



## 1. Meeting Agenda

**Meeting Number:** 05/05  
**Meeting Name:** Trade Facilitation Forum  
**Date:** Wednesday 19 October 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 Jim Fleming (Director Compliance Assurance)  
Y Peter Stankiewicz (A/g Director of CMR)  
Y Myron Bosak (Director Cargo & Trade)  
Y John Barber (A/g Director Enforcement Operations)  
Y Tracy Alston (Supervisor Compliance Assurance Team 5)

### **AFIF**

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

### **CBFCA**

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

### **CAPEC**

A Chris Charlton  
A Robert Battistel

### **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.	Increase in resources for Compliance	Customs
9.	General Business	
10.	Next Meeting	

### 4. Minutes

Meeting commenced 11:10am

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

David Collins formally welcomed everyone to the meeting. He proposed to deviate from the traditional format of the Forums and to focus on the important issue of ICS Implementation. All attendees endorsed the suggestion.

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

There was no discussion on the Minutes from the previous meeting.

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

No matters from the previous meeting were discussed.

#### **ITEM 4 – CMR Update**

##### **ICS Imports Implementation**

Industry said there were no longer any levels of importance on issues in relation to ICS technical difficulties and that they should all be now classed as critical.

Customs advised the ICS Imports system responses are still operating slowly however the matching of vessel and voyage numbers appears to be improving. Airfreight appears to be working relatively smoothly in ICS compared to sea freight, as it is less complicated. Customs are aware that goods going to a 77G are causing cargo blockages as delays are being experienced in obtaining a ‘clear’ status due to a variety of reasons including the underbond issues.

Industry Forum members expressed their dissatisfaction at the performance of ICS and raised questions as to how intense the ‘stress-testing’ was during the testing

phase. Industry Forum members also raised various issues that were impacting on their capacity to facilitate trade.

Industry indicated that they had raised concerns with Customs prior to the release of ICS Imports about areas where they could foresee problems in the system. Many of these areas are currently experiencing problems that some could have been avoided if their concerns had been taken onboard. Industry felt that everything within ICS Imports was not performing as expected. Paul Zalai expressed the view that industry are currently using more staff to do all functions within ICS including printing. He feels there are no functions in the system that are any better than the legacy system. Trying to match cargo up in the system is proving extremely difficult.

Industry Forum members expressed their concern on future compliance activity. They expressed the hope that Customs would show leniency towards activities across this period as industry are doing what they can to attempt to facilitate trade. Jane Bailey advised that during this period there is a higher risk of some consignments that are targeted for examination being delivered. It should be noted however that although difficulties are currently being experienced, all cargo must still meet normal Customs requirements.

Peter Stankiewicz advised that Customs is looking at a process where brokers create an import declaration and when the entry is finalised, they could then utilise ICS Imports to check the cargo report to see if the shipment is Customs cleared and that there are no impediments on the shipment. Cargo may be able to be released based on those steps and an email forwarded to Customs to allow ICS status clearance later. This would cover audit trails and advice on following this procedure will be issued this afternoon. The procedure would only be available to those operators who were cargo reporters with a depot and in house brokage. Goods subject to AQIS considerations would be excluded.

Industry mentioned some difficulties were being experienced in raising duty receipts as they are taking approximately 15-20 minutes to printout. This issue is known to Customs who are currently addressing the problem. Customs are issuing spreadsheets to assist in this process although they are very basic and only just enough to work with. Cargo reports are printing well.

### Underbond Movements

Paul Zalai indicated that he is concerned there will be problems with air cargo in the near future. The movement of underbond cargo is an unexpected problem. Due to technical difficulties with import declarations and matching up information to cargo reports the air cargo depots are filling up quickly.

Customs has cleared forty Contingency Underbond Movement/Transshipment applications today and there are approximately eight remaining. These will continue to build-up however it will be slower than in the initial couple of days after ICS introduction. Customs are trying to decrease the number of manual applications from the transshipment process.

When the cargo report is 'clear' of all impediments including Customs and AQIS, then clearance status messages will be sent to the CTO and depots from ICS. In the event that the CTO or depot do not receive the electronic notification then release can be given on the production of a valid ICS screen print of the related 'Import Document Status Summary View' screen. To move underbond goods the screen print of the 'Underbond Movements View' is also required.

Brian Lovell advised that the various Qantas ports around the country are confused about the use of screen prints. Also Qantas Melbourne will accept screen prints before goods are 'clear'. Jane Bailey advised that Qantas have been told of the correct procedure to follow however the message obviously needs to be reinforced with them.

### Sea Cargo

Steps were implemented this morning in an attempt to ease sea cargo issues.

Customs is currently experiencing some problems in notifying correct status of sea cargo. Some sea consignments are showing 'held' at the cargo terminal or wharf although there is a 'clear' in ICS. Customs officers are being placed at the waterfront alongside clerks to assist in the facilitation of this type of cargo. If there is a 'clear' status in the Customs system it will be printed out and stamped 'May Be Delivered' by the officer in attendance. Customs officers will be stationed at all the main wharves and a COMPILE message will be issued to explain the process.

Industry should be able to book their trucks to collect cargo from the wharves and if the entries are not showing as 'clear' in the stevedores system, they can liaise with the officer at the wharves who can issue a paper clearance. This system should replace the broker initiated contingency reports and should assist in resolving problems at the FCL level.

Brian Lovell asked whether the option of reverting back to the legacy system for sea cargo was being considered. David Collins advised that this idea had been raised and was currently being considered by Central Office. Paul Zalai indicated that there was no incentive for industry to revert back to SCA and believed there would be some objection to this arrangement due to difficulties in reverting back to the old system. Paul Zalai also suggested that instead of switching everything into ICS Imports Customs could adopt a staggered approach for sea cargo vessel by vessel.

Brian Lovell also raised the issue of difficulties in clearing part shipments. Major forwarders were told that this area would not cause any problems however this is not the case. Jane Bailey acknowledged that there is a problem with part shipments that arrive on the same day and the problem will be addressed.

Storage has become an issue. Patricks have indicated that will not be providing a concession on storage charges. The expense involved is one of the concerns from a business viewpoint.

## COMPILE Extension Process

David Collins advised the COMPILE Extension Process now has additional resources available to be used. Processing through this system was initially slow and caused some delays in the clearance of cargo. However the majority of entries have now been cleared.

## CI&SC

During the first week of ICS Imports, Customs received approximately 20,000 contacts from industry and clients. Western Australia and Queensland Customs offices have been assisting with the overflow of telephone calls, emails and faxes.

David Collins requested that Industry Forum Representatives advise their members that Customs staff are not to be abused during these contacts. He advised that this is a difficult and frustrating period however staff answering the queries are not responsible for the technical difficulties currently being experienced.

Paul Zalai expressed his appreciation to Jane Bailey and all her team for the high-level help and support provided during a very difficult time. David Collins also gave acknowledgement to staff for picking up the knowledge they require very quickly throughout this process.

Brian Lovell indicated the use of the term 'EDI' is causing some confusion when clients have called the helpdesk. Some officers do not know the difference between electronic data messaging (EDI) and Eagle Datamation International (EDI), the software provider.

## Number of Initiatives

Customs has introduced a number of initiatives to help resolve some issues as a result of the ICS Imports introduction.

- 1) Extra resources will be brought in to process COMPILE work
- 2) An increase in the number of resources on the CI&SC. Sydney has 70-80 staff working full-time.
- 3) Questions being raised at the helpdesk indicate that some people within industry do not understand the system very well. Customs will develop a tutorial response system to address common problems so that people can go online and resolve issues themselves.  
Customs will also be sending officers out to companies to conduct education visits and assist with any problems.  
Nightly information sessions that will run for approximately one hour will pass on information on issues.

Paul Zalai said the CBFA have an online classroom where approximately 20 people can participate and appear on a computer screen. These classes can also be recorded. This allows users to click onto a URL to view the presentation at a later

date. This is a CBFCA licensed product called 'Illuminate'. Jane Bailey was interested in this idea and would like to look more closely at how it works.

David Collins thanked the forum for their thoughts and expressed appreciation at the kind words directed towards Customs staff. He advised that the issues raised today would be forwarded on to Central Office.

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

No Container Examination facility update was provided at this meeting.

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

No Benchmarking Auditing system information was discussed at this meeting.

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

No Infringement Notice Scheme information was discussed at this meeting.

#### **ITEM 9 – General Business**

There were no items for General Business discussed at this meeting.

#### **ITEM 10 – Next Meeting**

The scheduled date of the next meeting is Wednesday 07 December 2005. It will be held at Customs House, 10 Cooks River Drive, Sydney International Airport.

Meeting concluded at 12:15pm.

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