



## 1. Meeting Agenda

**Meeting Number:** 06/05  
**Meeting Name:** Trade Facilitation Forum  
**Date:** Wednesday 07 December 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 Jane Bailey (Regional Manager Cargo Assurance & Trade)  
Y Graeme Charlwood (Regional Manager Border Compliance & Enforcement)  
Y Jim Fleming (Director Compliance Assurance)  
Y Doug Greaves (Director Strategic Analysis & Review)  
Y Peter Stankiewicz (A/g Director of CMR)  
Y Myron Bosak (Director Cargo & Trade)  
Y Paul Tape (A/g Director Cargo Assurance)  
Y Tracy Alston (Supervisor Compliance Assurance Team 5)

### **AFIF**

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

### **CBFCA**

Y John Law (President CBFCA NSW Branch)  
A Neil Perry  
Y Leonie Ferretter  
Y Tony Fatouros  
Y Michael Hudson

### **CAPEC**

A Chris Charlton  
A Stephen Ly

### **ICS USER REPRESENTATIVE**

Y Paul Zalai

### 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.	Establishment of Strategic Analysis & Review Unit	Customs
9.	General Business	
10.	Next Meeting	

### 4. Minutes

Meeting commenced 11:20am

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

David Collins formally welcomed everyone to the meeting. Leonie Ferretter attended the meeting on behalf of CBFCFA member, Andrew Crawford.

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

The Minutes from the previous meeting held on 19 October 2005, were accepted.

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

There were no actions arising from the previous meeting.

#### **ITEM 4 – CMR Update**

##### Cargo Figures

Peter Stankiewicz provided the latest figures on cargo held at the wharves and air CTOs. Figures for the 07 December show a total of 5458 containers held on the wharves with 1944 showing a 'held' status. There were 3514 containers ready for delivery and 1782 slots had been booked. The air CTOs have experienced no major problems between 60-90% space availability in CTOs. Movements appear to have returned to normal during these peak periods at all CTOs and 77G depots.

The number of contingency releases has dropped. There are a large percentage of containers still unpaid. If these consignments were paid and cleared there would be about 30% of consignments with a genuine 'held' status.

Paul Zalai advised that 11% of cargo reports or lines were risk matches against the container and 8% against the declaration. There are approximately 34% waiting payment and 39% where no declaration has been lodged or there is a failed cargo report.

Jane Bailey said that it is the 39%, which is of interest to Customs. Customs are currently focussing on errors within the system, for example two declarations attached to one cargo report.

#### New Reports

A notice was issued to industry on Friday advising that the GST Deferral Report, Broker report and EFT Payments report are now available through the ICS Interactive. The EFT Payments report is a rolling seven-day report and a three-month rolling report is currently under development. Customs will aim to have the EFT report available from 3pm each day. The GST deferral report covers previous calendar months. Owners with a digital certificate can extract this report across all brokers they have done business with. The functionality allowing an owner to nominate one broker to run a report across all brokerages was discussed however a decision since has been taken to defer this indefinitely.

#### ICS Tutorial Sessions

The Industry Tutorial sessions have now been completed. At this stage there have been no further requests for further sessions. Over 200 people participated in these sessions. From the second session; handouts, fact sheets and industry reference guides were issued and those who missed out on the handouts during the first session were issued with them. It was generally agreed that the sessions were useful to industry. Customs is still investigating electronic tutorials. Brian Lovell requested that Tutorial documentation be made available to all AFIF for Internet posting. This was agreed to.

#### Contingency Releases

Notices addressing Contingencies and other arrangements will explain how to proceed with these arrangements. At this stage User support will be as per ACN 2005/11. Any changes to the current arrangements prior to Christmas will be issued via an Australian Customs Cargo Advice.

#### ICS System Maintenance

There will be an ICS system maintenance outage conducted on Saturday, 17 December commencing at 2330hrs to Sunday 18 December 0430hrs. Advice of the outage has been sent via email. Customs Interactive and EDI clients will not be able to transact with the ICS during this period. Whenever the ICS is brought down the EDI queues are stopped and all inbound messages are stored until queues are restarted. Consideration was taken to conduct any maintenance during low usage times and should only have a minimal affect on the airfreight users.

To further minimise impact on air clients the standard air imports screening period of 2 hours will be reduced to 15 minutes commencing at 23:00 Saturday to 06:30 Sunday. The usual Wednesday night outages will continue. David Collins suggested it would be desirable to get a process in place that would determine low periods for NSW and agreement prior to non-regular outages occurring.

### COMPILE Usage

In NSW a visitation program was conducted on the 20 brokers still using COMPILE. This program identified Nature 20/30 reconciliation software package problems and a lack of training on ICS. The Nature 20/30 reconciliation issues are currently being addressed. Some businesses are still without digital certificates. The usage of COMPILE continues to decrease. In NSW, for the week commencing 17 October when COMPILE processed 5294 entries and for the week commencing 28 November when there were only 912 entries processed. This issue will be discussed at the next Industry Action Group (IAG) meeting. It is hoped that all outstanding issues will be resolved prior to 3 February 2006. Information on how to clear refunds after COMPILE switch off will be forwarded by Customs.

### CI&SC

The CI&SC is currently receiving approximately 800-900 calls per day. The number of email queries has dropped. Call wait times are down to below five minutes. On average the peak times for the CI&SC daily at around 1630 – 1700 hrs. The call waiting times during this period are longer, between 15-20 minutes. Customs will be conducting refresher training for staff after Christmas.

Customs is still interested in improving the quality and speed of responses and will look to retain the current staffing levels for the next 12 to 18 months. There is a team dedicated to emails of which approximately 100 are received per day. All emails are generally replies to within ½ - 1 day. Customs is still working until 9pm on weekdays and Saturdays. Customs is examining the use of new technology to help streamline CI&SC services.

### ICS System Issues

Jane Bailey advised that from 28 November the electronic lodgement of redline documents has been running smoothly with approximately 80 redline documents received to date using this method. About 20 brokers are using this mode of contact at this stage. Users of this facility should refer to ACN 2005/60 for details of the requirements for electronic lodgement.

There are some ongoing issues with the drawback process. Some drawbacks are not accepting lines without import declarations. Clients should be aware that an EDN is needed regardless to the value of the shipment. They should not be using any exemption codes for exports where claims for drawbacks will be made. Peter Stankiewicz will follow-up on this issue and forward Paul Angel advice. Paul Angel said you could not use the old drawback form but to use the ICS drawbacks form.

Paul Zalai discussed some of the enhancements that industry will be looking forward to including automatic underbond movements this week. On 14 December there will be improved diagnostics for the search facility and also OBL matches to import declarations and cargo reports. By the end of December the first phase of enhancements to entry prints will be made. Status calculations are also being addressed which has rectified a lot of problems especially with sea cargo statuses.

Michael Hudson mentioned that previously importers had sent letters of authorisation to ACS relating to brokers extracting EFT and GST reports for owners and that these might be used as background for GST reports and the EFT reports. It may save some doubling-up of work by Customs. As a result of the deferral decision detailed above this aspect will not be pursued.

Customs were not clear whether AQIS had resolved their issues with screening SACs. It is thought that the food or fruit name is causing difficulties. Michael Hudson advised that SACs containing chemicals were going redline and asked if it was possible to refine the process. Peter Stankiewicz responded this is a community protection profile and is of interest from a Customs perspective. The matches are passed for assessment and checking whether valid or not which may cause some delays to SACs. This shouldn't have a large impact on consolidations.

John Law asked whether it was possible for Customs to offer a 'simpler' import declaration print option. In the legacy system the full printout of a five-line entry could be a couple of pages however a similar declaration generated in ICS would result in approximately 20 pages for printout. He asked whether it can be set up to print only basic required information to save the amounts of paper being wasted. It could also cause problems for the community and users of this document if tribunals or courts request copies of the document, as they would be very difficult to explain. Paul Zalai advised they are trying to remove some of the data to reduce the print 2 volumes.

David Collins acknowledged the long hours and hard work of Customs staff and included in particular senior staff including Doug Greaves, Jim Fleming, Jane Bailey, Peter Stankiewicz and Myron Bosak in relation to the ICS implementation. These people and staff from other regions have been recognised for their efforts with functions being held and letters of appreciation issued. Industry also thanked Customs for their efforts and felt that Customs and industry bonds have been strengthened.

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

Activity at the container terminals has returned to normal with an average of 700+ TEUs being examined per week. From 01 July up to the current date the CEF have also been examining export containers. Problems were identified in relation to stevedores providing Export containers to the CEF. Customs are working closely with the stevedores to resolve these issues. Just in time deliveries can cause problems for cargo selected. On one occasion this resulted in a container not being loaded. This is not purely an ICS issue and Customs have been working on this issue since July.

The selection of export containers is a community protection issue in relation to prohibited exports. If these are identified the shipment is flagged for examination.

Brian Lovell pointed out that the contract for the transport of containers is up for renegotiation and would like to know if timeframes will be reduced or any other changes being considered. Graeme Charwood advised that a tender panel is

currently examining the tenders and the new contract is not expected to commence until the middle of 2006. Details of the agreements should be released early next year. On average containers are in and out of the facility within 25 minutes. Graeme Charlwood undertook to advise if the new contracts included reduced time frames.

Paul Zalai mentioned that prior to 12 October the CEF was running well in relation to bookings however in the last couple of weeks it seems that a lot of cargo is going onto storage. He asked whether it was ICS related. Graeme Charlwood responded that to get containers off the wharf a lot of people were booking slots in anticipation. Problems occur as these people are not paying the duty for the entry and the truck is not clear to collect, as the entry has not been paid. Not everyone was aware of this occurring and David Collins suggested that any instances should be forwarded to Customs so that we can analyse any problems.

It was asked whether the payment of an entry is the same as a finalised status. The screen status will not change if it is not paid. All consignments must be paid prior to checking the status summary screen. It was asked whether under the new contract did Customs ask the wharves to provide more free storage time if there are problems with containers so there will be no storage charges. Graeme Charlwood advised the new contract is a business contract the same as any other company and he does not think this was requested but will follow-up this issue.

Graeme Charlwood reinforced that part of the is how the stevedores manage their stacking operations. The stacking varies between companies however Customs are considering other ways examinations can be done instead of at the CEF.

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

The benchmarking auditing results from each region are forwarded to Compliance Assurance Central Office for analysis. Central Office provides an annual analysis of results which will not be available until April or later in 2006. Jim Fleming has suggested that a quarterly analysis for regular feedback be issued which Central Office is currently considering. It was suggested that this item be removed as a standing item from the Trade Facilitation Forum Meeting Agenda. All members of the Forum agreed with this decision.

Industry indicated they had some concerns about Benchmarking Audits on ICS imports. Industry was reminded that there is a moratorium on the majority of offences that lasts for six months and should end on 12 April 2006, which will be confirmed by Jane Bailey. ACN 2005/37 – ‘Updated – Moratorium relating to strict liability import offences’ refers.

Jane Bailey advised Customs retains records of alternative releases and other manual documentation. This will enable Customs to determine how shipments were delivered. Customs will adopt a reasonable approach and all variations of releases will be considered.

Leonie Ferretter said that the Industry Compliance Strategy previously developed identified high-risk areas for industry. She enquired whether Customs would be considering the issue of a similar document again. Jim Fleming advised that this was discussed at a national Compliance Assurance meeting in July. Jim Fleming said that he would be advocating that this approach should be included in that plan as part of a comprehensive national compliance strategy.

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

Graeme Charlwood reported that no Infringement Notices were issued in September. During October, 26 Infringement Notices were issued. These were mainly on air cargo operators for delivery without authority. All the offences occurred prior to ICS Imports. There are no figures available for November. No Penalty Records have been issued post ICS. There are a many files awaiting examination that cover deliveries without authority prior to ICS.

It was asked how closely exports compliance is being examined. Various audits have been conducted and there appear to be high error rates. It is important to remember that these high error rates may occur due to multiple errors in more than one field. At this stage the error rate for exports is in the low to mid 70%.

#### **ITEM 8 – Establishment of Strategic Analysis and Review Unit**

Customs has recently created the Strategic Analysis and Review Unit (SA&R) in NSW, headed by Doug Greaves. It will undertake a program of rolling reviews of work areas. NSW. Key functions will include long-term strategic planning and short-term improvements in efficiency and effectiveness. This unit will be based on the NSW region only, but decisions made in NSW may influence national policy and may also be taken up in other states.

The NSW Post Section will be the first area examined, partly because the volume of post has increased compared to staffing levels. Changes in the environment, including technological advances and competition with express air cargo industry, will be considered.

A methodology has been developed for the unit and external academic advice is being sought, to assist in refining it.

During its reviews, SA&R will consider funding for the region. It will develop policy and technology options that can be submitted for Government consideration when appropriate.

Industry may be approach and asked about current developments and any innovations that are relevant to the work area being reviewed. Indeed, as part of the review of the NSW Post Section, SA&R is currently consulting express air cargo operators.

The work of the Strategic Analysis and Review Unit will allow Customs to undertake workforce planning. This will help us to attract and train the staff required for the years ahead, including expected technological changes. Industry agreed it is a good idea and undertook to support Customs in this initiative where possible. Given that we experience the same problems, industry supported the idea of collaborating the development of strategic plans.

**ITEM 9 – General Business**

John Law asked whether redline entries has reverted to random selection. He was advised that the redline process is ran on a profile base. The profile actually selects the redline entries. These are not random selections and all redline entries are selected on a risked assessment basis.

**ITEM 10 – Next Meeting**

David Collins proposed that since ICS has been introduced that future Trade Facilitation Forum Meetings could be held quarterly instead of every eight weeks. All attendees endorsed the decision.

The scheduled date of the next meeting is Wednesday 29 March 2006. It will be held at Customs House, 10 Cooks River Drive, Sydney International Airport.

Meeting concluded at 13:15pm

<b>Item/Decision</b>	<b>Specified action required</b>	<b>Name of the responsible officer/s</b>	<b>Date by which the action needs to be completed</b>
1. Drawbacks Issues	Follow-up the correct procedure for entry of goods for exports that will be claimed as a drawback	Peter Stankiewicz	Completed and circulated to all Forum attendees on 16 December 2005
2. Refunds	Confirm Refunds processes post COMPILE availability.	Peter Stankiewicz	Completed 19 December 2005
3. NSW ICS Tutorials	AFIF requested electronic copies of ICS tutorial handouts and PowerPoint presentation.	Peter Stankiewicz	Completed 12 December 2005.
4. ICS GST & EFT Reports	Industry request that previous letters of	Peter Stankiewicz	Relevant report deferred

<b>Item/Decision</b>	<b>Specified action required</b>	<b>Name of the responsible officer/s</b>	<b>Date by which the action needs to be completed</b>
	owner's authority be sufficient under the new arrangements		indefinitely, NFA.
5. Storage charges	Are there going to be any changes to charges for storage by the wharves charges under the new contract.	Graeme Charlwood	By the next Trade Facilitation Forum Meeting
6. Imports moratorium	Confirmation of the moratorium period for Imports.	Jane Bailey	By the next Trade Facilitation Forum Meeting
7. Industry Compliance Strategy	Confirm whether Customs will be proceeding with a Compliance Strategy to identify high-risk areas for industry.	Jim Fleming	By the next Trade Facilitation Forum Meeting

NB. Regular updates will be provided on the Container Examination Facility, Infringement Notice Scheme and CMR.