



1. Meeting Agenda

Meeting Number: 04/06
Meeting Name: Trade Facilitation Forum
Date: Wednesday 29 November 2006
Time: 11:00am
Location: Customs House
10 Cooks River Drive
Sydney International Airport

2. Invitees/Attendees

Y-in attendance. A-apology

Customs

Y Gail Batman (Regional Director)
Y Matthew Corkhill (Regional Manager Cargo Assurance & Trade)
Y Graeme Charlwood (Regional Manager Border Compliance & Enforcement)
Y Jim Fleming (Director Compliance Assurance Service Providers and Intervention)
Y Doug Greaves (Director Compliance Assurance Owner and Declarations)
Y Brian Sheridan (Manager Cargo Services)
Y Karen Williams (Director Cargo Assurance)
Y Tracy Alston (Supervisor Compliance Assurance Team 5)
Y Susan Harris (Supervisor ECMS)

AFIF

A Brian Lovell (CEO AFIF)
Y Paul Angel
A Stuart McFarlane

CBFCA

Y John Law (President CBFCA NSW Branch)
Y Tony Fatouros
Y Michael Hudson
Y Andrew Crawford
Y Paul Zalai
Y David Katte

CAPEC

Y Jackie Lekic
Y Robert Battistel

3. Agenda

Item No.	Subject	Presenter
1.	Welcome and Apologies	
2.	Minutes from the previous meeting	
3.	Matters arising from the previous meeting	
4.	Regional ICS Issues	Customs
5.	Container Examination Facility update	Customs
6.	Operation of the Infringement Notice Scheme	Customs
7.	General Business	
8.	Next Meeting	

4. Minutes

Meeting commenced 11:15am

ITEM 1 Welcome and apologies

Gail Batman formally welcomed everyone to the meeting. Doug Greaves was introduced to the meeting as Director Compliance Assurance Owner and Declarations.

Jackie Lekic introduced herself to the meeting. She is currently in Chris Charlton's position while he is in Singapore for the next six months.

ITEM 2 – Minutes from the previous meeting

The Minutes from the previous meeting held on 30 August 2006 were accepted.

ITEM 3 – Matters arising from the previous meeting

Late Arriving Containers

Graeme Charwood reported on the late arrival of containers and storage charges issue raised at the last meeting. P&O and Patrick both offer 24-hour free storage after containers are returned from the CEF. There are exclusions for late arriving containers and both companies have a different interpretation of each. P&O consider late arriving containers as those targetted 24 hours prior to unloading while Patrick considers those late targeted containers as those not targeted at least six hours prior to unloading. There is variation between stevedores that Customs has limited influence on.

Customs will be reviewing occurrences of containers that are clear and then becoming targeted after a FID has been lodged. Targeting on the FID may occur occasionally but will be limited to higher risk containers. This will also minimise containers being held after the FID has been lodged.

Paul Zalai agreed this issue had settled down and requested feedback from Jane Bailey regarding the analysis she was conducting. Graeme Charlwood would discuss with Jane Bailey and provide feedback.

Paul Zalai also felt the ACN addressing container examination and free storage needs to be revised. This new information regarding late-targetted containers arrivals is not reflected clearly in the ACN. This does not assist Industry when giving the notice to Importers. Gail Batman agreed it needed to be amended and would pass this on to Central Office.

Vehicle Booking System

Graeme Charlwood discussed the trial P & O is running in Brisbane re its vehicle-booking scheme and the impact with the CEF in Brisbane. Initially alternative slot bookings were identified as an issue. P&O were offering an alternate slot booking for containers that were sent to the CEF and were not available for the original booked slot. The alternative time provided was often on the evenings and this arrangement did not suit all industry. P&O have since become more flexible with this arrangement and alternate slot bookings for these containers can now be negotiated. This is not a Customs issue and it was suggested that the CBFCA take this issue up with P&O. There was no indication that this arrangement would commence in Sydney. There is no impact from this on the Customs operations regarding the availability of containers.

ITEM 4 – Regional ICS Issues

The Cargo Processing Steering Committee has held many meetings lately on trade facilitation involving the CEO, COC, EBA, FAIF and CAPEC about the future of facilitation of cargo. Neil Mann is the new Deputy CEO for Trade Facilitation and is keen to progress trade facilitation issues.

The paper release issue is close to finalisation with only small areas of problems at the moment.

Impending Arrival Reports

David Katte advised the Impending Arrival Reports would be online from 13 December. The main concern is that cargo reports are made on time, as there are limitations by not having all available information from shipping lines such as voyage numbers. These reference files are now being made available but previously Customs Compliance had sent letters seeking explanation for apparent late reports.

The estimated date of arrival is often incorrect, sometimes by long periods. Any requests for explanation from Industry regarding issues such as these takes a long time to address as a lot of time is wasted looking for data.

Jim Fleming advised that Customs does prepare late arrival reports for clients, (and which are sent to them), and don't always ask for an explanation. Requests for explanation would only be made after rigorous internal checks by Customs.

Data is currently being obtained from CRE but a new report from ICS will be released within the next couple of weeks. The new reports will be run weekly and will allow Industry to follow up the late cargo reports sooner. The advantage of the new report is that it will take into account redogged cargo reports. There is a restriction that Customs capacity is limited to a few score reports per week. This should assist in eliminating problems of incorrect identification of redogged cargo reports as late. Central Office will issue an ACN on this issue soon.

Harmonized System 2007 Changes

The changes to the Harmonized System take effect on 1 January 2007. Customs are hoping for a seamless change and asked whether Industry had any concerns.

Andrew Crawford indicated Industry will have problems with parts changes for some clients increasing from 25 000 to potentially 100 000. Industry are concerned that in three years time compliance officers may not be aware of the impact of these harmonized changes and this may affect the outcome of compliance assessments.

Paul Zalai recently received a call from a company requesting 30 brokers to assist with these changes but there are no spare brokers available. There are about 500 000 part numbers in the tariff database to be changed. There are concerns that shipments may back up or brokers will report to Customs incorrect information to keep the cargo moving. Industry also expressed concern that the concordance with the stats level is not yet available and the implementation date of the Harmonized System is only five weeks away. Industry asked that Compliance consider these issues.

David Katte also highlighted the difficulties where descriptions will also need to be broken down into multiple items. It will be difficult to link the descriptions to the current shortcodes. More software needs to be developed. Enterprise is not ready yet. Industry does not expect a seamless change.

Matthew Corkhill and Graeme Charlwood will raise the issues industry reps raised with CO.

Industry members advised the interpretation where items have gone from one to many needs to be decided. There are those who are prepared however it is thought they are still going to struggle with the changes. A request was made that Customs issues a notice that recognizes the problems faced by Industry. Jim Fleming said that the National Manager Compliance was aware of this issue following the recent round of HS2007 industry seminars and that she was considering Customs' response.

Gail Batman advised that Customs would alert Custom's executive in Head Office to industry's concerns.

CI&SC

Andrew Crawford would like to get an idea of what type of calls are being received at the helpdesk. From this type of information they would be able to provide training for staff. Matthew Corkhill advised that this is currently being worked on and any information will be provided at a meeting on 12 December.

ITEM 5 – Container Examination Facility update

Graeme Charlwood advised there have been no problems at the CEF since the last meeting in August. Customs are currently revising the internal procedures for targeting export containers for examination. Overall examinations are on target and no containers should miss shipment.

Customs have a priority targeting system. The priority risk rating ranges from one being the highest requiring the full CEF treatment down to four. Customs are aware of priority cargo such as reefers, medical supplies, and perishables. There is a list available to Customs to ensure the high priority goods move faster.

Tony Fatouros advised that larger retail stores such as Coles and Woolworths have cancelled orders if they do not receive orders on time as per contractual arrangements made and this impacts greatly on some small companies. There have been some cases where some companies have been forced into administration. Paul Zalai agreed he has heard of this occurring and contacted the helpdesk for assistance only to be told that these goods are not priority and will need to wait in line with other shipments. He asked if Customs could issue an ACN about this issue.

Graeme Charlwood responded that Customs follows the priority targeting system and if Customs responded to these individual instances outside the system soon everything would become urgent. It cannot be an open-ended arrangement.

Another issue raised was imports by the same importer being targeted on numerous occasions. Graeme Charlwood advised containers are targeted for legitimate reasons. Targeting is conducted automatically and also through manual selection.

Customs are in the process of addressing the issue of the repeated selection of containers for examination. It should be noted however that only about ten companies across Australia who are experiencing these problems. There are some companies who import goods that are high risk and meet Customs parameters for selection.

Gail Batman advised that concerns by brokers can be forwarded to Customs in writing and the issues will be dealt with.

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ITEM 6 – Operation of the Infringement Notice Scheme in NSW

There has been no infringement notices issued for late reporting since the last meeting. There has been a general improvement in late reporting although a ‘dip’ was detected in late October. This ‘dip’ was for sea cargo where house bills went from 74% down to 71% on time and ocean bills went from 92% to 90%. For air

cargo, house bills were steady at 93% and master bills went from 92% on time to 90%. As October is a high cargo month and if the volumes have increased may explain why there was a dip in the October figures. Customs will continue to work with those not improving or who have plateaued. If there is continual decrease in compliance Customs will ask why.

Deliveries Without Authority (DWAs) continues to improve. There is still some misreporting against s243 and a couple of infringement notices were issued for these in November. It appears that offences have reached normality with approximately six Infringement Notices issued per month. This is a very small amount of Infringement Notices when compared to what is being processed.

ITEM 9 – General Business

Stevedore Contracts

Andrew Crawford raised concerns about the interpretation of the new contracts by the stevedores regarding 24-hour free storage and the helpdesk have not been able to help. He asked whether industry could have some involvement next time before the contract is renewed. The current contract does not appear to be working well.

Graeme Charwood advised this is a commercial-in-confidence issue and although there needs to be consultation with Industry it would not be appropriate for Industry to attend Customs discussions with stevedores. The helpdesk are limited in knowing why things are held and also what they are able to tell Industry. Graeme Charwood will take the issue of Industry input into the next Customs/stevedore contracts up with Central Office.

Stevedores at Meetings

Gail Batman asked whether there would be any benefits in inviting representatives from the stevedores to the Trade Facilitation Forum Meetings as we are often discussing issues that involve them. Industry responded that the stevedores don't actually have a representative. The Sydney Ports Cargo Authority doesn't appear to be very productive whereas the Trade Facilitation Forum Meetings get things done. The stevedores are really only required at an operational level and a suggestion was put forward by Paul Zalai that maybe meetings can be held on a 'needs basis' with stevedores to address certain issues.

Screen Period Overrides

David Katte said that Customs have issued a draft process for screen period overrides which are very laborious. A new one will be issued shortly which will be implemented.

He also wished to highlight a couple of issues raised before ICS went live including the print facility and security levels that have not been rectified. The prints from ICS are too cumbersome particularly if sent via EDI. Industry is using reproductions that may cause problems if the EDI system didn't send the information and they have a different view to Customs.

Security levels on Customs Interactive are not strong, as you cannot see who is using the digital certificate and everyone in a company who has access can see or

access all the information relating to a company. There are no security levels. Even after all controls are in place within a company anyone can login after an entry has been created and change it. Customs only work at the ABN level and this area is a major problem that needs a rework within the system.

Customs Restructure

Gail Batman advised that Customs are having a restructure mainly at the higher levels and are trying to bring all the cargo areas together. Other moves will see Passengers and Intelligence splitting up. Customs are working towards a national consistency between the regions. These changes will also impact on Compliance as well.

ITEM 10 – Next Meeting

The scheduled dates for meetings next year are yet to be determined. At this stage it was agreed that Wednesday 21 March 2007 would be the next meeting date. Other tentative dates will be distributed with the Minutes of the meeting.

Gail Batman also thanked Tracy Alston for her excellent work in providing secretariat support to the Trade Facilitation Forum Meetings. This will be her last meeting and Susan Harris will be taking over her role at the next meeting.