Australian Government
Department of Immigration and Border Protection

Applying for a Warehouse 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 Warehouse under Part V 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 Warehouse under Section 79 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 Warehouse 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 Warehouse 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 90(1)(b))
- Only be dealt with under authority (sections 71E, 119AA, 119AB. 119AC)
- Not be received/stored at a Warehouse the licence for which has been suspended (section 86(6)) unless directed to do so by an authorised officer under section 86(7) of the Act)
- Have appropriate commercial documentation (pursuant to section 82A)

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 Warehouse 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 are 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 or 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 V sets out the legislative framework for the licensing of Warehouses. Even though licences are issued to individuals, companies or partnerships, each licence is issued for a specific place and licensees with more than one Warehouse 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).

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.

Duty Free Stores

If you wish to store and sell underbond goods on a duty free basis to travellers departing from or arriving in Australia you are required to apply for a Warehouse licence and permission to operate a duty free shop.

Shops which make duty free sales to travellers departing from Australia are known as outwards duty free shops while shops which make sales to travellers arriving in Australia at an international airport are known as inwards duty free shops.

If your application is successful you will be issued with a Warehouse licence and a permission which authorises the delivery of duty free goods to relevant travellers.

Further information on operating a duty free shop is available in the *Duty Free Operators ' Guide*, which is available on the Department's website.

Catering Bonds and Providores

Additional information is required if you are applying for a licence to store tobacco or alcohol as a catering bond or providore or for permission to operate a duty free shop. Further information on the requirements for these Warehouse licence applications is detailed in the relevant area of this guide.

1.5 Warehouse Activities

Activities permitted in Warehouses are limited to ensure the security of the goods and that the revenue payable to the Commonwealth is not at risk. To this end, apart from approved storage, blending, unpacking, repacking and packaging of certain types of goods, any activities that involve "value adding" are not permitted.

1.6 Licence Conditions

Warehouse 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 Warehouse or of customs controlled goods are expected to understand their obligations under Customs-related laws.

A breach of a Warehouse 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

Warehouse licence fees are imposed by operation of the Act and *Customs 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 Warehouse 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 National Depot and Warehouse Licensing Section 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).

After the initial year, licence holders have the option to pay their annual renewal fee in quarterly instalments of $1000. If you wish to pay quarterly, you must advise The National Depot and Warehouse Licensing Section in writing by the beginning of May each year.

1.8 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 Warehouse 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 Warehouse licence may result in a decision not to grant a Warehouse licence and/or the person may be convicted of an offence under section 234(2)(b) of the Act.

1.9 Australian Taxation Office (ATO)

Companies applying for a licence to store tobacco or alcohol as a catering bond or providore, or for permission to operate a duty free shop may also need to obtain the appropriate additional licence/s from the ATO.

With the exception of duty free shops, catering bonds and providores, since 1 July 2010, responsibility for the administration of Warehouses that store excise equivalent goods (EEGs) moved to the Australian Taxation Office (ATO). EEGs are imported alcohol, tobacco and fuel that, if produced or manufactured in Australia, would be subject to excise duty.

There has been no change to legislation and the ATO administers Warehouses that store EEGs under delegation from the Department.

With the exception of catering bonds, providores and duty free shops, you should apply to the ATO for a customs Warehouse licence if you:

- intend to store EEGs in a Warehouse or
- are an operator of one or more Warehouses and at least one of your Warehouses stores EEGs.

For further information contact the ATO on 1300 137 290 between 8.00am and 6.00pm, Monday to Friday or visit the website at www.ato.gov.au.

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 Warehouse Licence is a reviewable decision, under section 273GA(b) 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 Warehouse licence. **A Warehouse 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 Warehouse licence must be used in the application. Warehouse applications must be completed using the ABN under which the ICS registration has been made (see part 1.2 of this document).

4. Establishment (Warehouse) Name

The Establishment name is the name by which the Warehouse will 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 Warehouse is situated.

Although a Warehouse licence may be issued to a person, company or partnership, the licence is for a single specified place only. Licensees operating multiple Warehouses 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 Warehouse 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 Warehouse to a different site.

6. After Hours Contact

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

7. Address of Head Office

The following addresses where applicable:

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

8. ICS Client Registration

Indicate if you are 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 Warehouse application has been made. Please indicate on the form if the registration has been completed.

9. Company Membership and Persons Who Participate in the Management or Control of the Warehouse

Each person in a position of Management or Control (2014-23 refers) of the proposed warehouse or of goods subject to customs control that would be dealt with by the proposed warehouse 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 Warehouse 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 Warehouse, and any staff that have afterhours access to the Warehouse (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 81 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 warehouse 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 warehouse 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.

0. Prior Experience

Do you or any of the persons nominated as being in management or control of the Warehouse have prior experience in the operation of a Licensed Warehouse? If any person nominated as being in management or control of the Warehouse 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.

1. Description of Goods

You will need to clearly identify the type and quantity of goods that will be stored in the Warehouse. You will also need to indicate the estimated maximum revenue liability for the goods that will be stored at any one time.

You must indicate who will own the goods. For example, the licence holder will own all of the goods to be stored in the Warehouse, or the goods will be stored on behalf of one or more other companies.

If the licence holder will not be the owner of all the goods that will be stored in the Warehouse, you must provide the name of the owner/s and respective ABN/s.

It is acceptable for general Warehouses to state that they will be storing goods generally or general merchandise. However, if you are applying for a catering bond, providore or duty free licence and will be storing tobacco or alcohol in addition to general merchandise, this must be clearly stated.

Except for the Warehouse types specified above, all Warehouse licences issued by the Department will specifically EXCLUDE EEGs (if approved).

12. Warehouse Activities

You will need to clearly state the activities that are proposed to be undertaken in the Warehouse in respect to the types of goods that will be stored in the Warehouse.

Apart from approved storage, unpacking, repacking and the packaging of certain goods, the only operations permitted in bond are those related to restoring goods to the condition in which they were exported. Operations aimed at preparing goods for market are not permitted in a warehouse.

Depending on the types of goods to be stored, these activities may include:

- Storage
- Repacking
- Unpacking
- Packaging
- Duty free shop operations including the display of goods
- Minor reassembly of goods which have been disassembled for transport
- Removal of protective coatings placed on goods during transport
- Attaching motor vehicle compliance plates
- Restoring goods to the condition in which they were before importation

Note: For duty free shops, further information regarding warehouse activities must be included in Part 2 of this application.

13. Storage of Duty Paid/Free Goods

In accordance with section 69 of the *Customs Regulation 2015* (the Regulation), duty paid and/or free goods (goods on which no customs duty is payable) remaining in a Warehouse after duty for the goods has been paid remain at the risk of the owner and the Department is not liable in any way to a claim of any kind in relation to the goods.

If you wish to apply to receive such goods in the proposed licensed premises, you need to tick 'yes' in the appropriate box on the form.

The holder of the Warehouse licence may remove the goods from a Warehouse if:

a) the Collector has ordered the removal; and

b) the holder of the Warehouse licence has given notice to the owner.

It is an additional condition of a Warehouse licence that goods **not** under customs control ('free goods') must be kept in a separate and distinct area from goods subject to customs control.

14. Duty Free Shops

If you are applying for permission to operate as a duty free shop, you need to tick the appropriate box on the form to tell us about the type of duty free shop you intend to operate.

The different types of duty free shops as prescribed by sections 39 to 58 of the Regulation are:

- On-airport inwards – A duty free shop permitted to sell and deliver goods to arriving relevant travellers and located in the international arrivals area before immigration processing
- On-airport outwards – A duty free shop permitted to sell and deliver goods to departing relevant travellers and located in the international departure area after outwards immigration processing
- On-airport in/out – a licence that allows both on-airport inwards and on-airport outwards duty free sales to relevant travellers
- Off-airport – A duty free shop permitted to sell and deliver goods to departing relevant travellers and located in an off-airport location (for example, in a retail tourist shopping area) or at the airport but located in the landside area prior to outwards immigration processing (for example, in the retail area near check-in)

15. Storage of Excisable Goods

You must tell us if you will be storing excisable goods as a duty free shop, catering bond or providore.

You will also need to tell us if you have the required licence/s from the ATO. If you do not have the required licence/s, you will need to contact the ATO directly.

16. Additional Information for Providores and Catering Bonds

Providores and Catering bonds that supply goods to international aircraft or vessels as aircraft or ships' stores are required to supply additional information pertaining to alcohol and tobacco sales as 'ships stores' to international vessels.

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 Warehouses conduct Quality Assurance (QA) on consignments received each month. 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.

18. Standard Operating Procedures (SOPs)

You are required to have documented SOPs for the operations to take place within the Warehouse. 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.

19. 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 person nominated on the Warehouse Application Form including the applicant (if an individual natural person), partners (if applicable) and any director, officer, shareholder or employee who will be involved in the management and/or control of the Warehouse. This includes personnel who will have control of, or are responsible for receipt or delivery of cargo.

Such persons will be subject to background and police record checks, which are required in order to determine eligibility requirements for granting a Warehouse licence as per section 81 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” 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 Warehouse will be required to establish their identity by providing **certified** copies of identification documents, which total **100 points** or more.

Any person taking up a position of management or control subsequent to the licensing of the Warehouse must meet the same proof of identity requirements as those nominated in the application.

A copy of the B301 ‘Consent to Obtain Personal Information’ form (including information on the required 100 points of ID) can be found at on the Department’s website at www.border.gov.au.

Any details about individuals contained within the Warehouse application form, associated information or information obtained as a result of police record 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. 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

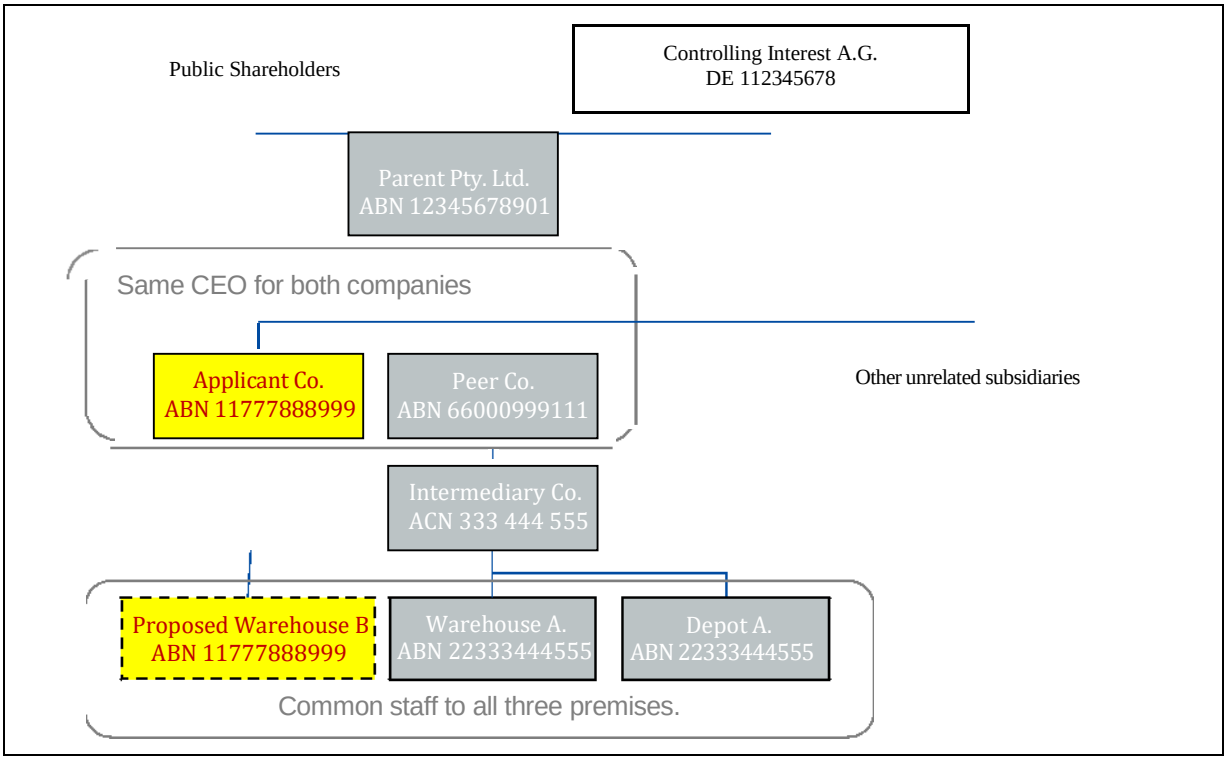
Company search documents must include full details of company registration, registered addresses, share details and company administration including directors.

22. 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 Warehouse Management section. However, large operators are expected to set out the organisational relationships comprehensively. Where relationships exist with other businesses unconnected with the proposed Warehouse, 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.

23. Related Companies - MANDATORY

'Related companies' means companies related under the Corporation Law.

If the proposed Warehouse is to be used for the storage of goods owned by the applicant company in addition to goods owned by companies related to the applicant company, further details must be provided regarding the related companies including:

- Full names of the companies
- Addresses of the companies
- An explanation of the nature of the relationship between the companies.

For example a written statement from the company's solicitor or accountant explaining the relationship in accordance with the Corporations Law.

24. 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:

- Sales projections
- Estimated expenses
- Assessment of strengths and weaknesses
- Assessment of opportunities and threats
- Estimated profit / loss figures
- Estimated value of goods to be stored in the warehouse

Where goods owned by related companies are to be stored in the warehouse, a copy of the holding company's most recent group account lodged with ASIC is required. If this is not available, you must provide financial statements (profit and loss accounts and balance sheet) of the related companies.

25. Warehouse Site Plans - MANDATORY

You must provide three certified copies of the plan (no larger than A3 size) of the proposed warehouse 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 electronic security system movement sensors and reed switches
- The location of where activities will occur within the building and/or the proposed licensed area, for example, packing and distribution, retail stock storage, storage of 'free goods', etc
- The location of an appropriate area set aside for ABF officers to conduct cargo examinations.
- The location of a car park specifically designated for use by ABF officers (does not apply to duty free stores, providores or catering bonds)
- The location of facilities for ABF officers to conduct compliance checks including, but not limited to, office space, desk, chair, telephone and access to Warehouse records
- If the proposed licensed area only forms part of a building, the remaining areas of the building and usage/tenants must be noted and
- 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 Warehouse 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 warehouse licence dated --/--/--. I also certify that the area/areas bound in red is/are the area/areas of the proposed licensed warehouse."

Name: .....

Signature: .....

Date: .....

26. Physical Separation and Construction of Premises - MANDATORY

If the place to be licensed is a section or part of a building as opposed to the whole building, you need to provide details as to how the area to be licensed will be physically separated from the rest of the building.

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 wall or strong metal fencing and a higher level of security may be required in this instance.

In the case of a duty free shop sharing premises with another duty free shop, lockable portioning may be adequate however, both shops must be able to be independently locked and accessed.

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

You must ensure that the warehouse proportions are adequate for the proposed business activities..

27. Physical Security of the Premises - MANDATORY

The physical security of the Warehouse 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 Warehouse including, but not limited to, the following:

- Alarm systems
- CCTV / IPTV
- Window and door security
- Fencing
- Security patrols
- Name and address of the security company used

- Details about access to the Warehouse 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 Warehouses.

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

28. Ownership/Lease Verification - MANDATORY

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

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

It is a requirement of section 60 of the Regulation that an On-airport Inwards Duty Free Shop operator has a lease or licence and authority to operate an inwards Duty Free Shop on land within the airport before a Warehouse licence can be granted.

29. Examination Equipment for ABF Officers - MANDATORY

It is a condition of a Warehouse licence for you as the licence holder to provide **adequate space and facilities** for the examination of goods by ABF officers at Warehouses other than duty free shops, providores and catering bonds.
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.**
- Warehouse 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 quarantine 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 quarantine 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.

30. Insurance

Details of your insurance including your current insurance policy must be provided. The policy should contain provisions for coverage in the event of burglary or theft of the goods.

Note: This must include cover for the customs duty component.

31. Financial Security

All warehouse operators must submit a financial security against the duty liability of the goods stored within the Warehouse. This security may be in the form of

cash or a bank guarantee however guarantees by related companies or insurance companies are not acceptable.

You will be advised of the amount of security by the Department during the application process.

In determining the security amount the Department will take into account a number of factors including:

- Estimated duty liability of goods to be stored in the warehouse
- Type of goods to be stored
- Level of risk as determined by the Department

Once the amount of security has been determined, the security is to be lodged using the Approved Form B198 which will be provided to you once the application has reached that stage of the process.

Note: If you are applying for more than one Warehouse licence you may apply for an Australia-wide national security. The amount of the national security will be notified prior to the grant of the licences.

If you who have already lodged a security for an existing Warehouse, you may be required to provide additional security for a new warehouse.

32. Warehouse Procedures and Recording Systems

It is a requirement that adequate records are maintained and that they provide a clear audit trail of all incoming and outgoing warehoused goods. The Warehouse licence holder is responsible for all goods stored in the warehouse and is liable for the duty on any goods that cannot be accounted for.

It is essential that the licence holder maintains permanent records to allow the history of all goods received, stored and that pass through the Warehouse to be readily traced. Relevant commercial documents must be kept for a minimum period of five years.

The types of records to be held include:

- Nature 20 warehouse declaration information (if you are also the owner of the goods)
- Nature 30 import declaration (ex-warehouse) information (if you are also the owner of the goods)
- Proof of Authority to Deal (ATD)
- Movement application documentation - Single Transaction Permission STP) and Continuing Permission (CP)
- Remission applications

Details to be included in the warehouse recording system are:

- Date
- Inwards document number (e.g. Nature 20, CP document number, STP number)
- Number of packages

- Description of goods
- Item identification
- Delivery document number (e.g. Nature 30, CP document number, STP number, export declaration number, remission reference number)
- Value
- Stock balance
- If repacking or manufacturing, any loss or wastage during the process

Important Point: 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 following information:

- A description of the recording system sufficiently detailed to show the inter-connection between the recording of the receipt of goods into the Warehouse, the location of the goods, their subsequent movement (including processing where relevant) and final acquittal
- A description of the location of the records and the designation of the persons or group that processes them
- Copies of the registers, forms or other documents proposed to be used in connection with the warehouse operations

Computer Based Recording Systems

If your recording system is computer based you must provide the following information:

- Details about the computer system including software name, procedures for recording the receipt and delivery of goods, audit capability and report capability. Please include attachments and copies of each report
- The location of computer records
- Details of arrangements put in place for authorised officers to access information from the system during compliance activities

Important Point: Where a licence holder intends to introduce a new record keeping system, the Department must be advised of the details prior to the new system being introduced.

33. Asbestos Report

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 Regulations) 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

34. Additional Information for Duty Free Shops

If you are applying for permission to operate a duty free shop, you must provide a written submission detailing the following:

- Procedures that you will use to meet legislative requirements as per sections 96A and 96B of the Act and sections 6, 39 to 58, and 60 to 65 of the Regulation. For example, a description of sales procedures including details of invoices that will be generated, procedures for sighting evidence of travel and record keeping
- Details of the companies that will supply tobacco and/or alcohol products and the quantity of product you expect to receive each year

For non-airside duty free shops, you will also need to supply the following:

- Evidence of arrangements made to establish proof of export of the goods sold duty free to relevant travellers
- Missed docket return procedures including how you will calculate and pay the duty and GST owing
- A copy of the sales invoice to be used for sealed bags (including the passenger declaration)
- An example of the packaging that will be used for sealed bag sales

3. Submitting the Application

When the application form and requested attachments have been completed, please submit your application by mail 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 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

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 Warehouse

Customs Act 1901 Section 79 - Warehouse licences

1) Subject to this Part, the Comptroller-General of Customs may grant a person or partnership a licence in writing, to be known as a Warehouse licence, to use a place described in the licence for warehousing goods.
2) A Warehouse licence may be a licence to use a place for warehousing goods generally, goods included in a specified class or specified classes of goods or goods other than goods included in a specified class or specified classes of goods.
3) A Warehouse licence may authorise blending or packaging processing, manufacture of excisable goods, trading or other activities specified in the licence to be carried on in the Warehouse.

Appendix 2

Physical Security Standards

The physical security standards that are required in order for premises to be licensed to operate as a Warehouse 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 Warehouse licence applications as well as applications to vary an existing Warehouse 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 Warehouse 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 Warehouse 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 Warehouses.

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 Warehouses 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 Warehouse 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 Warehouse.

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 Warehouse 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 Warehouse 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 Warehouse 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 Warehouse licence is granted, a hard copy of that licence is forwarded to the Warehouse. It is a requirement that the licence, which sets out the conditions under which the Warehouse 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.