



## INSTRUCTIONS AND GUIDELINES

The reporting requirements and Customs clearance procedure for Australian Department of Defence arriving cargo.  
(April 2008)

THIS INSTRUCTION AND GUIDELINE REFERS TO:  
**PRACTICE STATEMENT:** Cargo Clearance - Imports  
**PUBLISHED DATE:** 15 May 2008  
**AVAILABILITY:** Internal and External

**BCS CLASSIFICATION:** *TDFC\_ Cargo Reporting*  
**FILE NUMBER:** 2008/004896-02

<b>SUBJECT:</b>	<b>The standard procedures for the reporting and Customs clearance of Australian Department of Defence cargo arriving in Australia.</b>
<b>PURPOSE:</b>	To establish a nationally consistent framework for the handling of Australian Department of Defence cargo by Customs officers.
<b>OWNER:</b>	National Director Cargo
<b>CATEGORY:</b>	Operational

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

## SUMMARY OF MAIN POINTS

This Instructions and Guidelines document provides procedural guidelines for the reporting and Customs clearance of cargo owned, or in the possession of the Australian Department of Defence. The aim is to provide a nationally consistent expectation for the Department of Defence on Customs requirements for the reporting and clearance of cargo arriving in Australia onboard a Department of Defence owned ship or aircraft, or a ship or aircraft chartered by the Department of Defence. This Instructions and Guidelines document supplements information available in Practice Statement “*Cargo Clearance - Imports*”.

This Instructions and Guidelines document addresses the reporting and clearance procedures for inwards cargo at the first port of arrival. The cargo reporting requirements are detailed for:

- New or recently purchased cargo;
- Cargo returning to Australia;
- Firearms, weapons and associated equipment;
- Permit requirements for goods moved for Defence sanctioned operations and exercises
- Safe hand cargo; and
- The return of human remains.

This document does not detail the reporting requirements for arriving unaccompanied personal effects. Refer to *The reporting requirements and Customs clearance procedure for Australian Department of Defence unaccompanied personal effects of military personnel*.

## INTRODUCTION

Customs recognises that the clearance of cargo owned, or in the possession of, the Australian Department of Defence (‘Defence’) is often moved for operational use by Defence personnel at relatively short notice. Facilitation of the movement of this cargo may have consequences for national security and the operational safety of Defence personnel. However, it is important that all cargo arriving in Australia is reported to Customs to allow for risk assessment of the cargo and to allow Customs to advise Defence if goods are required to be formally entered into home consumption (usually via an Import Declaration).

For Customs purposes, the accurate and timely reporting of cargo is imperative to enable risk assessment of cargo, to effectively manage high-risk cargo and to provide trade statistics that inform government policy. The arrangements for the reporting of cargo below provide a

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nationally consistent approach to cargo reporting and clearance in order to increase transparency for both Defence and Customs.

The mutually agreed definition of “military cargo”, used by Customs and Defence, is as follows:

***Military Cargo*** comprises items that are to be used for military operations exercises and training deployment and are for the use of, are owned by and remain under the control of the Australian Defence Force.

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For commercially consigned cargo arriving in Australia onboard any ship or aircraft, the normal Customs reporting requirements apply to clear the goods from Customs control. This includes importations made by private companies made on behalf of Defence.

For routine movements of cargo by Defence by other means (i.e. not commercially consigned), such as cargo that arrives in Australia on board a military ship/aircraft or on board a ship/aircraft chartered by Defence without commercial transport documentation such as an Airway Bill or Bill of Lading, the cargo should be reported by Defence on an “inward cargo manifest”. A template for an inwards cargo manifest is available at Attachment A to this Instructions and Guidelines document.

An inwards cargo manifest can be provided as a paper document, by fax or by email. The inwards manifest is a detailed listing of all cargo onboard a ship or aircraft, including any the details of any import declarations for cargo that is subject to normal import requirements (see below). An inwards cargo manifest should be provided to the nearest Customs Office to the first port of arrival prior to, or upon arrival, of the ship or aircraft. If there is no cargo on board there is no requirement for an inwards cargo manifest to be supplied.

It is the responsibility of Defence to provide a cargo manifest to the nearest Customs Office to the first port of arrival for any ship or aircraft.

All Customs officers receiving an inwards cargo manifest should conduct a risk assessment of cargo. Once the details on the cargo manifest have been checked, the Customs Officer should return a copy of the inwards cargo manifest to Defence. Every item on the manifest should have a status given, with advice on how to proceed with Customs clearance if necessary. The possible status conditions that may be issued are:

- “*Entry required*” for any cargo where Customs requires an import declaration to be completed before the cargo can be released;
- “*B534 required*” for any consignments of unaccompanied personal effects;
- “*Further information required*” for any items listed on the cargo manifest where insufficient details are provided;
- “*HOLD*” for any cargo that Customs may wish to examine;
- “*Underbond*” for any cargo that is to be Customs cleared at another port; or
- “*May Be Delivered (MBD)*” for cargo that can be released without further action.

All inwards cargo must be stored in a secure area. Where applicable this may be within the licensed area under section 77G of the *Customs Act 1901*, prior to Customs clearance.

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If Defence have organised for arriving cargo to be moved to a different port for Customs clearance, the cargo should be moved under Customs control or “underbond”. All items on an inwards cargo manifest that will be moved prior to Customs clearance should be clearly marked as “underbond”.

Defence should send a copy of the cargo manifest to the nearest Customs Office to the destination port *as soon as possible* for Customs clearance regardless of whether the cargo is removed from a ship or aircraft at the port of arrival, or the cargo is kept onboard a ship or aircraft for transportation to the destination port. Customs encourages Defence to finalise Customs clearances of cargo at ports where a Customs Officer can be present at the first port of arrival.

Customs officers should note that clearance procedures should be undertaken in consultation with officers of the Australian Quarantine and Inspection Service (AQIS) through the Machinery and Military National Coordination Centre (M&M NCC), which can be contacted by email to [AQIS.Military@aqis.gov.au](mailto:AQIS.Military@aqis.gov.au) or via fax to (07) 3246 8785. Customs officers should check with their local AQIS counterparts as to whether movement is permitted in cases where an underbond move is requested.

### **1. The reporting and clearance of new or recently purchased cargo**

For cargo that has been identified as new or recently purchased, and arriving in Australia for the first time, the cargo status should be identified as “*Entry required*”. This cargo will require an import declaration to be finalised before the cargo can be released from Customs control.

The import declaration can be communicated electronically to Customs via the Integrated Cargo System (ICS), or by document on Customs form B650 - *Import Declaration (N10)*. For all cargo being reported on an import declaration the “Mode of Transport” field should nominate “Other”.

### **2. The reporting and clearance of cargo returning to Australia**

1. Where cargo was reported for export on an export declaration using AHECC code 9903.00.91 (i.e. non-military cargo such as office supplies etc), these goods are considered to have been reported for export, and therefore are required to be re-entered on an import declaration when arriving back in Australia. These goods may be reported utilising Item 17 of Schedule 4 of the *Customs Tariff Act 1995* to identify them as returning Australian goods.
2. For cargo that is returning to Australia, where
  - the goods have been previously imported, or were manufactured in Australia; and
  - the goods were not reported for export on an export declaration;
 An import declaration is not required in order for the goods to be released from Customs control.

The possible status conditions that may be issued for this type of cargo are:

- “*B534 required*” for any consignments of unaccompanied personal effects;

- “*Further information required*” for any items listed on the cargo manifest where insufficient details are provided;
- “*HOLD*” for any cargo that Customs may wish to examine;
- “*Underbond*” for any cargo that is to be Customs cleared at another port; or
- “*May Be Delivered (MBD)*” for cargo that can be released without further action.

### **3. The reporting and clearance of inwards firearms, weapons and associated equipment**

1. All firearms, weapons and associated equipment should be clearly described on the cargo manifest. As per the agreed definition, these goods are considered military cargo.
2. Pre-arrival Customs clearance of firearms and weapons can be facilitated in cases where Defence is able to provide a cargo manifest detailing the goods, and any necessary import declarations have been lodged prior to arrival.
3. Due to security requirements for such cargo, the military escort who is responsible for the security of the cargo in transit may continue to escort the cargo from the ship or aircraft to a secure area. The escort may remain with the cargo until it receives Customs clearance.
4. There is no requirement for firearms consignment serial numbers to be checked or for individual firearms to be examined and made safe. Customs is not taking possession of the firearms and therefore need not account for individual items within the consignment. The safe and clear procedure for taking delivery of firearms does not apply in these circumstances.
5. Normal permit requirements apply to personal importations of firearms, weapons and equipment by Defence personnel. Equipment including military souvenirs and trophies/displays of firearms, dangerous weapons or items not owned by Defence are subject to normal Customs requirements.

### **4. Permit requirements for goods moved for Defence sanctioned operations and exercises**

Where Defence has advised Customs in writing of an operation or exercise sanctioned for the purposes of import and export permit requirements, Customs will not require import permits for Defence in the following circumstances:

- the goods are owned by Defence; and
- the goods are imported or exported by Defence; and
- in the case of accompanied goods, the goods are accompanied by fully authorised Defence personnel; and
- the goods are not newly imported, that is, the goods have been imported into Australia on a previous occasion.

In all other circumstances the goods will be detained by Customs for confirmation with relevant authorised Defence officials.

## 5. Safe Hand cargo

1. Safe Hand cargo may consist of documents, electronic storage media, communications equipment or any other classified goods that impact on national security. A Safe Hand courier will always escort authorised military Safe Hand cargo. The Safe Hand courier will carry a Defence Safe Hand dispatches document (Form XC56) detailing all cargo under escort by package or bag number. All Safe Hand goods are to be reported on a cargo manifest by listing the package or bag numbers displayed on the “Department of Defence by Safe Hand” tag (XC42), which is attached to each bag or package.
2. Authorised military Safe Hand cargo is exempt from formal import declaration requirements regardless of its value.
3. Pre-arrival clearance of Safe Hand cargo can be facilitated when Defence is able to provide a cargo manifest detailing the goods.

## 6. The return of human remains

Human bodies and cremated human remains arriving in Australia are still required to be reported to Customs. However they are exempt from formal import clearance requirements. Customs officers should note that clearance procedures must be undertaken in consultation with AQIS officers.

## RELATED POLICIES AND REFERENCES

### PRACTICE STATEMENTS

- Cargo Reporting – Exports
- Cargo Reporting - Imports

### INSTRUCTIONS AND GUIDELINES

- The reporting requirements and Customs clearance procedure for Australian Department of Defence unaccompanied personal effects of military personnel
- The reporting requirements and Customs clearance procedure for Australian Department of Defence outwards cargo

For general queries contact Customs Cargo Support helpdesk on 1300 558 09, fax: (02) 8339 6713, or via email to [cargosupport@customs.gov.au](mailto:cargosupport@customs.gov.au).

## KEY ROLES AND RESPONSIBILITIES

National Manager Industry Engagement and User Services is responsible for:

1. Ownership and development of the instructions and guidelines.
2. Ensuring wide understanding of the practice and implementation and application of the instructions and guidelines.
3. Liaison with other National Managers where there is shared or overlapping responsibility.

Director Cargo Reporting & Exports is responsible for:

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The coordination of development, revision and maintenance of the instructions and guidelines related to Cargo Clearance – Imports

National Managers (Operations) are responsible for:

1. Assisting in the development, revision and maintenance of instructions and guidelines.
2. Ensuring that regional managers are provided with the resources to ensure staff have access to the instructions and guidelines and are trained accordingly.
3. Ensuring that outcomes are achieved by adherence to the approved instructions and guidelines.
4. The breaches of the instructions and guidelines are dealt with in a timely and appropriate manner.
5. That errors or improvements in identified instructions and guidelines are reported to the appropriate persons.

Managers are responsible for:

1. Providing training to regional supervisors and officers ensuring they have a sound understanding of the instructions and guidelines to achieve nationally consistent outcomes.
2. Assisting in the development and maintenance of instructions and guidelines.
3. Ensuring that instructions and guidelines are complied with.

Supervisors and Officers are responsible for:

1. Ensuring that they are familiar with this instructions and guidelines paper and undertake appropriate training.
2. Knowing and understanding the application of instructions and guidelines when working in Clearance of Cargo – Imports.

## CONSULTATION

### INDUSTRY ENGAGEMENT

Department of Defence  
Australian Quarantine and Inspection Service

### INTERNAL CONSULTATION

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

- Compliance Division
- Trade Regulation and Policy Branch
- District offices of Customs

## APPROVAL

Approved on 9 May 2008 by:

[signed]

Jacylne Fisher  
National Director Cargo

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