



AUSTRALIAN CUSTOMS AND BORDER PROTECTION SERVICE PRACTICE STATEMENT

File No: C08/03509

Practice Statement No:	PS2011/34
Published Date:	25 May 2011
Review Period:	Annually
Availability:	Internal only/Internal and external (<i>delete as required</i>)

Title: **Detained Goods Management**

Purpose: To provide a legally and administratively compliant framework in relation to managing goods in Customs custody.

Owner: National Director, Cargo Division

Category: Operational Procedures

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Summary of main points

Customs Practice Statements are endorsed Customs policy and must be followed by all Customs employees.

This Practice Statement outlines:

- The purpose for holding goods in Customs custody.
- The legislative framework and administrative arrangements for the management of holding, transferring, storing and disposal of goods in Customs custody.

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Introduction Statement

The intended policy outcomes of this practice statement are:

1. To provide policy guidance to Customs officers deployed in the Detained Goods Management environment, and
2. To allow for the implementation of nationally consistent guidelines and instructions for the holding, transferring, storage and disposal of goods in Customs custody.

Scope

This Practice Statement applies to all Temporary Storage Facilities and Customs Stores. The associated Instructions and Guidelines set out the procedures for handling goods in custody to be followed by Customs officers at these locations.

Policy Statement

Customs is responsible for regulating the movement of goods and people across Australia's borders. While the vast majority of imports are legitimate, there is a small number that may contain prohibited or restricted items, may be subject to outstanding revenue payment or other regulatory requirements.

As part of providing effective border management that prevents the illegal movement of these goods across the border and protects revenue Customs must effectively deal with goods of interest once they are in Customs possession.

Section 204 of the *Customs Act 1901* provides that goods that are seized must be taken as soon as practicable to an "approved" place. An approved place means a place approved by a Collector, as a place for the storage of goods of that kind. This is normally the Customs Store unless storage of large quantities of goods is required and there is insufficient space in the approved facility.

The primary function of the Customs Store and Temporary Storage Facilities (TSFs) is to provide secure storage of these goods in an accountable, controlled environment. Customs Stores may also hold commercial consignments of firearms on behalf of importers pending safety testing and retail sale.

Customs Stores are located in most capital cities and TSFs can be located at container examination facilities, postal facilities, international airports, district offices and Customs Houses.

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Goods stored at these locations can be held as a result of being:

- Seized, including Department of Environment & Water Resources seizures;
- Detained, including detention under the Post Importation Permit (PIP) Scheme
- Receipted, pending further identification, revenue payment, meeting regulatory requirements or safety testing and storage in the case of imported firearms;
- Impounded, or
- Abandoned;

Upon receipt at a Customs Store these goods are recorded and categorised as follows:

alcohol, drugs, firearms, high value, intellectual property, sensitive, weapons, cigarettes and tobacco, wildlife and other. Storage requirements differ between categories.

Goods should only be held by the detaining area for as long as necessary to arrange transport to the Store, unless the goods are being held for finalisation including seizure. Customs National Policy on the “Secure Storage and Transport of Firearms and Ammunition” states that Temporary Storage must be for no longer than 72 hours unless an exemption applies.

These goods must then be moved to an armoury.

Detained Goods Management System

The Detained Goods Management System (DGMS) is a national Information Technology system used to record and manage goods held in custody by Customs, including firearms.

DGMS is designed for use in TSFs, Customs Stores and any line area that may deal with these goods.

The system is designed to standardise the recording of capture, transfer, storage and disposal of goods throughout Customs. It enables Stores, TSFs and line areas to track goods in Customs custody and to obtain workload, management and statistical information. It also provides accountability and an audit trail in the management of these goods.

DGMS is also used to record all firearms imported, regardless of whether they are detained or released on arrival into Australia.

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Procedural Statement

Customs Stores and Temporary Storage Facilities will manage goods held in custody in accordance with the procedures detailed in the various Instructions and Guidelines under this Practice Statement. These procedures will support a framework that facilitates the secure and safe storage of goods and promotes accountability and consistency in the handling of goods from the time they are taken into custody through to the point of disposal or destruction.

Items can be receipted, seized, abandoned or impounded at the border point of entry. A record of the item must then be made in the Detained Goods Management System and the goods then transferred to the Store within the required timeframes. In the case of firearms items must be held, transferred and stored and recorded in DGMS according to Weapons & Strategic Goods Policy requirements.

Once goods are transferred to a Customs Store they must be held securely and DGMS records must be updated. Certain goods may be subject to specific treatments and storage requirements where a quarantine or safety risk exists.

Goods may be released to the owner where outstanding requirements have been met, re-exported, disposed of by destruction or sale, donated to charity or used for Customs purposes.

Where goods are disposed of by destruction, the relevant Instruction and Guideline provides information on the most appropriate means of destroying a range of goods. The emphasis of the destruction process is on ensuring that the goods cannot be rescued or reconstructed and that officers maintain visual contact of the goods, to the extent practicable, up to and including the point of destruction.

Chief Executive Instructions 5.3 and 5.4 provide direction on the disposal of certain goods. Goods should not be held by Customs Stores for any period longer than necessary as this will expose Customs to unnecessary risks and resource inefficiencies. Appropriate stocktaking practices will not only provide assurance in terms of accountability but also identify those goods due for disposal in a timely manner.

As officers in the work area are required to frequently move items in the receipt into, and removal from, Customs Stores, the health and well being of officers in the work area is paramount.

Similarly, the accountability of the work area, and the officers involved, requires that procedures are in place to reduce the risk of internal fraud and corruption.

Related Instructions and Guidelines

The detailed procedures in the Instructions and Guidelines underlying this Practice Statement have been developed in conjunction with the local Standard Operating Procedures (SOPs) provided by Customs and are as follows:

- Temporary Storage Facility Procedures
- Receiving Goods into Store
- Transferring Goods internally and externally

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- Stocktake Requirements
- Releasing goods
- Re-Export, Disposal and Destruction
- Health and Safety
- Security
- Wildlife Specimens
- Detained Goods Management System
- Storage Requirements

Related policies and references

Customs acknowledges its obligation to act in accordance with relevant legislation and administrative guidelines. These include, but are not limited to:

- *Customs Act 1901*
 - Section 203B – seizure of special forfeited goods
 - Section 204 – Seized goods to be secured.
 - Section 205 – Requirement to serve seizure notices.
 - Section 205B – Claim for return of seized goods.
 - Section 206 – Immediate disposal of certain goods.
 - Section 208D – Disposal of forfeited goods.
 - Section 218A – Disposal of Abandoned Goods
- Approved Code of Practice for the Storage and Handling of Dangerous Goods 2006
- Custodial Firearms Manual
- Customs National Policy on the “Secure Storage and Transport of Firearms and Ammunition”
- Detained Goods Management System User Manual
- Collector’s and CEO Sales Manual
- Protective Security Manual 2007
- *Occupational Health and Safety Act 1991*
- OH&S (Safety Standards Regulations) 1994
- Health and Safety Management Arrangements (HSMA) OH&S Policy
- *Customs (Prohibited Imports) Regulations 1956*
- *Customs (Prohibited Exports) Regulations 1958*
- *Customs Tariff Act 1995*

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- *Environment Protection and Biodiversity Conservation Act 1999*
- *Quarantine Act 1908*
- *Commerce (Trade Description) Act 1905*
- *Copyright Act 1968*
- *Trademarks Act 1995*
- Customs' Chief Executive Instructions 5.3 and 5.4.
- Memorandum of Understanding between Customs and Environment Australia
- Customs National Policy on Detection of Explosives 9 January 2006
- Customs Security Handbook March 2003
- Customs Incident Reporting Centre 2006
- *Financial Management and Accountability Act 1997*
- Records Disposal Authority, Australian Customs Service, 20 December 2001

Key roles and responsibilities

The Policy Owner for this Practice Statement is the National Director, Cargo.

External Consultation

This Practice Statement contains no new policy or administrative procedures requiring external consultation.

Internal Consultation

The following internal stakeholders have been consulted in the development of this Practice Statement:

- Cargo - regional Detained Goods Management work areas
- People and Place – Safety, Health and Wellbeing
- Trade Policy and Regulation - Weapons and Strategic Goods

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Approval

Approved on	10 MAY 2011	
By	Raelene Vivian National Director Cargo	
Endorsed on	11 MAY 2011	
By	N Mann DCEO Passenger & Trade Facilitation	

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