SENATE ESTIMATES COMMITTEE
AUSTRALIAN CUSTOMS SERVICE
QUESTIONS ON NOTICE

Senator Ludwig asked the following question at the hearing of 20 November 2002:

Regarding the new x-ray equipment, can you indicate the categories you examined or the type of percentage coverage you gave that question back in estimates in May and provide an update of that information? Are you able to put together a table about what the reality is and what your targets are?

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

INDUSTRY TIMETABLE

Progress in relation to the software analysis, design, build and test for each of the three publicly announced releases of the Integrated Cargo System (ICS) is as follows:

Release	**Progress**
One – Cargo reporting by express couriers of documents	Release 1 of the ICS is now complete. User acceptance testing was successfully concluded on 4 December 2002.
Two – Exports	The analysis and design is complete. Software build is scheduled for completion on 14 February 2003. Testing is expected to be completed in May 2003.
Three – Imports	Analysis is scheduled to be complete in February 2003. Design is also well underway.

The timetable for rollout of the ICS is consistent with the information that has been publicised nationally to industry and CMR over the last six months.

The implementation timetable currently stands as follows:

Release	**Industry Exposure & Testing**	**Operational**
One – Cargo Reporting for Express Couriers of Documents	Detailed planning commences in December 2002 with test transactions commencing in March 2003	March 2003 (DHL) Other express couriers in 2003
Two – Exports	From May 2003	November 2003
Three – Imports	Cargo Reporting Functionality – from October 2003; Other Functionality – from January 2004	March 2004

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Senator Ludwig asked the following question at the hearing of 20 November 2002:

Would ACS indicate the numbers of people trained?

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

This information is provided in the answer to question number 109.

SENATE ESTIMATES COMMITTEE
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QUESTIONS ON NOTICE

Senator Ludwig asked the following question at the hearing of 20 November 2002:

Is ACS able to provide information on what proportion of industry is trained and how much there is left to do?

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

The first phase of CMR was in July 2002 when numerous legislative changes were introduced. Substantial industry consultation and training were undertaken at this time. Over 60,000 information booklets were distributed to industry, and over 3,000 industry clients attended training and information seminars hosted by Customs and other industry bodies. This phase is now complete. Industry has been fully briefed and has implemented the legislated reporting changes. The following information gives a brief summary of training and information that was provided to industry for the 1 July 2002 changes.

- 16 information overview sessions of the 1 July changes were delivered free of charge in all capital cities in April 2002.
- 22 information sessions on the new Penalties and Infringement Notice Scheme were delivered free of charge in all capital cities in June 2002.
- 17,000 copies of 1 July Information Packs were produced and disseminated to industry.
- 37,000 copies of Exporter Booklets were disseminated to industry. Another 22,000 are expected to be distributed over the coming months.
- 23,000 Cargo Carrier Booklets were produced and made available to industry on request.
- Infringement Notice Guidelines are available in hard and electronic form from the Customs Internet site.

The second phase will commence in March 2003. This phase is specific to air courier special reporters. There are eleven air courier special reporters that will be impacted by this phase. Consultation has commenced with all special reporters and will be on-going over the next twelve months. Information will be provided on a face-to-face basis for all eleven special reporters over the coming months.

A significant communication campaign will be launched in January 2002 aimed at industry clients involved in the exports process. Many thousands of industry operators will be impacted by the new ICS and associated legislative changes that will be implemented in November 2003. All industry clients involved in the exports process will require training or information product prior to November 2003.

The imports phase is currently scheduled for March 2004. The imports communication and training strategy will commence development in consultation with industry sectors in March 2003.

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Senator Ludwig asked the following question at the hearing of 20 November 2002:

There are two contracts (956344 and 956334), each for $15 million, for 'Container handling services to support container examination facilities in Melbourne, Sydney and Brisbane'. One is with P&O Ports at West Swanston terminal, and one is with Patrick Stevedores at East Swanston Dock. Would the ACS explain detail of these contracts?

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

When Customs selects a sea cargo container, owners are legislatively responsible for ensuring it is presented for examination. This arrangement is suitable for current examination rates of around one to four containers a day in major ports. However, once the new container x-ray systems are fully operational, Customs intends to inspect 100 containers per day (five days per week) in the ports of Sydney and Melbourne and 60 containers per day in Brisbane.

Customs has consulted widely with stakeholders on how the logistics of presenting this significantly increased volume of selected containers can be carried out with the least impact on industry, whilst ensuring the greatest efficiency from the new facilities' operations. The preferred approach is a transport operation managed by Customs.

An integral part of this approach is the stevedores' (P&O Ports and Patricks Stevedores) isolation of selected containers into special Customs stacks upon their arrival at international wharfs. A Customs-supervised and contracted transport-provider will then pick up and ferry containers from these stacks to the facility for x-ray. A full brief on the transport options is publicly available from the Customs website (www.customs.gov.au - container x-ray page)

The stevedores will be responsible for getting containers to the Customs stack (based on electronic notification from Customs) and for transferring containers to and from the transport provider's vehicles. The stevedores will also manage priorities within the stack in terms of time critical cargo, frozen goods etc.

The contracts for these stevedoring services span three years. They include elements such as modification of stevedore systems to interface with Customs x-ray hold notifications and priority access for Customs transport contractors. The contracts include key performance indicators on the turnaround times for the transport contractor and dwell times for segregated containers.

The contracts are based on a movement charge per container (at rates superior to the usual average stevedoring charges) and include stevedoring operations by both P&O Ports and Patricks Stevedoring in the ports of Melbourne, Sydney and Brisbane.

SENATE ESTIMATES COMMITTEE
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QUESTIONS ON NOTICE

Senator Ludwig asked the following question at the hearing of 20 November 2002:

Does the ACS have any specific arrangements in place to detect the smuggling of components of nuclear, chemical or biological weapons into Australia? Or does Customs simply rely on its general inspection procedures designed to identify drugs and other contraband?

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

Customs relies heavily on intelligence information in targeting high-risk cargo, including for weapons of mass destruction. Customs uses a combination of electronic profiles and human scanning to screen all cargo reports. Information on terrorist threats and risk profiles for terrorism have been fed into the targeting process, and there are specific arrangements to keep this information up to date. Customs has sound links with the Australian Intelligence Community and the Departments of Defence and Foreign Affairs and Trade. The latter are weapons import/export permit issuing agencies as well as providers of weapon related intelligence. Through these links Customs has received, and will continue to receive, intelligence that allows us to specifically target attempts to smuggle CBRN material.

Customs inspection procedures cover a very high proportion of air cargo, mail, passenger baggage and shipping. These procedures are multi-purpose in that they are designed to cover as wide a range of threats as possible.

Customs technological screening is likewise multi-purpose. For instance, Customs' x-ray machines can differentiate between metallic and organic materials. The trigger components of weapons can be recognised from their X-ray images. The extremely high density of fissile materials renders them highly visible.

In addition, Customs will shortly take delivery of hand-held detectors of nuclear radiation.

Customs currently possesses no equipment designed specifically to detect chemical agents but owns equipment that could be adapted for this purpose, and is arranging to trial technologies in this field.

Customs is researching technologies to counter possible threats from biological agents and has been consulting other agencies on the state of the art in this field.

Customs has in place arrangements to call on the agencies with the relevant expertise and equipment where nuclear, chemical or biological threats are suspected, and has procedures in place to ensure risks are contained until the threat can be verified.

SENATE ESTIMATES COMMITTEE
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QUESTIONS ON NOTICE

Senator Ludwig asked the following question at the hearing of 20 November 2002:

How would ACS officers identify components of a weapon of mass destruction?

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

This information is contained in the response to question 111.

SENATE ESTIMATES COMMITTEE
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QUESTIONS ON NOTICE

Senator Ludwig asked the following question at the hearing of 20 November 2002:

Has the ACS distributed any specific guidelines or briefing to the Customs officers responsible, for inspection/X-ray of baggage or cargo containers to enable them to identify weapons components?

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

Customs officers are trained to identify anomalies in cargo for physical inspection. Customs officers are trained to identify guns and gun components in x-ray images, and Customs has arranged provision of training in identification of explosive devices.

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QUESTIONS ON NOTICE

Senator Ludwig asked the following question at the hearing of 20 November 2002:

Does any briefing specifically cover
a. nuclear and radiological weapon components,
b. chemical weapon agents and precursor chemicals,
c. biological weapons agents and related equipment?

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

(a) Customs is currently expanding its training program for officers to include recognition of nuclear weapons components.

(b) Customs is acquiring an instrument for chemical analysis of volatile organic compounds and will assess its capability to detect chemical agents. Accurate identification of potentially hazardous materials requires specialised equipment and training. Customs relies on intelligence and general technology-based screening to isolate suspect cargo, and then draws on appropriate expertise as required.

(c) Customs is consulting relevant authorities for advice covering detection and appropriate levels of response should detection occur or be suspected.

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Senator Ludwig asked the following question at the hearing of 20 November 2002:

Apart from X-raying baggage and cargo containers, does the ACS have any technical capacity to detect radioactive material or lethal chemical agents which could be imported by terrorists?

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

As mentioned in the answer to Q111, Customs will shortly take delivery of hand-held detectors of nuclear radiation. These detectors can be used in a wide variety of environments.

Customs currently possesses no equipment designed specifically to detect chemical agents but owns equipment that could be adapted for this purpose.

Customs is researching technologies to counter possible threats and has been consulting relevant agencies in this field.

Customs has arrangements in place to draw on specialist expertise and equipment where radiological, chemical or biological threats are suspected.

SENATE ESTIMATES COMMITTEE
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Senator Ludwig asked the following question at the hearing of 20 November 2002:

The ACS undertook to provide an update on the monitoring role of the Office of the Privacy Commissioner.

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

This information has been provided in the response to question 103.

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QUESTIONS ON NOTICE

Senator Ludwig asked the following question at the hearing of 20 November 2002:

Customs undertook to table in the Senate the operating procedures governing requests for the disclosure of personal information on current Aviation Security Identification Card holders, prior to proclamation.

How far has this progressed? When is it anticipated that this will be tabled?

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

Customs made a submission to the Senate Legal and Constitutional Legislation Committee during its deliberations on the Border Security Legislation Amendment Bill 2002. In that submission Customs stated that it will introduce operating procedures that record all instances where identity information is requested about existing holders of Aviation Security Identification Cards. Customs anticipates that this provision would only be used in exceptional circumstances.

The Legal and Constitutional Legislation Committee reported that these operating procedures should be the subject of parliamentary scrutiny. Customs undertook to table the operating procedures before the proclamation of the relevant schedule (Schedule 2) of the *Border Security Legislation Amendment Act 2002.*

On 29 August 2002 a standing operating procedure for the mandatory provision to Customs of identity information about existing Aviation Security Identification Card holders by card issuing authorities was tabled in the Senate on behalf of the Minister for Justice and Customs.

Schedule 2 of the *Border Security Legislation Amendment Act 2002* will commence on 5 January 2003.

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Senator Ludwig asked the following question at the hearing of 20 November 2002:

ACS undertook to provide information on the commissioning date for the new X-ray facilities in Melbourne, Sydney, Brisbane and Fremantle, together with the process involved in "analysing business needs" for the Fremantle operation.

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

Melbourne
The Hon. John Howard MP, Prime Minister, officially commissioned the Melbourne facility on 26 November 2002. Operations have begun. Throughput will increase progressively over a three-month period to 100 or more containers per day. Initial pilot programs have raised some minor issues but have validated the workability and capacity provided by the contracted transport arrangements, stevedoring services and enhanced examination facilities.

Sydney
The Sydney facility was officially handed over to Customs on 16 December 2002. The container x-ray system is currently being installed. Operations will begin after fit-out is complete and is subject to licencing by the Australian Radiation Protection and Nuclear Safety Authority (ARPANSA). Official commissioning is expected in February 2003.

Brisbane
Construction of the Brisbane facility continues to progress well and handover is expected by mid-February 2003. The container x-ray system for this site underwent acceptance testing in China prior to its shipping this month. It performed above specification. Following fitout and ARPANSA licencing, official commissioning is expected in March 2003.

Fremantle
Customs issued a Request for Tender (RFT) on 12 July 2002 for the system to be located in Fremantle, a provider has been selected and contract negotiations are underway.

This RFT reflected changes in the various container x-ray technology since the procurement of the first systems in 2001. The process for identifying a suitable system has also taken account of the smaller size of operations in the Port of Fremantle (handling about 10% of the total loaded import container trade compared with around 40% in the Port of Melbourne) and consequently, the need for lower levels of throughput (expected to be around 50 containers per day compared to 100 in Sydney and Melbourne).

Customs intends to apply the same logistics model to Fremantle as has been developed for Sydney, Melbourne and Brisbane. Consequently, negotiations are underway to secure a suitable site that can also accommodate an examination facility. Customs will also need to contract for the provision of transport and unpack/re-pack services and extend the existing stevedore (container handling) contracts to include Fremantle.

Customs aims to have the site in Fremantle operational by third quarter 2003.