AUSTRALIAN CUSTOMS NOTICE NO. 2007/10

Cargo reporting procedure for high volume low value consignments

This advice supersedes Australian Customs Notice 2000/23.

The implementation of the imports provisions of the *Customs Legislation Amendment and Repeal (International Trade Modernisation) Act 2001* (ITM Act) limited the cargo reporting procedures for certain categories of import cargo that may be described as high volume low value cargo to bulk mail order consignments. This means the practice of reporting reportable documents, in bulk, under a sub master air waybill abbreviated report as previously advised, is no longer be acceptable and must be treated like general cargo.

# Overview

The High Volume Low Value (HVLV) Scheme is designed to facilitate the reporting and clearance of eligible bulk mail order goods, thereby reducing Customs screening workload and minimising delivery delays.

The Scheme provides for the reporting of high volume low value cargo consignments in accordance with section 64AB of the *Customs Act 1901* (“the Act”), without cost recovery charges. It enables a cargo reporter of high volume low value consignments registered under the Scheme (to be known as a “special reporter”) to make abbreviated reports of eligible consignments at the sub-master air waybill (SMAWB) level.

Such a report may be made by transmitting minimal details to the Integrated Cargo System (ICS) - provided the consignment details, which would otherwise have been reported to Customs, are available not less than 2 hours prior to the arrival of the aircraft and are retained by the special reporter within its own electronic recording system.

However, on request, special reporters will be required to electronically download information at the consignment level to Customs ahead of aircraft arrival for screening and targeting purposes.

A key objective of the Scheme is to facilitate the provision of real time information, where required, to allow Customs to risk assess consignment details for community protection purposes. In addition, Customs officers have specific monitoring powers to access a special reporter’s premises, subject to the consent of the special reporter, to screen and audit all consignment details reported under the Scheme.

# The nature of high volume low value cargo

*Low value* cargo means each consignment must have a value of less than $1000 and therefore not subject to entry requirements (Regulation 31AC of the *Customs Regulation 1926*).

Such low value consignments comprise of consignments from a particular mail order house.

A mail order house is defined in section 63A of the Act as a commercial establishment carrying on business outside Australia that sells goods solely in response to orders placed with it, either by mail or electronic means.

*High volume* relates to the volume criteria an applicant must meet to be able to be registered as a special reporter under the Scheme. In relation to *mail order consignments*, Customs must be



satisfied that the applicant is likely to make cargo reports covering at least 1000 such consignments per month from the mail order house during the period of registration.

# Key requirements a special reporter must meet

An applicant under the Scheme must be able to comply with the following requirements:

* the applicant must be a registered user of the ICS
* the applicant must have a contractual agreement which has been in force for 3 months prior to the making of the application with each overseas mail-order house and produce a copy of the agreement;
* the applicant must also produce the catalogues relating to the goods contained in a consignment to be reported under the Scheme;
* the applicant must have dedicated computer facilities which meet the specifications determined by the Chief Executive Officer of Customs (CEO) - a copy of the specifications will be available from Cargo Reporting Policy, email at [cargoreporting@customs.gov.au](mailto:cargoreporting@customs.gov.au)
* the applicant must store such information and any prescribed physical documents for a period of 2 years after the date that the cargo was reported.;
* the applicant must store such information at notified premises located in Australia; and
* the applicant must be, in the opinion of the CEO, a fit and proper person or company to participate in the Scheme.

# Registration

*The making of an application*

A person may apply at anytime to join the Scheme, however, current operators who believe they are eligible to join the Scheme and wish to do so should complete the application form and apply as soon as possible to:

National Manager Cargo Operations Cargo Division

Australian Customs Service 5 Constitution Avenue

Canberra, ACT 2601

A person or a partnership may apply to become a special reporter for the purpose of reporting low value mail order consignments.

Where the applicant wishes to apply for more than one mail order house, then an application is required for each mail order house.

Only one application will be needed to cover the applicant’s national operations.

*Consideration of an application*

The applicant is to be advised of the CEO’s decision within 60 days of the lodgement of the application. In cases where further information is sought from the applicant, the decision is to be made 60 days from the date that further information is received.

Registration of a special reporter will remain in force for 2 years after the date of effect of registration. The special reporter will be required to re-apply for registration 30 days before the expiry date. The registration remains in force until the CEO has dealt with the re-application.

Customs will liaise with the Australian Quarantine and Inspection Service (AQIS) regarding goods that are proposed to be reported under the Scheme by an applicant who has applied to be registered in respect of low value cargo consigned from a mail-order house. This will ensure

that any quarantine risks are adequately assessed. Mail Order catalogues are to be made available to AQIS for pre-screening and scrutiny. AQIS will make any quarantine concerns about particular product lines known to both Customs and the applicant. AQIS will negotiate separately with the applicant any special clearance procedures necessary for the cargo intended to be reported under the Scheme - including holding the cargo pending formal quarantine inspection or seeking the agreement of the applicant not to use the Scheme in respect of contentious cargo.

# Procedures

* *Cost recovery charge*

In July 2005, the *Customs Legislation Amendment (Import Processing Charges) Bill 2005* ("the CLA Bill") amended the *Customs Act 1901* ("the Customs Act") to remove the requirement to impose charges on low value goods that did not require an entry; and to amend the *Import Processing Charges Act 2001* (IPC Act) to remove the self-assessed declaration charge and the screening charge. This means that a person who is communicating low value cargo (in the form of abbreviated reports) will no longer be liable to pay a screening charge in respect of that report under section 64AB(7) of the Customs Act.

* *Handling High Volume Low Value cargo*

All cargo reported under the Scheme is required to be consolidated discretely from other cargo being carried by the special reporter and is required to be moved underbond to the special reporter’s Customs licensed depot. An outturn report must be provided to Customs for all such consolidations and co-loads at the consignment level.

* *Customs “stoppers” on individual consignments*

The majority of abbreviated cargo reports will be cleared into home consumption. However, special reporters should be alert to the fact that in some cases manual “stoppers” will be placed on individual consignments (i.e. holds on consignments not authorised to be delivered into home consumption).

* *The making of an abbreviated report*

An Abbreviated Cargo Report is must be lodged in ICS by entering a special reporter number in the relevant field of the Cargo Report. The ICS will then check the client record of the responsible party, where a special reporter authorisation for low value goods exists, it will accept reporting of cargo at MAWB/SMAWB level only. The “Goods Description” field is to display “HVLV” and/or “mail order”. To obtain release the SAC indicator will also have to be supplied on this report.

* *Access to dedicated computer facilities*

The CEO specifications contain the details of how Customs is to have electronic access to the special reporter’s dedicated computer facilities The specification relate to Customs access to the facilities and control by you of the information held by the facilities.

Any inquiries in relation to this notice may be directed to Manager Cargo Reporting Policy on telephone number (02) 6275 8068 or email [cargoreporting@customs.gov.au](mailto:cargoreporting@customs.gov.au)

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for Chief Executive Officer February 2007