

AUSTRALIAN CUSTOMS AND BORDER PROTECTION NOTICE NO. 2013/12

New Customs laws to strengthen the supply chain against criminal infiltration introduced into Parliament

On Wednesday 20 March 2013, the Minister for Home Affairs, the Hon Jason Clare MP, introduced the *Customs and AusCheck Legislation Amendment (Organised Crime and Other Measures) Bill 2013* into Parliament.

The purpose of the Bill is to amend the *Customs Act 1901* (Customs Act) and the *AusCheck Act 2007* to mitigate vulnerabilities at Australia’s borders. The Bill forms the latest part of a package of measures to deter and prevent infiltration by serious and organised crime into Australia’s seaports, airports and cargo supply chain.

# The proposed measures

The amendments to the Customs Act seek to strengthen the cargo supply chain against criminal infiltration by:

* Placing statutory obligations on cargo terminal operators (CTOs) and those that load and unload cargo, which are similar to those that the Customs Act imposes on holders of depot and warehouse licences. These obligations include mandatory reporting of unlawful activity, ensuring the physical security of relevant premises and cargo, and fit and proper person checks on management at Customs and Border Protection’s request. Non-compliance will attract criminal or administrative sanctions.
* Creating new offences for using information from the Integrated Cargo System (ICS) to aid a criminal organisation.
* Providing that the Chief Executive Officer (CEO) of Customs and Border Protection can consider the refusal or cancellation of an ASIC or MSIC when determining whether the person is fit and proper under the Customs Act.
* Aligning aspects of the customs broker licensing scheme with that of depots and warehouses, including providing the CEO of Customs and Border Protection with the power to impose new licence conditions at any time and making it an offence to breach certain licence conditions.
* Adjusting other controls and sanctions in the Custom Act, including increasing penalties for certain strict liability offences and the offences in section 234, and improving the utility of the infringement notice scheme by for example increasing the relevant penalties.

# Industry consultation

Introduction of the Customs Act measures followed consultation with industry through a range of fora. The Attorney General’s Department (AGD) published several fact sheets on 6 July 2012 regarding these and other measures. Representatives of AGD, Australian Federal Police, Department of Infrastructure and Transport, Australian Crime Commission and Customs and Border Protection attended a series of industry consultation meetings. Customs and Border Protection has also engaged separately with industry on various measures including through the Customs and Border Protection National Consultative Committee and Compliance Program

Industry Information Sessions in August 2012. In September 2012, the Acting CEO of Customs and Border Protection wrote to the CEOs of key CTOs about the new obligations we were proposing to impose on them. Customs and Border Protection received written feedback from several CTOs and subsequently met with a number of them. Some of that feedback is reflected in the design of the obligations.

You can find the Bill and Explanatory memorandum on the Australian Parliament House website at [http://www.aph.gov.au/Parliamentary\_Business/Bills\_Legislation/Bills\_Search\_Results/Result?bId=r5024.](http://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bId=r5024)

If you any queries about this Notice, please direct them to [Compliance1@customs.gov.au.](mailto:Compliance1@customs.gov.au)

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Compliance Assurance Branch 20 March 2013