

AUSTRALIAN CUSTOMS NOTICE No. 2003*/*27

Container examination – cost recovery and operations

# Background

New Customs container examination facilities (CEFs) are now in operation in Melbourne, Sydney and Brisbane, and will come into operation in Fremantle in November 2003. These facilities use container x-ray technology and will inspect around 80,000 containers per year in total, or around five per cent of total loaded import containers. This is now a standard part of the Customs clearance process.

# Costs and charges

Government has decided that s.186 of the Customs Act applies to the logistics arrangements involved in the container examination initiative and has decided not to change its policy of cost recovery for these activities. As there is now a direct cost to Customs instead of previous indirect costs, different recovery arrangements will apply.

On 16 April 2003, the Government approved an increase in the sea cargo Import Processing Charges (IPC). The increase in the IPC will not recover all logistics costs: the Government will fund around one-third of total logistics costs in 2003-04.

New regulations have been made under the *Import Processing Charges Act 1997* to increase the charges.

There will be no increase on line charges. The new charges are as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| **Item** | **Current Charge** | **Increase** | **New Charge** |
| Import Entry via sea (lodged electronically) | $29.65 per entry plus $0.20 per line after line 10 | $14.35 | $44.00 per entry plus $0.20 per line after line 10 |
| Manual Import  Entry charge via sea | $51.40 per entry  plus $1.00 per line after the first line | $14.35 | $65.75 per entry  plus $1.00 per line after the first line |

These new charges will operate from 1 May 2003.

This notice revises the charges advised in ACN 1997/15. It also revises the charges notified in ACN 1997/16, ACN 1997/17, ACN 2000/23 and ACN 2001*/*41.

# Operations

Times of operations are:

Melbourne CEF: 6am to 10 pm Monday to Friday. Sydney CEF: 6am to 10 pm Monday to Friday. Brisbane CEF: 6.30am to 6pm Monday to Friday.

Fremantle CEF: 6.30am to 6 pm, Monday to Friday (November 2003)

Notification of selection for examination by Customs is via a ‘hold’ message in Customs Sea Cargo Automation (SCA) system – “section 74A clearance withheld”. This action is notified to the container terminal operator (CTO) who identifies, handles and isolates the selected containers as they are unloaded.

CTOs are also responsible for ensuring selected containers are provided to Customs on a priority basis (in the order hazardous goods, exports, reefer containers and then remaining containers starting with ‘oldest’ first). Under Customs contract terms, selected containers must be available for transport from the container terminal to the CEF within 48 hours of Customs selection or vessel arrival (whichever is later), but Customs and stevedores aim to pick up containers within 24 hours.

The Customs contracted transport provider collects the container from the container terminal and transports it to the CEF and returns it after examination. It may then be picked up in the normal manner. If physical examination is required, unpack/repack will be done by a contracted provider.

While Customs is the contractor, the service providers each have liability arrangements covering their separate responsibilities.

In most cases, containers will be returned to the terminal within a few hours of pick up. In some cases, such as where defumigation is required, the process may take longer.

Customs has made arrangements with AQIS so that, where containers require washing or AQIS examination, this will, as far as possible, be done as part of the x- ray process.

# Timely reporting

Cargo must be reported to Customs 48 hours prior to vessel arrival in most cases. If cargo is reported late, the examination process will commence late, and may take longer than the three-day dwell period. Terminal operators may then impose storage charges. **Customs will not consider complaints about delays in delivery when these are due to late reporting.**

SCA will normally provide status on cargo in time to allow transport arrangements to be made before the three-day period expires. Slot times should not be booked before the cargo is cleared by Customs.

While Customs makes every endeavour to complete examination within three working days, it cannot guarantee to do so in every case.

# Contacting Customs

All queries about cargo and holds should be directed to the Customs Information and Support Centre (CI&SC) – telephone 1300 558 099. Unless there are special circumstances the CI&SC will not provide information on specific cases within the first three days after vessel arrival or placement of hold. Special circumstances can include sensitive or time-critical goods or specific status messages from Customs.

Where clearance is taking longer than three working days, the CI&SC will check on the cause of delay and advise the client of the likely timeframe for release.

# Contacts

For further information please contact: Bruce Smith

Director

Technology Projects

Research and Development Branch

Phone: (02) 6275 6938

Fax: (02) 6279 3448

E-m[ail: bruce.smith@customs.gov.au](mailto:bruce.smith@customs.gov.au)

# JM Drury

**Deputy Chief Executive Officer 17 April 2003**