

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE
AUSTRALIAN CUSTOMS SERVICE

Question No. 218

Senator Ludwig asked the following question at the hearing on 24 May 2005:

- a) On what date did Customs advise stevedores of the need to provide periodic information on the number of containers provided to the CEF with less than 24 hours free storage remaining?
- b) What process was there between Customs and the stevedores to implement the system? When did it begin, and how long did it go for?
- c) How many stevedores does this apply to?
- d) How many stevedores have this reporting facilities in place?
- e) When did Customs begin receiving this information?
- f) How regularly does Customs receive this information?
- g) So far, how many incidents of targeted containers incurring storage charges have been reported?
- h) In what form does Customs receive this information (ie. Electronically, etc.)?

The answer to the honourable senator's question is as follows:

- a) Since October 2004, the Australian Customs Service (Customs) has been involved in ongoing discussions with the stevedores about changing the existing Key Performance Indicator (KPI) in its contracts for stevedoring services to measure the number of containers, excluding late reported containers, provided to the CEF with less than 24 hours free storage remaining. These negotiations also included re-affirmations from the stevedores that they would waive storage charges in instances where they were responsible for the containers not meeting this KPI. In late April 2005, the stevedores agreed to vary their contracts to include this KPI and some other related changes.
- b) Customs initially sought to establish that information on the 24 hour KPI could be provided. To do this the stevedores had to amend their existing computer systems to provide the relevant material. The initial reports were analysed and further refinements were implemented to ensure that both stevedores were providing comparable and consistent data. The timeline for these developments is as outlined in (a) above.
- c) Both Patrick Terminals and P&O Ports have agreed to the KPI to measure the number of containers provided to the CEF with less than 24 hours free storage remaining.
- d) Both Patrick Terminals and P&O Ports.
- e) The first versions of these reports were provided to Customs in December 2004.
- f) Monthly.
- g) Customs does not maintain records of the number of targeted containers incurring storage charges as there are many reasons outside of Customs control that can lead to containers incurring storage charges even if they are returned to the stevedores with significant periods of free storage remaining (eg the importer chooses not to collect the container until they are ready to receive it). The stevedores do provide Customs with information on the number of containers, excluding late reported containers that are delivered to the CEFs with no free

storage remaining. In the six-month period to the end of March 2005, Customs inspected 42,680 containers and 1.7 per cent of these (743 containers) were delivered to the CEFs with no free storage remaining.

- h) Customs receives this information electronically.