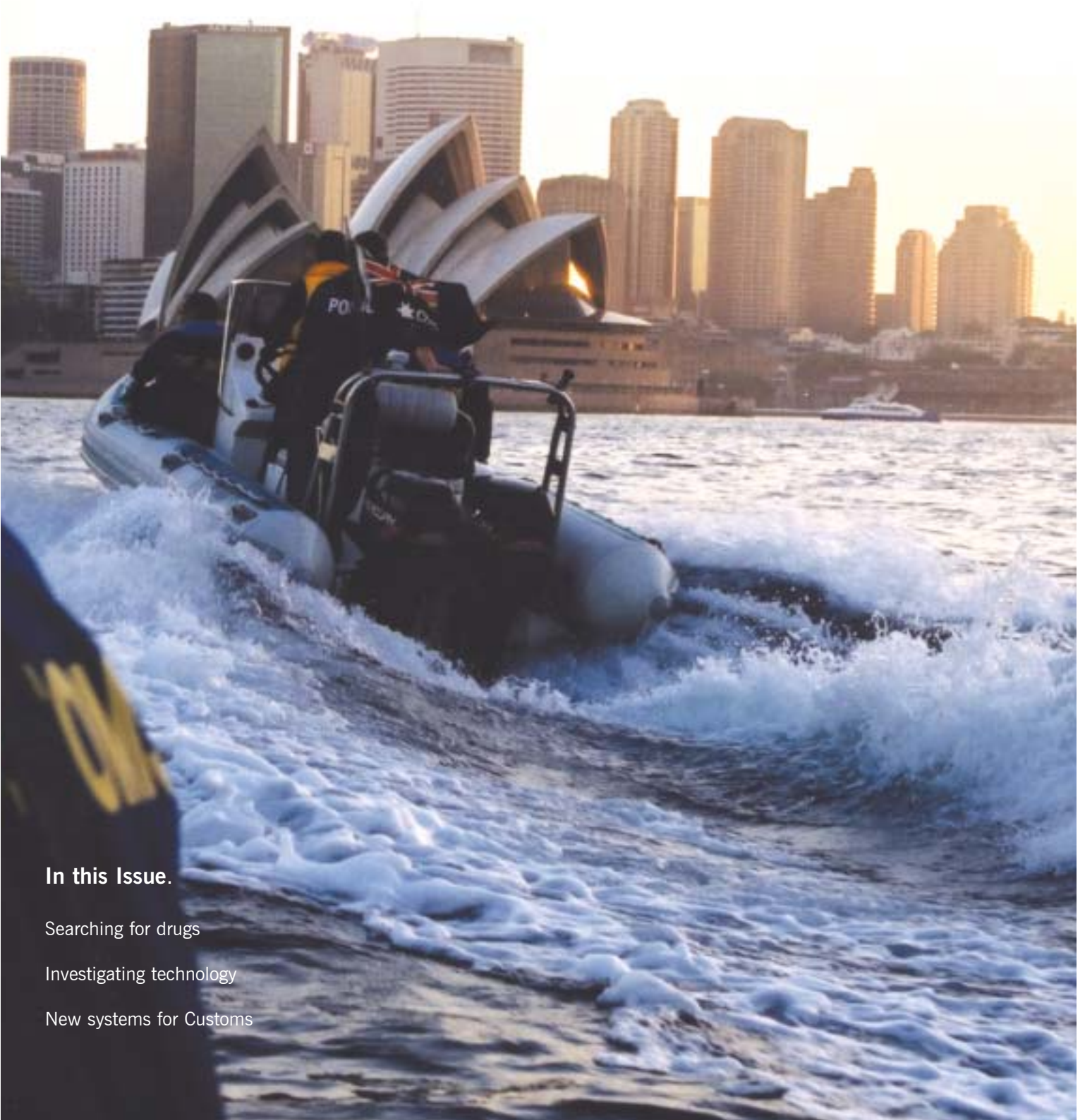


Manifest

JOURNAL OF THE AUSTRALIAN CUSTOMS SERVICE

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In this Issue.

Searching for drugs

Investigating technology

New systems for Customs



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On the cover:

Photo: Sari Mattila

Customs in Australia plays a role at many harbours and ports around the country - from remote areas like Christmas Island to metropolitan areas such as Sydney.

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From the CEO



Lionel Woodward
Chief Executive Officer
Australian Customs Service

The investigation, investment in, and use of, emerging technologies by Customs in its work, and its efforts to be at the forefront of Customs administrations, is highlighted in this issue of *Manifest*.

Professional work practices and promotion of them throughout the organisation are keys to the success of Customs operations in Australia. The success of these work practices is being noticed on the world stage, with honours being bestowed by the World Customs Organization on Australian Customs officers in the field of integrity. I congratulate Clay Kerswell on his award for work in strengthening integrity and fighting corruption and the Internal Affairs team for its excellent work in the integrity field.

Articles in this issue also demonstrate the diverse nature of Customs work, including the exploration of the training methods offered by Customs internally and to border organisations in Australia and overseas.

Training is provided in fields as diverse as ship search to dumping-related material injury training.

Constant knowledge-building is another key to successful Customs work and this is the focus of articles dealing with the world-wide problems of chemical precursor and cigarette smuggling.

The theme of change in Customs work and procedures in line with the needs of the nation are taken up in articles dealing with issues as varied as changes in border legislation, transformation of Customs cargo processes and the establishment of a Customs office on Christmas Island.

The history of Customs consultative processes throughout the ages is an interesting look at a different aspect of Customs history as is a look at a former, and colourful, Customs Collector.

Integrity

a winner for Customs

The World Customs Organization (WCO) has publicly recognised Australian Customs work and focus on integrity.

On 25 January 2002, WCO celebrated International Customs Day. The occasion marked the start of the organisation's 50th anniversary celebrations in 2002. In recognition of the efforts made by members in the area of integrity, the WCO designated the day as Customs Integrity Day.

At a ceremony in Brussels on Customs Integrity Day, Australian



WCO Secretary-General Michael Danet (right) presents Clay Kerswell with a WCO award for integrity.

Customs nominee Clay Kerswell was presented with the WCO award for having made a particular contribution to strengthening integrity and fighting corruption.

Mr Kerswell received the award from Secretary-General Michel Danet, who

highlighted the WCO's achievements over the past 50 years and the work of its members within the area of integrity.

Mr Danet said the Customs family took great pride in the professional conscience and qualities of all its members, both women and men.

"You are a symbol of the values of these men and women in their daily work," he said. "Customs officers from throughout the world make a significant contribution to the implementation of inter-governmental political decisions and the protection of society. Through you, Clay, I would like to pay tribute to these men and women on behalf of the WCO and its members."

In accepting the award, Mr Kerswell acknowledged the contribution by many others, both from within Australian Customs and from the member administrations of the Asia-Pacific region. He particularly noted the contribution the Asia-Pacific region made through the development of the *Integrity Self-Assessment Guide*.

Mr Kerswell encouraged all Customs administrations to maintain their efforts and commitment to integrity-improvement strategies and to make them an integral element of their customs reform and modernisation agendas.

Mr Kerswell's nomination for the award, endorsed by the Chief Executive Officer of Australian Customs, Lionel Woodward, stated that he had made a significant contribution to the progress of integrity issues at both an organisational

and regional level. He had displayed leadership, hard work and perseverance and, in doing so, had provided the blueprint for many of the integrity initiatives established or being developed in Australia and the Asia-Pacific region.

The work done by Mr Kerswell is now being reflected in multilateral and regional forums. He contributed and, when appropriate, led the implementation of integrity strategies and programs in the Asia-Pacific region. He was instrumental in raising the profile of, and the importance placed on, integrity by many Customs administrations. Mr Kerswell's leadership, hard work and perseverance made a real and lasting impact on the development of integrity within the Asia-Pacific region.

Customs in Australia is undertaking an integrity self-assessment process based on a model developed by the WCO. The WCO has placed a high priority in developing integrity standards among its members and has developed a mechanism to monitor national integrity approaches via a system of self-assessment, sharing of best practice and, eventually, a process of peer review.

Australian Customs has been active in the promotion of integrity initiatives internationally, particularly in the Asia-Pacific region, providing resources to assist other countries. These efforts have raised the profile of, and the importance placed on, integrity by members of the WCO, the Oceania Customs Organisation (OCO) and the APEC Sub-Committee on Customs Procedures (SCCP). Some major achievements are:

- development and subsequent updating of the *WCO Self Assessment Guide*;
- elevating integrity to the APEC SCCP Collective Action Plan;
- co-chairing three regional Integrity Facilitator Workshops (Brisbane - July 99 and April 01, and Chinese Taipei - July 2001);



Australian Customs Internal Affairs Unit staff received certificates from the WCO for its contribution to the enhancement of integrity standards. They are (from left) Peter Wilton, Geoff Lanham, Geoff Schneider, Jacqueline Walton, Derek Wilson, Bill Jowett, Ray Filby, Barry Shrouder (rear) and John Snook.

- drafting the integrity work plans for the OCO and the APEC SCCP;
- redesigning and updating the training material and format of the WCO workshop;
- assisting Tongan Customs with self-assessment and drafting of its subsequent integrity action plan (June 2001); and
- drafting a paper called *Developing a Consistent Approach in Regional Integrity Activities by Customs Administrations*. The paper proposes how the regional forums can develop a consistent approach to their integrity initiatives, and is awaiting endorsement.

Certificates

In light of the importance placed on integrity, and as a part of its 50th anniversary celebrations, the WCO also issued certificates to Customs officials who had made a contribution to the enhancement of integrity standards during their professional life. Australian Customs nominated the staff of its Internal Affairs Unit.

The Unit investigates allegations of serious misconduct and suspected criminality against Customs employees.

It maintains a framework of systems and procedures that removes opportunities for corruption and where staff are more willing to come forward in confidence to report their concerns.

Internal Affairs staff are drawn from within the ranks of the organisation and must possess the investigative skills and competencies, corporate knowledge, common sense and attitudes that are necessary to effectively carry out this type of function. Feedback from both within and outside the organisation would suggest that the current Internal Affairs staff possess these skills and attitudes.

The certificates were awarded in recognition of all the staff within Internal Affairs who, in their daily activities, strive to uphold the image of Australian Customs through successful deterrence, prevention and educational activities.

Sebastian says thanks

WINNER



With this image, Merran Teale, from Sydney, won the Australian section of a World Customs Organization 50th anniversary staff photo competition about Customs life.

It is fellow Customs officer Roland de Beer in an up close and personal encounter with Sebastian the carpet python while visiting Taronga Park Zoo to hand over some good seized under CITES regulations. Sebastian was so pleased at the work being done by Customs to protect his less fortunate cousins that he just had to give Roland a big hug.

Merran's photo was selected because it demonstrated the diversity of things that a Customs officer could be involved with in his or her daily duties. The WCO guidelines for the competition stated that the picture chosen should bring out the humour, poetry, problems, risks and even emotions of a Customs officer's work.

The judges decided that this photograph best met the criteria. Merran's photograph was forwarded to the WCO to be part of the international judging. Three winners were to be invited to Brussels by the Secretary-General during the council sessions in June. Travel and daily allowances associated with the award were to be met by the WCO.

At the time of preparation of this issue of *Manifest*, no results of the international competition were available.

Successful searching it's a craft

by Sari Mattila

Customs Corporate Communication officer Sari Mattila was offered a place on a recent pleasure craft search course at Customs Border Search Training Centre in Sydney. This is her story.

The setting was ideal. Sydney Harbour, sun shining, water glistening and temperature in the low 30s. Yachts were mooring in an enclosure just below as 15 sets of eyes watched from a classroom at the Customs Border Search Training Centre at Neutral Bay.

We were at the centre to learn how to search pleasure craft - yachts and motor cruisers. For me, the pre-course reading had already been a learning curve. Now, in company with 12 other Customs officers from around Australia, and two NSW Water Police officers, I was about to get my hands dirty.

Feeling like a novice in my never-worn overalls and deck shoes, I sat at my desk for an introduction by course coordinator and chief instructor Tony Wheatley. He told us we would get to know the yachts downstairs quite well during the coming week. The week-long Pleasure Craft Search Course originated from initiatives coming out of the Small Craft Targeting and Reporting Strategy. About 80 per cent of the information for the course has been gathered from Customs work in Australia and the other 20 per cent from United States, British and Canadian Customs.

With statistics showing that small craft are one of the vehicles used in importing drugs into Australia, the course aims to teach and enhance skills to search pleasure craft thoroughly - 100 per cent space accountability - and also aims to teach people correct vessel terminology so that, when reporting a find and sharing the information with others, the information is clear to all. A life raft is not a lifeboat, the walls are bulkheads, the back is aft, and seacocks are important ... I had a lot to learn.



Sari found that a chain locker on a pleasure craft can be a tight squeeze.

To start we were given a tour of the centre. It includes a room simulating the engine room of a large ship. There were plane seats that were in storage for a room being planned to simulate an aircraft. A ship ladder was attached to a rock face, leading into a hold from which people learnt how to retrieve others. Confined space training was held in a black room that contained a multi-storey black container with holes cut into the end. Doors are built into the side so that people who become claustrophobic can get out or be helped out a little easier.

Before being thrown into the thick of things the class was told about methods of concealment. The pre-course reading also gave the completely uninitiated the chance to learn about the different places (hides) smugglers use to conceal illicit goods. The reading clearly set out the different vessel types and structures, giving landlubbers a basic knowledge to build on during the course.

Three hours into the course we were given a torch and a mirror, split into two



Michael Hooker, of Customs in Melbourne, enjoyed the searches, although he had to fit into tight spaces.



Tony Wheatley, Pleasure Craft Search Course coordinator and chief instructor, joined in the water-safety exercise.

groups and told to go and find the hidden packages in the work shed. No mention as to what size, shape or number we were looking for. The first find was the best - it was simply hanging in some netting (I have to admit I had looked at the netting but not closely enough). I looked through sawdust and in machinery. Others looked through piles of wood and in gaps in walls. I found one in a paint tin; someone else found one rolled up in a fire hose, another was concealed under a cabinet. Our group found four of the six. The other group found five of the six.

Our instructors told us that we had done as many before had done - become more confident as the search went on. The key was to be systematic and to search 100 per cent of the suspect item. Lesson learnt - no more cursory glances.

Next it was off to a shipyard to meet shipwright Andrew Storey - an expert in building and repairing yachts and other pleasure craft. Andrew explained to us the way a vessel is typically constructed, sharing his knowledge about the spaces that can be built in to vessels. We were shown the spaces on one vessel at the shipyard - even the construction of a keel was explained.

An exercise to accustom us to the safety requirements of travelling in

watercraft meant a ride in a rigid inflatable boat (RIB) back to the Neutral Bay base. The views of Sydney harbour weren't bad either!

My overalls had been dirtied a little and were feeling more comfortable. The reading I had done was becoming real and was soon going to be put into practice. Day two started with a quick

Three hours into the course, we were given a torch and a mirror.

written test to name the parts of a boat. I realised I still had some knowledge gaps.

A talk about systematic search followed. The theme of searching everywhere and being persistent was echoing the signs all over the walls. The rationale for systematic searching is that it allows searchers to be confident that they have found all there is to find, or conversely, that they have searched all available spaces and that there is nothing to find. Slogans on the classroom walls included:

Remember you are looking for space, account for all of it
Space = Success
100% accountability
Be systematic and methodical
The message was beginning to sink in. My knowledge of vessels, and

confidence that I could search and find anything, was growing. Teamwork and planning are also essential. The use of Customs dogs, watercraft, divers, specialist equipment, how a search will be conducted, who will search what area of the vessel, what and how much the search team is looking for all need to be considered.

All this has been made easier through the development of a *Pleasure Craft Search Report*. The report asks for information about basic things such as date and time, and includes a list of all the different areas of a pleasure craft as well as a basic outline of a yacht on which a mud map can be drawn. This course was not going to leave a stone unturned.

The list of spaces and parts on a small vessel continued and had me wondering how a team of four could possibly search all of these spots in little over an hour. Planning! Teamwork! Along with knowledge of where to look!

Then on to water safety training. We were told to jump into water wearing our overalls and asked to float standing up - only one sinker in the group who had to use the breathing technique. If he breathed out, straight down he went like a stone. Making a buoyancy vest out of our overalls was the next task. We had to zip it up and blow in to make the back of the overalls inflate like a balloon. I was starting to really like these overalls - they could do anything!

After drying off, we had the first close inspection of the vessels in the enclosure. We were told to have a good look because we would be searching these four vessels thoroughly several times over the next few days. There were two fibreglass yachts - a racing style and a cruiser style - one ferro cement cruising yacht and one wooden cruising yacht.

Again an expert, shipwright John Elton, was called in to take us over the vessels. The morning's classroom talk about all the different spaces was given



Nathan Phillips (left), a trainer at the search centre, inflates his overalls during a water safety exercise, giving Mike Last, Customs Fremantle, a place to rest.

a clearer meaning. John pointed to areas where things could easily be hidden, but then also pointed out places that are difficult to get to and how all vessels have similar parts, but that they can be in very different places and installed completely differently.

It was emphasised in the classroom and again by Mr Elton that it was possible to get to all parts of a vessel. There was an easy way and a difficult way. Sometimes digging around in a small space was the only way, at other times it might entail using search

This course was not going to leave a stone unturned.

equipment. Also emphasised was that there was no harm in enlisting the help of expert ship builders and people with expert or local knowledge.

I could tell over the next few days I would be getting dirty, hot and tired. Lucky I had overalls.

Every tool a searcher required was packed into a backpack or a personal search pouch. In the classroom before our first actual search we were shown how to use all the tools. There were drills, gas monitors, snake eyes to see

around tight spaces, fibre-optic scopes, a screwdriver, gloves, safety glasses, knee pads, and of course torches and a hand-held mirror.

Then it was off to do the first actual search. It was warm outside and warmer still on the vessels. Three groups began to search - systematically - with a team leader assigning areas. I felt that I got the good bit to search - the deck and cockpit. I could only imagine how hot it would be inside the small yacht. I found nothing in the spaces on the deck, nothing hanging off the side or in the lockers attached to the cockpit.

Unwrapping the sails proved a good idea. Other samples were found under batteries, in lockers, under the table base. Our team worked well - we had found all the hidden items and we had communicated all the way through. The exercise certainly helped my confidence in my ability to search. Persistence and 100 per cent space accountability had worked.

The difference between this search and the search we conducted on the first day in the work shed was immense. We had been given the knowledge about the basic structure of pleasure craft, still had the same tools, but our confidence and the application of an ordered,

systematic search method had made a huge difference.

It was back to the classroom to cool off, with a lesson in basic chart reading. We plotted coordinates, measured distances between coordinates, using chart reading tools. We were told about magnetic north variations and even had a quick maths lesson, applying formulas developed to calculate how fast or far a vessel would travel in a given amount of time. Just something else that was to be in the exam on Friday - eek!

We were about to be sent on a night time vessel search. We realised it would be different searching while it was dark outside, but understood that the systematic search method would serve us well. I was determined to search

I had a better bit to search than the two that had to explore the engine or the person who scored the battery pit. There were cockroaches and there was a definite smell. I got hot enough to break into a sweat - not as bad as during the day though! I was putting my gloved hands into places I would not normally put them. I think the determination to look everywhere and not let the team down was spurring me on. I finished confident that I had covered my part 100 per cent. I had pulled up carpet, taken lids off boxes, emptied lockers, looked in the bilge, stuck my head underneath the heads, pulled out a set of drawers, shined a torch down the plug hole of a sink, snake-eyed under the petrol tank. Others had helped me

the city reflecting in the water. It was a fantastic ride back to the classroom after a hard day's work. Centre manager Frank Malkoun had told us the previous day that we would be sent home tired and maybe a bit sore in the muscles, but we would be happy.

I was tired, a bit sore, definitely dirty, but happy!

A pop quiz started the next day - I did better this time. It was followed by a talk about crime scene management and then a search of a large motor cruiser owned by the NSW Water Police. Everyone on the course seemed to agree that the time spent in the classroom was well balanced with the time spent on practical activities.

The amount of "space" on the large cruiser was overwhelming. I was assigned the aft berth and was amazed at how much space there was to search. We were being rushed off because the owners wanted to take it out for a ride - it made it feel real being in a hurry.

Then it was back to base - a bit of lunch and straight back into the search mode. In the rain this time. We had had it all - stinking hot, night time and now rain. We were searching the fibreglass racing yacht, which had no lining or panels - so we expected to be back in the bilge looking for the loot. Amazing - we were already starting to think where it might be hidden before starting the search. Obviously the practical and the theory were working.

Yes. And there it was in the bilge! As luck would have it, a team mate and I were assigned the saloon area. Two hides in the bilge, none under the batteries, none in the hanging lockers, one underneath the drawers. Too easy. We had these smugglers sussed and with 100 per cent space accountability we could confidently say that we also had them beat.

So back to the classroom - a quick revision of the past four days and a reminder of the written exam in the morning. That to think about and some

study - my head was still bobbing a bit from the day's searches.

After the written exam we were to play smuggler, trying to outsmart the other teams.

Everyone was having a last look at their manuals in preparation for the exam. Most were confident that they had learned enough to pass. The exam was given out and the heads went down, pens began writing quickly. Yes! I had taken in all that the exam covered. The chart reading went okay and I even knew that a seacock is a valve that lets water in and out. The papers were handed in and it was off to play smuggler.

We knew that wherever we hid our goods, the other team would find it. With 100 per cent space accountability it would be found every time. Booty hidden, my team went to search the only vessel we had not yet searched - the wooden yacht. After finding a couple

of items hidden on the deck, I climbed in the chain locker - contortionism once again came in handy. Eventually we found them all, as did the other two teams. Must have been the good training. Our exam results came back. We had all passed. Must have been the good trainers.

Then it was out again to use some tools on areas we had not yet used them on. A hull sweeping light, ionscan machine to test bilge water, a buster to test wall density, and a fibroscope to look in a water tank. Practice in using the tools available was once again confidence-building.

I noticed the same attitude on that last afternoon that I had been seeing throughout the course - everyone was working together and sharing their knowledge.

The day was coming to an end. We received our course certificates from Jan Dorrington, Regional Manager Border Operations in NSW.

Everyone seemed to be pleased with the course. It had been physically tough and we were all tired and looking forward to getting home. Still, we were all happy. Happy to have finished it, happy with the trainers and happy and confident that we were now better searchers than before we had arrived.

NSW Water Police Senior Constable Blair Talbot said it was definitely not just another course. It was a good mix of hands-on and classroom work.

He said it had been the first time he had worked or dealt with Customs officers, finding them professional and excellent to work with. Blair said the trainers, equipment and all other course participants had been professional and good to learn with and that he had learned a lot.

NSW Water Police Sergeant Dave Buckley said the course had been presented well and the resources available to search with had surprised him. He said the attitude of everyone during the course had been a good

example that Customs and NSW Water Police could and do work together well. Other than that, he suggested the course could also be used as a weight loss program.

The Customs officers on the course all agreed that the course had taught them a great deal. The searches were physically tiring, but the practical nature of the course and the use of search tools was a good confidence-builder.

Frank Malkoun, Border Search Training Centre manager, said the trainers also learnt during the course.

"Training at the centre is a learning curve for all," he said.

"It builds networks throughout Customs and with other agencies. If we can continue to share knowledge and experiences, we can continue to learn, both about new search techniques and other issues."

The Border Search Training Centre has 54 courses planned for the coming year. Courses include more pleasure craft search courses, basic ship search courses, and confined space search training.

On receiving my course certificate, I didn't even remember I was wearing my overalls.



Chris Holzheimer, Customs Thursday Island (left), Blair Talbot, NSW Water Police (centre), and course assistant trainer John Barnard, Customs Wollongong (right), take a break after a night training search on Sydney Harbour.

every space in whatever part of the vessel I was allotted. I think we all understood by now that it was a team effort. We were confident - our initial nerves had been calmed by the earlier search. This time we would be searching under artificial light.

And we did do well. I found my first package in the bilge and the other was underneath the heads (toilet). I still think

lift heavy things and held search tools when I had to do a little bit of contortionism. The tools were good to use. All relevant and helpful in learning to be a better searcher.

The debrief was positive. The treat for the night was the night time ride on Sydney Harbour - always impressive to ride underneath the harbour bridge, see the opera house and look at the lights of



Using a "snake eye" to see into a tight spot is sometimes the only way to search a space.

Search centre implementing world's best practice

A constant upgrading of skills, courses and resources are the essential ingredients that are maintaining a successful and effective Australian Customs Service Border Search Training Centre. The centre emphasises a professional approach in all search activities.

The centre at Neutral Bay in Sydney, which aims to maintain world's best practices in its provision of search training, opened in 1999 as an initiative resulting from the Government's *Tough on Drugs* strategy.

Since that time, the centre has developed a reputation for supplying quality training in ship and aircraft search techniques. Courses include training in ship search, pleasure craft

search, confined space entry, fumigated container examination, aircraft search and a marine environment awareness course. Courses range from three to 10 days and have a pre-course study component ranging from eight to 24 hours.

The centre also offers its training to other agencies. Course participants have included people from State police forces. Staff at the centre are currently delivering a new course, developed in cooperation with the Australian Quarantine and Inspection Service, to train quarantine and other personnel in ship board safety, confined space awareness and heights management.

Courses run at the centre are developed by the training staff, who themselves have attended courses held overseas. These courses have further developed the skill levels of the trainers. The trainers at the centre are chosen because of their Customs border, investigation and training experience. Training is ongoing, staff from Customs regional offices selected to be developed as assistant trainers for each course.

Content for the courses is developed from information gathered from past and current Customs officers, industry experts and overseas border administrations. The courses and the information contained are constantly reviewed to ensure currency and relevance to Customs border operation

priorities. The centre aims to return course participants to their workplaces with the knowledge, confidence and ability to conduct search activities professionally and safely.

Training in search techniques has provided Customs with a consistent, highly skilled and professional search approach. The use of technology and equipment, as well as the procurement and supply of suitable equipment for operational use, has also benefited from work on developing the various courses. Staff at the centre are in constant contact with suppliers, manufacturers and industry experts, maintaining a knowledge of the most recent advances in all relevant fields.

The aim to maintain world's best practices in provision of search training is given impetus through ongoing assessment and validation by industry experts and external consultants.



Looking through a ship search tool kit are Chris Holzheimer, Customs Thursday Island, and Tony Wheatley, Border Search Training Centre course coordinator and instructor.



Learning together at the Border Search Training Centre are Blair Talbot, NSW Water Police, and Keith Howard, Customs Sydney.



The search centre crew. They are: (back, from left) Lee Major (instructor), Alex O'Brien (assistant instructor), Frank Malkoun (centre manager); (front, from left) John Barnard (assistant instructor), Tony Wheatley (course-coordinator and instructor) Terry Russo (centre staff) and Nathan Phillips (instructor).

Customs and chemical precursors

A vital component of Customs community protection role is the detection of attempted imports and exports of prohibited drugs such as heroin, cocaine and ecstasy. Similarly, Customs places a high-priority on the detection of primary substances and chemicals used in the manufacture of illicit drugs. These substances and chemicals are known as precursors and Customs has detected precursors capable of producing over \$2 billion worth of illicit drugs in the past few years.

Why are precursors a problem? Many of the illicit drugs abused in Australia are usually manufactured overseas. However, amphetamines are manufactured in large quantities within Australia, usually in clandestine laboratories. Last year more than 150 laboratories were detected. This domestic manufacture requires large quantities of precursors.

As most precursors also have legitimate medical, therapeutic or industrial uses in Australia (see Table One for examples), they have been obtained in the past primarily through domestic diversion. Domestic diversion is where chemicals are taken from legitimate medical, therapeutic or industrial sources (such as chemists, pharmaceutical and chemical companies) through theft, deception or purchase.

State police, health departments and industry have worked hard to tighten controls on these precursors. This has increased the risk of their importation for illegal purposes which, in turn, has highlighted the need for effective controls on their import or export.

Consequently many substances that can be used as precursors are controlled by Customs at the border and there are strict penalties, including imprisonment for up to five years, for their import/export without an appropriate permit from the Therapeutic Goods

Administration (TGA) (see Table Two for the list of precursors covered by the criminal sanctions regime). TGA has policy responsibility for determining whether a substance that can be used as a precursor should also be a restricted import or export.

Australia's largest detection of illegally imported ephedrine, used in the manufacture of methylamphetamine, was made during a Customs examination of a sea cargo consignment from Montenegro, Yugoslavia. The consignment contained six pallets of ceramic tiles concealing 22 bags of crystalline ephedrine of approximately 25 kg each - total weight of 556.4 kg. The seizure represented an estimated five or more tonnes of five per cent pure street level methamphetamine tablets with an estimated street value of about \$2 billion dollars.

Other significant detections include:

- In 1997, 25 kg of pseudoephedrine was detected concealed in cement from South Africa;
- On 12 September 2000, 100kg of ephedra (containing 4.6 per cent pseudoephedrine and 1.6 per cent ephedrine) was detected in air cargo from the United States. The consignment was misdescribed, and led to the detection of a clandestine amphetamine laboratory in Western Australia; and
- In November 2000, 42kg of pseudoephedrine-based cold and flu tablets concealed in furniture arrived in sea cargo from Vietnam.

Between 1995 and 2000, Customs seized more than 2000 importations of methylamphetamine precursors (ephedrine, pseudoephedrine and ephedra). By weight, more than 85 per cent of the total seizures of precursors have come from seizures of over 100g of powder. By number of seizures, 80 per cent involve small quantities of medicinal and

herbal preparations - primarily dietary and health/fitness supplements from the United States where ephedra is available legally over the counter. In the case of smaller amounts being seized, international mail centres generate the majority of seizures.

Customs has also detected illicit importations of the precursors used in the manufacture of ecstasy and fantasy.

Customs is also working closely with state police to ensure the opportunities for illicit access to precursors is minimised. For example, Customs is a member of the Australian Bureau of Criminal Intelligence's Chemical Diversion network formed of representatives from all state and territory police services, the National Crime Authority, and a major pharmaceutical company. This network regularly exchanges intelligence and information on the diversion and illicit use of precursors.

Customs provides import data to several state police services that is used to identify areas of possible system leakage and to monitor compliance with codes of conduct. Customs intelligence is also shared with Australian and international law enforcement agencies through shared databases, the distribution of strategic assessments and through liaison officers.

Importantly, detections by Customs of illicit importations of precursors have resulted in several joint operations with state police that have uncovered laboratories manufacturing illicit drugs or led to the dismantling of methylamphetamine manufacturing and distribution syndicates. These operations have

had significant impacts on domestic manufacturing and distribution within Australia.

In a world-wide effort to control the international movement of precursors, Australian Customs is working with its international partners, and has represented Australian interests at international precursor control meetings held by Interpol and the United States Drug Enforcement Agency. An invitation to participate in a United Nations led international operation tracking and controlling the movement of precursors for cocaine has been made to Australian Customs. This invitation is being considered along with the possibility of an Australian commitment to another international operation tracking the movement of ephedrine and pseudoephedrine.

Suspect imports and exports of precursors can be reported to Customs through the 24-hour Customs Watch number 1800 06 1800. The Therapeutic Goods Administration (1300 020 653) or

www.health.gov.au/tga can provide advice on the prohibited status of precursors and any associated licence and permit requirements for their import/export.

Table 2 - criminal sanctions precursor chemicals requiring a tga licence/permit for import/export

Substance
Ephedrine
Pseudoephedrine
Ergometrine
Ergotamine
Methcathinone
Phenylpropanolamine (Norephedrine)
N-acetylanthranilic acid
3,4-methylenedioxyphenyl-2-propanone (PMK)
Phenyl-2-propanone
Gammabutyrolactone (GBL)
Piperonal
Safrole
Isosafrole
Phenylacetic acid
Any of the salts or esters of the above substances/drugs

Table One - some precursors & their legitimate and illicit uses.

Precursor Chemical	Legitimate Use	Illicit Drug Use
Pseudoephedrine	Cold/Flu preparations	Methylamphetamine
Ephedrine	Cold/Flu preparations	Methylamphetamine
3,4-methylenedioxyphenyl-2-propanone (PMK or 3,4-MDP-2-P)	In the manufacture of perfume components and as a laboratory reagent in organic synthesis.	Ecstasy (MDMA)
Isosafrole	Manufacture of piperonal; to modify oriental perfumes; to strengthen soap perfumes; in root beer and sarsaparilla flavours; also used as a pesticide.	Ecstasy (MDMA)
Piperonal	As a fragrance in perfumes; as a flavouring agent in cherry and vanilla flavours; in organic synthesis and as a component for mosquito repellent.	Ecstasy (MDMA)
Safrole (found in sassafras oil)	Flavouring and fragrance industry; soap manufacturing; production of piperonal.	Ecstasy (MDMA)
Gammabutyrolactone (GBL)	Production of pharmaceuticals and other intermediate chemicals which are in turn used in the production of toothpaste, photographic films, adhesives etc. Also used in paint strippers, metal cleaners, ink stain removers, CD cleaners and in textile processing	GHB (Fantasy)

Detection of illegal cigarettes rising

The escalation of cigarette smuggling around the world is raising interest in government and industry sectors world-wide.

An unprecedented number of illegally imported cigarettes detected by Customs in Australia in the past 12 months could have resulted in prevented duty evasion of more than \$20 million.

Analytical work by Customs officers uncovered 36 illegal shipments, totalling seizures of more than 100 million cigarettes in the 2001 financial year - 72 million cigarettes were seized in Sydney and 26 million in Melbourne. This represented a four-fold increase in seizures with 26 million cigarettes seized in the previous year.

Seizures of illegal shipments have shown that smugglers now are not only attempting to illegally import cigarettes using false declarations, but have begun to conceal cigarettes using more intricate methods.

A container in which 3.72 million branded cigarettes, concealed within a shipment of wooden products (doors, sheeting products etc), was seized in Sydney in mid-December. The wooden products were stacked on pallets, but only top and bottom layers were intact, the remainder hollowed out to provide space for the concealment.

Other concealments uncovered by Australian Customs include a seizure in December 2001, when Customs officers in Melbourne found 2.6 million cigarettes hidden in a container shipment declared as prawn crackers.

Cigarettes have been concealed in containers with baths, toilet rolls, plastic



Customs officer Dave Jackson searches through seized boxes of cigarettes.

shopping bags, charcoal, furniture, foodstuffs and even computer cases. Australian Customs has also stopped several huge illegal container shipments of cigarettes in Sydney and Melbourne.

In Britain, cigarette smugglers have attempted to conceal cigarettes in surfboards. In another instance, Customs officers in Britain used blow-torches to reveal 3.6 million cigarettes covered with fire blankets hidden in the arms of eight huge cranes, while a million cigarettes were discovered in the floor and roof of a freight vehicle carrying fish.

Customs in Australia works closely with the Australian Federal Police, the National Crime Authority, the Australian Taxation Office and tobacco companies in attempts to halt the illegal trade.

In Australia there were seven Customs prosecutions for cigarette smuggling offences in 2001, including a six-month jail sentence and fines of \$666 000 and \$266 000. Penalties for illegal import of cigarettes under criminal law can lead to imprisonment of up to 10 years and/or a fine. Civil action can lead to fines of up to five times the amount of duty not paid.

The Minister for Justice and Customs, Senator Chris Ellison, said that, apart from the attempted revenue evasions, illegal importations threaten the business of legitimate cigarette importers, manufacturers, wholesalers and retailers.

"Intelligence suggests that organised criminal groups, some with links to the drug trade, are increasingly moving into the cigarette trade which is seen as a lucrative sideline," Senator Ellison said.

The head of detection central with British Customs, England, Bob Skinner, said tobacco smuggling in Britain was a major business, professionally run even down to the setting up of business continuity plans to offset the effects of Customs taking out a supply chain. British Customs seized 2.8 billion

cigarettes - 1.9 billion in Britain and 0.9 billion en route.

Investigators have broken up 56 major excise smuggling gangs, 43 of them involved in the large-scale smuggling and supply of cigarettes.

A wide range of brands, both real and counterfeit, including most of the well-known brands sold in Australia, have been included in attempted illegal shipments into the country. Prominent health warnings are required on all cigarettes sold in Australia. It is illegal to sell cigarettes in Australia without this warning.

Cigarettes illegally imported often do not comply with stringent government requirements for health warnings and industry controls on quality of production. These cigarettes might have been manufactured in factories where quality control procedures do not exist. These factories have been known to use pesticides and other dangerous chemicals in attempts to prolong the shelf life of tobacco products.

Seized cigarettes are forfeited. After court action, the cigarettes are destroyed. Destruction is usually done by crushing them in an industrial-size crushing machine, mangling them for use as landfill. The aluminium foil and plastic wrapping means that cigarettes are unsuitable for composting.

Customs agencies around the world are continuing to investigate and detect illegal imports of cigarettes.

"The number and volume of seizures made by Customs in Australia indicate an efficient border service that is committed to ensuring that government laws are observed, industry is protected, and that the Commonwealth collects the revenue to which it is entitled," Senator Ellison said.



Bob Skinner, of British Customs, with "surfboards" manufactured from cartons of cigarettes, used in an attempted illegal import of cigarettes into Britain.

Container x-ray construction under way

A cargo container x-ray system for Australian Customs is being constructed in Miyun, China. The arrival of the first unit is expected to coincide with the completion of the x-ray scanning hall facility under construction in the Melbourne port area.

In May 2001, Customs signed an \$11 million contract to purchase two state-of-the-art cargo container x-ray machines with Chinese manufacturing company Tsinghua Tongfang. The systems will allow for increased screening of imported goods at the wharf. The container x-ray facility will allow for inspection of about 100 containers a day. A facility is also to be located in the Sydney port area.

Australian companies Gutteridge, Haskins and Davey and Jones Lang LaSalle have been contracted by Customs to assist with the design of the x-ray scanning hall and examination facility. Another Australian company, Austin Australia Pty Ltd, was successful in its tender for construction of the container x-ray facility in Melbourne. Work began on construction of the x-ray scanning hall and an examination hall covering 2.05 hectares in early February 2002.

More information about the container x-ray system is available at www.customs.gov.au.

THE BUDGET

In the 2002 Federal Budget, the Government announced that Customs will receive an extra \$39.8 million over four years to expand the container x-ray procurement program to Brisbane and Fremantle, and \$9.2 million over four years to purchase additional pallet x-ray machines.



Examples of x-ray images.



Container x-ray system construction in China.

www.customs.gov.au a new information gateway

By Lisa Sweetapple

Customs has launched a new internet site, using up-to-the-minute database-driven technology, to better service its thousands of daily clients.

Last year, there were more than 24 million hits on the old site - about 60,000 a day - sending a clear message to Customs about how powerful a tool the site is in the dissemination of information around the globe and providing the impetus to upgrade its electronic front door.

Director of Corporate Communication Leon Bedington said that, although the old site had operated effectively for some years, it had begun the struggle to provide modern services at speed.

For example, it had been set up without a search engine and it had not been feasible to 'bolt on' a search facility because many documents lacked the necessary metadata.

A review revealed a need to upgrade to industry standard and to a more manageable format using a server that supported dynamic content. Dynamic content is driven by a database,



replacing HTML (hypertext markup language) pages. A database website allows for information to be more effective and interactive for the user.

"Customs has invested over a quarter of a million dollars in the upgrade project," Mr Bedington said. "It is a far more interactive and efficient system, with 21st century features.

"The upgrade enables more feedback and interaction as well as a more cost-effective delivery of information to users.

"The amount of content is increasing rapidly and changes had to be made often. It is important that users can search and locate information easily. From an operational point of view, it is also important that it is efficient to manage."

Included in the upgrade is a dual-server setup solely dedicated to Customs website, providing greater security and less chance of a server failure.

A risk-management study of the current site made two key findings. The first was that it could fail due to the age of the system and the high usage rate. The second was potential efficiency and cost savings in the distribution of information that could be gained from an upgrade.

The risk of undertaking the upgrade and the potential problems that might arise were also explored and the worst-case scenario was identified to be a collapse of the site and a serious inconvenience to users. However, this was a risk that it was already present with the old system that Customs shared with other websites.

The contract to develop and host the new Customs website was won by Chimo Pty Ltd, of Adelaide, from more than 40 tenderers.

Customs Corporate Communication in Canberra maintains the database host and master copy of the database. The master database is safeguarded from

hackers and viruses by an air gap - it is not connected to any network within Customs and is protected by a firewall while connected in short bursts to the internet for synchronisation with the Adelaide server.

The new database content management infrastructure allows changes to be made to the Customs website from Corporate Communication. The information is then sent to the server in Adelaide via high-speed data transfer.

Chimo converted all the HTML pages from the old site into the database and code filters delivered consistency throughout the site.

The upgraded site allows simpler and faster navigation, with 'fly out' menus replacing image-based menus on the old site. It also provides the foundations for future site growth and development.

With the new search facility, users will be able to nominate a section of the site they wish to search or search the entire site, with the first 100 matches displayed.

"The task of upgrading the Customs internet system has been a lengthy and mammoth one," Mr Bedington said. "The huge amount of content that needed to be transferred to the new system was an extremely time-consuming job.

"The upgraded site is a bright, new and inviting doorway to Australian Customs. The search engine and the easier navigation system provides a more user-friendly site with a professional and consistent image throughout.

"Customs constantly aims to produce quality information that is clear and easy to understand and access."

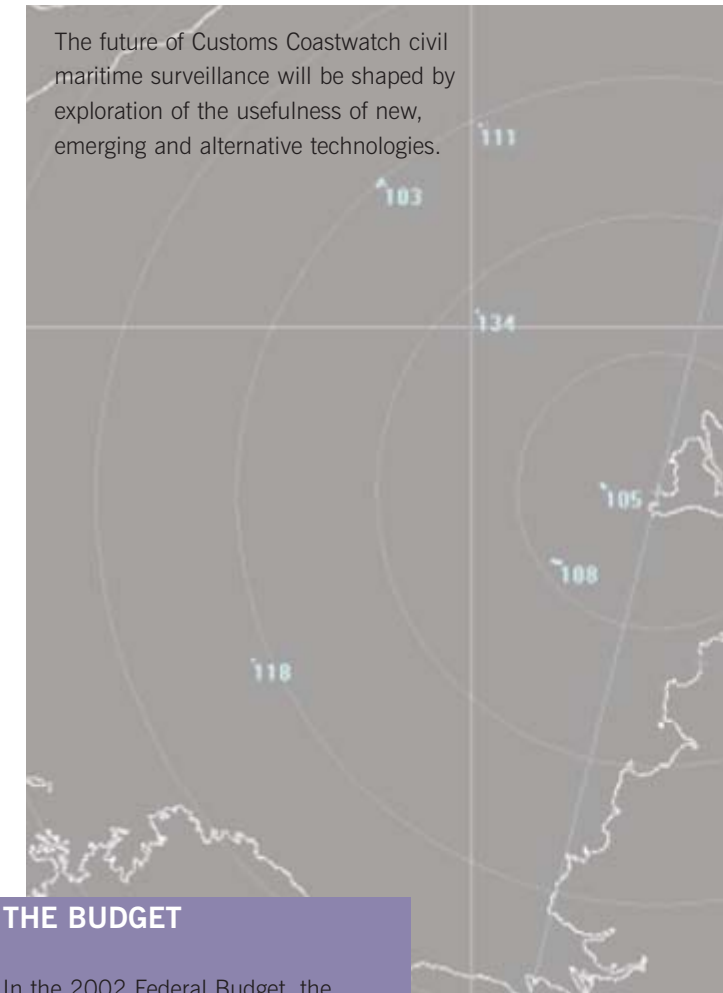
Customs reengineering of its cargo management system is also a driving force behind the upgrade of Customs web-based services because the

demand for electronic transactions for individuals and companies is increasing. When the reengineering is complete - a separate process from the internet upgrade - importers, exporters and brokers will be able to process cargo on-line, allowing for faster and more efficient transactions.

High frequency surface wave radar

By Catherine McDonald

The future of Customs Coastwatch civil maritime surveillance will be shaped by exploration of the usefulness of new, emerging and alternative technologies.



These receive array antennas were on Bathurst Island, near Darwin, during the trial.

THE BUDGET

In the 2002 Federal Budget, the Government announced that Customs will receive an extra \$12.8 million over four years to trial, in conjunction with Defence, high frequency surface wave radar technology. HFSWR can provide surveillance coverage beyond the capabilities of conventional microwave radar. The outcome of this operational evaluation will inform the Government of its options for acquiring a more comprehensive HFSWR network.

Customs regularly evaluates new technology to test its effectiveness in performing its wide range of responsibilities. One of the more difficult jobs is patrolling Australia's vast coast line. Therefore Customs Coastwatch division has a particular interest in looking at the latest technology and testing its effectiveness.

The Manager of Coastwatch Development, Tony Antoniou, has

been seconded from the Defence Science and Technology Organisation (DSTO) to manage the Coastwatch Future Concepts sub-section. This area is responsible for collecting information on new technologies and for assessing those technologies and their potential application to the Coastwatch task. The section interacts with DSTO and other external technical and scientific organisations, and also draws on the operational experience and technical

expertise of other border integrity organisations such as the US Coastguard.

"Coastwatch needs to be aware of emerging technologies in preparing for the future," Mr Antoniou said.

"There are new technologies that have particular potential for use in offshore surveillance activities."

One of these technologies, which will be the subject of a joint Customs-Defence operational evaluation over the next four years, is high frequency surface wave radar (HFSWR), a technology that has benefited from many years of research related to the JORN project.

JORN, or the Jindalee Operational Radar Network, managed by the Department of Defence, is Australia's sophisticated billion-dollar radar sky-wave over-the-horizon radar system, designed to monitor air and sea movements over large areas.

Surface wave radar does not use the ionosphere to increase its detection range beyond line of sight, but instead relies on refraction of the signal around the curvature of the earth, which occurs at high frequencies over seawater.

HFSWR development has accelerated in the past decade, offering increasing potential for surveillance capabilities.

In 2000, Customs participated in a limited trial of HFSWR near Darwin. The radar covered the approaches to Darwin and detected a variety of targets typical of the types of interest to Defence, Customs and other government agencies concerned with the integrity of Australia's borders. System benefits identified during the trial included:

- all-weather, 24-hour air and sea surveillance, and the ability to detect and track targets within a 120 degree sector and a range of up to several hundred kilometres (an area in excess of 90,000 square km);

- tracking of aircraft at low and medium altitudes;
- gathering of real-time information that could be fed directly back to the Customs Coastwatch National Surveillance Centre; and
- a system that can be relocated when new high-risk areas are identified.

"However, only an extended operational evaluation will determine whether this technology presents a viable, cost-effective option for Customs," Mr Antoniou said.

"We will be focussing the evaluation on the benefits the radar may provide for coastal surveillance activities such as locating and tracking vessels of interest in Australia's maritime zones. We will also assess its impact when it is used alongside other surveillance options. For example, whether the radar can be used to direct an aircraft to a target that needs further investigation, reducing the need for surveillance aircraft to carry more extensive, and potentially less-productive, searches."

The cost of a single radar is around \$8 million, with \$2 million a year in ongoing costs.

Before the last election, Prime Minister John Howard announced the \$175.5 million *Protecting our Borders* package with a focus on crucial areas of maritime surveillance, including radar capacity. The package promised to build on the already announced \$275 million initiative to enhance Australia's over the horizon radar capability.

He said the Government would strengthen Australia's extensive radar network with \$12.8 million in additional funding provided to Customs over the next four years. This allocation is the Customs contribution towards the cost of the joint operational evaluation of HFSWR technology.

Transforming Customs trade processes

Work on an integrated system to modernise cargo-management processes by Australian Customs is under way.

Customs issued a public tender in November last year for bids to build and implement the new system, called integrated cargo system (ICS). The timing of the process is intended to ensure industry has sufficient opportunity to make the transition from the old to the new system.

The successful tenderer is a consortium led by Computer Associates. It includes Icore Australia, Aspect Computing and NCR Australia. The contract, worth \$29.7 million, was awarded in early February. A further \$2 million for post-implementation support and maintenance has also been allocated.

The consortium includes a mix of skills and experience in applications development, particularly with Cool:GEN, the applications development tool being used on the project.

Computer Associates will assume full responsibility for the project and its management. Icore Australia will provide an applications development team. Aspect Computing will provide specialist web-development and application-testing services and NCR Australia will provide its reporting expertise.

"CA has put a lot of effort into our large-scale project management capabilities and in our Federal Government support infrastructure," Mr John Ruthven, Managing Director of Computer Associates Australia, said.

The Integrated Cargo System is the information technology component of the Cargo Management Re-engineering (CMR) project. This project modernises the management of imports and exports and includes changes to Customs legislation, information management, business processes and systems applications.

The ICS will integrate current cargo-management systems and support new cargo-management business processes.



John Ruthven, Managing Director of Computer Associates Australia (left), and Lionel Woodward, CEO Customs (right), after signing a contract to deliver the Integrated Cargo System project. ICS is the information-technology component of Cargo Management Re-engineering (CMR).



Customs moves to Christmas Island

By Ric Cole



A Christmas Island crab.

Christmas Island is the summit of a submarine mountain that juts 361m above the ocean. The island is 23.7km long with an average width of 7km - over half of which is national park. A thin band of coral reef surrounds the island after which the sea plummets over 500 metres. It is an Australian external territory with a population of about 1500 people of mostly Malay origin. The economy relies on phosphate mining and tourism.

The island was named by Captain William Mynors when he landed there on Christmas day in 1643. Britain annexed the island in 1886 and two years later the Clunies-Ross brothers established a settlement to collect timber and supplies for Cocos Island, 900km to the south.

In 1891, the Christmas Island Phosphate Company took out a 99-year lease on the island and exported phosphate until the Japanese occupied the island between 1942 and 1945. After the war, Christmas Island fell under the jurisdiction of the Colony of Singapore until 1957, when the Australian Government acquired it for 2.9 million British pounds.

Christmas Island is a speck in the Indian Ocean some 2600km north-west of Perth and 360km south of Java. Last year, as the centre of the Indian Ocean Territories, it became Australian Customs newest and most isolated outpost.

In the late 1990s, the Australian Government decided to bring its external territories into line with mainland legislative practices. Customs sent a working party to Christmas Island in 2000 and, in September the following year, a Customs District Manager arrived to set up office.

This first manager was Stuart Clifford, seconded from Geraldton in Western Australia. Stuart was given three months to set up a District Office using a room in the Australian Federal Police building.

"I didn't get off to a great start," he said. "When I was flying into Christmas Island, the weather was so rough the plane couldn't land. After three attempts we diverted to Cocos Island.

"There was no accommodation so I spent the night in a cell, courtesy of the local police. I flew to Christmas Island the following morning, arriving 24 hours after leaving Perth."

Legislatively, Christmas Island is a unique environment, not covered by the *Customs Act 1901*. Legislative guidance comes from the Christmas Island Customs

Ordinance. Only ad hoc Customs measures had been used in the past. The island still enjoys duty and GST-free status.

"I expected logistical challenges to be the key concern in setting up a District Office," Mr Clifford said.

"I had not been to Christmas Island before, but it was clear that the isolation meant dealing with unforeseen circumstances as they arose."

As it turned out, Mr Clifford's arrival coincided with an influx of asylum seekers. He spent the ensuing months processing unauthorised arrivals. Setting up a Customs office was put on hold.

The new arrivals affected island life in unexpected ways.

"When asylum seekers arrive, they can increase the island's population by 25 per cent," Mr Clifford said.

"Add mainland officials to this and the figure doubles. There are only two flights and one supply ship each week and, once things run out, you have to wait till the next ship."

Early in 2002, two full-time Customs officers took over from Mr Clifford. Trevor Innes, the new District Manager, was previously at the Bunbury District Office in the south-west of Western Australia. Mr Innes adjusted quickly to the unfamiliar culture and climate and set to work assessing the island's Customs needs.



Christmas Island port area.

"The island needs a full air and sea risk evaluation to establish an operational framework," Mr Innes said.

He is still setting up a Customs office, using accommodation supplied by the AFP. All work is done on laptop computers, as access to the Customs network is not available. Everything has to be processed manually - passengers, ships, cargo, the lot.

The biggest challenge facing Christmas Island in the near future, according to Regional Director of Customs in Western Australia, Mr Paul O'Connor, is the proposed Asia Pacific Space Corporation rocket-launching project. If this goes ahead, the workload on the island will increase immensely, he says.

"The impact of the planned space program on Customs activities would be enormous," Mr O'Connor said.

The proposal is for a private company to sell contract launching of commercial satellites. Christmas Island was chosen for its political and economic stability, isolation, and proximity to the equator.

The space program would mean around 2000 shipping containers arriving on the island each year during construction.

"Currently there are no controls in place and the challenge for Customs would be to establish a reporting and release mechanism from the wharf," Mr O'Connor said.

A new wharf area would be constructed to accommodate the increase in shipping activity. The airport would have to cope with increased international flights for workers and prospective clients.

Downstream effects of tourism, local population, shipping and flights will have corresponding impact on border protection needs.

"Christmas Island has the potential to be one of Australia's largest District Offices if the space port goes ahead," Mr O'Connor said. "Besides the space program, we expect a corresponding increase in tourist activity, as this has happened everywhere else in the world where rockets are launched."

The construction of a permanent immigration reception and processing centre on the island was announced by the Minister for Immigration and Multicultural and Indigenous Affairs, Philip Ruddock, in March this year.



Christmas Island from the air.

International training benefits Australian industry

Dumping occurs when goods are exported to Australia at a price that is below the "normal value" of the goods. The "normal value" will usually be the domestic price of the goods in the country of export.

Dumping is a form of price differentiation between markets. It is not a prohibited practice under international trade agreements—but remedial action may be taken where dumping causes, or threatens to cause, material injury to an Australian industry.

For anti-dumping action to be taken, there must be a direct and identifiable relationship between the impact of the dumped goods on the Australian market and any alleged material injury suffered by, or threatened to, the Australian industry.

As an active user of the anti-dumping mechanism, Australia is seen by many countries, particularly those in Asia-Pacific, as having a high level of expertise in anti-dumping investigations. It is held in high regard when it comes to anti-dumping training, particularly because Asia-Pacific is generally recognised as being extremely technically complex.

Australian Customs conducts its investigations within the framework of an international system - the World Trade Organization (WTO) Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 (GATT), otherwise known as the Anti-Dumping Agreement. Although there are differences in anti-dumping legislation from one country to the next, there are broad consistencies between the different administrations as signatories to the WTO Anti-Dumping Agreement.

In the context of this international system, it is to be expected that Australian companies exporting overseas will, from time to time, be subject to dumping claims by industries in the countries of export. Hence, any contribution by Australia towards the improvement of the skills and practices of other administrations will facilitate the process of managing Australian companies' dealings with those administrations.

Australian Customs has been involved in the provision of training to a number of countries, including China in the lead up to its recent

accession to the WTO. The provision of training has generally been undertaken either on a bilateral level or under the auspices of the WTO.

Representatives of dumping administrations from China, Indonesia, Korea, Malaysia, Philippines, Singapore and Thailand attended a workshop on Advanced Material Injury Analysis in Chiang Mai, Thailand, in December 2001. Two officers from Australian Customs Trade Measures Branch presented the course, in cooperation with the WTO Secretariat. The objective was to develop the participants' investigative and analytical techniques in

the areas of material injury and causal link.

Although an emphasis was on material injury analysis and the assessment of causal link, the seminar also covered other issues, such as: defining "the goods", "like goods" and the "industry"; data collection and analysis; and report preparation.

The sessions were presented in the context of the WTO Anti-Dumping Agreement rather than any particular country's legislation, enabling a theme of consistency with WTO rules to pervade the presentations.

Theoretical and actual case studies were used as a means of demonstrating particular points, with discussion and debate that involved the participants introducing particular problems they had experienced during their own investigations.

Anti-dumping investigations under the WTO framework

The international trading community considers dumping to be an unfair trading practice when the dumping of goods causes material injury to a domestic industry producing like goods in the importing country.

Awareness in the institutions of each country of the obligation to act within the framework of the WTO rules on anti-dumping is critical. In an increasingly competitive environment, with freer movement of goods and low tariffs, some industries are becoming more aware of the need to be vigilant to any possibility of dumping. The transparent processes used by Australian Customs have been its key defence against criticisms made of measures imposed in protecting industry.

The rules for taking action against dumping are embodied in the WTO Anti-Dumping Agreement. The WTO deals with rules of trade between nations, assisting in negotiations and dispute settlement.

The changes emanating from the Uruguay Round, the most significant reform of the world's trading system since GATT was created, took effect from January 1995. A significant aspect of the new WTO and its associated agreements is its extensive membership.

The reforms required member countries to notify the WTO of national legislation—their interpretation of the agreements - for scrutiny by the WTO. For many countries this meant drafting

new or modified legislation, bringing with it a heightened awareness of their rights and obligations under the various agreements. In the case of dumping, the changes prompted many governments to set up active anti-dumping administrations. In most countries the creation of consistent legislation did not cause problems, but did highlight the lack of expertise with anti-dumping investigations.

Understandably, the major focus in anti-dumping investigations falls on whether goods are dumped - exported at a price less than the price of like goods on the domestic market of the exporting country. Without proof of dumping, no action can be taken. Equally important in a dumping investigation is whether the domestic industry is suffering material injury and whether a causal link exists between the dumping and that injury. If an industry is unable to establish all three conditions then no anti-dumping action can be taken. In theory, exports of goods at dumped prices can have net economic benefits for importing countries in the form of increased competition and lower prices for consumers.

Providing anti-dumping training to other countries benefits Australian industry

Events since the Uruguay Round have produced three key observable changes in the field of anti-dumping:

- the setting up of active anti-dumping administrations or reinvigorated interest in anti-dumping by governments, particularly in Asia;
- an increase in the number of anti-dumping actions; and
- a shift in the profile of major users of anti-dumping, away from the traditional users, the EU, USA, Canada and Australia to other countries, for example India and Argentina, who have recently emerged as a major users of anti-dumping measures.

In light of these changes, it is expected that more Australian industries

will be the subject of anti-dumping actions, particularly by our regional trading partners.

A major benefit to Australian industry that flows from the provision of training is that, should they be the subject of a dumping action, they will be able to defend their interests in the knowledge that a thorough, fair and transparent investigation will be undertaken by the anti-dumping administration in the country bringing the action.

Another benefit is the establishment of relations between the Australian anti-dumping administration and those of our regional neighbours to promote communication and understanding. These relationships have already indirectly benefited Australian Customs in its investigations and thereby Australian industry.

Additional objectives of Australia being involved in the provision of training for these emerging administrations are:

- more highly skilled investigating officers able to undertake their investigations more professionally, resulting in well-reasoned decisions;
- investigations conducted consistent with the WTO Agreements, leading to a higher degree of certainty in the rules;
- administrations that have more open and transparent practices, enabling Australian industries to better defend their interests; and
- consistency in practices and interpretations throughout those administrations.

More information about the Australian trade measures system is available on Customs' website at www.customs.gov.au (under Customs Notices). Brochures on the topic are also available from Customs on request.



The participants of a workshop on Advanced Material Injury Analysis.

Industry assistance through exporter package

An initiative to assist Australian businesses to become more compliant in providing accurate export entry information to Customs was introduced at the end of 2001 with the launch of the *Information for Exporters Package*.

At the launch, the NSW Regional Director of Australian Customs, Trevor Van Dam, said accurate export entry data was important, not only for Australia's economy, but also for the safety of the Australian community.

"The September 11 attack on New York, and Australia's involvement in the fight against terrorism, further demonstrates the urgent need for Customs to increase both import and export controls and to ensure that these controls are sound," Mr Van Dam said.

Accurate export entry information is vital in Customs work. It assists with assessing cargo to ensure compliance with border controls. Customs legislation requires goods to have appropriate approval before export from Australia. The submission of accurate information to Customs can help reduce or even eliminate Customs involvement in reporting activities, and in that way reduce costs for government and industry.

The *Information for Exporters* package contains an exports brochure, fact sheets and a Project 8 pamphlet. The 'Project 8' pamphlet illustrates the following eight fields as the most critical on an export entry as identified by Australian Bureau of Statistics, permit-issuing agencies and Customs:

Owner's name or ABN:
(ABN and CAC to be given if a company or business, for example
ABN=25489878979001)

Consignee name:
(Person/company taking final delivery of the goods)

Country of destination:
(FINAL destination country)

Total FOB value:
(All costs to the vessel/aircraft excluding international freight and insurance)

AHECC code:
8-digit classification code, found within the AHECC, used to classify goods for export (Refer to the AHECC)

Origin code:
Australian State where goods are made or F (for foreign) (refer to the AHECC manual)

Net quantity:
For example, KG = kilograms; T = tonnes; NO = number etc (refer to the AHECC manual)

Permit number:
Permit prefix and number where required.

Other developing projects relating to the *Information for Exporters* package includes a focus on AHECC classification. Being developed is a self-paced *AHECC Classification Guide*, which will be provided to industry clients free of charge. Customs is also looking at implementing an AHECC Classification hotline for clients who require assistance with the classification of goods for export.

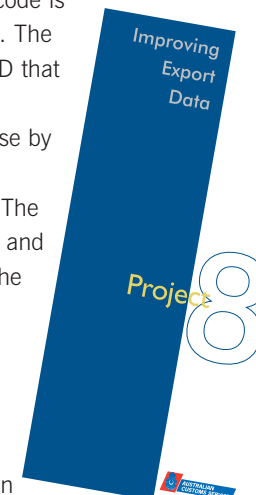
The *AHECC Classification Guide* is directly linked to Project 8 as the AHECC code is one of the eight most critical fields. The *AHECC Classification Guide* is a CD that will be provided to industry as a computer-based learning tool for use by industry personnel who have no knowledge of goods classification. The CD will be launched by mid 2002 and will be distributed to industry via the *Information for Exporters* package.

To date, the *Information for Exporters* package has been well received by industry groups, the Project 8 pamphlets proving especially popular. There have been repeated requests to pass the pamphlets on to exporters overseas. More than 4000 packs have been distributed so far.

Provision by Customs of an easy-to-understand export information guide gives industry and exporters assistance to complete export advice more accurately than previously.

The *Information for Exporters* package will continue to assist industry to understand the reporting obligations and requirements for exports. Customs believes this will further assist with work to increase the efficiency and effectiveness of the movement of legitimate cargo into and out of Australia.

Working together, past deficiencies can be corrected to develop quality information.



Information for EXPORTERS

INCOTERMS 2000 quick reference sheet

Incoterms are the international rules for the interpretation of trade terms used in international trade, formulated by the International Chamber of Commerce.

TERM	Recommended for sea freight only					Recommended for all modes of transport					
	FOB	FAS	CFR	CF	DES	EXW	FCA	CPT	DAF	DDU	DDP
Freight (costs)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Commercial documents	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Insurance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Transport documentation	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Carriage and freight	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Insurance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Delivery at destination	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Import Customs	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Incoterms abbreviations:
 BSR - Basic service rate
 CFR - Cost and freight
 CIP - Carriage and insurance paid to
 DAF - Delivered at frontier
 DDP - Delivered duty paid
 DDU - Delivered duty unpaid
 DES - Delivered ex ship
 EXW - Ex works
 FAS - Free alongside ship
 FCA - Free carrier
 FOB - Free on board
 LCL - LCL on LCL off
 LCL - LCL on LCL off
 LCL - LCL on LCL off
 LCL - LCL on LCL off

1 July 2002

Changes for importers and exporters

Are you ready?

By Stephanie Sammut

Importers and exporters will need to adjust their business practices as of 1 July 2002 as new Customs legislation to modernise trade starts to come into effect.

The legislation underpins Customs Cargo Management Re-engineering (CMR) and the new integrated cargo system (ICS). The ICS will replace the existing export system in November 2003 and import system from March 2004.

However, the parts of the legislation that change from July are not dependent on the introduction of the ICS.

"Even though the new cargo system is down the track, there are still major changes for industry occurring on 1 July 2002, business changes which need to occur for a smooth introduction to the ICS," Customs National Manager Commercial Compliance Stephen Goggs said.

Owners of goods will still need to retain commercial documents for five years but from 1 July this requirement will extend to include some service providers.

"Shipping lines, airlines, depots and stevedores must also keep their cargo reporting documents for five years," he said.

Communicators of information to Customs (including Customs brokers and bureaus) must keep records verifying the contents of the information communicated to Customs for one year.

"People should be mindful that all documents and records must be readily translated into English, legible and easily accessible by Customs if required."

The 1 July changes have additional requirements for exporters.

Threshold values for export entries have also been aligned at \$2000 per consignment, but all goods that require a permit must be entered, regardless of the consignment value.

"Exporters need to be aware that all goods for export will now be subject to Customs control from the time they arrive at the wharf, airport or Customs depot," Mr Goggs said.

"Also with the consent of the occupier of the premises, Customs will be able to examine export goods before they reach a Customs - controlled place—this may be at the place of packing if necessary.

"We see this as a very important way of helping exporters comply with Customs requirements without slowing them down unnecessarily at the wharf."

For goods that do not require an export entry, manifest reporters must report the exporter's name, country of destination and goods description on the ship or aircraft's outward manifest.

New depot licensing arrangements also take effect on 1 July, with small depot operators to benefit from some cost savings arising from the lower fee of \$1500 per annum applying to depots with less than 300 transactions per annum (previously the threshold was 100). Depot operators will also be required to advise Customs 30 days before any changes to the physical security of their premises or keeping of their documents.

An infringement notice scheme for importers and exporters will also be

introduced on 1 July. This scheme will replace the current penalty system and be used by Customs only as a last resort when dealing with non-compliance.

"Our main focus is increasing industry's awareness of Customs compliance issues," Mr Goggs said.

"We want to help industry adjust to the new requirements and at the same time ensure the data we receive from them is accurate.

"We will be working in partnership with industry to ensure they understand the infringement notice scheme and what they must do to comply with Customs laws as of 1 July.

"Under this new scheme Customs has the option of issuing an infringement notice—it is under no obligation to issue a notice for every single offence.

"Before issuing notices Customs will look at the company's total compliance performance and in some cases a

phone call from Customs may be all that is needed to fix the problem.

"Notices will only be issued as a last resort. This is certainly not a revenue raising exercise."

While the scheme will eventually apply to a range of strict liability offences, only four of them are starting from 1 July. A six-month moratorium or grace period will apply to most offences, including two of the four offences starting 1 July.

Importers need to be aware that it will still be an offence to provide false or

misleading statements resulting in a loss of duty and the infringement notice scheme will apply.

A new offence applying to importers and exporters, as well as to other people who communicate with Customs, is providing false or misleading statements that do not result in loss of duty. This offence is covered by a six - month moratorium.

It will remain an offence to move, alter or interfere with goods subject to Customs control without authority but the scheme will now apply to these offences, too.

For exporters, the existing offence of allowing goods to be exported without an authority to deal will also be subject to the scheme, but is covered by the moratorium.

New monitoring powers will also replace Customs commercial audit

powers. The new powers will allow authorised Customs officers to enter any premises, with the consent of the occupier, to monitor compliance with Customs - related laws. Monitoring warrants may also be obtained if it is necessary to enter premises and exercise powers without consent.

Further information about the changes are available on the Customs website at www.customs.gov.au or by calling 1300 363 263.



We want to help industry adjust to the new requirements.



Customs and industry consultation

By Kelly Edwards

Achieving and maintaining a balance between industry needs and Customs requirements is a key issue for Customs.

The evolution of the relationship between Customs and industry during the 20th century resulted in the formation of a number of consultative mechanisms with industry and other agencies.

In its early days, Customs did not always adequately consider its clients. At the turn of the century, as Australia moved towards Federation, before the formation of a single Customs service, the focus of the colonial Customs departments was on revenue raising and community protection at the borders. Consultation with the trading community about the introduction of national customs initiatives was infrequent. Decisions were made without sufficient consultation and new tariffs introduced with limited warning which often angered industry and the community.

In 1901, the Customs Minister, Charles Kingston, angered traders and customs agents by introducing new statistical returns to be completed by any person importing goods. In response to the trading community's outrage at the new returns, Kingston's consultative measures included advising state Customs Collectors that: "local chambers of commerce should be 'courteously communicated with as to their ideas and wishes' " (*Contraband and Controversy*, David Day, AGPS, 1996, p5).

Unifying the various state Customs services into a national Customs organisation, with Commonwealth laws and regulations, did little to improve

relations with industry. Consultation with industry over the implementation of national legislation was extremely limited, resulting in the introduction of the first Commonwealth tariff being greeted with horror by some sections of the trading community. An angry correspondent wrote to the *Sydney Morning Herald* that the tariff was "neither fish, flesh, nor good red herring, but a harsh tariff devised by officers adept at dragging duty out of folks and compiled with little consideration to whether trade and commerce could stand it" (Day, p37).

The relationship between Customs, industry and the general public continued to be periodically strained during the first half of the 20th century. Government officials who carried out their duties, "regardless of any consideration for the people whose

Censorship issues faded into the background when World War II broke out.

servants they are", were the focus of many aggrieved correspondents. An editorial in the *Argus* (Melbourne) about the apparent arrogance of many Customs officers resulted in a flurry of letters about the relationships between Customs agents and importers, and Customs officials. Customs agents and importers were treated "as if they were either children who have to be smacked for their errors, or they are made to appear as criminals". Meetings between shipping officials and the Comptroller-General of the time, Percy Whitton

(1922), to resolve these and other complaints provided an avenue for consultation. Whitton died before any of the changes discussed during the consultations could be implemented (Day, p156).

The 1930s saw the expansion of Customs role as a censor of books and films. Chief censor Cresswell O'Reilly had an important role in moulding the national character. O'Reilly's enthusiasm for preventing "misspellings, Americanised spellings or words offensive to Australians", scenes of "crime and the more sordid phases of life" and "frequent exhibition of certain phases of marriage, sex desire and passion" angered film importers (Day, p178). The public also protested against the banning of certain books and other publications - "such presumptuous grandmotherly interference with personal liberty, on the part of our fatuous Customs officials" whose "mania for censoring everything" sprang from "muddled, dirty minds ... wallowing in inhibitions" (Day, p181).

Censorship issues faded into the background when World War II broke out. Despite an increase in activity on the wharves just before the war, the number of overseas vessels arriving at Australian ports declined markedly through the war years. Many young Customs officers joined the services and others were seconded to war-related duties (Day, p222).

Progress, of sorts, toward consultative procedures began in the 1950s when a huge increase in imports and complex Customs procedures combined to cause significant congestion on the wharves. Delays in

processing cargo at Melbourne meant that 20 vessels had to anchor in Port Phillip Bay because there were not enough berths. Angry industry representatives criticised the laborious Customs processes and urged that the procedures be relaxed. The Victorian Collector, Joe Brophy, declared the situation at the wharves as a national emergency. He met with government departments and industry representatives to discuss the issue and the situation eased with recruitment of more Customs staff and "the cooperation of maritime interests" (Day, p278).

In 1955, Western Australian Collector A.E. Griffin moved the bulk of Customs activities from Fremantle to Perth (about 17km from the docks) without consulting industry. The trading community were vocal in their opposition to the move and strongly pressured the Government to return Customs activities to Fremantle. After the Chamber of Commerce appealed to the Prime Minister in 1957, Fremantle once again became the centre for Customs activities (Day, p284).

In the 1970s, in the face of ongoing and massive growth, the air transport industry called for air cargo and passenger manifests to be dispensed with. The manifests, which had to be drawn up by hand, was a procedure that had started with sailing ships. To facilitate cargo and passengers, industry suggested that Customs investigate the use of "electronic equipment ... for the transmission of any essential information". A trial system was introduced in 1974 for some importers between Australia and New Zealand, which significantly reduced the amount of paperwork required.

Over the next two decades, many electronic initiatives were undertaken by Customs, increasing the speed of release of cargo from Customs control. These initiatives, while facilitating cargo, dramatically reduced "the human contact between Customs officers and agents" and this sometimes resulted in

"disputation between both sides" (Day, p407).

In April 1991, the House of Representative Standing Committee on Finance and Public Administration issued its final report, *A Tour of Duties*, on an inquiry into aspects of the Australian Customs Service. The Committee considered that the "views expressed to it by various agencies, and the findings of the AGB:McNair survey,

Many electronic initiatives were undertaken by Customs, increasing the speed of release of cargo from Customs control.

are indicative of shortcomings in relationships between the [Customs] and the trading community". Comments in the client survey revealed the perception that Customs was "a traditional organisation which is slow to change" and "not sympathetic to commercial needs". The Committee felt that a consultative group needed to be established in order "to better attune Customs to the needs of industry" (Day, p375).

The Committee recommendation accepted by Government was that "... a Customs Consultative Committee be established to provide a forum which meets regularly at a national level, for the discussion of Customs issues relevant to those in the trading community. Such issues could include administrative procedures, draft legislation where appropriate, and changes in policy. Membership of the committee could be drawn from Customs agents; associations, the Law Council, Customs consultants and importers' representatives" (Committee report, 1991).

The first meeting of the new Customs National Consultative Committee (CNCC) was held on 4 December 1991 in Melbourne. Speakers

included the Minister for Small Business and Customs, David Beddall, and the Comptroller-General of Customs, Frank Kelly. They recognised the criticisms implicit in the views conveyed to the Committee. Mr Kelly said the CNCC provided a peak national body that could deal with broad issues such as policy, administrative issues and proposed legislative changes that had an impact on the trading community. Mr Kelly said, "I wish to emphasise that the CNCC represents a concrete attempt to increase the consultation process between Customs and a range of client agencies" (Customs news release, 4 December 1991).

The CNCC now meets quarterly, usually in Sydney. It provides a forum for the discussion of Customs policy and procedural issues relevant to the trading community, business and Customs specialists. The Committee is not a decision-making body. There is a sharing of information and views where members put forward significant matters of Customs administration that are of concern to the members they represent. Representation from industry covers customs brokers, freight forwarders, air couriers, the air transport industry, shipping industry, the Law Council, the Institute of Chartered Accountants, the Chamber of Commerce and Industry and the Exporters and Importers Association. Issues discussed at recent CNCC meetings include: Cargo Management Re-engineering, international issues (particularly APEC), increased quarantine interventions, legislation and container x-ray.

When Lionel Woodward was appointed as Customs CEO in 1994, he told an audience of industry representative that Customs would no longer treat "suggestions for change from industry as threats to Customs control". Instead, Customs would say, "Let's see how we can allow that to happen without eroding our necessary controls" (Day, p378). CNCC continues to be conducted in this spirit.

Collector of old

Robert Richard Torrens

By Barbara Sweeney

Robert Richard Torrens has many credits to his name. An Irish-born English MP, a Premier of South Australia and the man credited with simplifying the land titles system that bears his name, he was also South Australia's Collector of Customs from 1841 to 1852.

The year Napoleon abdicated the first time, and a year before Napoleon's defeat at Waterloo, 1814, Robert Richard Torrens was

born in Cork, Ireland. He was the son of Colonel Robert Torrens, an army officer, owner of the *Globe* newspaper and Chairman of the Board of Colonization Commissioners which actively promoted the new colony of South Australia. The Torrens River and Lake Torrens were named after Colonel Torrens.

It was while studying at Trinity College, Dublin, for an arts degree between 1830 and 1835 that, as the grandson of an Anglican minister, he became known as 'Radical Torrens'.

While Torrens was at Trinity, his father actively promoted the new colony of South Australia with the intention of his son being one of the first colonists. Robert Gouger, the first Colonial Secretary, wrote in his journal on 29 June 1835:

"Hindmarsh tells me of two or three youths who will be under his care in the Colony, and who must be in some way provided for; of these, young Torrens is one."

Apparently "young Torrens" had other ideas. In 1836 he joined HM Customs as a landing waiter on the docks of Port of London - the year before Queen Victoria came to the throne - marrying widow Barbara Ainslie Anson on 19 February 1838.

Like his father, Torrens actively promoted South Australia. He was elected one of two Honorary Secretaries to organise a campaign aimed at Protestant small farmers, tradesmen and rural labourers. It proved so successful that the number of emigrants soared, outstripping the revenue allocated for emigration purposes by the Colony. The number of emigrants that applied, combined with speculation and abuse of the Land and Emigration Funds, led to the scheme collapsing in August 1840.

At his father's instigation, Torrens was sent to Cork in Ireland to learn the duties of a Collector of Customs. He was nominated for the post of Collector of Customs in the new Colony of South Australia in the summer of 1840. The year Queen Victoria married.

Robert and Barbara left London on 15 August 1840 bound for South Australia. The Suez Canal was still 30 years off and the trip took four months, sailing around Africa. No cruise ship, the barque *Brightman* was 400 tons. Apart from Torrens, three other gentlemen were noted on the arriving passenger list in the *South Australian Advertiser*, including the Surgeon Superintendent, J.C. Slewman. These passengers would have had cabins. The other passengers, crew and cargo were crowded into the rest of the ship. The *Brightman* carried 169 emigrants and 630 packages of emigrants' luggage as well as bottled beer, boxes of soap, barrels of pork, oil, and flour.

In the *South Australian Advertiser* for the week of the *Brightman's* arrival was a glowing passage:

"Among the arrivals during the past week, we have the satisfaction to record the names of Mr Robert Torrens, son of Col. Torrens, Chairman of the late Board of Colonization Commissioners, and Mr George Morphett, brother to Mr John Morphett. To both these gentlemen South Australia is much indebted - to the former, independent of his relationship to one of the oldest and staunchest friends of the colony, for his more recent able expositions in various parts of Ireland of the principles of South Australian colonization, and the consequent addition to our population in a valuable class of settlers and emigrants from that country ... Mr Torrens, we hear, is appointed Collector of Customs, an office for which he is understood to be particularly qualified."

How different the tone a few short weeks later, after Torrens' action against the ship *Ville de Bordeaux* which, according to the newspaper, could bankrupt the colony. Articles and letters ran hot condemning the incident.

Within a month of becoming Collector, Torrens investigated whether the 625-ton French vessel was trading in intra-imperial waters. The case

became more involved when the captain, after he learnt of the investigation - which could result in seizure of the vessel - set sail with two Customs officers on board, effectively kidnapping them. Sheep already on the quay to be transported by the vessel were seized by Torrens on the suspicion

French vessel. The steam ship had been unable to catch the *Ville de Bordeaux*, but was officially seized by Torrens as it sailed back to port.

An article published 10 April 1841, referring to the case as "unaccountable folly" and "disgraceful and arbitrary proceedings", is followed by a letter



Sir Richard Torrens

of being sold to the French merchantmen. The sheep were eventually sold, in poor condition and below their original price. The crew mutinied, taking over the ship and turned her back to Adelaide. A steam ship said to have cost the colony 600 pounds sterling had meanwhile been commandeered by Torrens to chase the

written by Torrens in response to a flyer for a public meeting to "take into consideration the legality of the French ship *Ville de Bordeaux*" dated 11 February, 1841. In it he begs "leave to remonstrate against the line of conduct you have adopted as unprecedented, impolitic, and insulting to me personally".

Excerpt from *Scenes at the Port*, Gazette and Mining Journal, South Australia - 8 March 1849

SCENE 1 - The First Clerk's Office

Port Agent, - The Collector busy?
First Clerk, - Not come yet -
Second Agent, - Collector come?
First Clerk, - Not yet -
Third Agent, - Want to see the Collector.
First Clerk, - Not arrived -
Third Agent, - Why, it's two o'clock.
First Clerk, - Very likely -
Master of Ship, - Want to report myself; where's the Collector?
First Clerk, - Don't know -
Master, - What shall I do?
First Clerk, - Can't tell -
Merchant from Adelaide, - Just in time; where's the Collector?
First Clerk, - Didn't you meet him?
Merchant, - No! Where is he?
First Clerk, - Can't say. He's not come to-day.
Merchant, - So! Here's my second journey for nothing. It's only five minutes to four.
Out-door Clerk - Hallo! I see the Collector coming -
 [Collector arrives, and is immediately surrounded by merchants and agents. Clock strikes four.]
 Collector.- OFFICE SHUT!
 [Exeunt omnes.]

Torrens' letter, dated 11 February 1841 states: "I do understand my duty, both its theory and its practice." Torrens often used the phrase 'theory and practice' and led to him being given the nickname Mr Theoretical and Practical Torrens.

The Customs board in London also proclaimed the illegality of Torrens' action in seizing the vessel, warning that his lack of caution could have proved seriously embarrassing to himself and the Colony.

His administration was considered unorthodox and he was frequently reprimanded for irregularities. In his first year he was censured four times - for careless pay lists, reducing wharfage rates without authority, being absent on a number of occasions and for not supporting Governor Grey's policies. During his employment with Customs, he also worked as a land surveyor. He was censured by all subsequent Governors during the 11 years he held the post.

He was described as an arrogant man who became most unpopular.

The Hon. B T Finnis who knew him well commented:

"Fluent of speech as his countrymen usually are, he was an eloquent speaker when roused to action. He wounded rather than persuaded, preferring invective as a weapon of attack to logical reasoning, for which he seldom exhibited much capacity" (*Pension to Sir R R Torrens*, South Australian Parliamentary Debates, 20 July 1880, cols 420-8).

He had a long-standing feud with the editor of the *South Australian Gazette and Mining Journal*, George Stevenson, and when Henry Watson, the Chief Clerk of Customs, who dealt daily with Torrens' mismanagement, complained to England, he was dismissed by Torrens for refusing to work one hour's overtime. Watson's cause was taken up by George Stevenson, ending in a minor scrap in Hindley

Street after publication of a series of articles in the form of a play *Scenes at the Port*. Torrens struck Stevenson about the head and face with a heavy walking stick and punched him in the ribs. This resulted in lengthy civil and criminal proceedings. Torrens was convicted of common assault and fined 250 pounds. Later, Torrens was successful in his libel action against Stevenson and was awarded the princely sum of a farthing (a quarter of a penny).

Young Torrens, like his father, took an interest in politics - his father was an MP in England 1831-35. In 1850, his position as Collector of Customs saw him nominated for a position on the 24-strong Legislative Council. He left Customs in 1852 to take up the appointment as Colonial Treasurer and Registrar-General for Deeds. In 1855 he was nominated to serve on the Executive Council.

He was elected to the first South Australian Parliament in 1857, due mainly to his campaigning.

"On the hustings he pledged himself to devise and initiate a new system for the transfer and other dealings with land." (*The Torrens Park Estate: a social and architectural history*, Ken Preiss, Pamela Osborn, Stoneyfell [S. Aust] ; K Priess & P. Osborn, 1991).

One of the first Bills presented to Parliament was a Private Member's Bill by Robert Torrens. This Bill, to simplify the laws relating to the transfer and encumbrance of freehold and other interests of land, when passed became the *Real Property Act*. This Act received assent on 27 January 1858 and is more commonly known as the Torrens Title System.

During the passage of this Bill, Torrens became Premier of South Australia for a short time, 1-30 September.

In 1862, given leave on half pay, Torrens left to lecture on the land titles system in England and Ireland. Due to ill health, he cancelled many of his

lectures and returned to Australia in November 1864, remaining less than two months before returning to England, this time without pay. In 1865, he wrote he was considering resigning as Registrar-General and as Chairman of the Lands Titles Board in order to enter politics in England and better promote the cause.

In 1868, at his third attempt, he was elected as Member for Cambridge. His ideas met with little interest and he retired from public life in 1874 after failing to be re-elected.

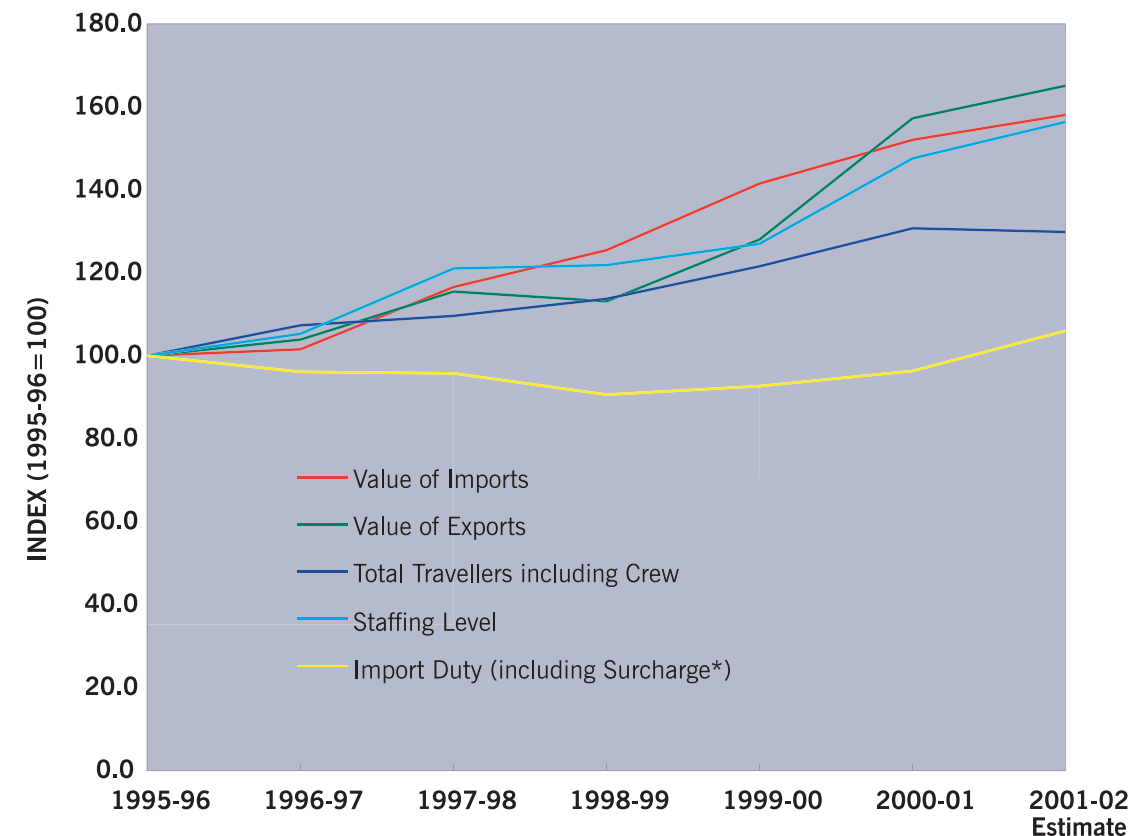
He was made Knight Commander Order of St Michael and St George (KCMG) in 1872 and, shortly before his death, Knight Grand Cross Order of St Michael and St George (GCMG). This, after in 1863 a strongly worded letter by the Queen's representative Sir Dominic Daly:

"Ever restless and unscrupulous, he has been the occasion of much mischief in this community and honours conferred upon him would certainly not give general satisfaction."

A life-long bronchitic, Torrens contracted pneumonia and died on 31 August 1884. He was 70 years old.

Australian Customs Service Statistics

Key statistics Indexed on 1995-96 Levels



KEY CUSTOMS ACTIVITIES	1997-98		1998-99		1999-00		2000-01		2001-02 Estimate	
	Growth %		Growth %		Growth %		Growth %		Growth %	
Imports										
Value of Imports (\$m)	90,684	15	97,611	8	110,077	13	118,317	7	122,985	4
Import Duty including Surcharge*(\$m)	3,782	15	3,807	1	3,966	4	4,609	16	4,885	6
Import Entries ('000)	2,532	4	2,573	2	2,716	6	2,834	4	2,917	3
Exports										
Value of Exports (\$m)	87,769	11	85,992	-2	97,287	13	119,538	23	125,517	5
Export Entries ('000)	1,231	1	1,262	3	1,339	6	1,426	6	1,400	-2
Size of Customs Service										
Staffing Level (Full Time Equivalent)	4,119	0	3,898	-5	3,986	2	4,144	4	4,561	10

* Surcharge under the Safety Net Arrangements between the Commonwealth and State/Territory Governments.

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