

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE
AUSTRALIAN CUSTOMS SERVICE

Question No. 201

Senator Ludwig asked the following question at the hearing on 31 October 2005:

- a) In the answer to question on notice 200, from the May Budget Estimates: part (a) – it is stated that Customs aims at a target of zero percent of cargo lines reported after vessel arrival.
- (i) Is this an actual target, or simply a best-case scenario?
 - (ii) If it is a best-case scenario, then why is it that you don't have an alternative target?
- b) If it is an actual target, what measures has Customs put in place to meet the target?
- (i) Since Customs has put these measures in place, what is the current percentage of cargo lines reported after vessel arrival?
- c) Have late reports started attracting infringement penalties yet?
- (i) If so, how much in terms of infringement penalties have been collected by Customs?
 - (ii) Could you provide a breakdown of the infringement penalties?
 - (iii) If not, why not and when are they intended to start?

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

- a) (i) Legislation that came into effect in January 2005 requires that all cargo intended to be landed at any port or airport in Australia must be reported before the ship or aircraft arrives at the first listed Australian port of call. Cargo reporters must report the cargo for which they are responsible within prescribed periods.
- (ii) N/A
- b) Customs has conducted an extensive education and awareness campaign designed to assist industry in understanding their cargo reporting obligations. A correspondence and visitation program delivered the compliance standard to cargo reporters. A number of cargo reporters have been monitored as part of a compliance improvement program. If a cargo reporter's monthly performance is deemed to be sub-standard, the program calls for a written explanation and a compliance improvement approach.
- From 12 April 2006, Customs will have the discretion to serve an Infringement Notice or commence a prosecution against a cargo reporter that does not comply with the legislation. Customs response to non-compliance with import requirements will be determined by the extent and nature of the non-compliance. The issuing of an Infringement Notice is not automatic but is an option available to Customs, considering the circumstances on a case-by-case basis. A statutory moratorium on pursuing penalties for late reporting of cargo is currently in place.
- (i) In September 2005, around 12.8% of cargo lines were reported after vessel arrival at the first port of call.
- c) No, there is currently a statutory moratorium on serving infringement notices for cargo reporting offences.
- (i) N/A
 - (ii) N/A
 - (iii) The moratorium will cease on and from 12 April 2006.