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INDUSTRY ACTION GROUP – 12th MEETING

CUSTOMS HOUSE SYDNEY – Thursday 23 November 2006 – 1000 TO 1230

Attendees

IAG Chair

Craig Langford (Customs)

<p><u>Customs</u> Nicole Cottrell David Leonard Steve Moore Stephen Pearce Graeme Raynor</p> <p><u>Minister's Office</u> Carly Phillips (Minister's Staff)</p> <p><u>ICS User Representative</u> Paul Zalai</p> <p><u>CBFCA</u> David Katte</p> <p><u>Shipping Australia</u> Philip Jackson-Cox</p> <p><u>ATA (Qantas)</u> Steven Woodlands</p> <p><u>AQIS</u> Lee Cale</p> <p><u>AICCC</u> Hart Krtschil</p>	<p><u>AFIF</u> Mark Willis</p> <p><u>Stevedore</u> Mary-Jo Huin (Patrick) Mark Dolan (P&O)</p> <p><u>1-Stop</u> Ruth Thompson Michael Bouari</p> <p><u>Depot Operator</u> Lauri Watson (ANJ)</p> <p><u>Air CTOs</u> Alan Wilson (Patrick Air Services)</p> <p><u>DHL</u> Daniel Anderson</p> <p><u>NSW RTA</u> David Scott</p> <p><u>Gifts & Homeware</u> Mark Dowse</p>
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OPENING COMMENTS

Craig Langford opened and chaired the meeting.

AGENDA :

1. Acceptance of recorded meeting outcomes from IAG #10

The group accepted the recorded meeting outcomes from the last IAG meeting without change.

2. Apologies

Apologies were received from Kaylene Zhakaroff, Brian Lovell, Chris Jensen, Trevor Long, Alan McDermid, Mark Wilson and Alan Wilson.

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3. Customs Trade Facilitation Program

The Chair provided an apology from the newly appointed Deputy Chief Executive Officer (DCEO) of Customs, Neil Mann, for being unable to attend the meeting. The Chair gave a brief description of the portfolio of responsibility of the new DCEO and gave details of the identified priority areas within that portfolio including participation in the development of the alternate cargo reporting model, supply chain security and the resolution of items in the Industry Action Group (IAG) Issues Register.

The Chair informed that Mr Mann was currently in the process of seeking to clarify the directions for the Customs role in the Cargo management, to maximise the benefits for both industry and Customs. These directions would be discussed with industry at the Executive Committee meeting scheduled for 1 December 2006.

4. 24 hour preload/alternate cargo reporting project

David Leonard gave an overview of the progress of the Sea Cargo Reporting feasibility study into an alternate cargo reporting model. The study has the aim of determining the feasibility of an alternate cargo reporting model similar to that currently in place in the USA. It was highlighted that a number of meetings had been held between Customs and industry to further develop the model and to identify impediments to moving forward.

The core of the alternate reporting model is the requirement for pre-load reporting from shipping carriers. Where the carrier collects and reports the lowest level bill details for a consignment, forwarders would not be required to report. The option for forwarders to provide a reduced data set to carriers and report lowest level bill details directly to Customs would remain. Customs would issue do not load messages for cargo that was not properly reported.

Carriers have sought close alignment of data elements with those required for US pre-load reporting to enable load port reporting with minimal impact on global systems. Comparison between the US data elements and Australian data elements highlight differences that are currently under examination. For example, twenty data elements mandated on the current Australian cargo report are not required under US cargo reporting requirements. Thirty data elements mandated on the US cargo report are not required on the Australian cargo report. Examination with the aim of aligning data elements is in progress.

There has been strong support for the model within the working group but further work is required to quantify benefits and costs before a decision to move to an alternative model can be made. From an industry perspective, the model has potential to improve access to data for reporting from the time of loading and alleviate some of the difficulties created by the current overlap in lodgement activity for cargo reports and import declarations. This may have flow on benefits for earlier (pre-arrival) status communication and certainty.

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Industry communicated support for the alternate cargo reporting model noting the importance of aligning the new model as closely as possible to other models already in use around the world. Industry noted the growing support for the US reporting model.

Representatives from the air industry expressed a desire to be included in discussions if there was an intention to consider a similar model in the air environment.

Stevadores noted that they were not included in discussions and expressed concern that this was the case.

Industry requested that AQIS be included in discussions due to the impact of the alternate cargo reporting model on import declaration reporting requirements.

David Leonard explained that the interim findings of the feasibility study would be communicated to the Executive Steering Committee on 1 December 2006. At that time support will be sought to continue the study. If continued, the study would expand to include other interested parties.

The ICS User Representative requested that the Interim Feasibility Report be distributed to industry as soon as possible.

David Leonard undertook to gain agreement to this from the Executive.

5. The amendment of unique identifiers on cargo reports and the overriding of screening periods

Steve Moore gave an overview of new procedures for requesting the override of the sea cargo screening period. The procedure applies only to cases where an original report has been withdrawn in order to re-submit the report with changed key field identifiers.

After withdrawing the original cargo report, a new report must be re-submitted. The reporter must then access customs website, download the override request template and email the request to Customs.

These procedures will stay in place until an agreed permanent solution is in place.

Cargo advice on the new procedures was sent to industry in the week commencing 27 November 2006. Industry noted that there is a work around currently being used to amend container numbers that needed to be considered as a part of this new procedure.

Customs undertook to consider the workaround in context of the procedure for the overriding of the sea cargo screening periods.

6. Tariff code updates

Customs gave an overview of the Tariff code update explaining that all required information had been distributed to developers and work was on track for a 1 January implementation.

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Industry explained that the impending change was not simple due to the alignment of stat codes to tariff items. Industry requested access to the list of stat codes.

Customs agreed to investigate whether stat codes could be distributed directly to industry.

7. Cargo reporting compliance

Customs provided a summary of the outcomes of previously held cargo reporting compliance meetings between Customs and industry.

Customs advised that a reference file containing Impending Arrival Report information is scheduled to commence daily distribution to the ICS industry test environment on 11 December 2006 and to the production environment around 13 December 2006. Industry indicated general support for the use of this reference file to assist in cargo reporting compliance.

Shipping Australia expressed its disagreement with the interpretation that Customs was using to measure cargo reporting compliance and indicated that the current measurement practice would not encourage shipping lines to report in a timelier manner. The legislation indicates that the estimated time of arrival of a vessel should be used to measure cargo reporting compliance. The Customs interpretation of this is that the time indicated on the first impending arrival report is the time that should be used to measure reporting compliance. Shipping Australia questioned this interpretation and indicated that its position was that subsequent impending arrival reports, and actual arrival reports should also be taken into account during reporting compliance measurement.

A reporting compliance concern was communicated regarding the recending of approved under bond movement requests when a late cargo report is submitted. This was noted as having a negative impact on the business operations of larger cargo reporters.

8. Print functionality

A document has been distributed by Customs to software developers to initiate changes to 'prints' that are currently being produced through industry software packages. Customs has sought comment from developers on the timeframe for these changes.

Industry stated that reporters should not have to rely on developers for reports that should be obtainable from Customs/ICS directly. Industry requested that Customs ensure that the required changes had been made to ICS that would enable reports to be obtained directly from Customs prior to the software developers implementing the required changes.

Customs communicated that a change that will enable the generation of an automatic receipt through EDI would be introduced to the ICS early in 2007.

9 Late targeting

It was acknowledged by Customs that late targeting of cargo had been a problem for industry since the introduction of the ICS.

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Customs has disseminated new procedures internally that provides guidelines on when late holds can be applied.

Customs noted that late holds should substantially reduce in number as a result of the new guidelines.

Customs will seek feedback from industry over the coming weeks to ensure the new guidelines are achieving the aim of reducing late holds.

10. IAG work program progress

10a. Freight forwarder indicator

Industry requested further clarification on the use of the Freight Forwarder indicator on cargo reports. Industry noted confusion within industry and want a consistent and clear decision from Customs as to the correct use of this field.

Customs will determine a position ASAP and distribute this position to industry representative organisations.

Customs also noted that the continued requirement for the Freight Forward indicator was currently under examination.

10b. Management of Underbonds

Customs publicised the creation of a new document that has the aim of assisting industry users with the processing of underbond movements requests. These procedures will be made available on Customs website and will be distributed to IAG members.

Industry noted that the ICS had created the requirement for many 'work arounds' and that the new underbond movement request procedures would only add to those 'work arounds'. Industry further requested that Customs continue to focus on 'fixing' the ICS with a view to reducing work arounds.

Although accepting of the new document to assist with underbond movement requests, industry consider the new procedures as a temporary measure only and are seeking changes to the ICS to enable the processing of underbonds with minimal complexity. Further to this, industry requested a working group to be established to identify and rectify outstanding underbond reporting issues.

Customs agreed to this request.

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10c. Voyage number stripping

Customs explained that significant complexity had encountered during the technical development and testing of voyage number stripping in the ICS. An alternative option had been identified and is currently being investigated. Customs recommended that the work to complete the voyage number stripping solution in the ICS should be suspended pending the outcome of the investigation of the alternative option.

The alternative option involves the voyage number being provided to industry as part of the reference file for Impending and arrival reports. Customs recommended that it work together with industry to develop procedures around the use of the voyage number that will be accessible through the reference file.

Shipping Australia expressed concern and observed that the reference file would not assist in all cases. The reference file would only assist industry if vessel operators reported in line with the 96-hour reporting requirement. Currently not all vessel operators are able to achieve this reporting condition.

Industry tentatively agreed to the suspension of work on the voyage number stripping solution to pending the investigation of the impact of the forthcoming reference file alternative.

10d. Deficient consignee

Shipping Australia communicated that Customs Officers were continuing to advise industry that cargo reports must be amended to provide full consignee details. This is causing both agitation and confusion within the shipping industry.

Customs agreed to send internal advice to correct this situation.

The ICS should clear the 'deficient hold' upon the lodgement of an import declaration with full consignee details. Changes to the ICS to support this practice are expected to be completed in the first half of 2007.

The ICS User Representative requested that advice be sent to industry to reduce confusion around 'deficient holds' in the ICS.

10e. Refunds

Customs conveyed plans to hold a 'Refunds Co-Design meeting' to further progress related issues.

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10f. Removal of hard copy ICS prints

Customs reported that the majority of reports on work to assess the need for the continued use of hard copy prints for cargo clearance related purposes had been sent out for information.

Industry representatives including the ICS User Representative noted concern, regarding those within industry that do not have access to CI working as a contingency to their EDI system.

Customs indicated that the next step was the production of an implementation strategy to discontinue the use of hard copy prints, industry would be included in the development of the strategy through the ICS user representative.

10g. Air part shipments

Customs reported that changes to the ICS for air part-shipments would be implemented in January 2007.

10h. ICS Diagnostics

Industry representatives informed that diagnostic changes were working well. It was agreed that the Diagnostic Working Group reconvene to further progress issues.

Industry made comment that diagnostics for exports needed attention.

Customs agreed to convene another meeting of the 'Diagnostics Group' to further progress issues.

11 Accredited Client Program

To be considered next IAG meeting.

12 Compensation

Customs reported that 91% of compensation claims had been responded to and of these, 53% had accepted Customs offer.

Of the 9% of claims that had not yet been responded to, 7% are complex and Customs is working directly with these claimants on further detail regarding their claims. Customs have not completed the initial assessment of the remaining 2% of the claims.

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13 Other business

AQIS noted the need to progress identified priority items including changes to the management of IFIP profiling.

Industry reported continued issues with unaccompanied personal effects processing, self assessed clearances and HVLV processing.

Industry reported issues with ICS exports in regards to the matching of EDNs to CRNs. Industry noted that this concern had been raised many times in the past without resolution. Industry expressed concern with the lack of controls on exports and requested Customs attention to this issue.

Industry expressed concern over the lack of progress of outstanding exports incidents. Industry noted that many outstanding incidents were over two years old. IAG participants raised concern generally that ICS core functionality incidents were not being addressed. This has resulted in significant number of workarounds by industry reporters.

Shipping Australia requested clarification on the use of the 'Responsible Party' field on cargo reports, as the content of this field was in some cases creating uncertainty with regard to cargo reporting compliance obligations. Shipping Australia requested that Customs provide advice to industry on this issue. Customs agreed to this.

The ICS User Representative requested an update on the provision of a 'Diagnostic History of Events' as a part of the ICS. Customs communicated that this capability was still on the program but at this time no development work had been undertaken.

13. Next Meeting

It was agreed that the group would reconvene in Sydney on Thursday 22 February 2006.

Action Items

Action Item	Action Officer
Distribution to industry of the Interim Feasibility Report into an Alternate Cargo Reporting Model.	David Leonard
Distribution of cargo advice on the amendment of unique identifiers on cargo reports and the overriding of screening periods, and consider the container number amendment workaround in this procedure.	Steve Moore
Investigate option of distributing Tariff codes directly to ICS users and report back to industry.	Steve Moore
Industry requested further clarification on the use of the Freight Forwarder indicator on cargo reports. Customs to determine a position ASAP and distribute this position to industry representative organisations.	Craig Langford
Creation of a working group to look at current 'work-arounds' and reporting issues concerning underbond movement requests.	Craig Langford
Advice to be sent to industry representative groups on processes around 'deficient holds' in the ICS. Aim is to reduce confusion around action reporters should take in these situations.	Craig Langford
Customs agreed to convene an additional meeting of the 'Diagnostics Group' to further progress issues.	Craig Langford
Shipping Australia noted confusion for reporters with the 'Responsible Party' field on Cargo Reports. Shipping Australia requested that Customs provide advice to industry on this issue. Customs agreed to this.	Craig Langford