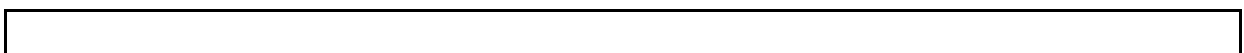




INSTRUCTIONS AND GUIDELINES

FILE NO:

Cargo Examinations
Conducting a General Cargo Examination



THIS INSTRUCTION AND GUIDELINE REFERS TO:

**PRACTICE STATEMENT NO: Programmed Cargo Examinations (Imports)
Programmed Cargo Examinations (Exports)**

Published date: 24 July 2008

AVAILABILITY: Internal and External

SUBJECT: Cargo Examinations - Conducting a General Cargo Examination

PURPOSE: Sets out procedures for conducting a General Cargo Examination.

OWNER: National Director Cargo Division

CATEGORY: Operational Procedure

CONTACT: Director Sea Cargo Operations (Vic)

The electronic version published on the intranet is the current Practice Statement.

SUMMARY OF MAIN POINTS

- Cargo Examinations examine selected incoming cargo consignments to ensure compliance with Customs and allied Legislation
- Report the exam findings to the appropriate issuing officer and Programmer
- Prompt recording of the examination into the EXAMS II database

INTRODUCTION

Cargo Examinations examine selected incoming cargo consignments to ensure compliance with Customs and allied legislation. The majority of examinations are made in response to Query Memoranda (QM) generated by various work areas in Customs. Inspections are for a variety of risks including, but not limited to, commerce markings, trade mark infringements, surplus or misclassified goods and prohibited imports. Cargo Examinations do not undertake targeted narcotics examinations.

INSTRUCTIONS AND GUIDELINES

Conditions.

The following conditions apply when conducting a general cargo examination:

1. The goods to be examined must be goods under Customs control as stated in Section 30 of the Customs Act 1901.
2. The inspection of goods is conducted at a Customs controlled area such as a S15 wharf or S77G depot or, at the location specified in a S71E movement application.
3. The owner/broker or their representative is to be present at the examination. They are responsible for making the cargo available and the opening and re-sealing of packages.
4. Cargo must be made available in a manner that enables the officers to safely examine it. This includes sufficient floor space for the full unpack, examination and storage of cargo. If, when conducting the examination, officer safety is compromised, the examination should be terminated

Resources

Examination equipment, including all tools and documents, should be taken to the examination.

The following legislation may be relevant when conducting examinations and should be referred when necessary:

- Customs Act 1901
- Customs Prohibited (Imports) Regulations 1956
- Commerce (Trade Descriptions) Act 1905
- Commerce (Imports) Regulations 1940
- Trade Marks Act 1995
- Copyright Act 1968
- Environment Protection and Biodiversity Conservation Act 1999
- Quarantine Act 1908

PROCESS STEPS

Scheduling the Examination

Once Customs has determined that an examination is required, the owner/broker (or their representative) books the examination time with the Cargo Examinations Programmer. The owner/broker (or their representative) must lodge all relevant documentation, such as: the Examination Advice, a copy of the entry with proof of payment, a Section 71E movement application (if applicable), invoices, packing list, and airway bill or bill of lading.

The Programmer enters the booking information into EXAMS II, prepares an Examiner's Job Sheet to attach to the documents and allocates the job to the appropriate number of officers.

Prior to the inspection Examinations Officers must:

- Check all copies of import documents and the examiner's job sheet attached to the original Query Memorandum (QM).
- Check NIS reports and the Exams II database for any additional information.
- Be clear on the reason for the examination and what it is you are being asked to do. If an officer is in any doubt about the examination they should contact the QM issuing officer for clarification before commencing the job.
- Consider OH&S issues (appropriate Personal Protective Equipment, check if container has been fumigated and if fumigants have been allowed to dissipate, are the goods themselves dangerous?)
- Ensure you have the necessary tools to perform the task safely and effectively.
- Ensure that the vehicle assigned to the job is suitable for the location of the job. E.g. If travelling to a waterfront area the vehicle must be appropriately marked and fitted with safety lights

Under no circumstances are officers to enter containers.

During the Examination

- On arrival, park in a safe area and, switch on safety lights if necessary.
- Notify depot administration and ascertain location of goods. Meet with owner/broker (or their representative)
- Comply with all OH&S requirements at the premises.

- Ensure Customs' examination documents are kept secure and private. "Job Sheets" are protected documents and must be handled accordingly.
- Identify the goods against the marks and numbers on the invoices, packing list, airway bill or bill of lading and the entry: If the cargo is a Full Container Load (FCL), check container number and seal number (if unopened). If unpacked, check the number of packages.
- Photograph an overview of the consignment, the container including any marks and numbers and any other items that may be of interest.
- Look for signs of pillage.
- If there are any discrepancies, take notes and photographs to include in a cargo examination report to the issuing officer.
- Examine the consignment in accordance with the Examination Advice. This may vary from a representative sample through to 100% check of contents.
- If there are surplus goods in the consignment conduct a 100% count of the consignment so that goods can be matched against the invoice provided.
- Photograph any surplus goods and contact the issuing officer for further advice.
- If goods appear to be misclassified, photograph them and take a sample for tariff classification. Contact the issuing officer for further advice.
- If goods are suspected to be trade mark infringed contact the issuing officer for clarification and further advice.
- Maintain an overall Customs perspective. Keep an eye out for anything that may be suspicious or of interest to Customs. Officers should undertake a secondary risk assessment of all goods based on visual observation of the goods. If necessary the examination should be upgraded to a 100% examination and the Programmer advised accordingly.
- Issue a B390 (Receipt for Goods) to the owner/broker (or their representative) for goods that are detained or when samples are drawn,. Prior to doing this, photograph the consignment.
- Ensure the owner or representative signs the B390 prior to you completing the examination and leaving the premise.

Note: A B390 should only be used where samples are drawn or if the cargo is to be immediately transferred to Detained Goods Management. Customs should not accept responsibility for goods destined for medium/long term storage in a s77G Depot or s79 Warehouse. Storage charges may apply.

After the examination.

Determine next action:

If: Negative / No detection (i.e. the consignment is compliant with all legislative requirements)

- Advise the owner/broker (or their representative) that you will report back to the Customs issuing officer who will advise him/her of the next step. Do not advise the person as to when the consignment will be cleared, this is for the issuing officer to decide.
- Report the examination findings to issuing officer and forward completed paperwork to him/her.
- Enter job report into EXAMS II database, include travel time and distance for allocation of fees, if the inspection was at place other than a Customs controlled area. Record any time difference between actual job time and scheduled time.
- Enter details of the job into official Customs notebook.

If: Positive / Detection (i.e. the consignment is non-compliant with any legislative requirements):

- If the detection meets any requirement of a B513 (Significant Detection), immediately notify the Supervisor Cargo Examinations (or Manager)
- Report the findings to the issuing officer.
- Advise the owner/broker (or their representative) that you will report back to the issuing officer and the consignment will remain “Held” until further notice.
- Transfer any detained goods to the Detained Goods Officer.
- Enter job report into Exams II, including details & quantity of Positive Finds if infringement was found. Include travel time and distance for allocation of fees if the inspection was at a place other than a customs controlled area. Record any time difference between actual job time and scheduled time.
- Enter any positive finds into NIS.
- Order and complete any required files, commerce infringement notices and forward files to the appropriate area as follows:
- Enter details of the job and associated finds into official notebook.
- **For possible Trade Mark infringements**, photograph, count and draw samples of the suspect goods. Contact the Issuing officer for further advice.
- **For possible Commerce Marks infringements** photograph and prepare a list of the goods for inclusion in a Commerce Infringement Notice. Contact the issuing officer for further advice.
- **For Prohibited Imports**, photograph, count and detain the goods on a B390 then transfer them to the Detained Goods Officer (DGO).
- **For Prohibited Exports** photograph, count and detain on a then transfer them to the Detained Goods Officer (DGO).
- **For any other detection** contact the issuing officer for further advice.

RELATED POLICIES AND REFERENCES

PRACTICE STATEMENTS

- Programmed Cargo Examinations (Imports)
- Programmed Cargo Examinations (Exports)

OTHER INSTRUCTIONS AND GUIDELINES

- Conducting an examination at clients request.
- Conducting an auto parts examination.
- Detection of explosives
- Examining unaccompanied Personal effects.
- Precursor chemicals.

KEY ROLES AND RESPONSIBILITIES

Examination Officer (EO) – Is responsible for:

- the completion of the examination in accordance with the process steps
- reporting back to the Programmer with his/her findings,
- the prompt recording of the examination into the EXAMS II database
- Report the exam findings to the issuing officer.

Programmer – Is responsible for:

- booking and scheduling examination jobs
- responding to queries from the Examining Officer

Issuing Officer – Is the officer who issued the examination task and is responsible for:

- the eventual release of the consignment and
- is the person whom the EO reports to with any findings or
- for further advice on how to complete the exam.

CONSULTATION

INTERNAL

The following internal stakeholders have been consulted in the development of these Instructions and Guidelines.

- Air Cargo Operations
- Sea Cargo Operations
- Compliance.

APPROVAL

Approved on 21 July 2008 by:

ND Cargo