Australian Customs Notice 1999 17

**Air Cargo Underbond and Transhipment Processes**

The Australian Customs Service (Customs) has conducted a review of the procedures governing control of transhipment and interstate underbond movement of air cargo reported by Cargo Terminal Operator's (CTO's) at the Master Air Waybill level. With the concurrence of the Australian Quarantine and Inspection Service (AQIS), it is proposed to introduce revised clearance procedures for these categories of air cargo from 1 March 1999.

Customs currently transmits the status of all cargo to CTO's through the Air Cargo Automation (ACA) system upon flight arrival. CTO's have experienced delays in receiving ACA status, which can cause cargo to miss scheduled domestic and international connecting flights. The intent of the new arrangements is to alleviate any delivery delays whilst at the same time maintaining adequate control and accountability of the cargo.

Customs and AQIS propose to allow cargo to be transhipped prior to receiving status and underbond cargo to move on a continuing permission basis in accordance with Section 71E of the Customs Act 1901. These processes will occur as normal through ACA, however actual movement will be allowed prior to the CTO receiving a returned ACA status. Each specific underbond movement will be required to be acquitted through ACA at the destination CTO.

In order to participate in the new arrangements, CTO's will be required to lodge a written request with the appropriate regional Customs and AQIS cargo management areas and will be required to satisfy the following conditions :

1. The revised process is only available for flights reported in accordance with Section 64AB of the Customs Act. i.e. complete report at the Master Air Waybill level at least **2 hours** prior to flight arrival.
2. CTO's must report through ACA the landing of cargo at the discharge port. A complete report of any identified **surplus cargo** is to be provided through ACA.
3. **Underbond requests** through ACA will be required for all movements, however cargo may be released for interstate underbond movements prior to receiving a return ACA status.

# A secure intervention process is to be established between each CTO and Customs/AQIS in the event that cargo is to be examined in the port of discharge.

1. CTO's are to provide through ACA a complete report for all cargo at the port of discharge **(including "Air-side transfers")**.
2. CTO's at the destination port are to check-in all underbond cargo and acquit the movement through ACA within **24 hours** of arrival at the destination port.
3. CTO's will be required to comply with procedures required for the handling of goods that are specifically categorised by AQIS as **"high risk"**. These procedures will be implemented in the form of separate Compliance Agreements between CTO's and AQIS.

NOTE : Non-compliance with any of the above conditions may see a CTO removed from this arrangement and returned to the current processes.

# A suitable implementation date for the above arrangements has been agreed with both AQIS and industry as 1 March 1999. Participating CTO's should endeavour to lodge application requests with Customs and AQIS as soon as practicable.

Any enquiries in relation to this advice should be directed to :

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