



## 1. Meeting Agenda

**Meeting Number:** 02/05  
**Meeting Name:** Trade Facilitation Forum  
**Date:** Thursday 28 April 2005  
**Time:** 11:00am  
**Location:** Customs House,  
10 Cooks River Drive  
Sydney International Airport

## 2. Invitees/Attendees

Y-in attendance, A-apology

### **Customs**

Y David Collins (Regional Director)  
Y Graeme Charwood (Regional Manager Border Compliance & Enforcement)  
Y Jane Bailey (Regional Manager Cargo Assurance & Trade)  
Y Graeme Rayner (A/g Director Compliance Assurance)  
Y Mal Graham (Co-ordinator of CMR)  
Y Myron Bosak (Director Cargo & Trade)  
Y Tracy Alston (Supervisor Compliance Assurance Team 5)

### **AFIF**

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

### **CBFCA**

Y Beatrice Kemp (President CBFCA NSW Branch)  
Y Paul Zalai  
A Andrew Crawford  
Y Tony Fatouros  
Y Michael Hudson

### **CAPEC**

A Chris Charlton  
A Robert Battistel

### 3. Agenda

<b>Item No.</b>	<b>Subject</b>	<b>Presenter</b>
1.	Welcome and Apologies	
2.	Minutes from the previous meeting	
3.	Matters arising from the previous meeting	
4.	CMR Update	Customs
5.	Container Examination Facility update	Customs
6.	Benchmarking Auditing system update	Customs
7.	Operation of the Infringement Notice Scheme	Customs
8.	Operation of the CI&SC Help Desk – Enhanced Support Arrangements	Customs
9.	General Business	
10.	Next Meeting	

### 4. Minutes

Meeting commenced 11:08am

#### **ITEM 1 Welcome and apologies**

David Collins formally welcomed everyone to the meeting. He informed the meeting that Mal Graham will be resigning soon and will be replaced by Peter Stankiewicz.

Apologies were received from Brian Lovell and Paul Angel, (AFIF), Chris Charlton and Robert Battistel, (CAPEC) and Andrew Crawford (CBFCA).

#### **ITEM 2 – Minutes from the previous meeting**

The Minutes of the previous meeting held on 23 February 2005, including Paul Zalai's letter drafted to Matthew Corkhill, National Manager CMR, were confirmed.

#### **ITEM 3 – Matters arising from the previous meeting**

##### Redline Documents

In response to an enquiry made by Tony Fatouros at the last meeting about loading owner/ supplier codes into the ICS Mal Graham provided the following information. Agreement in principle has been given by Central Office to the lodgement of 'red line' documents by fax and email as well in person over a Customs counter. Further detail is being sought to identify when that changed approach will commence and the means of communicating this change to industry.

##### Amendments to Previous Minutes

Amendments to the previous Minutes have been made and the Minutes re-issued.

### USFTA Compliance

Graeme Rayner advised that the compliance activities for FTA is being built into the Customs Compliance Assurance Strategy in general. Specific visits to cover the USFTA will cover both Imports and Exports components where practicable. Extra funding has been provided for four extra positions for the FTA but this activity will blend in with other Customs duties and will not become a specific group. Industry has indicated some difficulty is encountered in contacting suppliers for the appropriate documents to support the application of FTA and sometimes is finding it easier to just pay duties incurred.

### Schedule of Trade Facilitation Forum Meeting Dates

A schedule has been circulated listing the dates for Trade Facilitation Forum Meetings for 2005. The dates scheduled are 22 June, 17 August, 12 October and 07 December 2005.

### Owner/ Supplier codes and Licensed clients

Customs will register:

**All licensed clients** - Customs is registering all businesses that are licensed. This includes licensed depot operators, establishments (wharves or airports) and licensed brokerages.

**ABN importers** that meet certain criteria

Customs will register importers:

- with an ABN, *and*
- the ABN is linked to a COMPILE owner code, *and*
- two or more import entries were lodged during the June 2003-May 2005 period.

#### **Suppliers:**

Customs will register all suppliers that have been recorded on an import entry at least twice within a two-year period and import clients that meet a particular criteria.

For the period June 2003 to May 2004 importers and suppliers that have met the above criteria have already been loaded into the ICS production environment (280,000 suppliers are included). For the period June 2004 to May 2005 details of importers and suppliers that have met the above criteria will be loaded into the ICS production environment in June.

### Security of Brokers

This matter is being addressed as part of higher level ICS consultation processes.

### ITEM 4 – CMR Update

Mal Graham advised: -

#### ICS Imports Training - Industry

Customs is working closely with CBFCA and AFIF in the delivery of ICS Imports training. The training is being held in all capital cities around Australia. These half-day sessions are being conducted from April through to July inclusive. Over 4,800 people nationally have registered to attend these Import sessions.

### ICS Imports Training - Customs Staff

ICS Imports staff training commenced in Sydney this week and will continue in earnest over the coming months (some 600 NSW staff to be trained).

### ICS Imports Introduction Timing

Customs is still working towards a 1 July introduction for ICS Imports. It is considered likely that a specific start date will be decided next week given that there is a software developers meeting in Sydney next Tuesday and a Ministerial Roundtable meeting next Thursday.

### BCP/Transition Meeting in Sydney next Monday

Separate meetings are being held with industry in Sydney on Monday 2 May about the Imports BCP and Transition.

### Client Registration - EOI tick box

Paul Zalai raised the issue about the 'Evidence of Identity Confirmed' tick box on the client registration screen. He was concerned that although Customs has informally advised that the field can be disregarded, industry is seeking formal advice from Customs to confirm that approach. Mal Graham undertook to contact Central Office to seek formal advice being provided to industry.

## **ITEM 5 – Container Examination Facility update**

Graeme Charlwood reported that the Sydney CEF had seized 91kgs of ecstasy valued at 18 million dollars. This is in addition to the 1.3tonnes of ecstasy found through the Melbourne CEF facility valued at 200 million dollars.

The CEF is continuing the Saturday shift arrangements and is achieving throughput. Stevedores are moving containers off the waterfront without any penalties in relation to storage charges. Also complaints in relation to the imposition of storage charges by stevedores are not appearing as often as they were. Paul Zalai advised he had met with P&O and Patricks management where he has been shown status reports and how their operations are planned. They have indicated that their peak time is mid-week and are still keen to have examinations extended to Sundays.

Graeme Charlwood advised that Compliance Assurance is now targeting export containers. Discussions are being held with Stevedores to understand their processes and ensure shipments will not be delayed. It is expected that other Customs ports will follow. The checks will involve comparison of what is declared to Customs to what is found inside the container. The number of export containers examined will be small in comparison to import containers.

## **ITEM 6 – Benchmarking Auditing system – policy and procedures**

Deleted: ¶

Graeme Rayner reported on the Benchmark Audit findings for the period 01 February to 31 March 2005. Five Benchmark Audits were completed for this period.

- Owners (Imports) – One audit on owner/importer was completed during this period. Sixty lines out of a total population of 743 lines were tested. Of those tested ten lines contained a total of 27 errors. All errors included classification and valuation (understated by \$16 357), with one GST error detected.
- Automotive (Imports) – One audit on an automotive importer was completed during this period. Sixty lines out of a total population of 18611 were tested. Of those tested seven lines contained a total of nine errors. These errors related primarily to classification and also one each for duty, valuation and GST.
- Brokers– Three audits were completed on Brokers. One of these audits was only on imports and the other two covered both imports and exports.

The number of import lines tested across the three audits was 115 lines from a total population of 413 251 lines. Twenty-one lines of those tested contained a total of 27 errors. Classification was the main error detected. Other errors included origin, valuation, COS codes, GST, commercial documents and s181 Authority To Act.

The number of export lines tested across the two audits was 54 lines from a total population of 54419 lines. Nineteen lines contained a total of 54 errors. Eleven of these errors were in the FOB fields. Other errors detected included AHECC, origin, consignee, net quantity, port of departure and commercial documents.

It has been reported that the speed documents are being provided for audit testing is improving. There has been no major change in the trends on error fields in imports or exports, with classification remaining the main error detected across the board. Exports are an area where much improvement is needed. One Broker with a high turnover has been found to have 50% of entries being in error.

## **ITEM 7 – Operation of the Infringement Notice Scheme in NSW**

### Infringement Notice Scheme

The following information is about the operation of the Infringement Notice Scheme in NSW.

#### February

- Two Warning Letters were issued. These were both for s.243T.
- There was one Infringement Notices issued.

#### March

- Ten Warning Letters were issued. Of these one was s.33 (6), four s.243T and five s.243U.
- Five Infringement Notices were issued.
- At this stage there are no results for April however some activity could still be progressing through the system.

Customs have introduced a new electronic system for the reporting of infringement activity and it generates documents to the delegate for approval. There are currently no trends of significance to be addressed although s33 offences still appear to be the highest occurring.

Jane Bailey and Graeme Charwood are currently attending delegate sessions in order to be included as authorised delegates.

A reminder was made that the moratorium period for the new export offences ceased on 6 April 2005. David Collins advised the approach to the new legislation would be consistent with the approach taken by Customs at the outset of the scheme.

David Collins advised there is a 71% error rate for exports that cover a variety of areas. This was raised at the 2004 Brokers Conference and highlighted in particular, that FOB errors were sometimes in the billions of dollars. This greatly impacts on the balance of trade figures.

Stuart McFarlane advised this is often due to the lack of Customs professionals in the export areas and with the movement of trade being deadline driven. This then impacts on the level of accuracy in reporting. It was indicated that there is a shortage of Customs brokers prepared to work in the exports area.

Beatrice Kemp attended a CMR session and was concerned that anyone can report SAC declarations. She was advised that anyone who reports to Customs is in scope for audit and Beatrice said that the quality of reporting may not be as good.

### **ITEM 8 – Operation of the CI&SC Help Desk – Enhanced Support Arrangements**

To assist with the performance of the CI&SC a two-tiered approach has been adopted which will operate 24 hours per day, seven days a week.

The support service will operate from 0800 to 1800 hours (local port time) to cover production queries. After 1800 hours queries will go to the 1300 558 099 for second level support until 2030 – 2100 hours. The service is then switched to a mobile number after hours. Only urgent business and systems support requests will be actioned outside of these primary hours of support. A request can be classified as urgent if it:

- Endangers the scheduled departure of freight
- Relates to goods that may perish as a result of delays; or

- Concerns goods that require immediate delivery.

Calls received in Sydney will be addressed locally however more complex technical issues may need to be escalated. These calls will be logged into the system and be returned by second level support with results. Communication can also be made via email and facsimile to Customs as staff are allocated to manage these points of contact. Emails forwarded to Customs that are urgent should be flagged appropriately so supervisors can ensure these queries are addressed quickly.

Sydney and Central Office are currently conducting tallying to monitor usage of the support service. This will allow Customs to monitor peak and low periods to assist in planning to prevent delays. The aim is to keep wait-times down. The system is tested daily for any problems however if Industry experiences any problems within the system it would be appreciated if Customs could be notified.

Jane Bailey advised that recruitment has commenced for a Quality Manager for the user support service. Their role will be to address client feedback and to allow Customs to monitor our performance and set standards. Customs are encouraging feedback by Industry to incorporate into our working model.

Myron Bosak advised that the ICS Imports overflow arrangements include 60 staff currently working with 40 staff in Sydney on a reserve list if calls exceed expectation. There are also a total of 40 sites in Melbourne, Fremantle and Brisbane to assist if calls are overloaded. If call overloads occur the name, phone number and details of the caller's problem will be recorded and Customs will phone them back with a response.

Customs are also considering the use of 'Intelligent Queuing' which lets the caller know how long they will be waiting and how they are progressing in queue. Jane advised that other information messages would be on the line.

Paul Zalai suggested that a pre-formatted template for emails could be considered to ensure all details are provided to Customs. It was agreed that this was a good idea.

Jane requested patience from industry and welcomed any feedback to input into the user support model. An invitation was extended to Industry forum members to attend a brief tour of the CI&SC facility after the meeting.

### **ITEM 9 – General Business**

There was no general business for discussion.

### **ITEM 10 – Next Meeting**

The scheduled date of the next meeting is Wednesday 22 June 2005. It will be held at Customs House, 10 Cooks River Drive, Sydney International Airport.

Meeting concluded at 12:35pm.

Special Note

Mal Graham will be retiring from The Australian Customs Service on Thursday 4 May 2005. David Collins, on behalf of the Forum, thanked Mal very much for his fantastic contribution to Customs and we wish him good luck for the future.