Australian Government
Department of Immigration and Border Protection

Applying for a Depot Licence – Application Guidelines

NOTE: Identity documents must be either originals or certified copies. A certified copy is a copy of an original document that has been certified as a true and correct copy by a person who is authorised to witness a statutory declaration. These copies should be annotated with **"certified true copy of the original, which I have sighted"** and the signature, date, full name and appointment/qualifications of the person certifying. Refer to the document *100 Point Identification Guidelines* for more details on document certification.

This guide provides information on the application process for a licence to operate a Depot under Part IVA of the *Customs Act 1901* (the Act). Applications are to be made to the Department of Immigration and Border Protection (the Department). Successful applications will be granted a licence to operate the premises as a Depot under Section 77G of the Act and in accordance with Customs-related laws[1].

The Department requires the business and personal information outlined in this application guide and any other information requested as part of the application process to assess applications against the requirements of Customs-related laws. Any information provided will be used only for that purpose for which is it collected. Failure to provide the required information may result in the application for a Depot Licence being rejected.

[1] Customs-related laws, as defined in Section 4B of the Act, includes:
(c) any other Act, or any Regulations made under any other Act, in so far as the *Customs Act 1901* or *Customs Regulation 2015* relate to the importation or exportation of goods, where the importation or exportation is subject to compliance with any condition or restriction or is subject to any tax, duty, levy or charge (however described).

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1. General Information

1.1 Customs Control

The Department, which incorporates the Australian Border Force (ABF), protects Australia's border and manages the movement of people and goods across it. In terms of goods, management means facilitating legitimate trade and cross-border movement; and protection means monitoring for prohibited exports and imports, breaches of customs-related laws and threats to the revenue. Section 30 of the Act establishes customs control of goods from the time of their importation until they are entered into home consumption or re-exported to a place outside Australia; and for goods intended for export, from the time of receival at a customs place until their exportation to a place outside Australia. Goods under customs control may be inspected at a Depot or other customs place.

A range of provisions in the Act also applies to goods under customs control. For example, goods under customs control must:

- Not be moved/tampered with unless under authority (section 33)
- Be kept safely and/or accounted for (sections 36, 37)
- Be accessible to officers for inspection etc. (section 77N(6))
- Only be dealt with under authority (sections 71E, 119AA, 119AB. 119AC)
- Not be received by a Depot the licence for which has been suspended (section 77VA)
- Have appropriate commercial documentation (section 77N(8))

The movement of goods under customs control (for example between licensed premises) requires permission. A number of reporting obligations also fall upon licensees in relation to both goods and business operations.

To help licensed and registered operators at customs places comply with obligations under Customs-related laws, the Department manages an Infringement Notice Scheme. While statutory penalties exist, the Department’s preference is to work cooperatively with industry, in the first instance, to increase compliance (ACN2014/07 and ACN 2013/67).

1.2 Integrated Cargo System (ICS)

The ICS is an electronic system used to facilitate and record the movement of goods into and out of Australia.

All applicants are required to register as a client in the ICS and purchase a digital certificate in order to communicate electronically with the Department. The ICS registration must be completed using the ABN under which the Depot application has been made.

For information on how to register in and access the ICS and any related matters please see the Department website at www.border.gov.au then proceed to the Cargo Support page. There are a number of useful fact sheets and step-by-step processes, however if you are still having difficulty please contact Cargo Support on 1300 558 099 or by email at cargosupport@border.gov.au.

Note: The National Depot and Warehouse Licensing section is unable to assist with ICS registration or digital certificates.

Licence applications are unable to be processed if client registration has not been completed.

1.3 Licensing

The Department administers a number of licensing and registration regimes under the Act. These regimes are designed to allow industry to work with Government to facilitate the achievement of legitimate business goals while maintaining border security. Section IVA sets out the legislative framework for the licensing of Depots. Even though licences are issued to individuals, companies or partnerships, each licence is issued for a specific place and licensees with more than one Depot require a licence for each of their premises.

Language

In some international publications, warehouses are referred to as bonds or bonded warehouses. This is a legacy from the use of bonds as security for licensed premises and does not have a meaning under Australia's current legislative regime. However, the term underbond movement is still used administratively to refer to the movement of goods subject to customs control.

1.4 Types of licences

Depots

A Depot is a place that is operated under licence to hold and/or unpack imported goods, hold and/or unpack goods for export and for the examination of goods by officers of the Department. Because a person may hold several licences to conduct distinct activities at distinct places, each licence must be maintained separately.

Goods for export remain under customs control until their export and imported goods remain under customs control until they are entered for domestic consumption or re-exported. This means that goods can only leave a Licensed Depot under permission.

Storage of goods subject to customs control in a Licensed Depot is permitted until the end of the month after the month of receipt in the Depot. The Depot may seek an extension under section 77P the Act to hold the goods for a further 30 days. If legislative import requirements have not been met and this period has elapsed, the goods must be transferred to a Licensed Warehouse (if possible) or arrangements be made for the disposal/destruction of the goods.

Customs Brokers

The statutory scheme for the licensing of customs brokers operates to protect the Commonwealth Revenue and to protect the community by giving assurance that customs reporting and payment of duty are undertaken in a professional and ethical manner. Licensed Brokers are expected to understand a range of import and export policies.

Warehouses

Licensed Warehouses allow long-term storage of goods that are subject to customs control and subsequently, deferral of any payable duties and taxes. Special classes of

warehouse exist including duty free shops, catering bonds, providores and specialist warehouses that deal in Excise Equivalent Goods (EEGs).

Activities permitted in warehouses are limited to ensure the security of the goods and the revenue payable to the Commonwealth is protected. Apart from approved storage, blending, unpacking, repacking and packaging of certain types of goods, any activities that involve "value adding" are not permitted.

Ship and aircraft stores are also managed via the warehouse licensing regime. Companies managing stores are commonly called providores or catering bonds. There are a range of special reporting requirements for ship and aircraft stores.

1.5 Depot Activities

Persons may only be licensed to conduct the following activities at Depots:

- Holding of imported goods subject to customs control
- Unpacking of imported goods subject to customs control
- Holding of goods for export subject to customs control and/or
- Packing of goods for export subject to customs control into containers etc.

The licence may be issued in relation to goods generally, or only in relation to goods of specific classes. Licence holders may only use the premises for the purposes specified in the licence. Activities permitted in warehouses are limited to ensure the security of the goods and the revenue payable to the Commonwealth is protected. Authorised officers may conduct cargo examinations and/or audits at all Licensed Depots.

Note: Goods that are not currently under customs control may also be packed for export at places other than a licensed Depot.

1.6 Licence Conditions

Depot operators are subject to a range of obligations, including compliance with conditions of the licence (see 2013-56), reporting obligations and maintenance of systems to ensure accountability. One such condition of a licence is to provide adequate training to make staff aware of their obligations in dealing with goods subject to customs control. This means that all employees working in the management and control of a Depot or of customs controlled goods are expected to understand their obligations under Customs-related laws.

A breach of a Depot licence condition is an offence and non-compliance with the conditions of a licence may lead to administrative action, including the issuing of an Infringement Notice, prosecution for the offence, and suspension or even cancellation of the licence if deemed necessary.

1.7 Licence Fees

Depot licence fees are imposed by operation of the Act and *Customs Depot Licensing Charges Act 1997*. For initial applications, a fee of $3000 must be paid before processing of the application can commence. An invoice will be issued once the application has been received.

An annual $4000 fee is payable for every Depot Licence. This fee is applied pro rata in the first year and must be paid within 30 days of the approval of the licence. It is also applied pro rata for the last year, so operators intending to surrender a licence are encouraged to contact the Warehouse and Depot Licensing team as early as possible to ensure that the appropriate refund can be processed.

Fees are paid annually and are based on a standard financial year (1 July to 30 June).

If a Depot has handled less than 300 transactions or lines of cargo in the previous 12 months they may be eligible for a reduced renewal fee of $1500. To qualify for the reduced licence fee operators need to contact Warehouse and Depot Licensing in writing prior to May each year.

Note that the reduced fee of $1500 does not apply to the initial year.

1.8 Department of Agriculture and Water Resources (DAWR)

DAWR separately approves places for the provision of biosecurity activities through Approved Arrangements (AA). AA sites, formerly known as Quarantine Approved Premises (QAP), are not managed through the Department. Depending on the type of cargo being handled at a Licensed Depot, biosecurity requirements may apply. Licence holders should contact their nearest DAWR regional office or visit the DAWR website at www.agriculture.gov.au for information regarding AA requirements.

1.9 Application Process

All applications are assessed against the criteria laid out in customs legislation and associated policies. The applicant and all persons in positions of 'management or control' are required to be 'fit and proper'. Not all premises are appropriate to be operated as a Licensed Warehouse. The application process includes a site visit, to determine the adequacy of the premises to deal with goods subject to customs control and the viability of the business model and operating systems.

On receipt of an application an invoice is issued for the application fee. Assessment and processing of an application commences once the application fee has been paid; and any additional or missing information/supporting documentation will be requested at this stage. The application process can take up to 60 days from the date that all information and documentation required to complete the application assessment has been received.

Note: a Depot licence cannot be held by a Trust**.** While licences are usually held by natural persons, partnerships or companies, a licence may also be granted to the Trustee of a Trust upon presentation of a "Deed of Trusteeship" but the licence cannot be issued to the Trust itself.

Important Note: Under Section 234(1)(d) of the Act, it is an offence to intentionally make a false or misleading statement to an officer, or intentionally omit information from a statement made to an officer without which the statement is false or misleading.

A false or misleading statement made in an application for a Depot licence may result in a decision not to grant a Depot licence and/or the person may be convicted of an offence under section 234(2)(b) of the Act.

1.10 Review of Decisions

Applicants who feel that a decision is injudicious can contact the Department to request internal review. Whether or not an applicant initially requests an internal review, some decisions are appealable to the Administrative Appeals Tribunal.

A decision not to grant a Depot Licence is a reviewable decision, under section 273GA(aaq) of the Act. A decision not to extend the time given to produce further information in relation to an application (when requested to do so in writing by the applicant) is also a reviewable decision.

In order to have a decision reviewed by the Administrative Appeals Tribunal, an applicant must apply to the Tribunal within 28 days of the decision being made, or any such further time as allowed in accordance with section 29 of the *Administrative Appeals Tribunal Act, 1975*.

2. How to Complete the Application Form

You must complete each section of the application form unless otherwise stated. The paragraphs below are numbered to correspond with the questions on the application form.

1. Contact Details for Application

A contact for the application process needs to be nominated. This person must be the person who lodges the application and also must have knowledge of all aspects of the application. This usually means that they should know all relevant details of the business case for the operation of the proposed site.

This section is for the details of the contact and may be different to the details in the rest of the application. The contact must remain the same throughout the application process. Where this is not possible, complete details of a new contact must be provided.

2. Client Name

The client name is the name of the person, partnership or company applying for the Depot licence. **A Depot licence cannot be held by a Trust**; however a licence may be issued to the Trustee of a Trust upon presentation of a "Deed of Trusteeship".

3. Australian Business Number (ABN)

The ABN of the person, partnership or company applying for the Depot licence must be used on the application. Depot applications must be completed using the ABN under which the ICS registration has been made (see part 1.2 of this document).

4. Establishment (Depot) Name

The Establishment name is the name by which the Depot is to be known.
This name does not have to be the same as the client name or even a name registered with the Australian Business Register (ABR).

5. Physical Site Address

The physical site address is the address of the premises where the proposed Depot is situated.
Although a Depot licence may be issued to a person, company or partnership, the licence is for a single specified place only. Licensees operating multiple Depots will need a licence for each premises.
Once issued, any intended variation to a licensed premises, including a change of address, must be approved by the Department **before** the Depot site is changed or operations are moved to another premises. The application to vary a licence may take up to 60 days from receipt of a completed application and so sufficient time must be allowed for business planning to move a licensed Depot to a different site.

0. Location of the Depot Relative to Australian Border Force Offices

Will the proposed Depot will be located more than 40 km from the nearest ABF office?

Depots located more than 40 km from a place where ABF officers conduct their normal business are liable to pay the travelling expenses of authorised officers performing their duties at such Depots in accordance with the *Customs Regulation 2015*.

Note: Under the Act, an application may be refused if the premises to be licensed is considered to be too remote from the nearest ABF office.

1. After Hours Contact

You must provide the name and phone number of a person who can be contacted after hours in regards to the Depot, for example, a night manager.

2. Address of Head Office

The following addresses where applicable:

- The street and/or postal address of the registered company office in the State or Territory in which the application for a licence is made or
- The street and/or postal address of the company head office of the applicant if not in the State or Territory where the application for a licence is made.

3. ICS Client Registration

You are required to be registered as a client in the ICS (see part 1.2 of this document). The registration must be completed using the ABN under which the Depot application has been made. Please indicate on the form if the registration has been completed.

4. Communicating Electronically with the Department

All Depots must maintain electronic communication with the Department via the ICS.

Please indicate the method that you will use to access the ICS:

- Customs Interactive (CI) or
- Electronic Data Interchange (EDI).

If you will be accessing the ICS via EDI, you must provide details of the software that you will be using.

11. Company membership and persons who participate in the management or control of the depot

Each person in a position of Management or Control (2014-23 refers) of the proposed Depot or of goods subject to customs control that would be dealt with by the proposed Depot must be identified as part of the application process. Applicants must provide a list of the following persons:

- The applicant (where the applicant is an individual natural person)

- All partners (where the applicant is a partnership) and
- All persons who will participate in a position of management or control of the Depot including all company directors, officers, shareholders, managers, supervisors, employees who cover for supervisors and managers leave, any staff who have control over the recording and movement of goods when they enter and leave the Depot, and any staff that have afterhours access to the Depot (regardless of whether swipe access, key or alarm code holders).

All persons nominated in response to this question will be the subject of police records and other background checks. A separate B301 form must be attached for each person in a position of Management or Control. The information is used to satisfy the requirement that the nominees are “fit and proper” persons for the purposes of section 77K of the Act. Each person must ensure that the full 10 years of address history is completed on the form.

If the form is submitted incomplete or if any information is missing from the form, the Department may be unable to process the request and/or may be unable to determine if the person is a fit and proper person. If a person chooses not to submit a consent form, the Department must consider this when assessing the application. The failure of an individual to give consent or provide all required information may result in the rejection of the application as the Department may be unable to determine whether that individual is a fit and proper person.

Additionally, those people nominated as being involved in the management and/or control of the Depot will be required to establish their identity by providing **certified** copies of identification documents, which total **100 points** or more

It is a condition of a Depot licence that the licence holder provides details to the Department within 30 days of a new staff member commencing in a position of management or control. These persons will be subject to the same “fit and proper person” requirements as staff nominated during the application process.

Note: If you run out of space on the form, please attach a separate piece of paper.

12. Prior Experience

Do you or any of the persons nominated as being in management or control of the Depot have prior experience in the operation of a Licensed Depot? If any person nominated as being in management or control of the Depot currently holds or has ever held another customs licence of any kind, this should be noted here.

If you have ticked yes, please provide a brief outline of the experience and/or other licences held in the space provided on the form.

Note: If you run out of space on the form, please attach a separate piece of paper.

13. Depot Activities

Please include the activities that you propose to conduct in the Depot. The following are the only activities that may be undertaken in a Depot by the licence holder:

- Holding of imported goods subject to customs control;

- Unpacking of imported goods subject to customs control;
- Holding of goods for export subject to customs control; and
- Packing of goods for export subject to customs control into containers etc.

14. Depot Categories

Please include the type of Depot/s that you are proposing to operate. All Depot activities as listed in point 13 may be conducted in any of the following Depot categories:

- Air Cargo – CTO functions
- Air Cargo - General
- Sea Cargo – Containerised general cargo (LCL and FAK)
- Personal effects – Sea
- Personal effects – Air
- Postal articles only

Activities that can be carried out at the following categories of Depots are restricted:

- Sea Cargo – FCL container park – hold imported goods subject to customs control only
- Sea Cargo – Non-containerised general cargo – hold imported goods subject to customs control and hold goods for export subject to customs control only.

"FCL" means a full container load	"LCL" means less than full container load
"FAK" means freight all kinds	"CTO" means Cargo Terminal Operator

15. Use of Premises for Purposes other than Depot Activities

Do you propose to use the premises for any activities other than those outlined in question 13 (Depot Activities)? If yes, please provide a brief explanation in the space provided. For example, if a section of the premises will not be part of the licensed Depot and will be used for other purposes.

16. Customs section 79 Warehouses

Is any part of the premises where the proposed Depot is located currently licensed as a section 79 warehouse or proposed to be licensed as a section 79 warehouse?

17. Quality Management System

Do you have a certified Quality Management System? If yes, please indicate the standard you are using.

Although a certified QMS is not mandatory, it is expected that Licensed Depots conduct Quality Assurance (QA) on consignments received each month. In particular, 'time-up' cargo must be accounted for. Any discrepancy identified through QA activities must be notified to the Department. This forms the bare

minimum of QA and licence applications for high-volume operators are expected to demonstrate an appropriately rigorous audit and stocktake schedule as well as an effective QMS.

5. Standard Operating Procedures (SOPs)

You are required to have documented SOPs for the operations to take place within the Depot. These documents will need to be made available upon request by the Department.

As a part of our assessment of your application you must indicate if you have developed SOPs for your proposed operation.

Attachments to be included in your Application

While some of the following information and documentation is mandatory and must accompany the application, other documents and information should only be submitted on request by the Licensing Officer who is processing your application.

6. Constitutional Documents

You **may** be required to provide a copy of one or more of the following documents to establish the arrangements under which the company operates:

- Articles of Association
- Constitution
- Replaceable Rules
- Partnership Agreement
- Certificate of Registration of a Foreign Company

20. Management and Control – MANDATORY

A Department pro-forma consent form (B301) **must** be completed by each nominated person including the applicant (if an individual natural person), partners (if applicable) and any director, shareholder or employee who will be involved in the management and/or control of the Depot.

Personnel who will have control of, or are responsible for delivery of cargo, have afterhours access or provide absence cover for supervisors and managers should also be included in this list.

Such persons will be subject to police record and other background checks, which are required in order to determine eligibility requirements for granting a Depot licence as per section 77K of the Act.

Each person ensure that the full 10 years of address history is completed on the form.

If the form is submitted incomplete or if any information is missing from the form, the Department may be unable to process the request and/or may be unable to determine if the person is a “fit and proper person” and/or the application may be refused.

If a person chooses not to submit a consent form, the Department must consider this when assessing the application. The failure of an individual to give consent

may result in the rejection of your application as the Department may be unable to determine whether that individual is a “fit and proper person”.

Additionally, those people nominated as being involved in the management and/or control of the Depot will be required to establish their identity by providing **certified** copies of identification documents, which total **100 points** or more.

A copy of the *B301 ‘Consent to Obtain Personal Information’ form* and a *100 Points of Identification Guideline* can be found on the Licensing page of the Department’s website at www.border.gov.au.

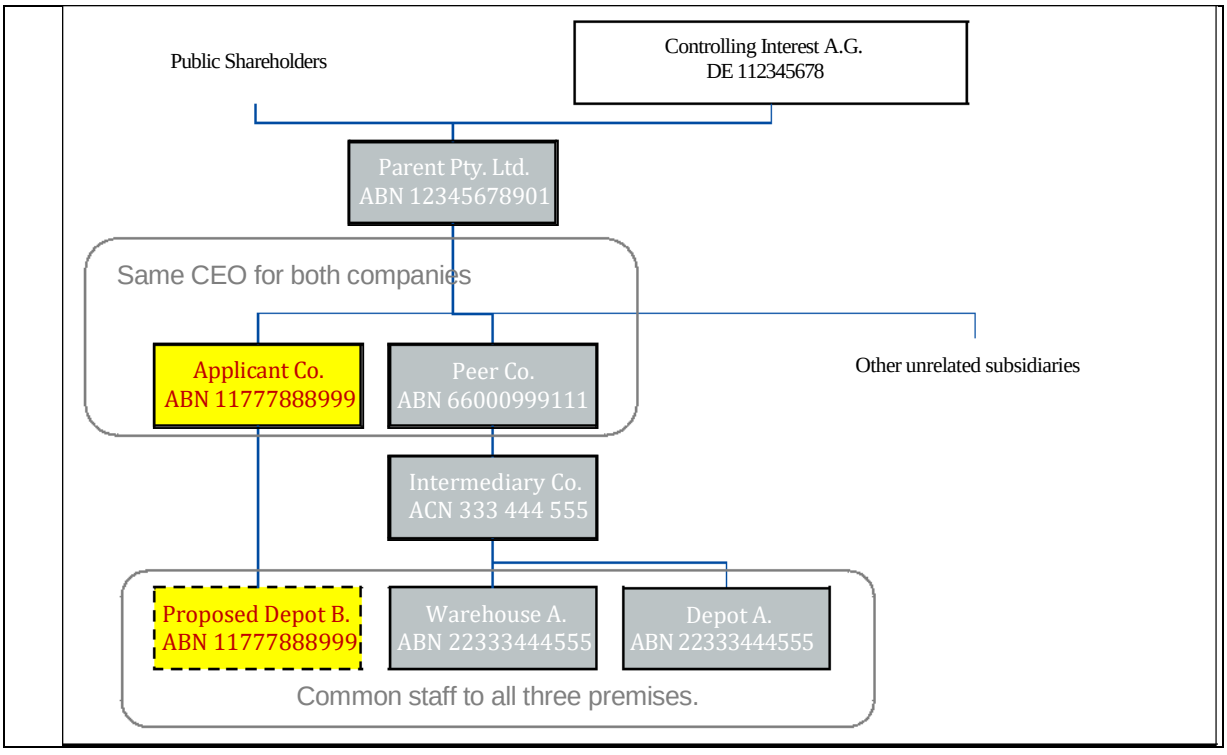
Any details about individuals contained within the Depot application form, associated information or information obtained as a result of police record and other background checks is personal information and will remain confidential in accordance with the Australian Privacy Principles of the *Privacy Act 1988* and the requirements of Part 6 of the *Australian Border Force Act 2015*.

21. Corporate Membership Structure – MANDATORY

This information **must** be provided. For small businesses, this may be as brief as a statement that no other corporate structures exist beyond the owner and any directors listed in the Depot Management section. However, large operators are expected to set out the organisational relationships comprehensively. Where relationships exist with other businesses unconnected with the proposed Depot, these can be summarised.

All other licensed premises must be included in this information and their relationships explained.

A diagram is often useful in addition to the full explanation to help with visualisation. The following example shows a simple diagram for a company structure of moderate complexity:



The information provided will be used by the Department to risk assess the company, companies and individuals associated with the applicants.

22. Company Extract – MANDATORY

If the application relates to a registered company, a 'Company Extract' **must** accompany the application. This document is available for purchase from the Australian Securities and Investment Commission (ASIC) website at www.asic.gov.au/search.

ASIC may also be contacted via:

Phone: 03 5177 3988

Email: info.enquiries@asic.gov.au

Company search documents must include full details of company registration, registered addresses, share details and company administration including directors.

23. Financial Information – MANDATORY

You **must** provide a copy of the last audited financial statements, that is:

- Balance Sheet
- Trading and Profit and Loss Accounts

If an audited statement is not available, you must provide the most current profit and loss statement and balance sheet or any financial statements showing the present trading position of the company.

If the application relates to a new company and no financial records are available, you must provide a comprehensive business plan including, but not limited to:

- Sales projections
- Estimated expenses
- Assessment of strengths and weaknesses
- Assessment of opportunities and threats
- Estimated profit / loss figures
- Estimated number of transactions

The information provided will be used by the Department to assess the company in relation to its financial viability and risk to the revenue of the Commonwealth.

24. Depot Site Plans – MANDATORY

You **must** provide three certified copies of the plan (no larger than A3) of the proposed Depot premises outlining **ALL** of the following details:

- The area to be licensed must be outlined in **RED**
- The location of access points including doors, windows, roller shutters, vehicular access, lifts and staircases
- The location of a secure storage area (deadhouse) for customs purposes

- The location of electronic security system movement sensors and reed switches
- The location of where activities will occur within the Depot, for example, storage of cargo, unpacking of containers and export consolidation
- The location of the area set aside for ABF officers to conduct cargo examinations
- The location of facilities for ABF officers to conduct compliance checks including, but not limited to, office space, desk, chair, access to Depot records and telephone
- If the premises include a section 79 warehouse, indicate the location of this on the plan
- The location of a car park specifically designated for use by ABF officers
- If the proposed licensed area only forms part of a building, the remaining areas of the building and usage/tenants must be noted.
- If the proposed licensed area is a whole building, surrounding features should be noted (secure complex, fencing, public roads, other buildings, etc).

Note: Office space and amenities should be excluded from the proposed licensed area.

The site plan does not have to be professionally drafted; however, if you choose to draft the site plan yourself, either using a computer or by hand-drawing it on graph paper, it must be neat, legible, use the appropriate colour coding detailed above and be reasonably to scale. The site plan forms an important part of the Depot licence as it is used by ABF officers to identify approved physical layout and security measures, and so it must be functional.

Each copy must include the following endorsement on the plan, and must be signed by an authorised official of the company.

"I hereby certify that this is a correct plan of the premises at (insert street address) operated by (insert name of business) and referred to in the application for a new/amended Depot licence dated --/--/--. I also certify that the area/areas bound in red is/are the area/areas of the proposed licensed Depot."

Name: .....

Signature: .....

Date: .....

25. Construction of Premises – MANDATORY

You **must** describe the construction and layout of the proposed Depot premises. For example, two storey building, double brick walls, reinforced concrete floors, tile roof, two doorways secured by steel doors, a vehicular entrance.

You must also provide written evidence from the relevant state authority of compliance with WH&S Regulations with regard to asbestos, including written evidence of the risk assessment if asbestos is present in the proposed premises.

By this requirement a competent person (defined in the WHS Regulation) must identify the presence and location of asbestos and assess the risks in accordance with the code of practice. The information must then be recorded in an asbestos register to be kept on the premises.

The Department has a duty of care not to place staff at risk of injury from asbestos; however, the primary duty of care obligation for controlling asbestos in licensed premises sits with the building owner. Where the licence applicant leases the premises the applicant must apply to the building owner for this information.

Note: Where asbestos is identified in the premises and the licensing officer has deemed the risk low enough to allow the granting of a licence that licence will be conditioned to require ongoing assessments by the relevant authority. The frequency of ongoing assessments must be in accordance with the relevant State or Territory legislation or Asbestos Management Plan. Reassessment is required sooner than scheduled if there is any disturbance of the asbestos.

Failure to comply with this requirement may lead to the rejection of the application or, where a licence has been granted, cancellation of the licence.

26. Physical Security of the Premises – MANDATORY

The physical security of the Depot must be at a minimum equal to commercial security standards having regard to the nature of the place and the procedures and methods that are put in place to ensure the security of goods.

Details of existing and/or proposed security arrangements for the Depot including, but not limited to, the following:

- Alarm systems
- CCTV / IPTV
- Window and door security
- Fencing
- Dead house construction
- Security patrols
- Name and address of the security company used
- Details about access to the Depot by personnel including names and positions of key holders and other staff who have unfettered access the controlled area.

As previously stated, if electronic security systems have been installed, you should clearly mark the location of all the movement sensors and reed switches on the certified plans.

See Appendix 2 for guidelines relating to physical security requirements for Depots.

Note: An authorised officer can visit the proposed Depot location to discuss physical security provisions during the licence application process.

27. Examination Facilities for ABF Officers – MANDATORY

It is a condition of a Depot licence for you as the licence holder to provide **adequate space and facilities** for the examination of goods by ABF officers.

Minimum requirements of such facilities, include, but are not limited to:

- Access to the proposed premises for ABF vehicles including Mobile X-ray Units (MXUs) and operating space which is not exposed to the elements. The minimum operating space required for the MXU is 8m x 8m.
- Access to single phase flat pin 10 amp plug for MXUs (standard 240 volt plug).
- High visibility bollard/barriers or equivalent protection from mobile plant/vehicles for ABF work areas.
- Adequate lighting levels (minimum 400 lux in examination area and office accommodation as prescribed by performance standard: AS1680.2 Interior lighting - Industrial tasks and processes).
- ABF examination work bench with a **stainless steel** bench top and **minimum dimensions** of 1.8m length by 750mm width and 900mm high, with power source access. An additional stainless steel bench with a minimum height of 700mm may also be required – **ABF officers will advise applicants of the bench dimension requirements during the application process.**
- S77G Depot staff to present cargo for inspection and to remove upon completion of examination.

The examination area is to be located a safe distance from areas where fumigant activity and biosecurity inspection would be taking place and protected from natural elements, artificially produced temperature devices and vehicle emissions.

It is the responsibility of the licence holder to maintain the ABF examination area and keep it clear when not in use by ABF officers.

The ABF examination facilities **cannot** be shared with those used by other government officers conducting biosecurity inspections due to cross-contamination concerns.

Goods should be stacked in such a way as to allow reasonable access for authorised officers to examine the goods and, unless otherwise authorised by the Department, import and export cargo must be separated.

It is a condition of all Depot licences that any goods **not** subject to customs control ('free goods') must be stored in a separate and distinct area from goods subject to customs control.

28. Physical Separation of Premises

If the place to be licensed is a section or part of a building as opposed to the whole building, please provide details as to how the area to be licensed will be physically separated from the rest of the building. For example, internal fencing or by clearly delineating the area by painted lines, dependant on the outcome of a risk assessment by the regional ABF officers.

If the building is shared with another tenant or company, the proposed licensed area can only be under the control of the applicant company and must not include any area under the control of another tenant. The area must be separated by a floor to ceiling wall or strong metal fencing and a higher level of security may be required in this instance.

If the proposed premises is shared with another entity, you must provide details of the other tenants and nature of their business.

29. Ownership/Lease Verification – MANDATORY

You must provide evidence of ownership of the land/property where the Depot will be situated.

If the land/property is leased, you must provide a signed copy of the lease document.

30. Depot Procedures and Recording Systems – MANDATORY

It is a requirement that all Depots are registered in the ICS and that all cargo movements are communicated electronically to the Department via the ICS. Records must be maintained and they must provide a clear audit trail of all incoming and outgoing goods. The Depot licence holder is responsible for all goods in the Depot and is liable for the duty on any goods that cannot be accounted for.

Relevant commercial documents must be kept for a minimum period of five years; however, it is essential that the Depot licence holder also maintain permanent records to allow the history of the movement of all goods into and out of the Depot to be readily traced.

The types of records to be kept include, but are not limited to:

- The date and time of receipt of goods
- The date and time of unpack of containers/cargo (if applicable)
- Details of surplus or short landed goods, pillages etc.
- Details of the release of goods including the date and time.

Note: These records may be manual or computer based and must be made available to authorised officers upon request.

Manual Based Recording Systems

If your recording system is manual, you must provide the Department with the following detailed information:

- The location of the documents and the designation of the person/s who process them
- Copies of registers, forms or other documents used or proposed to be used in connection with the Depot operations

Computer Based Recording Systems

If you will be using commercially available software, please provide the name of the software and company.

If you are using non-commercially available software, please provide specific details about the system and include screen prints of receipt and delivery screens.

Irrespective of whether you are using commercially or non-commercially available software:

- Does the software interface with the ICS?
- Are cargo receipt and release reports available?
- Is a stock list report available?
- Does the software generate a ‘delivery notice’ for releasing cargo? If yes, is the generation of the notice linked to the ICS consolidated status of the cargo?
- Are all computer records accessible from on-site? If no, please provide details regarding the location of computer records.

Note: Customs will evaluate such procedures and systems and will either accept their adequacy for Customs purposes or indicate the nature of any inadequacies.

Depot Procedures

All standard operating procedures or other procedural documents relating to the operation of the Depot must be provided in the application supporting documentation.

It is a condition of all Depot licences that the holder must provide adequate training to make staff aware of their obligations in dealing with goods subject to customs control.

3. Submitting the Application

When the application form and requested attachments have been completed, please submit your application to:

Department of Immigration and Border Protection
National Depot and Warehouse Licensing
GPO Box 9984
Sydney NSW 2001
Email: licensing@border.gov.au

Receipt of your application will be acknowledged by a Licensing officer and you will be invoiced for the $3,000 application fee.

Processing of your application will not begin until the $3000 application fee has been paid.

On receipt of payment the Licensing officer will assess your application and advise you of any outstanding information.

Provided that all the required information and accompanying documentation has been submitted, and pending the status of access to the Integrated Cargo System, your application will take up to 60 days to process.

If you do not provide all information, including any outstanding information advised at the time of initial assessment of your application, processing of the application may be delayed or refused. If an application is refused, you will be required to submit a new application. Where administrative processing work and a site inspection have been conducted as part of an application, the application fee will not be refunded if the application is withdrawn or refused.

Appendix 1

Your legal responsibilities

It is your responsibility to be aware of all your legislative responsibilities. When granted your licence will contain a number of conditions. It is important that you read and understand these conditions. A breach of a licence condition is a strict liability offence and may result in the issuance of an Infringement Notice, prosecution under the Act and ultimately suspension and/or cancellation of your licence.

Please visit the Federal Register of Legislation website at https://www.legislation.gov.au/ to review Depot and warehouse legislation, including but not limited to:

- Sections 77G to 77ZA of the Act (Depots)
- Sections 79 to 102A of the Act (warehouses including duty free stores)
- Sections 33 and 34 of the Regulation
- Sections 35 to 71 of the Regulation and
- *The Customs Licensing Charges Act 1997*

Below is an extract from the Customs Act 1901 outlining the role of a Licensed Depot

Customs Act 1901 Section 77G - Depot licences

1) Subject to this Part, the Comptroller-General of Customs may, on an application made by a person or partnership in accordance with section 77H, grant the person or partnership a licence in writing, to be known as a Depot licence, to use a place described in the licence for any one or more of the following purposes:
   a) the holding of imported goods that are subject to customs control section 30;
   b) the unpacking of goods referred to in paragraph (a) from receptacles;
   c) the holding of goods for export that are subject to customs control under section 30;
   d) the packing of goods referred to in paragraph (c) into receptacles;
   e) the examination of goods referred to in paragraph (a) or (c) by authorised officers.

2) A Depot licence may be granted:
   a) in relation to all the purposes referred to in subsection (1) or only to a particular purpose or purposes referred to in subsection (1) as specified in the licence; and
   b) in relation to goods generally or to goods of a specified class or classes as specified in the licence.

Appendix 2

Physical Security Standards

The physical security standards that are required in order for premises to be licensed to operate as a Depot are designed to protect the security of goods subject to customs control; and in turn are an important factor in the Department's role of protecting the Australian community and the revenue of the Commonwealth.

Individual site inspections are conducted for all Depot licence applications as well as applications to vary an existing Depot licence. The security measures required in order for a licence application to be approved will vary between premises.

Physical security assessments consider the threats and the risks and take into account the location and construction of the premises; the type, value and volume of the goods that will be stored at the premises; the activities that will be conducted at the premises; and any other relevant risk factors, such as the compliance history of the company.

Threats range from petty crime, such as incidental theft, to major crimes such as criminal infiltration. While no security system is infallible, by using a collective number of security measures the risk is minimised. The physical security measures required of a licensed Depot work on the principle of deter, detect, delay and control.

The following details **some** of the considerations and measures that may be applied when risk assessing a proposed Depot premises.

The Building(s)

1. Internal Size – will be dependent on the proposed operation and should take into account the capacity to accommodate the relevant cargo transport mode (e.g. trailers with shipping containers), type and volume of cargo, sufficient space for unpacking/packing, the need for a deadhouse, a requirement for a 'free goods' area, storage requirements, and ABF office and inspection area requirements for cargo examination. **Essentially, the premises must be fit for purpose**.
2. Entry Doors and Locks – entrance/external doors must be of solid construction and be fitted with deadlock type devices/keypad code locks/electronic locks except for those that are prohibited by state or local authority legislation (that is, safety or fire exit restrictions). In those instances, there will be a type of lock that is approved. Entry doors to the licensed area must **not** be kept in the open position, even during business hours.
3. Freight Doors – receiving/delivery freight doors must be of robust material and access via the doors is to be monitored. Doors may include a separate lockable pedestrian access, which should be used when doors are not being used by trucks. Depending on the environment some freight doors may be fitted with sensors to open/close the door automatically during business hours.
4. Windows – should be constructed of material to prevent illegal entry or be fitted with barriers (steel mesh or bars) which will be fixed to resist removal.
5. Alarms and/or intrusion detection devices – must be configured to cover doors, windows, walls, floor, roof and manholes. This system should be connected to a security monitoring point such as a security company or the police.
6. Internal Fencing – if applicable, areas set aside within the secure perimeter for the storage of un-entered cargo in shipping containers are to be fenced to a total

minimum height of 3 meters. The area is to be separate to those used for storage of 'free goods', export and deconsolidation space. Mesh should be chain link to Australian Standards that is minimum thickness of 3.15mm and in the 5 cm gauge range. Fences are to be topped with security wire to deter intrusion. Shipping containers must be stored door-to-door Note: Internal fencing is not required for all Depots.

7. Secure Area (Deadhouse) Requirements – All Depots (excluding FCL container parks and those handling break-bulk cargo) **must** have a secure area known as a deadhouse. The deadhouse must be a fully enclosed cage (including a roof) and should be bolted to the floor and building walls if the walls form part of the deadhouse. The mesh used must meet Australian Standards – chain link type in 5cm range with minimum thickness of 3.15mm. If the building walls are tin or stud wall, the mesh is to extend to all sides.

   The **MINIMUM** size of the deadhouse must be:

   - General – 2.4m long x 2.4m wide x 2.4m high
   - HVSO (High Volume Special Operator) – 1.2m long x 1.2m wide x 2.4m high

   The deadhouse must be locked and in a highly secure condition **at all times**. The chain and padlock should be of sufficient thickness and strength, and secured tightly with as little 'slack' as possible in the chain, so that it is not easily defeated. Padlocks that meet the Australian Standard for padlocks (AS4145.4) should be utilised for both the deadhouse and any internal gates into the licensed area.

   The types of goods to be secured in the deadhouse are high-risk or high value goods, for example, firearms, prohibited imports, damaged cargo or packages that have become opened during transport or there is evidence of possible pillage.

   The issuing of keys for the deadhouse must be controlled and suitable records maintained (see Access to Controlled Areas). A specific employee should be in charge of the deadhouse and be responsible for the safekeeping of the goods and relevant recordkeeping.

   The deadhouse must be kept accessible and not be used for any purpose other than that for which it is intended. Nothing should be stored on top of or above the deadhouse.

Perimeter Fencing

Buildings used for the consolidation/deconsolidation, packing/unpacking, storage and examination of goods subject to customs control are generally required to be encircled by perimeter fencing constructed of materials that discourage illegal entry.

Perimeter fencing for Depots should be either palisade or heavy-duty chain link in 5-10 cm gauge range with a thickness of no less than 3.15mm, and be of sufficient height to prevent illegal entry through, over or under. Depending on the assessed risk, perimeter fences total height minimum requirements range from 2.4m to 3m

Where chain link fencing is used, the base of the fence should be secured where practicable and must be topped with fixed security wire. There should be no overhanging trees, which could facilitate a breach of the perimeter and fences must be maintained in good condition at all times.

Gates

External and/or internal perimeter gates should be constructed of materials robust enough to prevent entry, be of similar height to fences and topped with security wire that is at least the total height of the corresponding fence. Entry and exit points should be controlled and access restricted. All gates are to be fitted with security locks and, where possible, alarms to a central control point.

Lighting

Exterior security lighting must be installed at certain points including all entries and exits to the licensed premises, container storage areas, vehicle parking and holding areas. Lighting should be sufficient to ensure every part of the area is sufficiently illuminated to enable identification of persons at a distance of 10 metres.

Access to Controlled Areas

The issuing of keys / combinations / cards for access to buildings, doors, gates and high security areas must be controlled including the maintenance of suitable records. For example, a register that includes details such as key/pass number, date of issue, name and date returned.

Rail Access (if applicable)

Rail gates are to be manned when rail operations are in progress. Gates are to be constructed to prevent vehicle access and are to be as robust as the fencing, securely locked when not in use.

Signage

ABF signs are to be posted at all entrances and in public areas advising of conditions of entry, including that goods and vehicles may be searched. The ABF will provide the required number of signs if/when the licence application is approved. It is a condition of a Depot licence that ABF signage **must not be removed** without prior authorisation.

Security Patrols

After normal working hours, security patrols should be engaged to make random inspections to ensure the safekeeping of the cargo in the Depot.

Vehicle Parking

Parking for employer/employee (non-customs) vehicles is to be a noticeable distance from the doors leading to cargo storage/unpacking areas. If space permits, the parking area should be outside the perimeter fencing.

Operating Procedures in respect to Physical Security

Operating procedures are to be such that cargo, containers, vehicles or other equipment are not placed near fences in such a manner as to facilitate unauthorised access to freight stored inside. In addition:

- Machinery and vehicles must be immobilised when the Depot is closed

- Containers must be stacked door to door with separate areas for full and empty containers
- All containers and pallets where unpacking has started but not finished are to be stored inside the building when the Depot is closed
- Lost or stolen keys, access passes or attempts to illegally enter the area are to be reported to the Department without delay
- Keys and passes are to be returned to Depot management prior to an employee ceasing employment with the company. The Department is to be informed immediately of failures to comply

Issue of Licence

When a Depot licence is granted, a hard copy of that licence is forwarded to the Depot. It is a requirement that the licence, which sets out the conditions under which the Depot is licensed must remain at the premises. Upon renewal a Certificate of Renewal will be forwarded; however the original licence must be retained, until such time as a new licence is issued. The licence must be surrendered if the licence is cancelled for any reason, including voluntary surrender.