision and no documentation was provided to the Attorney-General or his staff. The Director confirms that neither he nor DPP received any direction as to the release or content of the statement provided to the media on 12 October 2000.

SENATE ESTIMATES COMMITTEE  
DIRECTOR OF PUBLIC PROSECUTIONS  
QUESTIONS ON NOTICE

**Senator McKiernan asked the following question at the hearing of 22 November 2000.**

Was there any discussion between the Office of the Commonwealth Director of Public Prosecutions and the Attorney-General, his office or his department prior to the release of the media statement? If there was, who was that discussion with?

**I am advised that the answer to the honourable Senator's question is as follows:**

See QoN 127.

SENATE ESTIMATES COMMITTEE  
DIRECTOR OF PUBLIC PROSECUTIONS  
QUESTIONS ON NOTICE

**Senator Carr asked the following question at the hearing of 22 November 2000.**

In relation to referrals:

A number of briefs have been forwarded to you from DIMA and DETYA in relation to international education providers. It is in relation to matters relating to ESOS – Education Services for Overseas Students. Can you confirm the dates on which briefs have been forwarded to you?

How many remain outstanding in terms of a response from the DPP, and of those that are outstanding, how long before we are likely to see a decision from the DPP concerning those briefs?

**I am advised that the answer to the honourable Senator's question is as follows:**

The DPP has received one brief from DETYA relating to ESOS. The brief was received on 23 August 2000 in relation to two potential defendants. Further material was sought from the investigator and this was supplied to the DPP on 19 September 2000. On 13 November 2000 the DPP provided preliminary advice in relation to potential Commonwealth offences. Offences against State law are now being considered. There will be a conference with the investigator in the week commencing 18 December and a further advice provided shortly thereafter. The DPP has also been providing ongoing advice during another DETYA investigation.

SENATE ESTIMATES COMMITTEE  
FEDERAL MAGISTRATES SERVICE  
QUESTIONS ON NOTICE

**Senator McKiernan (Hansard page L&C33) asked the following question at the hearing of 22 November 2000.**

Is there such a budget?

**I am advised that the answer to the honourable Senator's question is as follows:**

Budgeted financial statements for the Federal Magistrates Service are included in the Attorney-General's portfolio Additional Estimates Statements 2000-01, which have been tabled since the hearings.

SENATE ESTIMATES COMMITTEE  
FEDERAL MAGISTRATES SERVICE  
QUESTIONS ON NOTICE

**Senator McKiernan (Hansard page L&C36) asked the following question at the hearing of 22 November 2000.**

Do you know how many cases have been filed and resolved to date?

**I am advised that the answer to the honourable Senator's question is as follows:**

The following table shows the statistics for the Federal Magistrates Service for the period July to November 2000.

<b>July-November 2000</b>	<b>Total</b>
<b>Family Law</b>	
Files opened	12073
Applications for divorce	10142
Applications for final orders	1180
Applications for interim orders	1106
Decrees granted	6340
<b>General Federal Law</b>	
Applications received	734
Applications finalised	313

<b>July-November 2000</b>	<b>Total</b>
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Applications received	734
Applications finalised	313

SENATE LEGAL AND CONSTITUTIONAL COMMITTEE  
AUSTRALIAN CUSTOMS SERVICE  
QUESTIONS ON NOTICE

**Senator Coonan (Hansard page L&C 40) asked the following question at the hearing of 22 November 2000:**

In relation to TRS, what does this promotion involve?

**I am advised that the answer to the honourable Senator's question is as follows:**

Customs has developed and implemented two primary Tourist Refund Scheme communication campaigns—one for retailers and one for travellers.

As part of the communication process many retailers are now using TRS products and assistance provided by Customs to promote the scheme in their stores to help increase sales.

The publicity campaigns for the TRS implemented by Customs were approved by the Ministerial Committee for Government Communication and were conducted at a total cost of \$765,883.74.

**What Customs has done so far**

*General*

- conducted research to assist with concept and product testing
- developed a logo to ensure instant recognition at TRS facilities, airports and point-of-sale
- developed a TRS homepage on Customs Internet site
- placed a TRS button on the front of the Customs Internet site for easy access and to increase recognition of logo
- issued a ministerial media release announcing the introduction of the scheme on 11 May 2000
- conducted a national media mailout of information kits to metropolitan, regional and rural newspapers, televisions, and radio stations along with business, retail and travel specialists publications and programs
- promoted Customs contacts on all TRS products including 1300 number, Internet, and email address
- managed public relations issues
- provided detailed questions and answers on the TRS for staff in Customs information centres and developed guidelines for them covering distribution of TRS products and promotion of the scheme
- provided information for inclusion in the ATO's call centre scripts and updates of senator's kits as part of The New Tax System
- ensured key messages about the TRS were included in the ATO's tax reform campaign products such as the essentials supplement and small business and indigenous newsletters

- provided editorial for retail and travel industry newsletters and journals
- briefed key newspaper journalists
- developed life-sized display for use at promotional events such as industry conventions.

### ***Retailers***

- developed and placed print-only advertising campaign highlighting opportunities for retailers in all major retail publications
- conducted a national mailout including a letter from Customs CEO and fact sheet to all members of the Australian Retailers Association
- developed an information/operating kit for retailers including decals, travellers brochure, retailer's fact sheet, checklist for shop assistants and retailer's guidelines
- developed logo specifications for use by retailers to promote sales
- distributed information/operating kits to retailers on request
- prepared and placed articles in industry journals
- encouraged peak industry organisations to link to TRS Internet site

### ***Australian travellers***

- developed a fact sheet for travel agents
- developed a traveller's brochure
- conducted a mailout of travel agents fact sheet, traveller's brochure and letter from Customs CEO to travel agents, tourist information centres and tourist organisations
- operated a display at industry promotional events such as *Getaway*
- included TRS information in Customs booklets such as *Know before you go* and the whole-of-government, Olympic brochure *A must read for visitors to Australia*
- provided information to Department of Foreign Affairs and Trade for inclusion in the booklet which accompanies new issue passports
- provided fact sheets for satchel insertion at travel agents conference

### ***Overseas tourists***

- worked closely with the Australian Tourist Commission providing information and attending the international Tourism Exchange symposium in Sydney
- conducted a mailout of travel agents fact sheet, traveller's brochure and letter from Customs CEO to Inbound Tourism Organisation of Australia (ITOA). The traveller's brochures were provided for inclusion in welcome kits
- conducted a mailout of information to all New Zealand travel agents
- provided information for New Zealand travel agents' newsletter
- operated a display at Inbound Tourism Organisation of Australia symposium in Hobart
- included information on the TRS in *A 'must read' for visitors to Australia*—brochure is translated into 12 languages, 22 language versions are available on the Internet
- distributed traveller's brochure to Customs overseas post and all Australian embassies
- displayed traveller's brochures in arrival halls at international airports.



### ***Non English Speaking Background Australian travellers***

- developed language versions of traveller's brochure in Arabic, Traditional Chinese, Italian, Korean, Spanish, Greek, German, Japanese, Vietnamese and French
- distributed language versions through travel agents, Customs information centres, tourist information centres and airports
- conducted mailout of media kit to ethnic press

### ***Non English Speaking Background Overseas visitors***

- distributed language versions of the traveller's brochure to appropriate overseas embassies

### ***Staff***

- conducted briefing sessions on the TRS for Customs staff around Australia
- established a TRS homepage on the Customs Intranet

### ***Intermediaries***

- provided one-on-one information sessions for industry bodies
- provided information kits

### **What Customs is planning to do**

- Revise all current information products prior to future printing needs. The new traveller's brochure will incorporate maps highlighting the location of TRS facilities at all major international airports and reflect feedback from retailers and travellers.
- Translate the revised traveller's brochure in 10 languages for placement on the Internet.
- Develop a new brochure for travellers leaving Australia on cruise liners for distribution through P & O Cruises.
- Produce a new joint Customs/ATO tax-free shopping guide outlining the four different ways shoppers can buy duty and tax-free in Australia. This will then be distributed through Customs information centres, the Australian Retailers Association, travel agents, tourist information centres and placed on the Internet
- Develop foreign language cards and translated mailback envelopes to assist Customs officers in TRS facilities to communicate with non-English speaking travellers.
- Assess feasibility of delivering a nationwide seminar program with participants including the Australian Taxation Office, the Australian Duty Free Association, the Australian Retailers Association and Customs focusing on the benefits of the scheme.

- Issue media releases focusing on benefits of TRS for retailers and information for travellers.
- Conduct mail out of updated editorial to retail and travel industry bodies.
- Develop newsletter for retailers currently listed on TRO database outlining new products, emerging trends, feedback from retailers and other information about the scheme.
- Conduct mailout of a letter to tourist information centres inviting managers to order revised TRS traveller's brochures, and tax-free shopping guide. Also encouraging them to link to brochure and guide on Internet site.
- Provide TRS information to 400,000 travel agents worldwide for inclusion on their reservation systems through electronic distribution service, Solarnet.
- Conduct a mailout to shopping-centre management Australia-wide.

Attached is a list of the Industry groups contacted during design and implementation of the Tourist Refund Scheme.

## **Industry groups contacted during design and implementation of the Tourist Refund Scheme**

### **Retail Industry Associations**

- Australian Retailers Association
- Jewellers Association of Australia
- Australian Duty Free Association
- Photomarketing Association
- Australian Opal and Gem Industry Association Ltd

### **Domestic Travel Industry Associations**

- Australian Federation of Travel Agents
- Tourism Council of Australia
- Tourism Task Force
- Meeting, Incentives, Convention Events Association
- Australian Hotels Association

### **International Travel Associations**

- Inbound Tourism Organisation of Australia
- Australian Chamber of Shipping
- P&O cruises
- Sydney Ports Corporation

### **Airlines and Airline Bodies**

- Ansett
- Qantas
- Air New Zealand
- Board of Airline Representatives

### **International Airport Operators**

- Sydney Airport Corporation Ltd
- Westralia Airports Corporation
- Brisbane Airport Corporation Ltd
- Gold Coast Airport
- Cairns Port Authority
- Australia Pacific Airport Pty Ltd (Melbourne Airport)
- Adelaide Airport
- Darwin International Airport

### **Tourism/Chamber of Commerce/ Retail Associations**

- Gold Coast Tourism Bureau
- Retailers Association of Queensland
- Tourism Tropical North Queensland

## **Government organisations**

- Department of Industry Science and Resources (Sport and Tourism Division)
- Ausindustry
- Australian Tourism Commission
- Department of Transport and Regional Services
- Australian Taxation Office
- Department of Foreign Affairs
- Department of the Treasury

SENATE LEGAL AND CONSTITUTIONAL COMMITTEE  
AUSTRALIAN CUSTOMS SERVICE  
QUESTIONS ON NOTICE

**Senator Lundy (Hansard page L&C 43) asked the following question at the hearing of 22 November 2000:**

Can you provide the Committee with any documentation relating to the information having been provided to the Office of Government Information Technology?

**I am advised that the answer to the honourable Senator's question is as follows:**

An officer of OGIT was a member of the Customs IT Outsourcing Steering Committee. That person had access to the report containing the Deloitte Financial Evaluation methodology and calculations.

Customs is unable to provide the Deloitte Financial Methodology to the Committee as it is Deloitte's intellectual property.

SENATE LEGAL AND CONSTITUTIONAL COMMITTEE  
AUSTRALIAN CUSTOMS SERVICE  
QUESTIONS ON NOTICE

**Senator Lundy (Hansard page L&C 44) asked the following question at the hearing of 22 November 2000:**

Can you clarify whether the customs broker transactions and key changes to applications were part of the original contract?

**I am advised that the answer to the honourable Senator's question is as follows:**

Customs confirms that they were part of the original contract.

SENATE LEGAL AND CONSTITUTIONAL COMMITTEE  
AUSTRALIAN CUSTOMS SERVICE  
QUESTIONS ON NOTICE

**Senator Lundy (Hansard page L&C 46) asked the following question at the hearing of 22 November 2000:**

Can the Committee be provided with a full assessment of whether or not EDS have met their originally contracted levels of industry development, with detail of any variations of that commitment?

**I am advised that the answer to the honourable Senator's question is as follows:**

EDS (Australia) has met its contractual commitments to Customs with respect to Industry Development, without variations. This is done through its participation in the Australian Federal Governments Partnership for Development (PfD) program.

In maintaining its Industry Development initiatives, EDS continues to procure products and services from local and national small to medium business enterprises (SMEs). Attached is a current list of such companies, as advised by EDS.

**Small to medium enterprises used by EDS in delivering IT Services to ACS**

<b>Service Area</b>	<b>SME</b>	<b>Service</b>
<b>Voice</b>	Phoenix	Video Conferencing
	Phoneware	Telephone information management systems
	CTS	Mobile phone repairs
	Link	Pager services
	Mulitcome	Physical Moves, Adds and Changes (MAC's)
	Necall	Physical MAC's
	ACT Telephones	Physical MAC's
	Voice Point	Physical MAC's
	Nor-west Communications	Physical MAC's
	NJames	Physical MAC's
	Able Communications	Physical MAC's
	DESA	Physical MAC's
	Goodes	Physical MAC's
	Telnet	Physical MAC's
	TAA	Physical MAC's
<b>Human Resources</b>	Lisa Castle and Associates	Ergonomic assessment
	Mastech	Recruitment
	Icon/Adecco	Recruitment
	Davidson Trahaire	Employee counselling

<b>Applications</b>	The Distillery	Software and software maintenance (NIS)
	Isys	Software and software maintenance (TAPIN)
	Bass Software Pty Ltd	Apparel 21 application
	Servitor	Satisfy 98
<b>Bruce Data Centre</b>	Burgess Horticultural	Landscaping services
	Quad Cleaning	Cleaning
	Ladysan	Cleaning
	Ecowise Electrical	Electrical maintenance
	Control and Electric	Building management systems
<b>Quality Assurance</b>	Total Metrics	Function point counting for software development projects
<b>Purchasing</b>	APA	Computer products
	SI Computer Products	Computer products
<b>Software Support</b>	Pathway Consulting	Software support and liaison
	QCOM	Text retrieval system for TAPIN
	CP Systems	Software for EDI
	Daykin Technology	Software for EDI



SENATE LEGAL AND CONSTITUTIONAL COMMITTEE  
AUSTRALIAN CUSTOMS SERVICE  
QUESTIONS ON NOTICE

**Senator Lundy (Hansard page L&C 47) asked the following question at the hearing of 22 November 2000:**

Can the Committee be provided with any documentation that you have either prepared for your own benefit, or indeed, prepared for the purpose of supplying it to any other agency, but with particular interest in OASITO, the Department of Finance and Administration or the Minister's Office?

**I am advised that the answer to the honourable Senator's question is as follows:**

The figures on Costs Savings were publicly announced by the then Minister for Customs and Consumer Affairs, the Hon Warren Truss MP (copy previously provided to the Committee). The same figures were also provided to the Department of Finance and Administration. The Minister for Finance, Mr Fahey, then issued a press release in relation to this matter.

The figures provided were a total savings over five years of \$43.7m, made up of \$22m from competitive neutrality (insurance, sales tax and payroll tax), \$15.3m net in dividends provided to the Treasury and a net savings impact on Customs appropriations of \$6.4m.

SENATE LEGAL AND CONSTITUTIONAL COMMITTEE  
AUSTRALIAN CUSTOMS SERVICE  
QUESTIONS ON NOTICE

**Senator Lundy (Hansard page L&C 47) asked the following questions at the hearing of 22 November 2000:**

- a) Do you have a current assessment as to what proportion of your IT work is contracted to other IT providers other than EDS?
- b) Could you also provide a list of any consultants you have engaged with respect to information technology – not necessarily in conjunction with EDS, but any advice in the form of consultancies?

**I am advised that the answer to the honourable Senator's question is as follows:**

- a) During the year ended 30 June 2000, approximately 10% of IT Services to Customs, based upon expenditure, was provided by IT providers other than EDS.
- b) The list of consultants engaged by Customs during 1999-2000 is below. This list includes those engaged with respect to information technology.

Name of the consultant	Summary description of the nature & purpose of consultancy	Contract price for the consultancy	Selection process used	Whether consultancy was publicly advertised (Y/N)	Justification for the decision to employ consultancy services
Price waterhouse Coopers	Provision of Internal Audit Services	\$ 925,800.00	Open Tender	Yes	Requirement for specialist/professional expertise
Price waterhouse Coopers	Peoplesoft (Human Resource Information System) Implementation	\$ 602,503.00	Selective Tender	No	In-house expertise unavailable or not readily available
Computer Sciences Corporation	Project Manager for National Intelligence System	\$ 172,857.75	Selective Tender	No	In-house expertise unavailable or not readily available
Hinds Workforce Research	Conduct of Staff Opinion Survey	\$ 139,400.00	Direct Engagement - Previously demonstrated these skills	No	Requirement for specialist/professional expertise
EDS Australia	National Illicit Drugs Strategy IT Initiative Project Management	\$ 126,000.00	Selective Tender	No	Requirement for specialist/professional expertise
Strategic Management Services	Workforce Planning Project	\$ 123,520.38	Direct Engagement - Particular expertise in the field	No	Requirement for specialist/professional expertise

KPS & Associates Pty Ltd	Delivery of Certificate IV in Fraud Control (Investigation) Training	\$ 108,557.85	Selective Tender	No	Requirement for specialist/professional expertise
Chimo P/L *	To Upgrade Customs Website	\$ 104,220.00	Open Tender	Yes	In-house expertise unavailable or not readily available
Airplan Airport Planning P/L	Computer Simulation of TRS Impact on Passenger Flows at Airports	\$ 100,300.00	Direct Engagement - Particular expertise in the field	No	Requirement for specialist/professional expertise
Acumen Alliance	Project Management of Implementation of the New Tax System	\$ 82,537.00	Open Tender	Yes	Requirement for specialist/professional expertise
University of Canberra	Assistance in the Development and Delivery of the Commercial Education Program (CEP)	\$ 74,384.00	Extension of previous or existing contract	No	In-house expertise unavailable or not readily available
Price Waterhouse Coopers [NSW]	Provision of Professional Advice in Relation to Cost Analysis relevant to Cargo Management Reengineering	\$65,573.64	Direct Engagement - Particular expertise in the field	No	Requirement for specialist/professional expertise
Bligh Voller Nield P/L	Project Designers and Managers for TRS facilities	\$ 60,379.50	Selective Tender	No	Requirement for specialist/professional expertise
Accumen	Provide Independent IT Related Professional Services	\$ 58,023.00	Direct Engagement - Previously demonstrated these skills	No	Requirement for independent advice/services
Price Waterhouse Coopers	Provide Support and Advice for the Output Pricing Review - Planning, Costing/Pricing Methodology, Benchmarking	\$ 46,938.00	Extension of previous or existing contract	No	Requirement for specialist/professional expertise
Power of Ten	Study on Customs Information Management Requirements	\$ 45,000.00	Selective Tender	No	Requirement for independent advice/services
Deakin Consulting Pty Ltd	Provide Professional Services in relation to Information Management	\$ 44,400.00	Selective Tender	No	Requirement for specialist/professional expertise
Tanner James Management	Provide Professional Advice in Relation to the Provision of Project Management Methodology	\$ 42,800.00	Sole Qualified/Suitable Supplier	No	Requirement for specialist/professional expertise
Skill Resource Management Systems	Review of Operational Command Training	\$ 42,000.00	Open Tender	Yes	Requirement for independent advice/services
JUBILEE Event Managers (JEM)	Provide Professional Services in relation to the Staging of Industry Consultation Seminars throughout Australia.	\$41,777.65	Open Tender	Yes	In-house expertise unavailable or not readily available
Australian Institute of Criminology	Provision of a Report on Goods and Services Tax Risks for Customs.	\$ 40,000.00	Sole Qualified/Suitable Supplier	No	Requirement for specialist/professional expertise

BOEING	Business Analysis	\$ 39,999.00	Selective Tender	No	In-house expertise unavailable or not readily available
CPM Consultancy	Provide organisational development services	\$ 38,400.00	Direct Engagement - Previously demonstrated these skills	No	Requirement for specialist/professional expertise
Customs Management Advisory Service P/L	Training Needs Analysis for PNG Customs	\$ 32,740.00	Direct Engagement - Particular expertise in the field	No	Requirement for specialist/professional expertise
Ernst and Young	Expert Treasury / Cash Management Advice	\$ 32,275.00	Selective Tender	No	Requirement for specialist/professional expertise
Hinds Workforce Research	Development and Implementation of Post Survey Strategy	\$ 30,750.00	Extension of previous or existing contract	No	Requirement for specialist/professional expertise
Meta Group	Provide Research and Analysis focused on the management of shared computing infrastructures and applications.	\$30,000.00	Selective Tender	No	Requirement for specialist/professional expertise
CSIRO	Provide Professional Advice in Relation to Cargo Risk Assessments	\$ 30,000.00	Direct Engagement - Particular expertise in the field	No	Requirement for specialist/professional expertise
Gartner Group	Services in relation to IT Outsourcing	\$20,000.00	Direct Engagement - Particular expertise in the field	No	Requirement for specialist/professional expertise
Mr Peter Rodgers	Review of Internal and External Communication	\$ 20,000.00	Direct Engagement - Previously demonstrated these skills	No	Requirement for specialist/professional expertise
Milne and Company Pty Ltd	Provision of Professional Advice in Relation to the Accredited Client Scheme	\$ 20,000.00	Direct Engagement - Particular expertise in the field	No	Requirement for independent advice/services
Knott and Associates	Develop Border Training Material	\$ 16,504.00	Selective Tender	No	In-house expertise unavailable or not readily available
McConchie & Curlewis	Review of Library Services	\$ 13,922.20	Open Tender	Yes	Requirement for specialist/professional expertise
Price Waterhouse Coopers (NSW)	Employed to Provide Professional advice in relation to Dumping Investigations	\$ 13,784.80	Direct Engagement - Particular expertise in the field	No	Requirement for specialist/professional expertise

Finn Carlyle Pty Ltd	To Develop a Recruitment Profile and Training Regime for Targeting Officers	\$ 13,300.00	Direct Engagement - Previously demonstrated these skills	No	Requirement for specialist/professional expertise
Total Metrics	Function Point Count Analysis	\$ 13,027.00	Sole Qualified/Suitable Supplier	No	Requirement for independent advice/services
Walter and Turnbull	Review of Year 2000 Remediation and Contingency Planning	\$11,385.00	Direct Engagement - Particular expertise in the field	No	Requirement for specialist/professional expertise
Admiral Mgt Services	Review Progress Towards Year 2000 Remediation and Provide a Report	\$9,000.00	Direct Engagement - Particular expertise in the field	No	Requirement for independent advice/services
Ernst & Young	Financial Advisory Services	\$ 8,000.00	Direct Engagement - Particular expertise in the field	No	Requirement for specialist/professional expertise
KPMG	Audit of Price Review Model	\$ 7,500.00	Direct Engagement - Previously demonstrated these skills	No	Requirement for independent advice/services
Knott & Associates	Course Design and Development	\$ 7,500.00	Direct Engagement - Previously demonstrated these skills	No	In-house expertise unavailable or not readily available
Bywater McLean	Organisational Self Assessment	\$ 6,703.40	Extension of previous or existing contract	No	Requirement for specialist/professional expertise
Falls Corporate Research	Conduct of series of Customer Satisfaction Surveys of Business Managers who are Responsible for Applications Development	\$6,267.95	Selective Tender	No	Requirement for independent advice/services
Integra P/L	Management Consultant for facilitation of Regional Management Conference	\$3,850.00	Direct Engagement - Particular expertise in the field	No	Requirement for specialist/professional expertise
Access Australia CMC Pty Ltd	Provision of Professional Advice in Relation to the Making of a CD ROM on Cargo Management Reengineering	\$ 3,750.00	Direct Engagement - Particular expertise in the field	No	In-house expertise unavailable or not readily available

Computer Sciences Corporation	National Intelligence Systems Australian Communications Security Instructions 37 Certification	\$3,025.00	Direct Engagement - Particular expertise in the field	No	Requirement for specialist/professional expertise
Access Care P/L	Conducted Leadership Program to Assist in Culture Change	\$ 2,950.00	Extension of previous or existing contract	No	Requirement for specialist/professional expertise
Gregory Summers	Development of Security Operating Procedures for the National Surveillance Centre	\$ 2,500.00	Direct Engagement - Particular expertise in the field	No	Requirement for specialist/professional expertise
Australian Quality Council	As part of Customs Quality Management program, a group of high school students undertook a quality improvement initiative in Customs	\$ 1,800.00	Direct Engagement - Particular expertise in the field	No	Requirement for specialist/professional expertise
Australian Federation of International Forwarders	Provision of Professional Advice on Industry Consultation Matters	\$ 1,630.00	Direct Engagement - Particular expertise in the field	No	Requirement for independent advice/services
Prof Alan Welsh ANU	Consultancy (Benfords Law)	\$ 1,500.00	Sole Qualified/Suitable Supplier	No	Requirement for specialist/professional expertise
Prof Byron - School of Business	Passenger Processing Program Development	\$ 630.00	Direct Engagement - Particular expertise in the field	No	Requirement for specialist/professional expertise
TOTAL	52	\$ 3,489,665			

\* Work spans 1999/2000 - 2000/2001 with bulk of work done in 2000/2001. Price is GST inclusive.

SENATE LEGAL AND CONSTITUTIONAL COMMITTEE  
AUSTRALIAN CUSTOMS SERVICE  
QUESTIONS ON NOTICE

**Senator Lundy (Hansard page L&C 51) asked the following question at the hearing of 22 November 2000:**

Can you provide the Committee with full details of your proposals with respect to cargo management re-engineering and also, very specifically, the business model, the business case, behind that endeavour?

**I am advised that the answer to the honourable Senator's question is as follows:**

The business model is attached. This contains the full details of the proposal.

## **SUPPLEMENTARY BUDGET ESTIMATES HEARINGS – 22 NOVEMBER 2000.**

### **To elaborate on Mr Woodward's response to Senator Lundy's questions on the Customs Connect Facility Hansard pages L&C pages 47 to 51.**

The Customs Connect Facility (CCF) is not replacing the Tradegate hub. Rather it is replacing the front end processing previously provided by Customs and currently provided by EDS. Tradegate services do not connect directly into Customs mainframe systems. Electronic Data Interface services from Tradegate go through a Customs gateway or 'hub' that carries out edit and queue management functions. It is this 'hub' that is being replaced. The modernisation of the facility will enable more varied communication choices for Customs clients. Tradegate can continue to provide communication services along with other service providers to the import/export community. The CCF will not be providing services in competition with Tradegate or any other service provider.

The current process for interfacing with Customs systems is:

- Carriers, brokers etc interface to Tradegate, either directly or via a service provider
- Tradegate links to Customs:
  - EDI traffic is managed via a Unix front end processor
  - Interactive traffic is managed via a front end Unisys DCP (which also manages the interface to the Mainframe for Customs staff)
- The front end Customs/EDS processors link to the Unisys 6800 Mainframe where transaction processing takes place.

Pre outsourcing Customs owned and operated the front end processors for validation and queue management. These services were always in scope for outsourcing. Similarly the modernisation of those services associated with re-engineering was always in scope for outsourcing.

The intention was always that EDS would operate the modernised CCF (either directly or through a sub contractor). It was envisaged that the development of the facility and the software maintenance roles could be sub contracted.

Customs issued a Request for Information document to industry on 29 March 1999 to obtain an indication of what options may be available and to obtain the views of client groups. That document clearly stated that EDS was the provider of IT services to Customs and that Customs would share the replies with EDS.

The decision to replace Unix as the target platform (to replace the Unisys Mainframe environment) with a combined IBM System 390 and AIX environment altered the nature of the sub contracting requirement as the new target platform includes web interface and message handling software. The customisation of that software will be sub contracted to IBM.



Tradegate currently has a monopoly on the right to interface to the Customs front end. It was appropriate that this arrangement existed during the formative stages of electronic commerce. It is no longer appropriate given the penetration of electronic commerce in the import and export arena, and given the changes in the market place.

There is no additional revenue stream to EDS associated with the way CCF is now to be constructed. Revised pricing for production processing associated with the change from Unix to System 390 was agreed with EDS. That revised pricing reflects the different cost structures between System 390 and Unix. Customs believes the marginal increase in production charges are reasonable in light of the benefits of maintaining a mainframe environment. In settling that pricing EDS agreed to include the development and operation of the CCF at no additional charge.

Industry costs are based on charges from carriers and ISPs used to connect to Tradegate, Tradegate charges and Customs costs. Following CMR it is expected that Customs costs will be lower and the availability of choice in the way that clients link to Customs will also reduce costs incurred by industry. The Customs costs are cost recovery charges related to the processing of import documentation.

The matters raised in the Daily Commercial News article referred to by Senator Lundy were responded to in a letter from the National Director Office of Business Systems. A copy of that letter is attached.

**AUSTRALIAN CUSTOMS SERVICE**

**CARGO MANAGEMENT RE-ENGINEERING**

**BUSINESS MODEL**

[REVISED SEPTEMBER 2000]



# **CARGO MANAGEMENT RE-ENGINEERING**

## **BUSINESS MODEL**

### **Table of Contents**

	Page
<b>1. EXECUTIVE SUMMARY</b>	1
<b>1. BACKGROUND</b>	
2.1 Project Initiation	4
2.2 Risk Management: Strategic Overview	5
<b>3. PROJECT OBJECTIVE AND SCOPE</b>	8
<b>4. BUSINESS MODEL</b>	
4.1 Model Overview	9
4.2 The Accredited Client Program	13
4.3 Import Declarations	18
4.4 Import Cargo Reports	23
4.5 Export Declarations	26
4.6 Export Cargo Reports	31
4.7 Export of Like Customable/Excisable Goods	34
4.8 Underbond Movements	35
4.9 Outturns	39
4.10 Data Requirements	42
4.11 Single Window and Co-regulation	48
<b>Glossary</b>	49



## 1. EXECUTIVE SUMMARY

A program of consultation with industry and government agencies to identify their cargo management business needs commenced in March 1996. Initially this was known as the Cargo Management Strategy. In November 1997, following the outsourcing of Customs information technology, it was determined that a comprehensive re-engineering of cargo management processes was necessary. This decision was based on several factors:

- the commitment of the Australian Government to online service delivery
- globalisation of trade
- the industry trend towards integrated supply chain management
- rapid expansion in internet usage by business
- the Government's aim to provide a single window to government
- the need to avoid the duplication of data
- the opportunity presented by outsourcing Customs information technology (IT) facilities,
- the need to integrate and modernise current Customs IT applications.

In addition, it was clear that without significantly changing the current cargo management systems, Customs would not be in a position to meet its future obligations to government nor meet industry expectations.

The model reflects four main conceptual elements identified during the initial consultation period:

- identification of high risk cargo prior to arrival through the receipt of accurate timely information
- intervention by exception
- flexible declaration arrangements for Accredited Clients, and
- periodic entry and deferred duty payment.

There are four primary considerations underpinning Cargo Management Re-engineering (CMR):

- reducing costs through the adoption of new business processes and technologies
- rationalisation of government requirements based on greater co-operation and co-ordination between government agencies
- rationalisation and integration of government business processes, and
- provision of quality information to Government agencies.

The business process proposals outlined in this document represent one of the major outputs of the investigation phase of the project. They have been designed to allow maximum flexibility for tailored arrangements to meet government requirements at the least disruption to industry. Legislation and procedures underpinning this flexibility will provide:

- minimum base standard procedures, and
- individually agreed variations based on the level of risk presented by entities concerned.

Arrangements with industry will be available to service providers as well as to importers and exporters.

Essentially, the minimum base standard procedures reflected in the model will provide for the following changes to existing arrangements:

- adoption of a flexible tailored approach for importers, exporters and service providers which will include, but not be restricted to, periodic declaration and deferred payment of duty
- the integration of Customs systems
- self-assessment of eligibility for the cargo 'revenue exempt' concession
- a new compliance monitoring and improvement regime covering all aspects of the import/export chain based on legislative and administrative sanctions
- options for combined presentation of cargo report and declaration information
- streamlined arrangements for temporary imports, transshipment cargo and underbond movements, and
- improved technology and processes to aid the risk assessment of cargo.

The integration of Customs systems together with the introduction of new research tools will significantly improve Customs research ability. This together with improved technology and processes will enhance the ability of Customs and other agencies to identify high risk cargo and to facilitate the movement of low risk cargo.

Arrangements with industry which vary the minimum standard procedures will be developed individually in conjunction with the Australian Quarantine and Inspection Service (AQIS), the Australian Bureau of Statistics (ABS) and relevant Permit Issuing Authorities (PIAs). Customs agreements will be approved by the Customs Chief Executive Officer (CEO) but it is recognised that organisations may enter into agreements with other agencies.

A risk analysis of the model has highlighted areas of risk which have been assessed and appropriate treatments identified. These treatments form the basis of the proposed new processes and will be further developed following finalisation of the CMR business model.



## **2. BACKGROUND**

### **2.1 PROJECT INITIATION**

In 1996 Customs commenced an examination of the continued effectiveness and efficiency of its systems against a changing commercial and technology environment.

In April 1997 Customs published a major strategy document on the approach to cargo management - the Cargo Management Strategy (CMS). The primary recommendations of the strategy were for the development of tailored agreements with clients, the integration of Customs systems, increased co-ordination across government agencies and a closer working relationship with industry.

In the context of outsourcing Customs IT infrastructure, a review of the Customs IT capabilities was conducted. The review confirmed that Customs systems were complex, had little or no integration and co-ordination between different applications, and would prove increasingly costly to maintain if they were not modernised and re-hosted.

In December 1997, after further consultation with industry and relevant government agencies, Customs concluded that there was a need to re-engineer its cargo systems. Importantly, it was recognised that this would need to involve a consideration beyond Customs to provide greater integration of government systems as a whole for export and import communities.

In April 1998 the Division of Office of Business Systems was established to undertake reviews of Customs business systems and processes, the first of these being the CMR project. Customs has maintained close liaison with AQIS and ABS throughout the investigation phase. Other agencies participate in the project through workshops, direct consultation and the establishment of the High Level Reference Group, at which stakeholder agencies attend on an issues and interest basis.

An Industry Reference Group comprising senior executives of parties involved in the importation or exportation of cargo and chaired by Mr Richard Humphry AO, CEO of the Australian Stock Exchange was established to provide a strategic industry perspective to the CMR Project.

## 2.2 RISK MANAGEMENT: STRATEGIC OVERVIEW

### Context

Re-engineering the business processes and associated systems that support the import and export of cargo to and from Australia is a significant undertaking for all participants. Government and industry groups are aware that changes to current practices pose a series of risks to the facilitation of the movement of cargo and protection of the community.

Risk analyses by workshops with a wide coverage of stakeholder participants have identified the context in which the import and export of cargo exists. The context in which the CMR processes operate can be summarised as:

#### *Government*

- Community protection
- Facilitation of the movement of legitimate cargo
- Industry protection
- Collection of revenue
- Collection and publication of timely and accurate trade statistics
- Single window to government, and
- Identification of opportunities for adoption of co-regulation.

#### *Customs*

- Identification of high risk cargo before arrival
- Control of high risk cargo
- Ensuring all cargo is brought to account
- Cargo facilitation
- Community protection from prohibited goods
- Collection of revenue
- Recovery of relevant costs
- Satisfaction of client agency needs
- Achievement in Key Result Areas, and
- Compatibility with international cargo management developments.

#### *AQIS*

- Community protection from human disease, plant and animal pests, control of export for primary products
- Regulation of goods of interest, and
- Recovery of costs.

### *ABS*

- Collection of trade statistics
- Collation, analysis and report of information, and
- Service to clients.

### *ATO*

- Collection of GST revenue
- Operation of ABN system, and
- Collation of information on trading entities relating to GST transactions.

### *Other PIAs*

- Community protection, and
- Maintain integrity of the permit-issuing regime.

## **Industry**

Ideally, industry participants would prefer to deal with government in an integrated way that allowed processes to be predictable and transparent.

The key drivers for industry can be summarised as:

- Fast, reliable, adaptable, flexible, paperless, cost efficient processes
- Minimal special government data requirements
- Single access for all cargo system users
- Confidentiality, and
- Government intervention by exception.

## **Risk Identification**

Given the context in which the government operates, it can be seen that the key risks posed by the movement of cargo to and from Australia are focused on two main areas:

*Community Protection* issues that arise from the potential for importation of:

- drugs
- plant/animal diseases or pests
- prohibited goods
- counterfeit goods, and
- goods protected by international treaties.

Secondly, the import or export of some goods can pose an economic or political risk to the community in a financial manner:

- evasion or under collection of revenue
- financial damage to Australian industry
- unreliable trade statistics, and
- loss of standing in international forums.

Further risks can be identified in the exportation of:

- restricted goods
- dangerous goods, and
- goods protected by international treaties.

Industry faces significant risks if the cargo management systems do not operate effectively. The major risks for industry are:

- lack of reliability and predictability
- increased costs due to cargo delays caused by poor processes
- increased costs due to bureaucracy, and
- financial damage to Australian industry.

### **Risk Analysis, Prioritisation and Treatments**

Each of the risks detailed above is considered significant enough to warrant treatment. The CMR model (see Section 4) is the vehicle for the integrated treatment of those risks. The main features are the accurate identification and control of high risk cargo before arrival or departure, cargo reported and acquitted using risk management techniques and clients able to access facilitated processes where they represent a demonstrably low risk.

The CMR model has been developed in close consultation with the Customs Risk Management team. Throughout the investigation phase, regular sessions have been held with Risk Management members to analyse the identified risks, with logical treatments assigned.

### **Monitor and Review**

In addition to the formal internal assessment of the CMR model, stakeholders have had the opportunity to review the model throughout the discussion forums held in September and October 1999.

### **3. PROJECT OBJECTIVE AND SCOPE**

#### **Objective**

To introduce new cargo management processes and systems to greatly improve the effective delivery of services to government, industry and the community.

#### **Scope**

The CMR project is to review all processes related to the report, control and clearance of imported and exported cargo including implementing the recommendations of the CMS report and the high level concept developed in consultation with government and industry stakeholders.

While the import and export of postal consignments remains within scope, postal control processes have not been addressed in this proposal. Initiatives within this area are being advanced through international projects being developed within the Office of Business Systems, Electronic Commerce Section. Electronic inward and outward clearance of aircraft and vessels is within project scope and is being developed in conjunction with the Border Operations Branch.

Considerable effort has been devoted to the identification of problems/opportunities to be addressed in the project. In summary, issues relating to data quality and/or source, management, legislative constraints, systems and IT processes, as well as the competing needs of different government agencies were assessed against processes relating to imports, exports, data flows and collections. The project has been developed to reflect the outcomes of these considerations.

## **4. BUSINESS MODEL**

### **4.1 MODEL OVERVIEW**

The proposed CMR business model reflects the high level concept agreed with agencies and industry prior to initiation of the project. This document also reflects a comprehensive review of the current import and export cargo processes, consideration of stakeholders' stated needs and requirements and discussions of the proposals with senior government and industry representatives.

The defining feature of the model is the facility to develop flexible processes that may be fully integrated with the business practices of different industries or organisations. A deliberate effort has been made to move away from the notion of 'one size fits all' so that different treatments and relationships can be developed based upon the assessed risks such clients represent and the needs of the individual concerned.

Another key consideration in the development of the model was for a shift from current stand alone applications to an integrated suite that is seen by the importing and exporting community as one system. Wherever possible, a single window to government philosophy to facilitate dealing with different sectors of government has been adopted.

The model can be considered as one system, with different segments of information to be provided by the relevant party. All the information provided to the system will be processed by one computer application. Customs and AQIS will continue to have regulatory requirements which industry must satisfy for the risk assessment and facilitated movement of legitimate cargo. The specific process through which that will be achieved is contained in the business model descriptions later in this section.

Viewed from a high level, cargo reporters (airlines, shipping companies and freight forwarders) must report cargo prior to the arrival or departure of that cargo. Importers/exporters (or their agents) will be required to declare details of the shipment prior to release for import or export. The amount of information required in that declaration depends on whether the importer or exporter belongs to the Accredited Client Program. Where the cargo reporter and the import/export agent is the same entity, a combined report can be made that supplies all information in one report.

Throughout this document the term 'co-regulation' is used in the context of particular administrative arrangements that an entity may utilise in dealing with government. It should not be interpreted narrowly. That is, it may apply to importers, exporters and service providers with the terms of agreements depending on the type of business and the benefits agreed.

From a technical perspective, it is proposed that all cargo reports and most declarations will be made electronically through e-commerce transactions with Customs. Access to information such as 'status' will be made available to different parties through a variety of connection mechanisms (eg, Internet).

### **New Import Procedures**

A fundamental principle of the CMR business model is that cargo reporters must make a report of all cargo to be landed from an aircraft or vessel prior to arrival. This information and information from other sources is critical for Customs and AQIS to make risk assessment decisions.

Customs proposes that flexible arrangements be developed for import cargo. Importers will have the option of applying to use the arrangements and acceptance will be based on that importer's compliance history as well as the commodity being imported.

Importers who have been accredited to use the flexible arrangements will adopt a two-stage process to declare and take delivery of eligible cargo. Firstly, an importer (or broker) will lodge a "claim" for the cargo, which will be known as a Request for Cargo Release (RCR). This claim will supply enough information to uniquely identify the importer and the consignment. Other information will also be provided to ensure the consignment packing method poses no quarantine risk. Once the cargo has been claimed, and all other risks have been assessed, a release will be transmitted to the relevant airport or wharf.

Importers will be able to lodge a claim for each consignment that they import over the period of a month. At the end of the month, the second part of the two-stage process is completed. The importer or broker will lodge a declaration that contains all the other information required by Customs, AQIS and the ABS. Tariff, valuation, origin and other commercial information can be aggregated through this process so that this declaration provides a full accounting of all the shipments that have been claimed in the previous month. Eligible importers who use this two-stage process will be able to defer the payment of most revenue charges.

Customs will continue to provide a facility for those importers who wish to lodge commercial information on a transaction-by-transaction basis or who do not have accreditation. Eligible importers in this category will also be able to defer the payment of most revenue charges.

### **Low Value Shipments**

The CMR Model proposes the introduction of a self-assessment regime for the clearance of low value shipments (Revenue Exempt Declarations). This will replace the current arrangements where Customs officers screen and release consignments that are under a particular value threshold.

Cargo reporters (if the information is known to them at the time of report) or brokers may make an assessment to determine whether a consignment meets the Customs/AQIS criteria for low value shipments. If the consignment has been declared as meeting the criteria, a release for the goods will be transmitted to the relevant premise.

Customs will develop an electronic facility known as Simplified Import Declarations (SIDs) to replace the current manual Informal Clearance Document (ICD) system. SIDs will be used for the clearance of consignments that fall outside the criteria for low value shipments, and that also have a value that is lower than the minimum threshold for an Import Declaration.

### **Combined Reporting**

In many instances, the broker who is handling the clearance for an importer is also the freight forwarder or carrier who makes the cargo report. In such cases, the CMR Model provides a combined reporting option so that both import declaration and cargo report can be made simultaneously. This will be particularly beneficial to air couriers who carry a large proportion of cargo that fits this profile.

### **Underbond Movements**

One intention of CMR is to deal with cargo in a streamlined, simple way. Under CMR proposals, once a consignment has been reported and risk assessed that cargo can be moved to another premise for delivery. Cargo reporters will no longer be required to make a separate application to move cargo from premise to premise or state to state. All information will be contained in the cargo report.



Another significant benefit of the CMR proposal is the facility for importers to take delivery of a consignment in the port of discharge provided necessary formalities have been completed.

### **Temporary Importations and Transshipments**

New procedures for dealing with temporary importations and transhipped cargo are proposed under CMR. Briefly stated, when goods are identified as being imported into Australia for a temporary period, due to being goods under security or being transhipped to another country, such consignments will be allocated a transaction number that is to be used in all future communications regarding the consignment. In the case of temporary importations, the importer or broker will be advised of the transaction number at the time of import declaration. This transaction number must be quoted when the goods are being exported to acquit the transaction.

Similarly, a cargo reporter will be advised of a transaction number for imported cargo with an overseas destination. Once again, this transaction number is quoted to acquit the cargo when the goods are being exported.

### **New Export Procedures**

It is proposed that flexible arrangements be developed for export cargo. Exporters will have the option of applying to use the arrangements and acceptance will be based on that exporter's compliance history as well as the commodity exported. Accredited exporters will be approved to periodically declare their low risk exports. It is proposed that these exporters will be able to provide a pre-allocated reference number to their cargo reporter for each shipment. The cargo reporter will report this information to Customs prior to export. At the end of each month, the exporter will provide an acquittal of all shipments exported in the past month. This acquittal will contain all the information required by Customs and ABS.

## **4.2 THE ACCREDITED CLIENT PROGRAM**

### **The Concept**

The Accredited Client Program is being developed in conjunction with CMR. The Program is designed to provide enterprises involved in importing and/or exporting goods, which are assessed as being highly compliant and posing a lesser risk to the Australian community, with the opportunity to develop a more flexible business relationship with government.

Under the Program the CEO of Customs, in consultation with relevant government agencies, may enter into an agreement with enterprises regarding their systems and control procedures.

Accredited Clients will continue to be subject to Customs community protection requirements imposed by legislation. This includes submitting a cargo report prior to the arrival of goods and obtaining relevant permits from the appropriate Permit Issuing Agencies.

### **The Benefits of the Program**

In broad terms this is a co-regulation arrangement between a trading entity and government to achieve mutual benefits in compliance and trade facilitation. For government the Program will promote improved compliance and encourage a risk managed approach to client management within Customs, and other government agencies.

The diverse nature of Australia's trading community means different clients will identify distinct benefits to becoming an Accredited Client. The Accredited Client Program is designed to allow government, wherever possible, to tailor administrative arrangements to deliver benefits identified by individual accredited clients. This tailoring is limited to adjustments that do not require changes to legislation.

Examples of the types of changes the Program may encompass include:

- minimal information provided for clearance of cargo, with other information provided on a periodic declaration at a later date;
- alternative cost recovery model for importers, based on the cost of reporting to Customs on a periodic rather than transactional basis; and

- clearance of goods with minimal government intervention for accredited clients as Customs and other border agencies will focus their resources on higher risk goods.

### **Assumptions**

The following assumptions have been made in designing the Program:

- appropriate legislative changes will be made to cater for the Accredited Client Program.
- arrangements for accredited clients will be negotiated on a whole of government basis and will address risk issues applicable to all relevant agencies.
- the concept will involve a co-operative approach to managing risk.
- a performance monitoring and improvement framework will be developed. This will involve on-going monitoring and continuous feedback to clients on their performance. Should an issue arise, government should assist the client to rectify the problem and prevent its repetition.

### **Business Documents for the Program**

There will need to be an amendment to the *Customs Act* to create the required head of power for the operation of the Accredited Client Program. The required amendments will be addressed in the same Bill as the legislative changes being made to accommodate CMR.

Business Rules will be prepared that set out the 'benchmarks' that must be met and maintained by all Accredited Clients. The Business Rules will be published in the *Gazette* and will constitute a disallowable instrument. As such, these will operate in a similar fashion to regulations.

A legally binding agreement will be developed to regulate the operation of the Accredited Client Program. The form and content of agreements will be developed jointly with relevant government agencies and individual clients.

### **Acceptance Criteria**

To be eligible to become accredited, the client will need to demonstrate:

- an ability to communicate import and export information to Customs electronically;

- a history of providing accurate and timely import and export information to Customs;
- their systems will ensure their good compliance record will continue;
- a record of compliance with import and export requirements of Permit Issuing Agencies; and
- they have access to electronic systems capable of creating and/or recreating information relating to the importing and/or exporting of goods.

Both large and small businesses will be able to seek tailored arrangements. The decision to join the Accredited Client Program will largely depend on the internal commercial decision making of each organisation.

### **Commencement Audits/Review**

To obtain accredited client status an independent “commencement audit”, conducted by an independent auditor registered under section 1280 of the *Corporations Law*, is required. The audit assesses the applicant’s systems and processes against the standards established in the Business Rules, and their Service Provider’s (if they have one) systems as they relate to the transactions performed on behalf of the applicant. Depending on the benefits being sought by Accredited Clients, audits may not be required, as other monitoring strategies may be more appropriate.

Where some form of commencement audit is required, it will be the responsibility of the client to engage an auditor. Broad guidelines will be available and, before any audit or review, the parameters and testing arrangements will be negotiated and agreed with relevant agencies.

Customs will not introduce an accreditation system for auditors nor will it issue prescriptive guidelines. The audit will be conducted in accordance with Australian Auditing Standards.

### **Importing Goods**

A Request for Cargo Release (RCR) facility will provide a mechanism for Accredited Clients to claim cargo based on the provision of minimum information. This will be followed by the lodgement of a periodic declaration containing other information about the goods, as required by government. Arrangements relating to the treatment of goods and the operation of the RCR facility will be set out in the Accredited Client Program Agreement.

On each importation, the Accredited Client will confirm that the consignment falls within the agreement. As part of this process the Accredited Client will identify whether any of the goods require further action in relation to Customs, AQIS or other agency issues. Cargo so identified will be actioned in accordance with the agreement. Goods falling outside the agreement will be declared and cleared on a transaction basis.

### **Exporting Goods**

When exporting goods the minimum information required by Customs at the time of export is an Accredited Client Export Approval Number (ACEAN). A set of ACEANs will be allocated to each Accredited Client on a periodic basis and these numbers will have an expiry date. The client will need to advise their freight forwarder or carrier of the ACEAN for consignments so they can report the ACEAN on the Cargo Report. This number will be in a similar format to the EDN.

As with imports, at the end of the agreed period an Accredited Client must provide all other information required by government for goods reported using an ACEAN in a periodic declaration. Use of the ACEAN option will be governed by the terms of the Accredited Client Program Agreement.

### **Performance Improvement**

In addition to established monitoring arrangements, it is expected that Accredited Clients will put in place mechanisms to monitor their own performance. It is primarily the role of the Accredited Client to liaise with government should it perceive deficiencies in its internal control procedures.

Monitoring will be handled in several ways including:

- development of performance standards;
- other agency performance checks;
- quality checks; and
- periodic tests of particular control systems triggered where a government agency has concerns.

Depending on the circumstances, where either the client or a government agency has identified an inconsistency the issue will be resolved through consultation in the first instance. For example:

- an Accredited Client and/or his/her service provider may be contacted by the work area administering the Accredited Client Program to discuss any concerns; and
- the Accredited Client may be asked to rectify the problem.

A performance monitoring framework will be developed. This will involve the relevant government agencies monitoring, or assisting Customs to monitor, a client compliance with the standards set out in the Business Rules. If issues arise regarding a client's performance, feedback to the client will be as soon as practicable. Unless otherwise prevented by privacy laws, the government agencies will share their findings amongst themselves. If under-performance is considered to be major or repetitious, Customs may decide to undertake an audit.

The ultimate sanction for deliberate and/or repeated poor performance/lack of compliance by an accredited client will be withdrawal of accreditation. This action would be a course of last resort.

## 4.3 IMPORT DECLARATIONS

### Background

All cargo arriving in Australia must be reported prior to arrival. Cargo reporting is the responsibility of shipping companies, airlines and freight forwarders. Additionally, importers of all goods (or their agent) must provide certain information to the government for assessment of:

- revenue liability
- community protection risks
- industry assistance measures, and
- trade statistics.

The import declaration process will replace the current Entry and ICD regime. It is designed to satisfy the needs of government and industry for imported cargo. Clearance procedures for cargo currently cleared as Screened Free are discussed in Section 4.4.

### Assumptions

- Government will require identity verification of entities and individuals with which we deal.
- Customs will introduce a series of value thresholds for the different levels of import declarations:
  - Revenue Exempt Declarations
  - Simplified Import Declarations
  - Import Declarations, and
  - Unaccompanied Baggage Declarations
- Appropriate processes will be developed to address AQIS and other agency requirements.
- The amount of information required (ie., the type of import declaration utilised) will depend on the risk posed by the import.
- The Customs CEO may enter into an agreement to vary the minimal base standard procedures.
- CMR will provide an opportunity to develop electronic linkages between Customs and other PIAs.
- Cargo outside the revenue exempt criteria must be electronically cleared through Customs by way of an import declaration or SID.
- Cargo will not be released until a Cargo Report has been made.
- Brokers will be able to provide ultimate consignee details prior to any complete import declaration.
- The combined report option can only be used by brokers who are also the cargo reporter for that cargo.

- Accredited Clients will be able to use the RCR option.
- Where an RCR has been made, a Periodic Declaration acquitting those RCRs must be lodged with Customs by the first working day of the following month.
- Imports outside the scope of a compliance agreement will be excluded from the RCR option.
- If a client is approved to defer duty, they must always defer duty.
- Duty deferment will be available to approved importers.
- Deferred duty must be paid within the prescribed period.
- Deferred GST collection arrangements are being determined by the ATO.
- The software for creation of import declarations and establishment of revenue liability will reside on importer/broker systems.
- Importers/brokers will be able to download and store information about import restrictions on in-house computer systems, depending on benefits sought.
- An Internet facility will be built for SIDs.
- Agencies will continue to monitor declarations to assess risk.

### **What is new? Proposal under CMR**

The major change in CMR processes is the introduction of individual agreements allowing government requirements to be met with minimum disruption to entities presenting low risk. These arrangements may include the provision of access to further commercial data where necessary.

The design of the import declaration system is a fundamental change to current procedures. It will allow for the development of a system for import declarations, SIDs and RCRs. This will result in rationalisation of data items between the cargo report and import declaration, as well as providing efficiencies for government and industry. AQIS will be directly involved in the determination of the criteria for each of the different levels of import declaration.

Brokers will have a new responsibility to provide a delivery address in the import declaration. Where a broker has information about the ultimate consignee and delivery address for a consignment, but not the full commercial information available at cargo arrival, they will be able to enter the ultimate consignee details together with the consignment unique identifier prior to the formal declaration.

Some importers will be approved to defer GST payments by the ATO. At this stage, no decision has been made on who will be eligible for duty deferral. Deferral of other revenue payments for which Customs is not responsible will be determined by the relevant



agency. Under current business processes, AQIS fees and cost recovery monies may not be deferred.

Where importers use the RCR option, a periodic declaration must be lodged with Customs on the first working day of the next month for shipments imported during the previous month

An electronic process for the declaration of low value shipments that fall outside the revenue exempt criteria will be developed. The SID option will replace the current paper-based ICD, and should be extended to cover postal and airport informal duty collection processes.

Government intends to make non-confidential community protection flags available to importers so they can reside on in-house systems. This will mean that any community protection profile matches are made prior to lodgement of the import declaration, and appropriate steps can be taken.

### **Detailed Description**

Importers have a responsibility to provide certain information to the government before the cargo is released. In the CMR environment, cargo outside the revenue exempt criteria must be cleared by way of an import declaration. The RCR and the SID are subsets of the import declaration: less data is required in the RCR and the SID than the full import declaration.

This means there are four ways importers can provide information to government:

- full Import Declaration
- RCR followed by Periodic Declaration (if an Accredited Client)
- Simplified Import Declaration, or
- Revenue Exempt Declaration.

#### *Full Import Declaration*

The full import declaration will be similar to the current Customs Entry. All the information required for imported cargo must be supplied prior to the release of cargo (see section 4.10). Importers/brokers will use information sourced from commercial invoices to create the import declaration in their own offices using their in-house systems.

It is proposed that all non-confidential community protection flags (Customs, AQIS and other PIAs) will be resident on such systems,

with updates available for regular download. This will allow those creating import declarations to see what restrictions and requirements apply to a shipment prior to lodgement.

As profiles can change on a daily basis, the in-house profiles are to be used as a guide only. They are not to be used as the definitive profile status as they may not be accurate and there may be other profiles that are not made available to industry. Customs, AQIS and other PIAs will continue to ensure compliance with the community protection profile system.

Once the import declaration has been validated and processed, the CMR system will check to ensure a cargo report for that consignment has been made. If there are no government impediments on the consignment, the system will update the status to 'Clear'. An electronic release will be transmitted at the agreed time. (*Under CMR this could be prior to the arrival of the cargo*). If there are any impediments, consignments will be processed appropriately.

CMR will also introduce a new, Internet-based diagnostic tool that will allow authorised parties in the importing chain to directly access the CMR system and instantly determine the status of their cargo. This tool will also be used to provide manifest information to unpack premises and as a contingency release system in the event of electronic release transmissions not arriving at the airport, wharf or depot.

#### *Request for Cargo Release, followed by a Periodic Declaration*

An Accredited Client will be able to use a two-stage process for the collection of cargo covered by a compliance agreement. The Accredited Client (or its Broker) may lodge an RCR containing minimum information necessary to identify the Accredited Client and other information for AQIS to conduct necessary risk assessment. One or more RCRs can be made over a period of a month.

On the first working day of the next month, the complete information for those consignments must be lodged in the form of a Periodic Declaration. (See section 4.10 on Data Requirements for exact Data Items).

Once an RCR is lodged, the system will check to ensure a cargo report for that consignment has been made. If there are no government impediments on the consignment, the system will update the status to 'clear'. An electronic release will be

transmitted at the agreed time. (*Under CMR this could be prior to the arrival of the cargo*).

### *Simplified Import Declaration*

The SID option will replace the current paper based ICDs and should be extended to cover postal and airport duty collection procedures. An importer/broker will be able to create and lodge a SID in a similar manner to the full import declaration. The essential differences are that:

- the value of a SID will be above the threshold for revenue exempt shipments, and less than the threshold for a full import declaration; and
- the data required is less than for a full import declaration.

Customs may introduce a short form Tariff for use with the creation of SIDs. A direct linkage to AQIS systems will be established to resolve if low value shipments are of interest to AQIS.

Eligible importers will also be able to defer revenue payments on SIDs. AQIS charges are payable on a transaction basis.

### *Revenue Exempt Declaration*

In future, the new revenue exempt arrangements will differ from current procedures. The cargo reporter reports the full information about a consignment. A new requirement is for the cargo reporter to self-assess that the consignment falls within the revenue exempt criteria. Such declaration will replace the decision currently made by Customs screeners. Other authorised parties (eg, importer/broker) may also make the self-assessed declaration electronically through the import declaration system.

### **What is Different?**

- Integration of all systems on one platform
- Introduction of deferment of some revenue payments
- Introduction of different methods for cargo release
- Periodic declaration of specified cargo for Accredited Clients
- Introduction of Internet-based diagnostic tool
- Replacement of current screen free process with REDs
- Electronic replacement of ICDs with SIDs, and
- Direct links to commercial data systems where technology permits and agreement is reached.

## **4.4 IMPORT CARGO REPORTS**

### **Background**

Cargo reporters, being an airline, shipping company or freight forwarder have a statutory responsibility to report details of cargo for which they are responsible. The cargo report is used by Customs and AQIS to risk assess shipments of cargo prior to their arrival in Australia.

### **Assumptions**

- Cargo must be reported prior to arrival in the port of intended discharge.
- Cargo must be reported electronically.
- Sanctions and a compliance regime will be introduced to control late and inappropriate cargo reports.
- The combined report option will allow cargo reporters to optionally also provide Customs with an RCR or an import declaration at the time of cargo report.
- Low Value Shipments (revenue exempt) may be electronically cleared via the Cargo Report.
- A Compliance regime will be introduced to monitor usage of the revenue exempt system.
- Cargo reporters must report all required information about a consignment for which they are responsible (see section 4.10 Data Requirements). In addition, the cargo reporter must provide details of others to whom they have contracted to provide space (or a weight allocation) on the ship or aircraft in a Summary Cargo Report
- Cargo for which an ultimate consignee or address has not been reported can be held until such information is provided and processed.
- Customs and AQIS will have the ability to hold cargo as it will not be released until that cargo has been fully reported in the port of intended discharge.

### **What is new? Proposal under CMR**

The creation of the combined report option is a major departure from the current procedures, which requires different information about consignments, to be reported through different software systems. The combined report option will allow cargo reporters who are also handling the commercial release for a consignment to report all the information about a consignment at the one time.

Customs will adopt new strategies to determine ultimate consignees and addresses for shipments. In cases where a consignment is not considered to be fully reported (eg, if the shipment is consigned to a bank, and no notify party has been listed) then the ultimate consignee will be determined once the import declaration is lodged. The import declaration will contain a new data field designed to nominate the delivery address. Another change is the reduction of information required in the cargo report.

### **Detailed Description**

Both types of cargo report must be made prior to the arrival of the cargo within the prescribed time:

- cargo report (including Revenue Exempt Declarations), and
- combined reports

In a cargo report, cargo reporters provide all the required data items.

In a combined report, the cargo reporter reports all the information required in a cargo report, but they can, if also responsible for the commercial clearance of the cargo, provide the following information as applicable:

- Revenue Exempt Declaration
- Request for Cargo Release
- Simplified Import Declaration
- Import Declaration
- any revenue payments and charges associated with the above
- a Combined Report allows all reporting requirements to be made simultaneously, and
- direct links to commercial data systems where technology permits and agreement is reached.

In future, 'revenue exempt' arrangements will differ from current procedures. A new requirement is for the cargo reporter to 'declare', by way of self-assessment, that the consignment falls within the screen free criteria. Such declarations will replace the screen free decision currently made by Customs AWB screeners. Parties other than the cargo reporter (eg, importer/broker) will also be able to make the self-assessment declaration electronically.

**What is Different?**

- Introduction of the Combined Report option
- Sanctions for late and inappropriate reports;
- Changed procedures for obtaining information about ultimate consignee details
- Reduction in the amount of data required in cargo reports, and
- Industry self-assessment for revenue exempt shipments.

## 4.5 EXPORT DECLARATIONS

### Background

All cargo departing Australia must be declared for export. In the majority of cases, this declaration will be made prior to exportation. Cargo reporting is the responsibility of shipping companies, airlines and freight forwarders. Exporters of all goods (or their agent) must provide certain information to the government for assessment of:

- compliance with export regulations
- trade statistics, and
- proof of export for GST purposes.

### Assumptions

- The CEO of Customs may enter into agreements to vary the minimum standard procedures.
- Exporters (or their agents) who are not Accredited Clients must provide an export declaration prior to the exportation of the goods, unless the goods fall into an exempt category.
- A compliance regime will be introduced to monitor export declarations.
- Exporters (or their agents) will provide relevant Export Declaration Numbers (EDNs) to the relevant freight forwarders and carriers.
- CMR will provide an opportunity to develop electronic linkages between Customs and other PIAs.
- Accredited Clients will provide an Accredited Clients Export Approval Number (ACEAN) for cargo to the relevant freight forwarder, depot, CTO, carrier, etc before departure.
- The treatment of restricted goods for Accredited Clients will be defined in each compliance agreement.
- Accredited Clients will provide a full export declaration to Customs on the first working day of the month after departure.
- Information about goods subject to permits or restrictions will be available for download onto in-house systems.
- Relevant permits must be obtained and details lodged in the export declaration for all goods subject to export restrictions.
- Export in the scope of EXDOC may continue to be processed for Customs purposes through that system.
- Cargo reporters will be able to make a combined export declaration/report.
- Temporary Importations will be cleared by the exporter quoting the transaction number assigned to such cargo upon importation.

- Transshipment cargo may be cleared on the basis of the Transshipment Number assigned to such cargo upon importation.
- AQIS have control over all Temporary Imports and transshipment cargo of quarantine concern.
- The carrier will make an electronic request for Vessel Clearance.
- The vessel clearance request will serve as evidence of exportation for GST and other purposes.
- Information for export shipments will be transferred to the ATO and ABS.
- For 'interactive' users the electronic system will have an 'immediate' response time.

### **What is new? Proposal under CMR**

#### *EXIT Review*

CMR has considered the recommendations of the EXIT review. The two major changes to the current system are:

- facility for Accredited Clients to provide an ACEAN for approved export cargo before departure, followed by a full export declaration post departure, and
- cargo reporters will be able to make an export declaration at the time that they lodge a manifest (see Export Cargo Reporting – Section 4.6).

#### *Other Changes*

Other changes include:

- a consignment must have an "authority to deal" and the exporter's EDN, ACEAN or Transshipment Number will be quoted to a CTO before the goods can be delivered to the CTO
- CTOs will have access to an electronic system to validate the EDN, ACEAN or Transshipment Number for the goods
- an export entry may be amended any time prior to arrival at the CTO. After arrival at the CTO, the exporter or agent must lodge advice in order to amend or withdraw the entry
- a review of the size of the EDN with a view to making it smaller and less complex
- a review of the export declaration threshold
- an EDN only may be used for a pre-determined period after lodgement, and
- a diagnostic toll will be available to view the status of consignments based on their EDN.



Minor changes include a rationalisation of the data requirements and changes to the processing of transshipment and temporary importations.

### **Detailed Description**

The process of export declaration can occur in one of three ways:

- export declaration prior to departure
- export declaration after departure for Accredited Clients, or
- export declaration exempt by virtue of the nature of the goods, value or fact of re-exportation of previously imported goods.

#### *Export Declaration Prior to Departure*

In this case, as occurs now, an exporter (or their agent) will declare details of goods being exported together with details of any required permits to Customs. If the goods are within the scope of the EXDOC project (such as meat), then the details may be processed by the EXDOC system before Customs.

Once the export declaration has been validated and processed, an Export Declaration Number is granted. This EDN is provided to the freight forwarder or carrier by the exporter or agent to be included on the Export Cargo Report. (See Section 4.6 for further details).

The CMR system will provide export declaration information to the ABS and other PIAs as required.

#### *Export Declaration after Departure for Accredited Clients*

Exporters who meet appropriate criteria developed in consultation with Customs will be able to declare their exportations in a two-stage process. Firstly, they must advise the freight forwarder or carrier of the ACEAN for that consignment. This number will be in a similar format to EDN. A set of ACEANs will be allocated to each Accredited Client on a periodic basis and these numbers will have an expiry date.

At the end of the agreed period an Accredited Client must provide a periodic declaration to the government for those consignments that have been exported. Use of the ACEAN option will be governed by the terms of the Accredited Client Program Agreement.

*Export Declaration Exempt*

Certain goods being exported will not require an export declaration. Goods such as personal effects, diplomatic goods, ship and aircraft spares that do not require an export permit or goods that have been imported temporarily or are in transit to another country will fit these criteria.

*Review of Export Declaration Threshold*

The lower limit for the lodgement of an export declaration (currently A\$500 for air and sea cargo and A\$2,000 for postal cargo) is to be reviewed. The review will be conducted in consultation with the Australian Bureau of Statistics.

*Temporary Importations*

Under the CMR environment, when cargo is imported temporarily, the CMR system will allocate that consignment a transaction number, and report that number back to the party making the import declaration (temporary importations). For goods imported under Carnet, or s162 of the Customs Act, the broker will enter the goods on an import declaration, and they will receive a transaction number upon finalisation of the declaration. When the cargo is to be exported, this transaction number must be provided to the cargo reporter who then electronically quotes the number in the line detail of the export cargo report. Compliance measures to monitor performance with this requirement will be developed.

*Transshipments*

New procedures for dealing with transhipped cargo are proposed under CMR. Briefly stated, when goods are identified as being imported into Australia for a temporary period, due to being transhipped to another country, such consignments will be allocated a transshipment number that is to be used in all future communications regarding the consignment.

Cargo reporters will be advised of a transshipment number for imported cargo with an overseas destination. Once again, this number is quoted to acquit the cargo when the goods are being exported.

*Status Reporting of Cargo at CTOs*

A consignment must have an "authority to deal" prior to being delivered to a CTO. When goods are received by the CTO, the CTO will check the status of the consignment.

**What is Different?**

- Two stage export declaration process for Accredited Clients
- Errored ECNs no longer generated
- Changes to transshipment and temporary importations, and
- Rationalisation of the data requirements.

## 4.6 EXPORT CARGO REPORTS

### Background

All cargo reporters exporting cargo from Australia must report that fact to the government. Cargo reporting is the responsibility of shipping companies, airlines and freight forwarders. Declaration of the details of cargo is the responsibility of exporters.

Sub-manifests record the cargo within a consolidation, making it easier for the export industry to report consolidations. Main manifests record the cargo that has been loaded onto a vessel or aircraft in a particular port.

### Assumptions

- The Customs CEO may enter into an agreement to vary the minimum standard procedures.
- Sub-manifest export cargo reports must be provided prior to the exportation of the goods. Main manifest export cargo reports can be provided after the exportation of the goods.
- All export cargo reports must be made electronically.
- A compliance regime will be developed to monitor cargo reporting.
- Exporters (or their agents) will provide relevant EDNs to Cargo reporters.
- Accredited Clients will provide an ACEAN for eligible cargo to the relevant freight forwarder, depot, CTO, carrier, etc before departure.
- Cargo reporters will be able to make an export declaration at the time they request a CRN.
- Transshipment cargo may be cleared on report of the Transshipment Number assigned to such cargo upon importation.
- The carrier will make an electronic request for vessel clearance.
- The main manifest will serve as evidence of exportation for GST and other purposes.
- Export declaration exempt goods must be reported to Customs on sub-manifests.
- For 'interactive' users the electronic system will have an 'immediate' response time.
- A diagnostic tool will be available to view the status of consignments based on their EDN.

**What is new? Proposal under CMR**

CMR has considered the recommendations of the EXIT review. The major changes to the current system are:

- facility for Accredited Clients to provide an ACEAN for approved cargo before departure, followed by a full export declaration post departure
- cargo reporters will be able to make an export declaration at the time that they lodge a manifest (see Section 4.5)
- only three data fields for export declaration exempt goods need to be reported to Customs – owner name/ABN, goods description and destination
- carriers may lodge main manifests up to three days after departure
- a review of the size of the CRN and MRN with the view to making them smaller and less complex.

Freight forwarders and any other party that consolidated cargo must lodge sub-manifests. These sub-manifests must be clear and complete before the consolidation is delivered to the CTO. Carriers (shipping companies and airlines) lodge main manifests. These main manifests must be lodged and complete within three days after the departure of the vessel or aircraft.

Other changes include a rationalisation of the data requirements and changes to the processing of transshipment and temporary importations.

**Detailed Description**

Sub-manifest providers must provide an electronic report of cargo being consolidated for export prior to exportation (see Section 4.10 for exact data fields). Sub-manifest providers will report the EDNs advised to them by exporters or their agents in a sub-manifest, and will be able to include export declarations that they are creating as an agent for an exporter themselves.

The CMR system will closely follow the current export cargo reporting procedures once all EDNs have been granted. Consolidators will advise CRNs to the carrier after which the carrier will make a request for a MRN.

Before departure, the carrier must make an electronic request for vessel or aircraft clearance. The main manifest may not be required at this stage. The CMR system will allow for aircraft and vessel main manifests to be lodged with Customs up to three days after

departure. Once this manifest is lodged, it will serve as evidence of exportation for GST and other purposes. This will take the place of Customs Officers acquitting the main manifest, as currently occurs.

#### *Export Declaration Exempt Goods*

Certain goods being exported will not require an export declaration. Goods such as personal effects, goods under a certain value, diplomatic goods, ship and aircraft spares that do not require an export permit or goods that have been imported temporarily or are in transit to another country will fit these criteria.

#### *Status Reporting of Consolidations at CTOs*

A consolidation must have an “authority to deal” prior to being delivered to a CTO. When the consolidation is received by the CTO, the CTO will check the status of the consolidation.

### **Transhipments**

Under the CMR environment, when cargo is being transhipped, the CMR system will allocate that consignment a Transshipment Number, and report that number back to the cargo reporter at the time of Import. This number must be quoted electronically to Customs on the Export manifest prior to exportation.

### **What is Different?**

- Mandatory electronic export cargo reports
- Consolidators able to make export declarations when requesting CRNs
- Rationalisation of the data requirements
- Changes to the processing of transshipment and temporary importations
- Carriers make electronic requests for vessel clearance, and
- Vessel Clearance used as evidence of exportation.

## **4.7 EXPORT OF LIKE CUSTOMABLE/EXCISABLE GOODS**

### **Background**

Like customable and/or excisable goods can only be removed from a warehouse (s79) for export if an export declaration has been lodged for the goods and an authority to deal has been received from Customs.

### **Assumptions**

- The relevant warehouses and licensed depots will have access to a system to validate the authority of the goods.
- The relevant warehouses and licensed depots will have unique identifiers and messages will have time and date stamps to reduce the amount of data input required and to provide Customs with an audit trail.
- A compliance regime will be introduced to monitor the reporting of customable and excisable goods for export.
- For 'interactive' users the electronic system will have an 'immediate' response time.
- A diagnostic tool will be available to view the status of consolidations based on their CRN.

### **What is new? Proposal under CMR**

Like customable and/or excisable goods can only be removed from a warehouse (s79) for export if they have an authority to deal. The warehouse proprietor must validate the existence of the authority for the goods before they goods can be removed from the warehouse.

Like customable and excisable goods may only be consolidated at a licensed depot (s77G). When the goods are received by the depot, the depot must check that the goods have a valid authority to deal. Only goods that have a valid authority to deal from Customs may be consolidated for export. The depot operator must notify Customs of the sub-manifest (CRN) used for the consolidation before the consolidation can be released from the depot.

### **What is different?**

- Electronic permissions to remove like customable/excisable goods from s79 premise.
- Electronic tracking of movements of like customable/excisable goods from s79 premise to CTO.

## 4.8 UNDERBOND MOVEMENTS

### Background

It is common for cargo to arrive at an air or seaport and then move from Customs/AQIS controlled premises to other Customs/AQIS controlled premises. Such moves usually occur because the cargo might:

- be in a port other than the final destination port
- be part of a consolidated shipment that must be unpacked at a licensed 77G premise prior to delivery
- be an FCL container to be delivered from a container yard, or
- need to move interstate to another licensed government premises.

Currently, cargo reporters make a separate request to move cargo from one premise to another premise under s 71E of the Customs Act. Cargo is only available to move after the cargo has been risk assessed by Customs.

### Assumptions

- All cargo must be reported prior to arrival.
- Sanctions will be introduced to control late cargo reports.
- Customs and AQIS have the power to control the movement of high risk cargo.
- Cargo can only move underbond between approved premises.
- Customs and AQIS have the power to direct cargo to be moved to a premise at the importer's expense.
- Cargo moving between premises will be under Customs and AQIS control.
- AQIS will have access to information relating to cargo intending to move underbond.
- Cargo moving 'underbond-by-sea' will be reported with details of both the import vessel and the movement vessel.

### What is new? Proposal under CMR

Briefly stated, under CMR a cargo reporter will not need to make a separate request to move cargo from one premise to another premise. Customs/AQIS will have the ability to hold, direct or condition the movement of cargo prior to or at time of movement.

Included in the cargo report will be a data field known as the Destination Premises ID. Cargo reporters will use this field to nominate the establishment code of the destination premises to



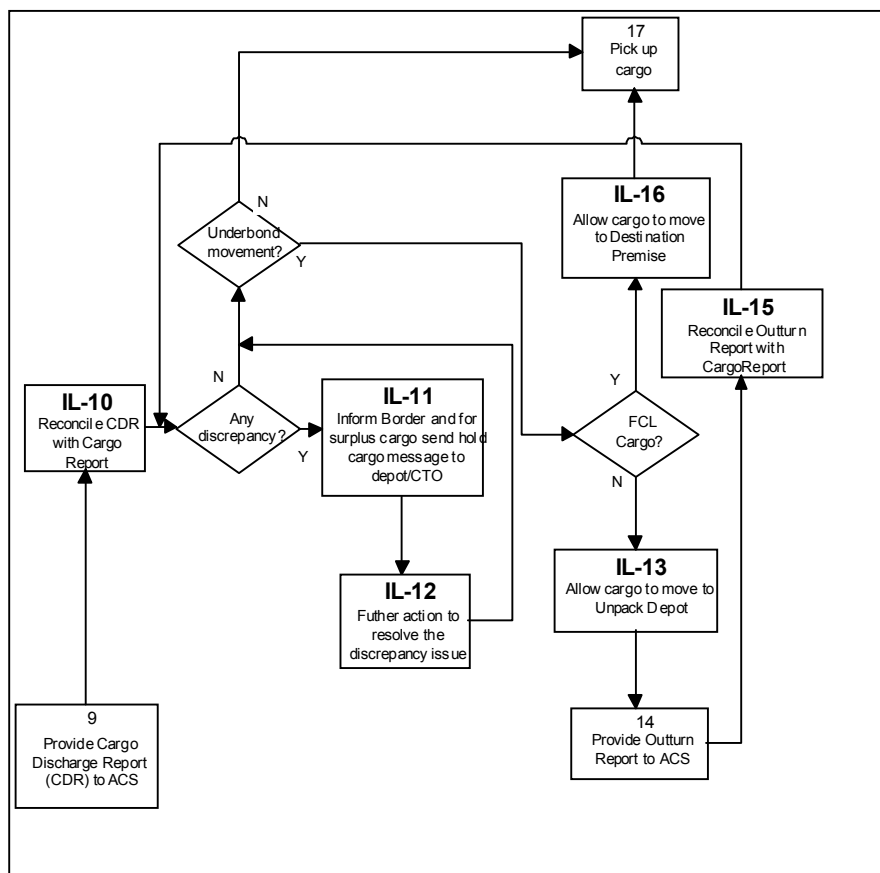
which cargo is to be moved. After the cargo has been reported and risk assessed by Customs and AQIS, a movement release will be transmitted for cargo permitted to move underbond.

It is an AQIS requirement that all containers moving interstate underbond are externally inspected. AQIS also requires control of interstate (and specified intrastate) underbond movement of cargo, which pose an unacceptable quarantine risk (such as break bulk contaminated machinery or open-top container with sawn timber).

Determining the level of quarantine risk for cargo moving underbond may include industry self-assessment.

The final release into home consumption will be transmitted to the destination premises after the processing of an RCR or formal declaration.

Figure 1: CMR Proposal for Underbond Process



## Detailed Description

Figure 1 describes the underbond process graphically. (The notation "IL" refers to other sub processes) The diamond in the page labelled "Underbond Movement" is the beginning of the underbond process.

The system determines if the 'Destination Premises ID' field on the cargo report has been completed. If so, and the cargo has been reported and risk assessed by both Customs and AQIS, the system then follows the path to see if the cargo is either of a FCL or LCL/Consol/Straight type.

In box IL-13, if the cargo is LCL/Consol/Straight type, the cargo is allowed to move to a 77G premise for unpack. LCL/Consol/Straight cargo can be moved underbond even if all consignments have not been reported. However time limits for cargo report in advance of arrival equally apply to LCL/Consol/Straight cargo. Cargo reporters who are responsible for these reports will still be subject to sanctions. Once the cargo is unpacked, the Depot operator, within 24 hours, provides Customs with an outturn (see section entitled Import Cargo Outturn for details).

In box IL-16, if it is FCL cargo and meets all Customs and AQIS criteria, the system allows cargo to move to the Destination premises. FCL cargo will be allowed to move underbond where cargo can be assessed as low risk.

On some occasions, cargo may need to be moved from one premise to another premise after unpack. These are known as 'second stage moves'. The process for these moves will be the same as the underbond moves outlined above, provided the cargo reporter responsible for the second leg move has nominated the Unpack Premise ID and Destination Premises ID on the cargo report.

The final release into home consumption will be transmitted to the Destination Premises after either an RCR or an import declaration is made.

**What is Different?**

As noted above, the major difference is the fact that cargo reporters are no longer required to make a separate request to move cargo after arrival. Other differences are:

- A movement release will be transmitted to the Cargo Terminal Operator (CTO) once the cargo has been reported and risk assessed
- Some current messages used in Sea Cargo Automation will no longer be required or sent. These include:
  - all Delivery Notification Messages, and
  - Cargo Arrival Messages (for second leg movements)
- No separate underbond approval message transmitted to the cargo reporter
- Unlike the current environment, Underbond movements can be 'stacked', or exist in the system concurrently. This will allow different cargo reporters to notify Customs of underbond movements without waiting for the first leg movement to be completed.
- Government requirements will need to be satisfied prior to the underbond movement of cargo.

## 4.9 OUTTURNS

### Background

All cargo imported into Australia must be reported to Customs and AQIS prior to arrival so that it can be risk assessed. This allows for the early identification of potentially high risk cargo and facilitates the release of the vast majority of cargo on arrival. Cargo report information also provides the base data used by Customs to ensure that all cargo is dealt with in accordance with government requirements.

The cargo report provides Customs with details of cargo intended to be imported, however this may differ to the cargo which is actually imported. The arrival of surplus cargo, that is cargo that has not been reported to Customs prior to its arrival, is treated as high risk until it can be identified and its risk properly assessed. To ensure that all cargo is assessed for risk and that our base cargo data is correct, it is essential that Customs is aware of any variations between the reported cargo and that which actually arrives.

### Assumptions

- Legislation will be introduced to modify requirements for outturns.
- A regime of checks will be introduced to verify compliance.
- Sanctions will be introduced for providing late or inaccurate outturns or failing to provide an outturn.
- Outturn providers will transmit them to Customs electronically.
- Outturns will be compared to the cargo reports.
- Any cargo discharged or unpacked, which is not on a cargo report, will be held and the appropriate area of Customs alerted.

### What is new? Proposal under CMR

Details of any variations between the inward cargo report and the cargo which actually arrives will be required to be reported to Customs in a timely manner. This report will be referred to as an outturn. Industry practice and information pertaining to the cargo varies, depending on the mode of transport used and the type of cargo. Outturn requirements take account of these differences and consequently vary depending on the type of cargo and the method of transport. The new requirements are as follows.

*Air Cargo* - The Cargo Terminal Operator (CTO) receiving the cargo upon discharge is responsible for providing the outturn within twenty four hours of aircraft arrival. The outturn will report details

of cargo short or surplus to the cargo report. A "nil" report is required to be given to Customs when there are not any variations from the cargo report.

*Consolidations of Air Cargo* - The operator of the 77G depot where the cargo is deconsolidated is responsible for providing the outturn within twenty-four hours of deconsolidation. Because there can be differences between the cargo reports Customs receives and those which the depot receives, Customs will make extracts of its cargo reports available to the depot operator. The outturn will report details of cargo that is short or surplus to the cargo report. A "nil" report is required to be given to Customs when there is no variation from the cargo report.

*Containerised Sea Cargo* - The party responsible for discharging the containers is responsible for providing the outturn every three hours from the discharge of the first container. The outturn will consist of progressive reports which list every container discharged from a vessel. The outturn will be automatically compared to the cargo reports received by Customs to identify any discrepancies and the relevant area of Customs will be notified.

*Sea Cargo Less than Container Loads* - The operator of the 77G depot where the container is unpacked is responsible for providing the outturn within twenty-four hours of container unpack. Customs will make extracts of its cargo reports available to the depot operator. The outturn will report details of cargo that is short or surplus to the cargo report. A "nil" report is required to be given to Customs when there is no variation from the cargo report.

*Break Bulk Sea Cargo* - The party responsible for discharging the ship is responsible for providing the outturn within five days of the completion of vessel discharge.

*Bulk Sea Cargo* - The party responsible for discharging the ship is responsible for providing the outturn within five days of the completion of vessel discharge.

Surplus cargo will be released only after it has been fully reported.

### **What is Different?**

- Legislation will require outturns to be electronically transmitted to Customs in a timely manner.
- Sanctions will be imposed for the failure to transmit an outturn or for the transmission of a late or inaccurate outturn.

- Customs will make extracts of the cargo reports it holds electronically available to 77G depots.

## 4.10 DATA REQUIREMENTS

### Data Elements

#### *Import Data*

Import data has two main components:

- cargo information required prior to arrival, and
- commercial (entry) information required prior to release.

Cargo information is required for all cargo arriving in Australia, irrespective of whether or not that cargo belongs to an Accredited Client. This data is provided by the cargo reporter, should accurately reflect the information they hold about the cargo and is used by Customs to initially screen the cargo for high risk. If the information provided is not sufficient to enable this assessment to be made, then more information could be requested and the cargo held until such time as it is provided.

Commercial information is required for cargo that requires a Customs Import Declaration. In the case of Accredited Clients, there is a minimum set of data required prior to cargo release, with detailed information required to meet essential reporting timeframes such as those set by ABS and possibly ATO for GST purposes.

#### *Export Data*

Export Data has three main components:

- Export Declaration Number Information (EDN) – Accredited Client Export Approval Number (ACEAN) only for Accredited Clients
- Export Sub-Manifest (CRN) Information – prior to departure, and
- Export Main Manifest (MRN) Information – to enable vessel clearance and departure.

The essential data elements for the CMR model are detailed on the following pages.

## **Essential Data Elements For Cargo Reporting – Imports**

### **Prior to arrival – Cargo Information**

The following list of data elements refers to cargo data required for shipments of all cargo contained on a vessel/aircraft prior to arrival of cargo.

#### *Sea Cargo Report*

- Bill of Lading Number/House Bill of Lading
- Vessel Registration Number
- Principal Agent's Voyage Number
- Cargo Type (FCL, LCL, Break Bulk, etc)
- Cargo ID (container number(s), marks and numbers, etc)
- Consignor
- Consignee
- Notify Party
- Goods Description
- Number of Packages
- Country of Origin
- Port of Loading
- Port of Destination
- Type of Payment Method (eg, cash or pre-paid)
- Weight and Volume
- Port of Discharge (where different to Destination)
- Unpack or Destination Premises ID, for goods moving underbond
- Transshipment Port, for goods being transhipped

#### *Air Cargo Report*

- Master Airway Bill Number/House Airway Bill
- Flight Number
- Date of Arrival
- Consignor
- Consignee
- Goods Description
- Number of Packages
- Country of Origin
- Port of Loading
- Destination Port
- Method Payment (eg, cash or pre-paid))
- Weight
- Declared Value (where no value is provided on the Bill the reporter would indicate "No Declared Value")
- Unpack or Destination Premises ID, for goods moving underbond
- Transshipment Port, for goods being transhipped



**Prior to Release of Cargo – Minimum Commercial Information for Accredited Clients**

The following data elements are those required as a minimum for Accredited Clients. It should provide sufficient information to satisfy ownership and consignment identification and the satisfaction of AQIS and CUSTOMS community protection issues.

- *Consignment Details (to identify relevant consignment from above details)*
- Importer ID
- Destination Premises ID (place of inspection - AQIS)
- AQIS Information related to the packaging of the consignment
- Specific Co-Regulation Details (if applicable)  
(eg, AQIS Identifier for cargo-related activities)
- Electronically Transmitted Certificates (if applicable)

**Additional Detailed Commercial Declaration Information For Cargo Reporting - Imports**

The following data elements are reportable prior to release for all imports and after release (and maybe periodically in a combined fashion) for Accredited Clients. In any case, there is an ABS requirement that all data relating to imports for any calendar month be fully reported to Customs on the first working day after the end of the month. This is necessary to allow ABS to continue to meet its International Trade output deadlines.

- Ultimate Consignee ID, or Name and Address
- Delivery Address
- Supplier Name & Address
- Tariff Classification (per line) 10 digit
- Duties, Taxes & Charges
- Actual Date of Arrival
- Statistical Information
- Agent's Reference Number
- Value
- Currency
- Customs Value (for Sea)
- Date of Finalisation
- Invoice Spirit Strength
- Nature of Entry
- Quantities (including Net Weight and, if applicable, Second Quantities)
- Treatment Code
- Instrument/Concession Number
- Units of Quantity (including Gross Weight and Second Quantity)
- Version Number

**Essential Data Elements For Cargo Reporting - Exports****Prior to departure – Export Declaration Number (EDN) Information**

(required in order to obtain an authority to deal)

Header:

- ABN
- Sender's Reference
- EDN (for subsequent reports eg amendments)
- Customable/Excisable Indicator
- Exporter Type
- Owner/Agent Indicator
- Owner Name (To be completed by Agents only)
- Consignee Name
- Consignee City
- Port of Loading (Code)
- Destination Country (Code)
- (Proposed) Date of Export
- Invoice Currency (Code)
- Port of Discharge
- Vessel/Registration Number (Ships Stores only)
- Establishment Code (Customable/Excisable goods only)
- Total Number of Containers (Sea only)
- Total Number of Packages
- Contact Details (Lodger details for Manual entries only)
- CRN (Combined reportees only)

Line:

- AHECC Code
- State of Origin (Code)
- Goods Description
- Nett Quantity
- Nett Quantity Units
- Gross Weight
- Gross Weight Units
- Container Type (Sea only)
- FOB Value
- FOB Currency Code
- Assay Details (Element and Weight/Percentage content)
- Permit Number(s) (Where required)
- Encryption Code(s) (Where required)
- Customable/Excisable Indicator

**Prior to departure – Minimum Data Elements for Accredited Clients**

- ACEAN (for subsequent reports eg, amendments)

**Prior to departure – Export Sub-Manifest (CRN) Information**

Header:

- Sender's Reference
- ABN
- CRN (for subsequent reports eg amendments and also for Supplementary reports)
- Manifest Type (Sub-Manifest Indicator)
- Port of Departure (Customs administrative requirement)  
UNLOCODE
- Date of Departure (Customs administrative requirement)

Line:

- EDN/CRN/Transshipment Number/Transaction Number/No of Exempt Lines
- Total Number of Packages and/or
- Total Number of Containers (Sea only)

**To enable vessel clearance and departure – Export Main Manifest (MRN) Information**

Header:

- Sender's Reference
- ABN
- MRN (for subsequent reports eg amendments)
- Manifest Type (Main Manifest Indicator)
- Nil Manifest Indicator
- Lloyds Number/Aircraft Registration
- Vessel Name/Flight Number
- Voyage Number (Sea only)
- Port of Departure UNLOCODE
- (Proposed) Date of Departure
- Country of Destination
- Total Number of Packages
- Total Number of Containers
- Number of Empty Containers

Line:

- EDN/CRN/Transshipment Number/Transaction Number/ No of Exempt Lines
- Total Number of Packages and/or
- Total Number of Containers (sea only)

Note: The MRN fields above reflect a non-requirement for main manifest providers to report goods exempt from entry on their main manifests.

**General Notes:**

1. The CRN and MRN data fields assume that Exempt codes will not be required to be reported on these manifests.
2. Customs Ship Numbers can be used in lieu of Lloyds Numbers where required.
3. Transaction Numbers relate to the CMR concept for linking imports and exports for temporary importations (Carnets/Tryptiques, EX5).
4. There is an ABS requirement that all data relating to exports for any calendar month be fully reported to Customs on the first working day after the end of the month. This is necessary to allow ABS to continue to meet its International Trade output deadlines.
5. Business Information Requirements for CMR

There is a wide range of users that require CMR information to be available in order to provide better business performance. Many are demanding personalised access to business information – and they want to interact with that information in real-time, to help make business decisions.

Business requirements for the CMR business information environment include:

- Common look and feel for all business information reports
- Single entry point for a range of reports from different environments eg production reports, product status reports, management reports, financial management reports, EDI messages, input forms
- Transparent user source system and environment
- Access to authorised reports only
- Information security – especially commercial in confidence
- Automatic logon to whatever environment is required to process any interactive reports using initial logon profile
- Interactive reporting and interactive analysis of results
- Delivery over an Internet/Extranet/Intranet environment
- Ability to display wide variety of formats including images
- Ability to use a range of technology devices to access information delivery environment eg palmtop, IVR.
- Client download facility environment

## **4.11 SINGLE WINDOW AND CO-REGULATION**

### **Background**

A central plank of the CMR concept is the provision, where possible, of a single integrated approach to government. The model is intended to maximise opportunities for all interactions with government agencies (including payment of taxes and charges) to be undertaken at one time through a single transaction. It is also intended to extend the co-regulation concept that has already been successfully adopted by AQIS. The Business Entry Point initiative may provide an effective technical solution for the development of these concepts.

### **Purpose**

- To improve the effectiveness of Customs, Quarantine, imported foods and other community protection mechanisms and the reliability of import/export information for government and the community
- To provide an environment for expansion of co-regulation arrangements between government and industry.
- To provide more cost effective, efficient and timely delivery of necessary agency services to industry
- To provide, wherever possible, a single transaction or interaction for industry when dealing with government agencies
- To provide useful, accurate and timely advice to industry on the status of cargo, and
- To provide a system that enables transparency of government charges and an ability to be monitored.

### **Requirements**

- Development of electronic processes by all interested agencies
- Development of a whole-of-government risk matrix to ensure accurate and predictable risk assessment of individual transactions and transmission of timely single delivery status
- Development of unique identification of individuals and consignments involved in import/export transactions, and
- Identification of co-regulation opportunities and development of appropriate agreements with individuals and industry sectors.

## GLOSSARY

<b>ABN</b>	Australian Business Number. The single registration number issued by the Australian Taxation Office for businesses to deal with the Australian Commonwealth Government.
<b>ABS</b>	Australian Bureau of Statistics
<b>ACEAN</b>	Accredited Client Export Approval Number.
<b>Accredited Client</b>	A trading entity that meets certain criteria that accommodates its business needs and systems as well as the business needs of government agencies.
<b>Airway Bill (AWB)</b>	Document given on behalf of the airline, providing details of the goods received for freight. It includes terms and conditions of carriage and the condition of the goods at the time of the freight. This is not a document of title.
<b>Air Cargo Automation (ACA)</b>	Refers to the computer system in which air cargo is reported to Customs by registered users.
<b>AQIS</b>	Australian Quarantine and Inspection Service
<b>ATO</b>	Australian Taxation Office
<b>Break-bulk cargo</b>	Non-bulk cargo that is not transported in a container. It can include units of cargo as well as miscellaneous goods such as boxes, bales, cases and drums.
<b>Bulk cargo</b>	Cargo that is carried loose (eg. Coal or oil), takes the shape of the ship's hold and is handled by application of conveyors, pumps, elevators and so on.
<b>Cargo Clearance</b>	Permission for imported goods to be delivered into home consumption.
<b>Cargo Report</b>	Information submitted by the shipping company, airline or freight forwarder regarding goods

	arriving in or departing from Australia.
<b>CMR</b>	Cargo Management Re-engineering
<b>CMR Clients</b>	People who are involved in the importation and exportation of cargo. These include; PIAs, carriers, freight forwarders, couriers and the sections of Customs associated with cargo operations.
<b>CMS</b>	Cargo Management Strategy
<b>Combined Report</b>	A report which combines the Cargo Report and the Import Declaration or Request for Cargo Release.
<b>Computer Online Method of Preparing from Invoices Lodgeable Entries (COMPILE)</b>	Computer system by which the commercial information relating to cargo is reported to Customs by importers or brokers.
<b>Consignment</b>	Specific goods imported or exported by one consignor to one consignee.
<b>Consolidation</b>	The aggregation of two or more lots of cargo from different sources into one container or unitised load.
<b>Consolidation Reference Number (CRN)</b>	The reference number issued under the EXIT application for export consignments.
<b>Container</b>	International Standards Organisation shipping container.
<b>Container Depot</b>	A facility licensed under s77G of the <i>Customs Act 1901</i> , at which goods are stored prior to the release of cargo from Customs control. Most commonly, this facility is used to consolidate and pack into, or separate and unpack from, a shipping container, goods belonging to different shippers making up less than a full container.
<b>Courier</b>	A term used to describe air couriers who act as freight forwarders, particularly with respect to low value, high volume consignments.

<b>CSP</b>	Communications Service Provider
<b>CTO</b>	Container Terminal Operator (Sea) or Cargo Terminal Operator (Air).
<b>Destination Premises ID</b>	The unique identification number of the premises to which underbond goods are moved.
<b>ECD</b>	Export Cargo Declaration
<b>ECN</b>	Export Clearance Number
<b>ECR</b>	Export Cargo Report
<b>EDI</b>	Electronic Data Interchange
<b>EDN</b>	Export Declaration Number
<b>Electronic Gateway</b>	An interface between two computers networks which may have various functions, such as access controls and protocol conversion.
<b>EXDOC</b>	AQIS Export documentation system
<b>Export Integration (EXIT)</b>	Refers to the computer application in which associated parties submit information for export cargo to Customs (such as, the freight forwarders, exporter and/or broker).
<b>Freight of all kinds (FAK)</b>	Refers to a container owned by a freight forwarder containing a number of individual consignments. The distinction between LCL and FAK being that with LCL the container is owned by the shipping company and is unpacked at the depot, while an FAK is taken to the freight forwarders premises for unpacking.
<b>Full Container Load (FCL)</b>	A container that holds only one consignment (but can contain more than one bill of lading).
<b>Idle ECN</b>	Export Clearance Numbers which have not been acquitted.
<b>Import Declaration</b>	Similar to the current Entry for Home Consumption. Importers/brokers will use information sourced from



	commercial invoices to create the Import Declaration which must be supplied to Customs prior to the goods being cleared.
<b>Informal Clearance Declarations (ICD)</b>	An abbreviated entry submitted for goods of a value up to \$250.
<b>Less than Container Load (LCL)</b>	A container that holds the goods of more than one consignee.
<b>Manifest Reference Number (MRN)</b>	A reference number for exports, issued under the EXIT application.
<b>NESS</b>	The National Examination and Seizure System. A new Customs system in which all Customs inspections of cargo and the results of those inspections will be recorded.
<b>NIS</b>	National Intelligence System - Customs Intelligence database.
<b>Outturn</b>	The record relating to the cargo which is unloaded.
<b>PACE</b>	Passenger Analysis Clearance and Evaluation system.
<b>Periodic Export/Import Entry</b>	A declaration of cargo that, pursuant to an agreement with Customs, is submitted at agreed intervals.
<b>Periodic Payment</b>	Subject to an agreement between Customs (or other relevant government agencies) and an importer, duties may be paid at predetermined intervals subject to specific criteria being fulfilled.
<b>Permit Issuing Authorities (PIAs)</b>	These authorities include: <ul style="list-style-type: none"><li>• Australian Quarantine and Inspection Service;</li><li>• Department of Defence;</li><li>• Department of Health and Family Services;</li><li>• Environment Australia;</li><li>• Australian Horticultural Corporation;</li><li>• Australian Wine and Brandy Corporation;</li><li>• Department of Foreign Affairs and Trade;</li><li>• Department of Communication and The Arts;</li></ul>

- Aboriginal Arts Board;
- Australian Wheat Board;
- State Museums;
- Australian Honey Board; and
- Australian Bureau of Statistics.

**Profile Flags**

A limited list of parameters for evaluating the risk of a cargo transaction made available to importers, exporters and cargo handlers.

**Request for Cargo Release (RCR)**

Request by an Accredited Client importer for the delivery of cargo.

**Revenue Exempt**

The cargo which, because of its low value and the low duty and tax applicable (currently below \$250 value and duty and tax less than \$50) is delivered without collecting duty nor tax nor requiring an Import Declaration or SID.

**Sea Cargo Automation (SCA)**

Refers to the computer system in which sea cargo manifests (or sub-manifests by freight forwarders) are reported to Customs by registered users, such as sea carriers.

**Simplified Import Declaration (SID)**

An abbreviated import declaration that requires less detailed commercial information to be provided by the importer or their agent. Applicable for imports with a value less than \$250.

**Transshipment**

Transshipment movements occur when cargo is discharged in Australia on the way to another country.

**Underbond Movement**

The movement of cargo which is subject to Customs control.

SENATE ESTIMATES COMMITTEE  
AUSTRALIAN FEDERAL POLICE  
QUESTIONS ON NOTICE

**Senator Ludwig (Hansard L&C page 52) asked the following question at the hearing of 22 November 2000:**

In relation to budget measures for officers in East Timor:

Can you provide a breakdown of how those sums are allocated? Have you raised a specific budget to deal with that? Would a range of articles constitute that expenditure?

**I am advised that the answer to the honourable Senator's question is as follows:**

The AFP was appropriated \$25.427m in 2000-01 for peace monitoring activity principally in East Timor. Subsequent to the initial appropriation, the Government agreed that funding could be applied to the broader south pacific area, as required. There are four major components to that funding:

- \$15.286m for staff costs (including salaries of police officers seconded to the AFP) ;
- \$5.033 for expenses of an administrative nature, eg equipment, training, travel and medical expenses;
- \$4.588m to develop an AFP 'Reserve' capacity of 240 officers. This provides for salaries while training (two weeks twice a year) as well as training and equipment costs; and
- \$0.520m for close personal protection.

SENATE ESTIMATES COMMITTEE  
AUSTRALIAN FEDERAL POLICE  
QUESTIONS ON NOTICE

**Senator Ludwig (Hansard L&C page 54) asked the following question at the hearing of 22 November 2000:**

In relation to travel allowance for officers in East Timor:

Does that revolve around your view of what Determination No. 3 means, or is it a view that you have taken that they are getting the MSA and therefore are not entitled to travel allowance, irrespective of what your regulations might otherwise say?

**I am advised that the answer to the honourable Senator's question is as follows:**

The Australian Government Overseas Conditions of Service Determination (Public Service Determination No 1994/162 [AGOCS]) articulates the travel allowance provisions in Determination No 3 of 1999. These provisions define the amount of the meal component of travel allowance. Over the course of the deployment to East Timor, this amount averaged \$62.36 per day. It is an average figure due to exchange rate variations.

While attached to the UN Assistance Mission in East Timor, the members of the first detachment were paid Mission Subsistence Allowance (MSA). This allowance included a meal component, which averaged \$19.77 per day. This is also an average figure due to exchange rate variations.

Clause 3.3.10 of AGOCS states:

*The amount of Travelling Allowance payable to an officer under this part for a period at a locality is to be reduced by the amount of any similar allowance payable to an officer by an organisation other than the Commonwealth for the same period and locality.*

In complying with the above clause, the AFP considers it appropriate to reduce the meal component of travel allowance by the amount of the meal component of MSA paid to the members. This is because:

- MSA is an allowance similar to travel allowance;
- the UN is an organisation other than the Commonwealth; and
- the UN paid MSA for a period and locality during which travel allowance was payable.

This reduced liability for AFP meal component of travel allowance is \$42.59 per day (the difference between \$62.36 and \$19.77) for the time of the members' deployment in East Timor.

That entitlement was paid to the members of the first detachment in December 1999. Members of the second detachment were paid their appropriate amount of travel allowance in March 2000.

The members of the first detachment are seeking a further and potentially duplicate payment of \$19.77 per day. That claim would increase the meal component of travel allowance paid by the AFP to \$62.36 per day, in addition to their \$19.77 MSA allowance paid by the UN.

In conclusion, it is a mistake to say that the AFP has not paid any travel allowance to members of the East Timor detachments who are eligible for such payments under Determination No 3. In fact, in accordance with the provisions of Clause 3.3.10 of AGOCS, members have been paid \$42.59 per day by the AFP in meal component travel allowance.

SENATE ESTIMATES COMMITTEE  
AUSTRALIAN FEDERAL POLICE  
QUESTIONS ON NOTICE

**Senator Ludwig (Hansard L&C page 55) asked the following question at the hearing of 22 November 2000:**

Have the AFPA advised you of their view of clause 22 of determination No. 3 in written form?

Are you aware of their view of the determination or the interpretation to be applied to it?

**I am advised that the answer to the honourable Senator's question is as follows:**

Yes. The AFP was advised in writing on 20 December 1999. Yes, the AFP is aware of the AFPA view of the determination and there has been subsequent correspondence between the parties on this issue as will be evident from the response to the previous question.

SENATE ESTIMATES COMMITTEE  
AUSTRALIAN FEDERAL POLICE  
QUESTIONS ON NOTICE

**Senator Ludwig (Hansard L&C page 56) asked the following question at the hearing of 22 November 2000:**

In relation to tax treatment of AFP Officers:

Can the Minister advise the Committee when the issue of tax-free treatment for AFP officers is resolved?

**I am advised that the answer to the honourable Senator's question is as follows:**

See page 56 Hansard L&C 22 November – *'I can undertake to advise you as soon as a decision is made and it is publicly announced. I will make sure you are informed.'*

SENATE ESTIMATES COMMITTEE  
 AUSTRALIAN FEDERAL POLICE  
 QUESTIONS ON NOTICE

**Senator Ludwig (Hansard L&C page 59) asked the following question at the hearing of 22 November 2000:**

Can you provide the Committee with a breakdown of the funding allocated to the programs under the NIDS strategy?

**I am advised that the answer to the honourable Senator's question is as follows:**

The breakdown of the budget is shown in the table below. Following the mid-year economic and fiscal outlook review in November all elements of NIDS are now approved as ongoing funding.

Element	2000-01 (\$m)	2001-02 (\$m)	2002-03 (\$m)	2003-04 (\$m)
Mobile strike teams	13.646	13.643	13.745	13.943
Thursday Island	0.200	0.200	0.200	0.200
Heroin Signature Program	0.305	0.305	0.305	0.305
Informant handling and witness protection	0.914	1.230	1.200	1.200
Overseas Liaison Posts	2.832	2.995	2.906	2.967
Law Enforcement Cooperation Program	3.520	3.559	3.605	3.681
Increased Telephone Interception Capacity	0.927	0.933	0.939	0.959
Connection of Overseas Posts to the AFP computer system	1.197	1.205	1.213	1.238
<b>TOTAL</b>	<b>23.541</b>	<b>24.070</b>	<b>24.113</b>	<b>24.493</b>



SENATE ESTIMATES COMMITTEE  
AUSTRALIAN FEDERAL POLICE  
QUESTIONS ON NOTICE

**Senator Ludwig (Hansard L&C page 60) asked the following question at the hearing of 22 November 2000:**

In relation to client surveys:

- a) Can you provide a list of the departments that were surveyed?
- b) Was there anyone approached by you who may have declined?
- c) Who made the decision to use a private consultancy firm?
- d) Was that an in-house decision, and was this matter then put out to tender?

**I am advised that the answer to the honourable Senator's question is as follows:**

a) Participating Commonwealth clients, partners and stakeholders were nominated by the AFP based on client demand and levels of service provided. Those clients were: Australian Customs Service; Attorney General's Department; Australia Post; Australian Securities and Investments Commission; Australian Taxation Office; Centrelink; Department of Defence; Department of Education, Training and Youth Affairs; Department of Employment, Workplace Relations and Small Business; Department of Foreign Affairs and Trade; Department of Finance and Administration; Department of Immigration and Multicultural Affairs; Family Court of Australia; Health Insurance Commission; Insolvency Trustee Service Australia; the National Crime Authority; Comcare; Air Services Australia; Civil Aviation Authority; Aboriginal and Torres Strait Islander Commission; Australian Protective Service; Christmas Island Gaming Authority; Australian Electoral Commission; Director of Public Prosecution; and, the Department of Agriculture, Fisheries and Forestry.

Other agencies, including private companies were included in the survey where the only service considered was criminal history checks – a function no longer performed by the AFP.

b) See page 60 of the L&C 22 November Hansard – *'Not to my knowledge'*.

Further, the AFP has no record of any agency approached to participate in the survey that declined the request. It should be noted that some agencies only agreed to participate in the survey once confidentiality was guaranteed.

c) See page 60 of the L&C 22 November Hansard: *'It was an in-house decision.'*

d) See page 60 of the L&C 22 November Hansard: see above and *'.....it was not put out to tender.'*

SENATE ESTIMATES COMMITTEE  
AUSTRALIAN FEDERAL POLICE  
QUESTIONS ON NOTICE

**Senator Ludwig (Hansard L&C page 60&61) asked the following question at the hearing of 22 November 2000:**

Were there any specific complaints identified as part of that area they had targeted? If so, could you make those available and provide some background information as to why those complaints arose and whether there will be remedial action put in place to correct those?

How are you going to pay for it given the state of your budget?

Can you provide a percentage breakdown and list in hierarchical order?

**I am advised that the answer to the honourable Senator's question is as follows:**

The 1999/2000 Survey found that 91% of clients were satisfied with overall AFP service delivery. Agreed participation in the survey from several clients was conditional upon a guarantee of confidentiality. The AFP is therefore not privy to the specific examples for resultant dissatisfaction or the agencies providing them. General feedback was provided by MARS, however, from the 9% minority who were dissatisfied. Those clients felt that:

- the AFP was slow in providing information;
- there had been a decline in the experience of seconded AFP officers;
- there was an inconsistency in cases accepted by the AFP;
- the AFP was reluctant to share information and intelligence; and
- the AFP was under constant resource pressure to service priorities other than those of the client.

More detailed comments are included within Specific AFP Service Delivery Issues section at page 46 of the 1999/2000 Australian Federal Police Client Satisfaction Survey, Final Report document provided.

Remedial action taken by the AFP to improve services includes:

- provision of additional relevant contacts for each case;
- a fourteen-day response limit on all referrals;
- standardised rejection letters explaining the reasons for not investigating referrals;
- AFP Client Service Team follow-up on client enquiries; and
- enhancements to the PROMIS electronic case management system such as automatic selection of Quarterly Case Management Reporting for client cases.

These actions are being implemented from within existing resources.

A percentage breakdown of complaints in hierarchical order is provided at page 46 of the Final Report document.

SENATE ESTIMATES COMMITTEE  
AUSTRALIAN FEDERAL POLICE  
QUESTIONS ON NOTICE

**Senator Ludwig (Hansard L&C page 61) asked the following question at the hearing of 22 November 2000:**

Can you provide the Committee with a breakdown of the level of funding between the AIPM, the ABCI and the ACPR?

**I am advised that the answer to the honourable Senator's question is as follows:**

The \$6.775m Commonwealth appropriations to these Common Police Services in 1999-2000 referred to on p.99 of the AFP 1999-2000 Annual Report is made up as follows:

- Australian Institute of Police Management (AIPM) \$1.405m;
- Australian Bureau of Criminal Intelligence (ABCI) \$4.366m;
- Australasian Centre for Policing Research (ACPR) \$1.004m.

SENATE ESTIMATES COMMITTEE  
 AUSTRALIAN FEDERAL POLICE  
 QUESTIONS ON NOTICE

**Senator Ludwig (Hansard L&C page 61) asked the following question at the hearing of 22 November 2000:**

Could you provide a breakdown of the number of AFP personnel who are on secondment to those organisations or are permanently placed there? Additionally, could you provide a breakdown of their staff – whether they are officers, for example – and the number of staff in each of those three bodies? Can you also provide a breakdown of their salary or remuneration in terms of whether they are in the SES officers band or in the officer stream.

**I am advised that the answer to the honourable Senator's question is as follows:**

AFP staff assigned to the AIPM, ABCI and ACPR occupy AFP funded positions. As such, they are not 'seconded' to these bodies. There is one exception, a staff member who has been seconded to an ABCI position. The breakdown of the numbers and categorisation of employees attached to these bodies is shown in the table below.

<b>AFP Staff Numbers for ABCI, AIPM and ACPR</b> (as at 22 November 2000) (Permanent Staff broken down into classification)					
<b>Classification</b>		<b>Organisation</b>			<b>Total</b>
		<b>ABCI</b>	<b>ACPR</b>	<b>AIPM</b>	
<b>Full Time</b>	Sr Exec Lv I6			1	1
	Specialist	9		1	10
	Staff Lv I4	6	2	1	9
	Staff Lv I3	6		5	11
	Staff Lv I2	11	4	5	20
	Staff Lv I1	2		3	5
	<b>Sub-total Full Time</b>		<b>34</b>	<b>6</b>	<b>16</b>
<b>Part Time</b>	Staff Lv I2		1	1	2
	Staff Lv I1			2	2
	<b>Sub-total Part Time</b>		<b>1</b>	<b>3</b>	<b>4</b>
<b>Total</b>		<b>34</b>	<b>7</b>	<b>19</b>	<b>60</b>

There are also 11 temporary employees: ABCI 8, ACPR 2 and AIPM 1.  
 Source: EIS download as at 22 November 2000 Pay 11

The staff attached to these common police service bodies are not subject to any formal rotation policy or processes. They are, as with all AFP staff, entitled to seek out other learning and development opportunities by movement to other areas of the AFP, through the AFP's established mechanisms (for example, by applying for other AFP positions advertised in the AFP Gazette). Some staff within these bodies, who have 'specialist' type roles (for example, lecturers) have tended to remain with the body for longer periods.

SENATE ESTIMATES COMMITTEE  
AUSTRALIAN FEDERAL POLICE  
QUESTIONS ON NOTICE

**Senator Ludwig (Hansard L&C page 64) asked the following question at the hearing of 22 November 2000:**

How many references, if any, have there been in the last 12 months from government to the AFP about examining leaks?

Are there standing AFP officers that investigate these, or is a task force drawn together to investigate them?

**I am advised that the answer to the honourable Senator's question is as follows:**

See Hansard L&C page 64, '*...32 such cases on hand as of 31 October.*'

Also See Hansard L&C page 64 '*... there is a group at our national headquarters that generally is formed to investigate special references. That is not restricted to the group at headquarters, it is sometimes sent out to a regional office if it is more appropriate for the regional office to investigate the matter.*'

SENATE ESTIMATES COMMITTEE  
AUSTRALIAN FEDERAL POLICE  
QUESTIONS ON NOTICE

**Senator McKiernan (Hansard L&C page 65) asked the following question at the hearing of 22 November 2000:**

In relation to the search warrant on Dr Dorling's home:

In the course of that information being provided, would the magistrate have been informed that the AFP had sought access to electronic records of the office of the shadow minister for foreign affairs, Dr Dorling's employer, which were held in the parliamentary information system?

**I am advised that the answer to the honourable Senator's question is as follows:**

The Chief Magistrate has asked that any questions related to the granting of the search warrant should be asked of the issuing magistrate. However, the Application presented to the issuing magistrate did provide the information that, in accordance with existing protocols, letters were delivered to the Presiding Officers, the Minister for Defence, the Minister for Veterans' Affairs and the Shadow Minister for Foreign Affairs. No letter was sent to the Leader of the Opposition. Those letters sought approval to obtain access to specific electronic data communications held by the Parliamentary Information System office within the Department of the Parliamentary Reporting Staff. The Application provided details that while the Minister for Veterans' Affairs gave approval, the Honourable Laurie Brereton strongly objected to providing assistance to the inquiry. The Speaker and the President advised that they could not accede to the request in absence of further details.



SENATE ESTIMATES COMMITTEE  
AUSTRALIAN FEDERAL POLICE  
QUESTIONS ON NOTICE

**Senator McKiernan (Hansard L&C page 69) asked the following question at the hearing of 22 November 2000:**

How many federal agents are authorised officers – authorised to certify that information is required from carriers or carriage service providers – under the provisions of section 282 of the Telecommunications Act?

**I am advised that the answer to the honourable Senator's question is as follows:**

At the time of responding there are 32 members (excluding members employed by A.C.T. Policing – Outcome 2) authorised to obtain information under section 282 of the Telecommunications Act 1997.

SENATE ESTIMATES COMMITTEE  
AUSTRALIAN FEDERAL POLICE  
QUESTIONS ON NOTICE

**Senator McKiernan (Hansard L&C page 70) asked the following question at the hearing of 22 November 2000:**

Can the AFP confirm how many commissioned officers are in the AFP?

**I am advised that the answer to the honourable Senator's question is as follows:**

Including officers employed on A.C.T. Policing (Outcome 2) tasks and excluding out-posted officers, there were 147 commissioned officers in the AFP at 30 June 2000 – source: cross level addition of data on page 92 Annual Report 1999-2000.

SENATE ESTIMATES COMMITTEE  
AUSTRALIAN FEDERAL POLICE  
QUESTIONS ON NOTICE

**Senator McKiernan (Hansard L&C page 70) asked the following question at the hearing of 22 November 2000:**

How often in the past year have AFP officers certified under section 282 of the Telecommunications Act that the disclosure of information or documents by carriers or carriage service providers were reasonably necessary for the enforcement of the criminal law?

Can the AFP also compare this with previous years, bearing in mind that the Act was amended in 1997?

**I am advised that the answer to the honourable Senator's question is as follows:**

Each application made for information under section 282 of the Act was considered reasonably necessary. Information sought during 2000 falls into the following two categories and, at the time of responding, was:

- Subscriber Details - Approximately 18,000 records requested.
- Call Charge Records - Approximately 7,500 records requested.

Data received from various offices indicates there has been steady increase in the number of requests made for information under section 282 of the Telecommunications Act since 1997. It is not clear whether that increase has resulted from the change to the Act or from the changing nature of the criminal environment.

SENATE ESTIMATES COMMITTEE  
AUSTRALIAN FEDERAL POLICE  
QUESTIONS ON NOTICE

**Senator McKiernan (Hansard L&C page 70) asked the following question at the hearing of 22 November 2000:**

- (a) Does the AFP have the ability within the act to enter into any inter-agency or inter-departmental agreement, memorandum of understanding, guidelines or other arrangement which govern the disclosure and/or use of information obtained by law enforcement or other agencies under section 282 of the Act?
- (b) Can the Department consider the question in relation to law enforcement agencies that might not be connected with the AFP.
- (c) Can the Committee be provided with a sample copy of those arrangements?

**I am advised that the answer to the honourable Senator's question is as follows:**

- (a) The *Telecommunications Act 1997* (the Act) is silent on the issue of inter-agency or inter-departmental agreement, memorandum of understanding, guidelines or other arrangements for the secondary disclosure of information obtained under section 282 of the Act. The Act prohibits the disclosure of personal information except in specific circumstances allowed in Part 13. Secondary disclosure of information obtained under section 282 of the Act is prohibited unless authorised by a provision in division 4 part 13.
- (b) The Act provides that secondary disclosure to, and use by, a second agency must be for the same purpose for which the information was obtained by the law enforcement agency. That is, it must be reasonably necessary for the enforcement of the criminal law, a law imposing a pecuniary penalty or the protection of the public revenue. This limitation is reinforced by obligations imposed under the *Privacy Act 1988*.

The legislation establishing the law enforcement agency is also relevant to the ability of a law enforcement agency to enter into such an agreement. For example, secrecy provisions in that legislation may prohibit the disclosure of information obtained by the law enforcement agency except in certain cases related to the performance of that agency's functions.

- (c) There are no known formal agreements or arrangements. However, information received under section 282 could be disseminated to other law enforcement agencies to the extent that this is permitted by the existing legislation.

SENATE ESTIMATES COMMITTEE  
FAMILY COURT OF AUSTRALIA  
QUESTIONS ON NOTICE

**Senator McKiernan asked the following question at the hearing of 22 November 2000.**

In relation to the Expensive Commonwealth Criminal Cases Fund:  
What has been distributed so far?

**I am advised that the answer to the honourable Senator's question is as follows:**

Please refer to QoN 57.

SENATE ESTIMATES COMMITTEE  
FAMILY COURT OF AUSTRALIA  
QUESTIONS ON NOTICE

**Senator McKiernan asked the following question at the hearing of 22 November 2000.**

Can the Department provide a copy of the guidelines that govern the decisions?

**I am advised that the answer to the honourable Senator's question is as follows:**

Please refer to QoN 58.

SENATE ESTIMATES COMMITTEE  
ATTORNEY-GENERAL'S DEPARTMENT  
QUESTIONS ON NOTICE

**Senator McKiernan asked the following question at the hearing of 22 November 2000.**

How has the Building Safer Communities money been allocated for 2000-01?

**I am advised that the answer to the honourable senator's question is as follows:**

As at August 2000, project funds had been allocated as follows:

- 12% for projects addressing violent crime;
- 6% for public safety initiatives aimed at reducing fear of crime in the community, and reducing violence and crime at public events;
- 8% for property crime initiatives;
- 3% for initiatives aimed at reducing crimes in relation to small business;
- 2% for national/cross jurisdictional initiatives;
- 1% for projects with an international focus, such as ending child prostitution in collaboration with ECPAT (Ending Child Prostitution Pornography and Trafficking);
- 9% for establishing best practice processes and training for programmes associated with crime prevention;
- 45% for early intervention, including the *Youth, Crime and Families* strategy; and
- 14% for producing public information materials, and training costs associated with crime prevention projects generally.

Employee related and administrative expenditure are not included in the above.

SENATE ESTIMATES COMMITTEE  
ATTORNEY-GENERAL'S DEPARTMENT  
QUESTIONS ON NOTICE

**Senator McKiernan (Hansard page L&C75) asked the following question at the hearing of 22 November 2000.**

Can the Department provide details of

- (a) the number of people employed under the National Crime Prevention program and at what APS level they are (at a relatively recent date),
- (b) how the NCP program is structured and
- (c) some detail of what the priority areas are – that is, those priorities areas that are identified on the NCP program website?

**I am advised that the answer to the honourable Senator's question is as follows:**

(a) As at 30 September 2000, there were 16 people in the Crime Prevention Branch: 1 SES Band 1; 3 Executive Level 2; 5 Executive Level 1; 5 Australian Public Service Level 6; 1 Australian Public Service Level 5; and 1 Australian Public Service Level 3.

(b) The National Crime Prevention program represents one of the Government's major crime prevention measures. Launched in 1997 by the Prime Minister, the Hon John Howard MP, the program's policies are directed towards crime prevention and allaying the community's fear of crime and violence.

The National Crime Prevention program is structured around a number of distinct streams of activity: Violent Crime, Public Safety; Early Intervention; Property Crime; Private Sector; Good Practice. Key priorities include: fear of crime, residential burglary, violence in indigenous communities, sexual violence and young people and crime.

The National Crime Prevention program also has a strong focus on communications to raise awareness of crime prevention issues amongst practitioners across a range of sectors and amongst the general public.

(c) In keeping with the Government's commitment to early intervention and to building stronger families, a major component of the program over the next three years will be the Youth Crime and Families strategy. Announcements on this and on a range of other program initiatives are anticipated from the Minister over coming months.



SENATE ESTIMATES COMMITTEE  
ATTORNEY-GENERAL'S DEPARTMENT  
QUESTIONS ON NOTICE

**Senator McKiernan (Hansard page L&C76) asked the following question at the hearing of 22 November 2000.**

In relation to the booklets about preventing burglaries;

- (a) what were the production and distribution costs of the pamphlet?
- (b) Can you provide the Committee with information about how the project could be evaluated?
- (c) What are the performance measures?
- (d) If it is successful, is it the intention to expand it throughout the rest of the community?

**I am advised that the answer to the honourable Senator's question is as follows:**

- (a) The Department is not yet able to provide exact expenditure figures as the project has not yet concluded.
- (b) After distribution of the second pamphlet, market research will be undertaken to test the impact and effectiveness of distributing burglary prevention information to householders via the mail. Using quantitative assessment methodology, we anticipate that around 400 people will need to be interviewed nationally by telephone.
- (c) The Department has not yet let the consultancy for the evaluation. However, the market research will need to explore such issues as:
  - clarity of message;
  - whether householders have taken action in response to the information in the pamphlets;
  - whether there are any cultural, economic, language, or other barriers that may impede the message;
  - the appropriateness of this information to householders across urban, outer metropolitan and regional locations;
  - the likely impact on fear of crime levels;
  - what, if any, barriers to communication exist;
  - how credible, useful and appropriate the information is seen to be; and
  - other useful information that could/should be included in the package of information.
- (d) This will be considered once the results of the evaluation are available.

SENATE ESTIMATES COMMITTEE  
ATTORNEY-GENERAL'S DEPARTMENT  
QUESTIONS ON NOTICE

**Senator McKiernan (Hansard page L&C78) asked the following question at the hearing of 22 November 2000.**

Provide correspondence which shows the scope of the offers the Department made and the way the Department constructed offers which would be affordable by the APS and, at the same time, produce a significant increase in remuneration for members.

**I am advised that the answer to the honourable Senator's question is as follows:**

The attached correspondence, for tabling before the Committee, contains the relevant information.

SENATE ESTIMATES COMMITTEE  
ATTORNEY-GENERAL'S DEPARTMENT  
QUESTIONS ON NOTICE

**Senator McKiernan (Hansard page L&C80) asked the following question at the hearing of 22 November 2000.**

In relation to a question on notice that Senator West put to Minister Vanstone on 16 August 2000. It was question No. 2751. Senator West was asking about the closure of the analogue network around Australia from 1 January 2000 and asked the Minister to advise if the APS was responsible directly or indirectly for alarm systems that were dependent upon access to the analogue network at 31 December 1999. She went into details of how many sites.

The Minister informed the Committee that the APS had 13 alarm security systems on the analogue network at 31 December 1999 and that they were going to be progressively upgraded. They were located in the ACT, NSW, Victoria and SA. The Minister then went into detail of when the upgrade was going to take place, starting on 24 March 2000 and progressing through to the last one on 11 September 2000.

What were the arrangements for those premises, if indeed there were premises, where these security alarm systems were operating?

**I am advised that the answer to the honourable Senator's question is as follows:**

There were 13 security systems operating in various regions throughout Australia on the analogue mobile telephone network at the time of closure of that network

These systems were monitored continuously throughout the network changeover as they were not primarily reliant on the mobile telephone network.

The primary means of communications for all security systems of this type is the public telephone network and the mobile network is only used as secondary or back up system should this primary means fail.

SENATE ESTIMATES COMMITTEE  
ATTORNEY-GENERAL'S DEPARTMENT  
QUESTIONS ON NOTICE

**Senator McKiernan (Hansard page L&C80) asked the following question at the hearing of 22 November 2000.**

What is the current attrition rate for the response team at Sydney Airport?

**I am advised that the answer to the honourable Senator's question is as follows:**

Of the 63 recruits that were placed at Sydney Airport, twelve had separated from the Service as at 13 December 2000.

SENATE ESTIMATES COMMITTEE  
ATTORNEY-GENERAL'S DEPARTMENT  
QUESTIONS ON NOTICE

**Senator Crossin tabled the following questions at the Senate Finance and Public Administration Legislation Committee hearing of 22 November 2000.**

- a) What is the basis of the financial risk or contingent liability calculations for both stolen generation costs and native title?
- b) How many claims are they based on, where are they and when are they due to proceed in the courts?

**I am advised that the answers to the honourable Senator's questions are as follows:**

- a) As described in the Statement of Risks at Appendix C to Statement No 4 in Budget Paper No 1 for the 2000-01 Budget, fiscal risks are general developments or specific events which may have an effect on the fiscal outlook. One of the items identified in the Statement of Risks is native title costs.

The Commonwealth has offered to assist the States and Territories in meeting compensation costs associated with native title. The amounts that might be paid by the Commonwealth will depend on the terms of financial assistance agreements currently being negotiated with the States and the level of compensation payments arising from actions by the States.

Those liabilities cannot be quantified due to uncertainty about the number and effect of compensable acts, both in the past and in the future, and the valuation of native title affected by those acts. Similarly, liabilities cannot be quantified in relation to acts by the Commonwealth for which it may be directly liable.

The Commonwealth has also offered to assist the States with the costs of bodies performing native title functions under State legislation. The extent of this assistance will depend on the existence of such bodies, the timing of their recognition and the extent of their use.

That aspect of the question that relates to separated children costs will be answered by the Department of the Prime Minister and Cabinet.

- b) The States and Territories have yet to commit themselves to bilateral financial assistance agreements with the Commonwealth, although it is expected that some will do so in the near future. The level of knowledge of what native title rights and interests are and what value the Courts will place on them for the purposes of determining native title compensation is not yet known. The current estimates of financial assistance are therefore necessarily very tentative and will be revised when judicial precedent provides more information about native title compensation.

SENATE ESTIMATES COMMITTEE  
ATTORNEY-GENERAL'S DEPARTMENT  
QUESTIONS ON NOTICE

**Senator Crossin tabled the following question at the Senate Finance and Public Administration Legislation Committee hearing of 22 November 2000.**

There is \$14 million allocated under native title (payments to or for the states) in the 2000-01 budget. Which states have received payments, how much have they received, and what is the basis for these costing?

**I am advised that the answer to the honourable Senator's question is as follows:**

As no States and Territories have committed themselves to bilateral financial assistance agreements with the Commonwealth to date, no payments have yet been made. The costings cover potential payments across all States and Territories of Australia.

SENATE ESTIMATES COMMITTEE  
ATTORNEY-GENERAL'S DEPARTMENT  
QUESTIONS ON NOTICE

**Senator Crossin tabled the following questions at the Senate Finance and Public Administration Legislation Committee hearing of 22 November 2000.**

- a) What are the costs to the Commonwealth of State's acquiring native title rights, and for the establishment of bodies to deal with native title?
- b) How are these costs worked out?
- c) Can you tell me what the proportional cost between the Commonwealth and the States for compensation due to the acquiring of these native title rights will be?

**I am advised that the answer to the honourable Senator's questions are as follows:**

- a) Those liabilities cannot be quantified due to uncertainty about the number and effect of compensable acts, both in the past and in the future, and the valuation of native title affected by those acts. Similarly, liabilities cannot be quantified in relation to acts by the Commonwealth for which it may be directly liable.
- b) Whilst the Commonwealth has offered to assist the States with the costs of bodies performing native title functions under State legislation, the extent of such assistance will depend on the existence of such bodies, the timing of their recognition and the extent of their use. It will also depend on when financial assistance agreements are signed.
- c) Broadly speaking, the Commonwealth has offered to meet 75% of the cost of native title compensation.

Senate Legal and Constitutional Legislation Committee  
**Attorney-General's Portfolio**  
 Questions on notice from Supplementary Budget Estimates Hearing 22 November  
 2000

No.	Hansard page	Reply received
	<b>Questions from the Hansard Transcript</b>	
115	18-19	24 January 2001
116	19	23 January 2001
117	24	24 January 2001
118	24	24 January 2001
119	24	24 January 2001
120	24	24 January 2001
121	25	24 January 2001
122	25	24 January 2001
123	26	24 January 2001
124	26	24 January 2001
125	28-29	23 January 2001
126	29	23 January 2001
127	29	23 January 2001
128	30	23 January 2001
129	31	23 January 2001
130	33	24 January 2001
131	36	24 January 2001
132	40	18 January 2001
133	43	18 January 2001
134	44	21 December 2000
135	46	18 January 2001
136	47	21 December 2000
137	47	18 January 2001
138	51	21 December 2000
139	52	21 December 2000
140	54	21 December 2000
141	55	21 December 2000
142	56	21 December 2000
143	59	18 January 2001
144	60	21 December 2000
145	60-61	21 December 2000
146	61	21 December 2000
147	61	21 December 2000
148	64	21 December 2000
149	65	21 December 2000
150	69	18 January 2001
151	70	18 January 2001
152	70	18 January 2001
153	70	18 January 2001
154	75	23 January 2001
155	75	23 January 2001
156	75	19 January 2001
157	75	19 January 2001
158	76	22 December 2000
159	78	21 December 2000
160	80	21 December 2000
161		21 December 2000
162		24 January 2001



<b>No.</b>	<b>Hansard page</b>	<b>Reply received</b>
163		24 January 2001
164		24 January 2001

