

## 5. IMPORT CARGO REPORTING

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## KEY MESSAGES

- The amendments to the Customs Act will provide industry and Customs with a clearer understanding of the rights and responsibilities each party holds, which will in turn provide for greater trade facilitation and a more secure national border.
- Cargo reports are to be communicated electronically in a timely manner – this will significantly improve Customs ability to intercept prohibited goods and collect revenue.
- The ‘consignor’ and ‘consignee’ in an import cargo report are to be the supplier and ultimate recipient, respectively, of the goods (not freight forwarders), to allow Customs to better identify high-risk consignments.
- To accurately confirm the arrival and track the movement of cargo, an outturn report is to be made when cargo is discharged or following any movement of the goods except if cargo is moved to a warehouse.
- Applications for underbond movements will be made either with the cargo report or separately, whichever is more convenient.
- Changes to High Volume Low Value (HVLV) provisions will remove document consignments from the provisions and reduce the eligibility requirements for registration as a special reporter.
- A new direction power will allow Customs officers, in certain circumstances, to direct cargo reporters, stevedores or depot operators to hold or move goods.
- ‘Early report/early status’ will allow cargo at wharves, airports and depots to move to markets faster by establishing the status of cargo before arrival.
- Cascade reporting will require cargo reporters, who have entered into an agreement or arrangement for the carriage of cargo with other cargo reporters, to report these other cargo reporters.

## THE LEGISLATION

The key new provisions of the Customs Act relating to import cargo reporting, and other reports associated with ships and aircraft, are listed below.

- 4:** Definitions
- 63A:** Definition: low value cargo
- 64:** Impending arrival report
- 64AA:** Arrival report
- 64AAA:** Report of stores and prohibited goods
- 64AAB:** Notifying Customs of particulars of cargo reporters
- 64AAC:** Report to Customs of persons engaged to unload cargo
- 64AB:** Cargo reports
- 64ABAA:** Outturn reports
- 64ABAB:** When outturn report is to be communicated to Customs
- 64ABAC:** Explanation of shortlanded or surplus cargo
- 64ABC:** Liability for screening charge
- 64AD:** Communication of reports to Customs
- 64ADA:** Disclosure of cargo reports to port authorities
- 64AE:** Obligation to answer questions and produce documents
- 67EB:** Subsection 67EB(2) – registration as a special reporter
- 67EK:** Subsection 67EK(3)(a) – renewal of registration
- 71E:** Subsections 71E(2A) and (3)  
Subsection 71E(3C)
- 74:** Officer may give directions as to storage or movement of certain goods
- 77AA:** Disclosure of information to cargo reporter or owner of goods

The amendments also introduce changes to:

- 64AC:** Passenger report
- 64ACA:** Crew report

## INTRODUCTION

The trade modernisation legislation will introduce many changes to the way import cargo is reported. These changes are designed to provide greater flexibility for industry when making reports and moving cargo. Other changes are designed to prevent the problems of late, deficient, inaccurate or non-existent reporting that have undermined Customs ability to risk assess cargo.

There are several areas of reform for import cargo reporting:

- impending and actual arrival reports
- cargo reporting requirements
- cargo outturn reports
- underbond movement applications
- transhipments
- other reporting requirements

## IMPENDING ARRIVAL AND ARRIVAL REPORTS

### Impending arrival report

Section 64 of the Trade Modernisation Act will introduce changes to the timeframes in which impending arrival reports must be communicated to Customs. These timeframes may be amended by regulation.

An impending arrival report may be made by document or electronically but it must be made electronically if the operator has to make a cargo report or has to notify Customs of other cargo reporters under section 64AAB of the Customs Act.

### When does an impending arrival report have to be made?

#### ***Ships***

The **earliest** an impending arrival report for a ship can be made will be no more than 10 days before the time stated in the report to be the estimated time of arrival of the ship.

The **latest** an impending arrival report for a ship can be made will be as follows.

- If the journey from the last port is likely to take 48 hours or more – make the report no later than 48 hours before the estimated time of arrival.
- If the journey from the last port is likely to take less than 48 hours – make the report no later than 24 hours before the estimated time of arrival.

Shorter times may be specified for particular journeys described in the regulations.

**Aircraft**

The **earliest** an impending arrival report for an aircraft can be made will be no more than 10 days before the time stated in the report to be the estimated time of arrival of the aircraft.

The **latest** an impending arrival report for an aircraft can be made is as follows.

- If the flight from the last airport is likely to take three hours or more – make the report no later than three hours before the estimated time of arrival.
- If the flight from the last airport is likely to take less than three hours – make the report no later than one hour before the estimated time of arrival.

Shorter times may be specified for particular journeys described in the regulations.

**Persons engaged to unload cargo**

Section 64AAC will introduce the requirement to report details of the stevedore who will unload the cargo from a ship, or in the case of air cargo, report the details of the depot operator who will first receive the cargo after it has been unloaded from the aircraft.

**This report will be required to be made electronically** and must be made during the period within which the impending arrival report is required to be made for the ship or aircraft.

**Arrival report**

Section 64AA refers to the timeframes in which an arrival report must be communicated to Customs. An arrival report may be made either by document or electronically **but it must be made electronically if the operator has to make a cargo report or has to notify Customs of other cargo reporters under section 64AAB of the Customs Act.**

**When does an arrival report have to be made?*****Ships***

An arrival report for a ship is to be made **either**:

- no later than 24 hours after the ship has arrived (disregarding any time that falls on Sundays and holidays), **or**
  - before a Certificate of Clearance is issued,
- whichever happens first.

***Aircraft***

An arrival report for an aircraft is to be made **either**:

- no later than three hours after the aircraft has arrived, **or**
  - before a Certificate of Clearance is issued,
- whichever happens first.

## CARGO REPORTING

### Particulars of cargo reporters

#### Cascade reporting

The trade modernisation legislation introduces the concept of cascade reporting, which ensures that Customs is notified of all cargo actually arriving in Australia.

Cascade reporting will apply to the report of particulars of cargo reporters (section 64AAB). This report will require cargo reporters, who have entered into an agreement or arrangement for the carriage of cargo with other cargo reporters, to report these other cargo reporters. For example, an operator of a ship or aircraft will be required to report the name of any party to whom space has been leased or on-sold (that is, the second cargo reporter). The second cargo reporter will be required to report the name of any party to whom space has been leased or on-sold and report any cargo they have responsibility to report. This cascading process continues until all cargo reporters have been identified and cargo reported.

**The report must be made electronically** and is to be made before the latest time by which a cargo report may be made (see 'Import cargo reports' following).

### Import cargo reports

Section 64AB details the new requirements for making import cargo reports. The key features of import cargo reports will be:

- mandatory electronic reporting (except during the moratorium period)
- reporting of 'consignor' and 'consignee' using the new legislative definitions
- use of the revised timeframes for the reporting of cargo.

### Mandatory electronic reporting

A cargo report will be made electronically unless the general moratorium period or a further moratorium period applies.

#### **General moratorium and further moratorium periods**

Customs realises that many cargo reporters do not currently report electronically before the arrival of a ship or aircraft. To allow cargo reporters to put in place the necessary systems to comply with the new legislation, a six-month moratorium period on the requirement for timely electronic cargo reporting will apply from the commencement of the legislation. During this period, a report may be made by document or electronically.

If the cargo reporter is still unable to comply with requirements within the six-month moratorium, they may apply to the CEO for an extension of the moratorium for up to a further 18 months. An extension will only be granted if the reporter has shown reasonable progress by installing facilities or putting in place business practices or entering into business arrangements, to enable the making of electronic cargo reports.

Note: The moratorium period applies **only** to cargo reports.

**No late reporting penalties during the general moratorium period**

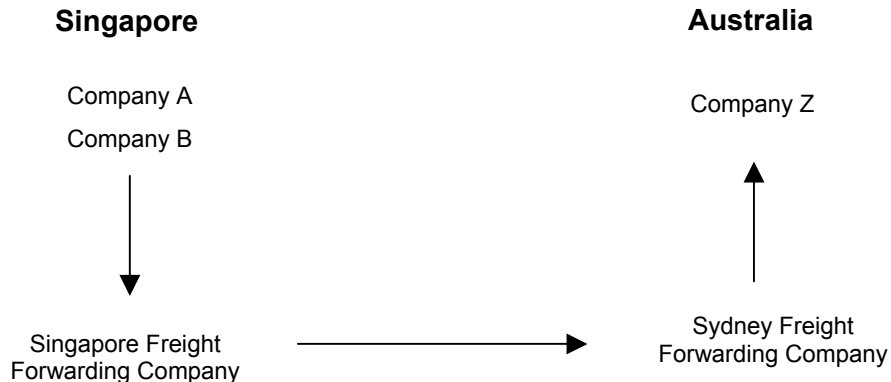
If a cargo reporter commits an offence against section 64AB because the report is not made within the required time during the general moratorium period or a further moratorium period, the cargo reporter will not be liable for a late reporting penalty.

**Who is a consignor and who is a consignee?**

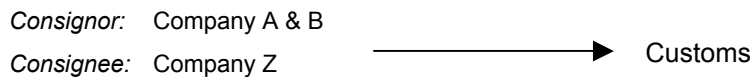
The approved form or statement for a cargo report may require the report to contain details of the consignor or consignee of the goods. The form or statement will require that the consignor be a person outside Australia who is the supplier of the goods and the consignee be the person who is the ultimate recipient of the goods. Details of the service providers (brokers or freight forwarders) are not to be reported in these fields.

**Example**

Company A and Company B (located in Singapore) consign goods to be delivered to Company Z in Australia. The goods from both companies are transported to Australia by Singapore Freight Forwarding, who delivers them to Sydney Freight Forwarding in Australia, who in turn delivers them to Company Z. Company A and Company B in Singapore must be named as the consignors for separate consignments in the cargo report, **not** Singapore Freight Forwarding. Company Z in Australia must be named as the consignee, **not** Sydney Freight Forwarding.



**Cargo report**



## **When do cargo reports have to be made?**

### ***Ships***

A sea cargo report is to be made not later than 24 hours before the estimated time of arrival in Australia as specified in the impending arrival report. Shorter times may be specified for particular journeys described in the regulations.

### ***Aircraft***

An air cargo report is to be made not later than two hours before the estimated time of arrival in Australia as specified in the impending arrival report. Shorter times may be specified for particular journeys described in the regulations.

Regulations made under the Trade Modernisation Act may amend these reporting timeframes if necessary.

## **Early report/early status**

A major advantage of early electronic cargo reporting is that Customs will be able to provide reports on the status of cargo much earlier than at present (section 77AA). If a cargo reporter provides an electronic cargo report at the earliest opportunity, Customs will be able to provide status after the ship or aircraft has left its last overseas port and at the end of the 24-hour (sea cargo) or two-hour (air cargo) screening period. 'Early report/early status' means faster movement of cargo from the point of discharge to its final destination.

For example, if a cargo report is made when a ship is five days away from Australia, and has left the last overseas port, Customs will provide status for clear cargo at the end of the 24-hour screening period. This means that when the ship is four days away from Australia, the operator of the ship and the stevedore will be able to plan the logistics of unloading and the delivery of the cargo.

See [Topic 2: E-commerce](#) for more information about electronic reporting.

## **OUTTURN REPORTS**

When cargo is unloaded from an aircraft or a ship, the depot operator or stevedore whose details have been sent to Customs by the operator of the aircraft or ship under section 64AAC (report of persons engaged to unload cargo) will be required to send to Customs an outturn report (section 64ABAA). The stevedore will also be required to send an outturn report for containerised cargo.

An outturn report will also be required from the person in charge of a Customs place, other than a warehouse, when cargo is moved underbond to that place.

**All outturn reports must be made electronically.**

**'Nil variation' information required**

An outturn report made for cargo unloaded from an aircraft, for non-containerised cargo unloaded from a ship or for any cargo moved underbond to a Customs place other than a warehouse, will specify any goods included in the cargo report that have not been unloaded or received and any goods not specified in the cargo report that have been unloaded or received. If there are no such goods, the outturn report will state that there is a nil variation.

An outturn report made for containers will include a list of the containers that have been unloaded.

To enable a stevedore, depot operator or person in charge of a Customs place to make an outturn report, Customs may disclose certain information contained in the cargo report to that person.

**Explanation of shortlanded or surplus cargo**

If an outturn report specifies that any goods included in the cargo report have not been unloaded or that there are goods that have been unloaded that were not in the cargo report, Customs will be able to ask the cargo reporter to explain why that is the case (section 64ABAC).

**When must outturn reports be made?*****Aircraft***

Outturn reports for cargo unloaded from an aircraft and received into the nominated depot (section 64AAC) are to be sent to Customs within 24 hours after the arrival of the aircraft (section 64ABAB).

***Ships***

Outturn reports for containers unloaded from a ship at a wharf (section 64ABAB) are to be sent to Customs every three hours until all containers have been unloaded. That is, an outturn report is to be sent at the end of three hours after the first container is unloaded and further outturn reports must be sent at the end of each subsequent three hours, until all containers have been unloaded.

The first outturn report will state the time the first container was unloaded and the last outturn report will state the time the unloading of the containers was completed.

For non-containerised cargo, the stevedore will send the outturn report to Customs within five days after the unloading was completed. The report will state when the unloading was completed.

## **Outturn reports for underbond movements**

### *Containers*

If containerised cargo is moved to a Customs place, the person in charge of that place will send an outturn report to Customs within 24 hours after receiving the container (if the container is not unpacked at the Customs place) or within 24 hours of the container being unpacked. If the container is unpacked at the Customs place, the outturn report must state the time the unpacking was completed.

### *Non-containerised cargo*

If non-containerised cargo is moved to a Customs place, the person in charge of that place will make an outturn report no later than the day after the day they recorded a receipt of the cargo.

## **MOVEMENT OF GOODS**

### **Underbond movements**

#### **Who can apply for underbond movements?**

Subsection 71E (2A) will allow the following people to make a movement application where the goods are not entered for home consumption or warehousing:

- the operator of the ship or aircraft that carried the goods
- a cargo reporter who has reported the goods
- a stevedore or depot operator who has possession of the goods

Where the goods have been entered the owner of the goods concerned may make a movement application.

#### **Certain movement applications to be made electronically**

A movement application under subsection 71E(2A) must be made electronically. Movement applications outside 71E(2A) may be made by document.

Once a movement application has been made, Customs may direct the applicant to hold the goods in place until the application has been approved. If Customs has not given such a direction, or a reasonable time has elapsed since giving a direction to allow a decision to be made on the application, Customs will either give the applicant permission to move the goods or will refuse the application and provide reasons for the refusal. Permission to move the goods may be given unconditionally or subject to conditions set out in the message.

#### **Combined underbond movement application and cargo report**

Subsection 71E(3C) will allow a cargo report that states that goods are to be moved from one Customs place to another, to be taken as a movement application.

This reduces the number of required reports to be sent to Customs.

## TRANSHIPMENT CARGO

The current legislative requirement to lodge transshipment entries will be repealed. Subsections 68(1) and (2) have been amended and paragraph 68(1)(j) has been added to exclude from the application of section 68 goods whose destination is a place outside Australia. Paragraph 68(2)(c)), which allowed an owner to enter goods for transshipment, has been repealed.

Transshipment goods and other goods imported into Australia for a temporary period, such as goods under security, will be allocated a transaction number. This number will be automatically generated when the import cargo report, stating the overseas destination, is lodged.

Transshipment goods will remain under Customs control from the time they are imported until they are exported. Customs may direct a person who has possession of transshipment goods not to move the goods or to move them to a place specified in the direction (section 68A).

## OTHER REPORTING REQUIREMENTS

### Stores and prohibited goods

Section 64AAA will introduce the requirement to report stores and prohibited goods on board a ship or aircraft arriving at a port or airport in Australia. The report will be made by document or electronically.

### When to report stores and prohibited goods

#### *Ships*

A report of stores and prohibited goods for a ship will be made **either**:

- no later than 24 hours after the ship has arrived (disregarding any time that falls on Sundays and holidays), **or**
- before a Certificate of Clearance is issued,

whichever happens first.

#### *Aircraft*

A report of stores and prohibited goods for an aircraft will be made **either**:

- no later than three hours after the aircraft has arrived, **or**
- before a Certificate of Clearance is issued,

whichever happens first.

## Passenger report

The operator of a ship or aircraft will be required to provide a report to Customs of the passengers who will be on board at the time of arrival at the port or airport (section 64AC). The report may be made by document or electronically.

The passenger report must be made within the following timeframes.

### ***Ships***

The **latest** a passenger report for a ship can be made will be as follows.

- If the journey from the last port is likely to take 48 hours or more – make the report no later than 48 hours before the estimated time of arrival.
- If the journey from the last port is likely to take less than 48 hours – make the report no later than 24 hours before the estimated time of arrival.

### ***Aircraft***

The **latest** a passenger report for an aircraft can be made is as follows.

- If the flight from the last airport is likely to take three hours or more – make the report no later than three hours before the estimated time of arrival.
- If the flight from the last airport is likely to take less than three hours – make the report no later than one hour before the estimated time of arrival.

## Crew report

The operator of a ship or aircraft will be required to provide a report to Customs of the crew who will be on board the ship or aircraft at the time of its arrival at the port or airport (section 64ACA). The report may be made by document or electronically.

The crew report is to be made within the general timeframes specified for the impending arrival report for the ship or aircraft. However, a crew report for an aircraft is not to be made before the date the aircraft leaves the last airport outside Australia.

## High Volume Low Value cargo

The Trade Modernisation Act will repeal the special reporter provisions as they relate to reportable documents. Reportable documents will be reported to Customs at the consignment level like other cargo consignments; however, there will be concessional cost recovery arrangements for self-assessed clearance declarations relating to such reports (see [Topic 8: Cost Recovery and Depot Licensing Fees](#)).

### **Low value cargo**

Section 63A will define ‘low value cargo’ as cargo consigned from a particular mail-order house or cargo comprising other goods of a kind prescribed by the regulations, of a value not exceeding \$250 or other prescribed amount, consigned otherwise than by post by one person to another and must be transported to Australia in the same ship or aircraft (section 68(1)(f)).

## **Becoming a special reporter**

Subsection 67EB(2) of the Customs Act will be repealed and substituted. The new subsection will simplify the requirements for becoming a special reporter for low value cargo.

A reporter may become a special reporter for low value cargo of a particular kind if either:

- the low value cargo is consigned from a particular mail-order house to consignees in Australia and the applicant is likely to make cargo reports covering at least 1000 consignments per month, or
- the low value cargo is of another kind consigned from outside Australia to a consignee in Australia and the applicant is likely to make cargo reports covering at least the number of consignments per month specified in the regulations.

Section 67EK(3)(a) has been amended to reduce the conditions for renewal as a special reporter, from 15,000 to 3000 mail order consignments in the three months preceding the application for special reporter status.

### ***Liability for screening charge***

A special reporter who sends an abbreviated cargo report must pay a screening charge (section 64ABC). See [Topic 8: Cost Recovery and Depot Licensing Fees](#) for more information about charges.

## **Direction power: section 74**

If a Customs officer has reasonable grounds to suspect that a cargo reporter has not included particular goods in a cargo report or has incorrectly described particular goods, new section 74 of the Customs Act will allow the officer to direct the cargo reporter how and where to store the goods and the extent to which the goods may be moved. That section also allows an officer to give those same directions to a cargo reporter, stevedore or depot operator where the officer has reasonable grounds to suspect that goods that are to be or have been, unloaded are prohibited goods.

## GUIDE TO IMPORT CARGO REPORTING

Report	Who reports	When report due	How to report
<b>Impending arrival report</b>	Operator of ship or aircraft	<p><b>Ship:</b>  <i>Earliest:</i> 10 days before ETA  <i>Latest:</i> If journey more than 48 hours, then no later than 48 hours before ETA;                      If journey less than 48 hours, then no later than 24 hours before ETA</p> <p><b>Aircraft:</b>  <i>Earliest:</i> 10 days before ETA  <i>Latest:</i> If flight more than 3 hours, then no later than 3 hours before ETA;                      If flight less than 3 hours, then no later than 1 hour before ETA</p> <p>NB: Regulations may specify shorter times.</p>	Electronic (if cargo)  Document (if no cargo)
<b>Persons engaged to unload cargo</b>	Operator of ship or aircraft	<p><b>Ship:</b>  <i>Earliest:</i> 10 days before ETA  <i>Latest:</i> If journey more than 48 hours, then no later than 48 hours before ETA;                      If journey less than 48 hours, then no later than 24 hours before ETA</p> <p><b>Aircraft:</b>  <i>Earliest:</i> 10 days before ETA  <i>Latest:</i> If flight more than 3 hours, then no later than 3 hours before ETA;                      If flight less than 3 hours, then no later than 1 hour before ETA</p> <p>NB: Regulations may specify shorter times.</p>	Electronic
<b>Passenger report</b>	Operator of ship or aircraft	<p><b>Ship:</b>  <i>Latest:</i> If journey more than 48 hours, then 48 hours before ETA;                      If journey less than 48 hours, then 24 hours before ETA</p> <p><b>Aircraft:</b>  <i>Latest:</i> If flight more than 3 hours, then 3 hours before ETA                      If flight less than 3 hours, then 1 hour before ETA</p>	Document or electronic
<b>Crew report</b>	Operator of ship or aircraft	<p><b>Ship:</b>  <i>Earliest:</i> 10 days before ETA  <i>Latest:</i> If journey more than 48 hours, then 48 hours before ETA                      If journey less than 48 hours, then 24 hours before ETA</p> <p><b>Aircraft:</b>  <i>Earliest:</i> 10 days before ETA  <i>Latest:</i> If flight more than 3 hours, then 3 hours before ETA                      If flight less than 3 hours, then 1 hour before ETA</p> <p>NB: Regulations may specify shorter times and in the case of an aircrew report it must not be made before the date of departure from the last overseas port</p>	Document or electronic

